



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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Governor William J. Janklow
and Members of the Seventy-Third
Legislative Session

Transmitted herewith is the 1997 Annual Report/1998 State Water Plan of the Board of Water and Natural Resources. The Annual Report describes the past year's water development activities throughout the state. The State Water Plan outlines the projects on the State Water Facilities Plan and provides the board's funding recommendations to the Governor and Legislature for Water and Environment Fund fiscal year 1999.

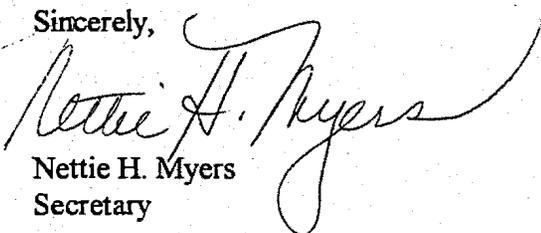
Throughout this document you will see significant progress has been made by the department and the board on a number of water, wastewater, and solid waste programs. Over the past year, the board awarded more than \$23 million in grant and loan funds for construction of municipal drinking water systems, wastewater facilities, lake/watershed projects, rural water systems, irrigation projects, solid waste disposal, waste tire, and recycling projects. These awards resulted in more than \$94 million in total construction activity.

The department will administer the new Drinking Water State Revolving Fund (SRF) program that was created by the federal Safe Drinking Water Act amendments of 1996. The program is designed to provide low-interest loans to municipalities, special purpose water districts, and rural water systems for the construction of drinking water facilities. South Dakota was notified by the Environmental Protection Agency (EPA) in September that its program had been approved. South Dakota was one of the first states in the nation to receive approval from EPA for implementation of the Drinking Water SRF. Initial loans are anticipated in early 1998.

The department's mission and objective is "to provide environmental and natural resources assessment, financial assistance, and regulation in a customer service-oriented manner which provides protection of public health, conservation of natural resources, preservation of the environment, and promotes economic development." The Board of Water and Natural Resources activities and recommendations help the department accomplish its mission.

The department will continue to work with the Board of Water and Natural Resources, the project sponsors, and the public to successfully implement and streamline all programs. Together we can continue to "protect South Dakota's tomorrow...today."

Sincerely,



Nettie H. Myers
Secretary

BOARD OF WATER AND NATURAL RESOURCES



SD BWNR from left to right: Steven W. Lowrie, Roger Larsen, Dale Kennedy, John Loucks, Don Bollweg, and Gregg Greenfield. Not pictured Jerry Kleinsasser.

Steven W. Lowrie, Chairman
John Loucks, Vice Chairman
Dale Kennedy, Secretary
Don Bollweg
Roger Larsen
Gregg Greenfield
Jerry Kleinsasser

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To
Governor William J. Janklow
and the
Seventy-Third Session, Legislative Assembly
1998

1997 ANNUAL REPORT
~~and~~
1998 STATE WATER PLAN

Board of Water and Natural Resources

January 1998

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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 1997 Annual Report and the 1998 State Water Plan. The annual report provides progress reports on each project and on board activities during 1997. The second section sets forth the projects included in the State Water Facilities Plan and the State Water Resources Management System. It also sets forth recommended funding for State Water Resources Management System projects, the Consolidated Water Facilities Construction Program, and the Solid Waste Management Program. 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 1998 is included in Appendix A.

1997 ANNUAL REPORT

Board of Water and Natural Resources

Overview

An annual report of the Board of Water and Natural Resources is required by South Dakota Codified Law (SDCL) 46A-1-14. The report contains all of the board's 1997 activities, including a detailed account of expenditures from the Water and Environment Fund.

In November 1996, the board placed 52 projects onto the 1997 State Water Facilities Plan. During the year, the board amended an additional 24 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 \$23 million in grant and loan funds for construction of municipal drinking water systems, wastewater facilities, lake/watershed projects, rural water systems, irrigation projects, solid waste disposal, waste tire, and recycling projects. These awards resulted in more than \$94.7 million in total construction activity. The loan and grant funds helped provide South Dakotans with safe and dependable environmental infrastructure.

State Water Resources Management System

In 1997, the board approved \$5,297,500 in state funding for projects on the State Water Resources Management System component of the State Water Plan (Table 1). These awards leveraged more than \$50 million in federal funds.

West River/Lyman-Jones Rural Water used \$500,000 in state loan funds for the construction of distribution system facilities as advanced features of the Mni Wiconi project. The advanced features use interim ground water sources for their water supply. Contracts for the construction of the Reliance and Vivian North service areas were awarded in 1997. The Reliance area project is scheduled to be substantially completed before the end of 1997. The Vivian North area project was bid and awarded late in 1997, with construction to begin in the spring of 1998. The Oglala Sioux Water Supply System bid and awarded a \$16.4 million contract for the construction of the water treatment plant near Fort Pierre.

Mid-Dakota Rural Water System was awarded \$1 million in state grant funds for administrative, engineering, and construction efforts. By the end of 1997, the water treatment plant, Highmore water storage tower, main pipeline to the Highmore tower, and pipeline to Gettysburg were completed. The completion of the main pipeline and the pipeline to Gettysburg allowed the system to begin providing potable water to the communities of Highmore, Onida, and Blunt along with rural users in the Oahe Plains Water System. The system has also bid and awarded two additional contracts that would provide service to rural customers in the Canning, Onida, Okobojo, and Highmore West service areas. Water service to customers in these areas should be available by the end of 1998.

The Belle Fourche Irrigation District was awarded \$1.5 million in state grant funds for the last year of construction on the irrigation rehabilitation project. In 1994, the federal authorization construction ceiling was raised by \$14.5 million to complete the rehabilitation efforts. The amendment language provided for a federal cost share of \$10.5 million and a state cost share of \$4 million. With the 1997 state appropriation of \$1.5 million, the state cost share commitment has been completed. The \$4 million in state funds over the last three years has been utilized to replace 47 wooden bridges that did not meet current safety standards. Of those 47 bridges, six were replaced with prestressed concrete deck, two were replaced with precast concrete arch pipes, and the rest were replaced with precast concrete box culverts.

Table 1

**STATE WATER RESOURCES MANAGEMENT SYSTEM
1997 FUNDING AWARD SUMMARY**

<u>Project</u>	<u>Amount</u>		<u>Type</u>
Bad River Restoration	\$ 87,500		Grant
Belle Fourche Irrigation	1,500,000		Grant
Black Hills Hydrology & Water Mgmt	200,000	(1)	Grant
Black Hills Hydrology & Water Mgmt	210,000		Grant
Brennan Reservoir	25,000	(2)	Grant
James River Restoration	100,000		Grant
Lake Andes-Wagner/Marty II	75,000	(3)	Loan
Lewis and Clark Rural Water System	50,000		Grant
Mid-Dakota Rural Water System	1,000,000		Grant
Mid-Dakota Rural Water System	1,000,000		Loan
Mni Wiconi Rural Water System	500,000		Loan
Perkins County Rural Water System	<u>550,000</u>		Grant
TOTAL	\$5,297,500		

- (1) Appropriation approved by the 1996 State Legislature
 (2) Appropriation approved by the 1993 State Legislature
 (3) Appropriation approved by the 1995 State Legislature

**Wastewater State
Revolving Fund
Loan Program**

The Wastewater State Revolving Fund Loan Program, which began in 1988, is designed to provide low-interest loans to governmental entities including municipalities, sanitary districts, and waste management districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. To date, 96 loans have been made from the program totaling \$79.6 million.

During calendar year 1997, the board approved 11 loans totaling \$14,675,000 (Table 2). The 1997 interest rates were 4.5 percent for 10 years, 5 percent for 15 years, and 5.25 percent for 20 years. These rates will be retained in 1998. At its November meeting, the board took action reducing the interest rate on the program bonds from 6.25 percent to 6 percent.

Table 2

1997 WASTEWATER STATE REVOLVING FUND LOANS

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Interest Rate</u>
Bridgewater	Storm Sewer Construction	\$120,000	5.25%
Groton (03)	Treatment Facility Upgrade	635,000	5.25%
Lennox (02)	Treatment Facility Upgrade	600,000	5.25%
Mitchell	Storm Sewer Construction	2,000,000	4.5%
Philip (02)	Sewer Rehab. & Storm Sewer Const	325,000	5.25%
Pickrel Lake San. Dist. (02)	New Collection System	670,000	5.25%
Sioux Falls (13)	Sewer Line Rehabilitation	2,500,000	4.5%
Sturgis (03)	Slope Repair and Riprap	450,000	5.25%
Tea (03)	New Interceptor Line	250,000	5.25%
Yankton (01)	Treatment Facility Upgrade	2,625,000	5.25%
Yankton (02)	Treatment Facility Upgrade	4,500,000	6.0%
TOTAL		\$14,675,000	

Drinking Water State Revolving Fund Loan Program

The Drinking Water State Revolving Fund (SRF) Loan Program is a new program created under the Safe Drinking Water Act Amendments of 1996. The program is designed to provide low-interest loans to non-profit corporations and governmental entities including municipalities, sanitary districts, and water user districts. The loans are used for construction of drinking water facilities.

EPA provided the final guidance for the Drinking Water SRF program in March 1997. The Board of Water and Natural Resources adopted administrative rules for the program at its April meeting. In May, the board adopted the 1997 Intended Use Plan and set the interest rates at 4.5 percent for 10 years, 5 percent for 15 years, and 5.25 percent for 20 years. The department formally submitted South Dakota's Operating Agreement and Capitalization Grant Application to EPA in August. Both of these documents were approved by EPA in September. At its November meeting, the board took action to retain these interest rates for 1998.

**Watershed
Protection - EPA
Implementation
Grants**

The South Dakota Watershed Protection program is designed to assess the status of pollution sources and their subsequent effect on waterbodies throughout the state, provide technical assistance to local project sponsors in the design and implementation of individual projects, provide financial and technical support to individual projects through the management of state and federal grants, provide assistance in monitoring the effectiveness of implementation projects, provide assistance in information and education, and provide assistance in the development of pollution prevention programs. In September 1996, \$1,253,790 was received to award to watershed projects.

The board has oversight authority of EPA grants for watershed projects. Applications for EPA implementation grants are approved by the board prior to submission to EPA (Table 3).

Table 3

1997 EPA IMPLEMENTATION GRANT AWARDS

<u>Project</u>	<u>Description</u>	<u>Amount</u>	<u>Project Cost</u>
Bad River Phase III	Watershed Restoration	\$ 14,319	\$ 565,176
Bootstraps	Information & Education	306,760	897,400
Lake Redfield	Watershed Restoration	289,711	2,348,445
Upper Bad River	Watershed Restoration	314,000	2,020,300
Upper Big Sioux	Watershed Restoration	<u>329,000</u>	<u>726,321</u>
TOTAL		\$1,253,790	\$6,557,642

**Watershed
Protection - EPA
Development
Grants**

The Department of Environment and Natural Resources also has oversight of project development grants. These activities are critical for the development of effective implementation projects. Following are the projects funded through the EPA development grants (Table 4). In September 1996, \$27,233 was received to award for EPA development grants.

Table 4

1997 EPA DEVELOPMENT GRANTS

<u>Project</u>	<u>Description</u>	<u>Amount</u>	<u>Project Cost</u>
Firesteel Creek/Davison CD	AGNPS Data	\$ 6,233	\$ 17,565
Lake Poinsett	Planning and Design	14,000	14,000
SD Assn. of Conservation Districts	Conservation Planning Seminars	<u>7,000</u>	<u>177,940</u>
TOTAL		\$27,233	\$209,505

Pollution Prevention

The department has responsibility for the administration and oversight of the Pollution Prevention Program to include pass-through grants and statewide program development. The program is funded through EPA grants and state and local match. The projects listed in Table 5 were funded through Pollution Prevention grants during 1997. In February 1997, \$39,600 was received to award for pollution prevention.

Table 5

1997 EPA POLLUTION PREVENTION GRANTS

<u>Project</u>	<u>Description</u>	<u>Amount</u>	<u>Project Cost</u>
Abandoned Well Sealing Project	Pollution Prevention	\$ 4,400	\$ 43,052
Hand-Hyde Bootstraps Project	Pollution Prevention	10,000	52,400
Onsite Wastewater Treatment	Pollution Prevention Training	15,000	24,900
Pollution Prevention for Teachers	Pollution Prevention Training	5,200	10,827
Precision Farming Project	Pollution Prevention	<u>5,000</u>	<u>10,000</u>
TOTAL		\$39,600	\$141,179

Solid Waste Management Program

The 1997 State Legislature appropriated an additional \$1,345,000 for the Solid Waste Management Program. The Legislature also authorized the use of up to \$500,000 of this funding for waste tire to energy production in Fiscal Year 1998. The waste tire funding was divided into two categories--waste tire shredding and transporting and waste tire pile cleanups. The Board of Water and Natural Resources was provided up to \$250,000 in each of these categories. Additionally, the Legislature authorized the board to provide loans as well as grants under the program. Funds to support this program 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.

The board's regularly scheduled December 1996 and June 1997 funding rounds reviewed a total of 19 applications. From these applications, the board awarded 15 new grants totaling \$917,300 (Table 6). Of the new awards, one was for a landfill closure; five were for waste tire pile cleanups; three were for regional landfill construction, upgrades, or studies; one was for construction of a restricted use site; and the remaining five awards assisted recycling projects.

The board also amended two existing grants resulting in an additional \$74,500 in award obligations. These amendments brought the total amount awarded during the year to \$991,800. The 1997 Solid Waste awards leveraged approximately \$2.1 million in total project construction.

Table 6

1997 SOLID WASTE MANAGEMENT PROGRAM

Municipal Solid Waste Grants

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Total Project</u>
Belle Fourche	SW Baler	\$200,000	\$400,000
Bon Homme County	Closure	28,000	65,000
Brown County	Alternative Cover Machine	32,000	155,000
Clark	Restricted Use	10,000	16,590
Rapid City	Household Hazardous Waste Study	<u>11,000</u>	<u>19,680</u>
TOTAL		\$281,000	\$656,270

Recycling Grants

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Total Project</u>
Dependable Sanitation	Recycling Center Expansion	\$ 62,500	\$141,000
Freeman	Recycling Center Addition	21,500	67,774
Sioux Falls/Brookings	Yard Waste Grinder	250,000	500,000
Tripp County	Recycling Center Improvement	45,000	89,791
Waubay	Recycling Drop Off Center	<u>4,800</u>	<u>6,500</u>
TOTAL		\$383,800	\$805,065

Waste Tire Pile Cleanup Grants

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Total Project</u>
Brown County Landfill	Waste Tire Cleanup	\$125,000	\$275,000
Day County	Waste Tire Cleanup	3,000	4,000
Huron	Waste Tire Cleanup	100,000	200,000
Lead	Waste Tire Cleanup	8,000	16,500
Philip	Waste Tire Cleanup	<u>16,500</u>	<u>33,500</u>
TOTAL		\$252,500	\$529,000

**Consolidated
Water Facilities
Construction
Program**

The 1997 State Legislature appropriated \$2.6 million for the Consolidated Water Facilities Construction Program to provide grants and loans for water development projects on the State Water Facilities Plan. The board was given authority to deposit up to \$600,000 of this appropriation into the Drinking Water State Revolving Fund program to provide state match for the federal program.

The board considered 44 applications for consolidated funding, awarded 17 new grants totaling \$2,073,000, and amended six previous grants with additional funding totaling \$283,600 (Table 7). The 1997 consolidated awards totaled \$2,356,600 (\$183,600 from prior year appropriations) and helped leverage more than \$11.58 million in construction activities.

Table 7

1997 CONSOLIDATED AWARDS

<u>Recipient</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>	<u>Type</u>
BDM Rural Water	System Expansion	\$ 175,000	\$ 5,100,000	Grant
Beadle Conservation District	Ravine Lake Restoration	43,600	53,840	Amend
Bridgewater	Storm Sewer	35,000	205,000	Grant
Campbell County Cons Dist	Spillway Repair	7,000	11,510	Grant
Davison Rural Water System	System Expansion	25,000	117,283	Amend
Eden	Water Meters	6,000	12,580	Grant
Gregory	Water Distribution Upgrade	50,000	161,700	Grant
Groton	Wastewater Treatment Facility	50,000	45,750	Amend
Harrisburg	Wastewater Treatment Facility	265,000	838,850	Grant
Lennox	Wastewater Treatment/Collection	300,000	701,490	Grant
Mellette	Wastewater Collection Upgrade	60,000	493,400	Grant
Pickerel Lake San Dist	Wastewater Treatment/Collection	300,000	1,164,400	Grant
Pickerel Lake San Dist	Wastewater Treatment/Collection	100,000	0	Amend
Richmond Lake San Dist	Wastewater Treatment/Collection	240,000	790,253	Grant
Roscoe	Wastewater Treatment	10,000	33,530	Amend
Rosholt	Water Supply	40,000	190,000	Grant
So. Spink-No. Beadle RWS	Water Distribution Upgrade	75,000	362,500	Grant
Spink County Cons Dist	Lake Restoration/Watershed	90,000	150,500	Grant
Strandburg	Wastewater Treatment/Collection	70,000	348,000	Grant
Stratford	Wastewater Treatment/Collection	55,000	107,865	Amend
Swan Lake Assn	Lake Restoration	135,000	225,160	Grant
Timber Lake	Water Distribution Upgrade	25,000	70,950	Grant
Yankton	Wastewater Treatment Expansion	200,000	396,000	Grant
TOTAL		\$2,356,600	\$11,580,561	

**Water
Development
District Contract
Approval**

SDCL 46A-3E-7 states, "Any contract requiring expenditure of more than fifty thousand dollars by a water development district to assist or construct a water resources project is subject to approval by the Board of Water and Natural Resources to ensure that the contract conforms with the provisions of SDCL 46A-2-3." One contract by the James River Water Development District for \$8,867,000 was presented and approved by the board in November 1997.

**1997 Water
Development
Legislation**

Federal Legislation

Congressional Hearings

Federal legislation to authorize construction of the Fall River Rural Water System, the Lewis and Clark Rural Water System, and the Perkins County Rural Water System was introduced in 1997. The Senate Subcommittee on Water and Power held hearings on the Fall River Rural Water System on June 10, 1997, and the Lewis and Clark Rural Water System on October 7, 1997.

Appropriations

The federal fiscal year 1998 Energy and Water Development Appropriations Bill was signed by the President on October 13, 1997 (Public Law 105-62). The funding levels for South Dakota water projects are listed in Table 8.

Table 8

**FEDERAL FISCAL YEAR 1998 APPROPRIATIONS
Bureau of Reclamation**

Facility Operation, Maintenance & Rehab	
Belle Fourche Unit Rehabilitation	\$2,520,000
Mni Wiconi Rural Water System O&M	3,349,000
Resources Management & Development	
Black Hills Water Management Study	\$ 100,000
Cheyenne River/Tri County	80,000
Crow Creek Feasibility Study	185,000
Brennan Reservoir	75,000
Missouri River Basin Tribes Wtr Mgmt Plan	208,000
Mid-Dakota Rural Water System	13,000,000
Mni Wiconi Rural Water System	27,976,000

Table 8 cont'd

Corps of Engineers

Operation and Maintenance	
Big Bend Dam/Lake Sharpe	\$5,759,000
Fort Randall Dam/Francis Case	7,863,000
Gavins Point/Lewis & Clark	5,469,000
Oahe Dam/Lake Oahe	9,154,000
Cold Brook Lake	325,000
Cottonwood Springs Lake	200,000
James River, Jamestown & Pipestem, SD	100,000
Lake Traverse, SD & MN	1,499,000
Construction, General	
Missouri National Recreational River, NE & SD	\$ 150,000

**1997 Water
Development
Legislation**

State Legislation

Appropriations

The 1997 Legislature adopted Senate Bill 41, the Omnibus Water Funding Bill, authorizing the following appropriations from the Water and Environment Fund:

- Consolidated Water Facilities Construction Program -- \$2,600,000 to provide grants and loans for community drinking water, wastewater, solid waste, and lake improvement projects, of which the board was given authority to deposit up to \$600,000 into the Drinking Water State Revolving Fund program to provide the state match for the federal program;
- Belle Fourche Irrigation Rehabilitation -- \$1,500,000 grant to provide nonfederal cost share for the rehabilitation of project facilities;
- Mid-Dakota Rural Water System -- \$1,000,000 grant to provide nonfederal cost share for construction;
- Mid-Dakota Rural Water System -- \$1,000,000 loan to provide nonfederal cost share for construction;
- Mni Wiconi Rural Water Supply System -- \$500,000 loan to provide nonfederal cost share for project construction;

- Perkins County Rural Water System -- \$550,000 grant to provide for the congressional authorization, preconstruction, and construction activities;
- Black Hills Hydrology and Water Management Study -- \$210,000 grant to local project sponsors to provide for ongoing studies of the Black Hills;
- James River Restoration Project -- \$100,000 grant for restoration activities;
- Bad River Watershed -- \$87,500 grant to provide nonfederal cost share for Bad River watershed activities;
- Lewis and Clark Rural Water System -- \$50,000 grant to provide for engineering design and congressional authorization; and
- Solid Waste Management Program -- \$1,345,000 to provide grants and loans for municipal solid waste, waste tire, and recycling projects.

Administrative Loan Services/Solid Waste

In administering the programs authorized in SDCL 46A-1 and 46A-2, Senate Bill 37 provides the Board of Water and Natural Resources with the ability to contract out loan reviews and administrative services to other state agencies or regulated lenders. The bill also provides flexibility under the Solid Waste Management Program by allowing other forms of financial assistance, such as loan guarantees or credit enhancements in addition to the direct grants and loans currently available. Additionally, Senate Bill 37 allows the board to request, receive, and maintain information from the project sponsor, such as trade secrets or commercial or financial information regarding the operation of the business as confidential, and allows the board to discuss, consider, or take action upon the confidential information in executive session closed to the public.

Lastly, the legislation deletes the Solid Waste Management Program eligible project sponsors list from SDCL 46A-1-84, which excludes entities such as third class municipalities, private businesses, and corporations. In November, the board, under its rule making authority, amended Administrative Rule 74:05:10 to develop a list of eligible project sponsors for solid waste management funding.

Water User District and Water Development District

Senate Bill 39 revised provisions of SDCL 46A-9 water user district and SDCL 46A-3E water development district law. The legislation reduces the cost to publish the water user district petition by putting a notice in a newspaper of general circulation for two successive weeks where the petition would be available for public inspection. In addition, the legislation allows board members to establish a date prior to May 1 for election of new district directors. Water development district law was amended to allow the district boards to establish a date to adopt a budget and prepare an operations and budget report. This was previously a function of the Board of Water and Natural Resources and also eliminates the board's approval of the budget format.

1998 STATE WATER PLAN

1998 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 Plan, projects must meet certain 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 Plan.

State Water Facilities Plan

The State Water Facilities Plan is a listing of potential water projects. The facilities plan includes projects such as rural, municipal, and industrial water supply; wastewater facilities; storm sewers; water conservation; watershed management and restoration; solid waste management; ground water contamination; pollution prevention or remediation; and dam safety. The board is responsible for approving the placement of projects onto the facilities plan. Once a project is placed onto the facilities plan it remains on the plan for two years. If a project will be requesting funds after this two-year period, it must submit a new facilities plan application.

In November 1997, the board reviewed 38 applications and approved placement of 36 projects on the facilities plan, bringing the total number of projects on the 1998 State Water Facilities Plan to 92 (Table 9). Projects on the facilities plan are eligible to seek state and federal financial assistance. The board can provide direct financial assistance. Additionally, the board's assistance can influence federal categorical grant decisions and funding decisions from other state agencies.

Projects that have received full or partial funding, but have not been completed, are not included in Table 9. These projects technically remain on the facilities plan until completed so that supplementary funding requests may be considered by state and federal funding agencies.

Additional projects may be placed on the facilities plan during the year. Projects placed on the facilities plan through the amendment process remain on the plan for the balance of the calendar year and the following year.

Table 9

1998 STATE WATER FACILITIES PLAN

Sponsor	Project Description	On Plan Through	Proposed Funding Sources*			Project Total
			CWFCP	DWSRF	WWSRF	
Arlington	Water Distribution System Upgrade	1998	\$ 75,000	\$	\$	\$ 850,700
Artesian	Wastewater Collection Improvement	1998	350,000		142,500	1,129,100
Aurora Water Development	Rural Water System Construction	1998	990,000			4,180,900
Aurora-Brule RWS	Northeast Aurora County Expansion	1999	750,000	850,000		3,131,000
Aurora-Brule RWS	Chamberlain Area Expansion	1999				190,725
Aurora-Brule RWS	Water Plant Improvements	1999	75,000			225,000
B-Y Water District	Treatment Plant Expansion	1998	250,000			8,350,500
BDM Rural Water	System Expansion	1998	600,000			15,400,000
Beadle County Cons Dist	Ravine Lake Watershed	1998	50,000			662,050
Big Stone City	Phase II Water Distribution Upgrade	1999	100,000			328,000
Black Hawk Water Users	Storage Reservoir/Water Distribution	1998		430,000		430,000
Box Elder	Water/Sewer Improvements	1999	500,000		3,600,000	6,800,000
Brandon	Water Supply/Treatment Plant	1998	250,000	600,550		1,100,550
Brookings Cons. District	Lake Campbell Watershed	1998	70,000			120,000
Brookings Cons. District	Lake Hendricks Watershed	1998	72,500			343,740
Canistota	Sanitary Sewer Improvements	1998	170,000		170,000	340,000
Canton	Ground Storage Reservoir	1998	39,000			239,000
Castlewood	Wastewater Treatment Upgrade	1998			124,000	310,000
Chamberlain	Water/Wastewater Expansion	1998	130,000			800,000
Clark Rural Water System	Wellhead Protection	1999	60,000			110,625
Clay Rural Water System	New Well	1998	25,000			89,200
Clear Lake	Water Storage	1999	100,000			665,000
Colman	Wastewater Treatment Upgrade	1999	300,000			300,000
Colome	Water Distribution Upgrade	1998	100,000			427,000
Corsica	Water Distribution System Upgrade	1998	63,360			105,600
Custer	Water/Sewer Improvements	1999	200,000		379,852	1,079,852
Davison County	Storm Water Drainage	1998				67,500
Deadwood	Water Meters	1998			150,000	150,000
Dell Rapids	Sewer Interceptor	1998	100,000			215,000
Deuel County Cons. District	Abandoned Well Sealing	1998	7,600			46,000
Doland	Water Tower Rehab	1999	26,000			36,650
Eagle Butte	Wastewater Treatment Upgrade	1999			502,012	635,012
Eureka	Lake Restoration	1998	20,400			34,000
Fort Pierre	Wastewater Treatment Upgrade	1998	282,000			940,000
Gettysburg	Water Meter Replacement	1999	25,000			43,954
Gregory	Water Supply/Storage Improvements	1998	100,000			440,000
Hamlin County Cons. Dist.	Lake Poinsett Watershed	1999	55,250			608,926
Hanson RWS	System Expansion	1998	100,000			1,268,000
Harrisburg	Wastewater Treatment Facility	1998	300,000		450,000	789,505
Harrisburg	Water Supply (well & rural water)	1998	30,000	43,415		73,415
Hartford	Wastewater Treatment Improvement	1999	400,000		1,004,640	1,404,640
Hartford	Wastewater Collection Improvement	1999	100,000		371,110	471,110
Herrick	Water Tower Rehab/Fire Protection	1999	25,000			42,000
Ipswich	Water/Sewer/Storm Sewer	1999	200,000			3,068,860
Keystone	Wastewater Treatment Facility	1998	300,000		1,300,000	2,150,000
Lake Campbell San. Dist.	Wastewater Treatment/Collection	1998	822,000			1,644,000
Lake City	Rural Water Connection/Distribution	1999	30,000	69,000		100,200
Lake Kampeska WPD	Big Sioux Diversion	1999	200,000			915,000
Lake Poinsett San. District	Wastewater System Expansion	1998	1,424,000			3,560,000
Lane	Water Distribution Upgrade	1998				118,750
Lesterville	Wastewater Treatment Upgrade	1998	37,000			61,875
Madison	Water/Sewer Expansion	1998	165,600			276,000
McCook Lake Izaak Walton	Lake Restoration	1998	122,500			245,000
Miller	Storm Sewer Improvement	1998	100,000			425,000
Mina Lake Sanitary Dist.	Forcemain Improvements	1998	56,000			140,000
Mitchell	Spillway Repair	1998	500,000			2,227,000
Mobridge	Storm Sewer	1998	200,000		1,300,000	1,500,000
Mobridge	Water Treatment Plant Upgrade	1999	200,000	700,000		1,143,000

Sponsor	Project Description	On Plan Through	Proposed Funding Sources*			Project Total
			CWFCP	DWSRF	WWSRF	
Plankinton	Water Distribution Upgrade	1998	\$ 150,000	\$	\$	\$ 649,100
Platte	Phase VII Water Distribution Rehab	1999	50,000			134,000
Platte	Booster Station Replacement	1999				85,000
Platte	Storm Drainage Management	1999				609,000
Platte	Water/Sewer Street Project	1999	100,000			350,000
Prairie Hills Water & Dev.	New Well and System Improvements	1999	500,000			535,000
Prairiewood Sanitary Dist	Water Supply/Distribution	1998	200,000	124,770		334,770
Randall Community Water	Water Distribution Expansion	1998	109,150			9,218,300
Roberts County	Big Stone Lake Restoration	1998				3,309,636
Rosholt	Water/Sewer Service Expansion	1998	32,000			64,000
Salem	Watermain Replacement	1999	150,000			801,400
Sioux Falls	Wastewater/Storm Sewer	1999			2,202,500	2,202,500
Sioux Falls	Drinking Water Facility Improvement	1999		1,732,000		1,732,000
Sisseton	Water/Sewer Service Replacement	1999		112,200	112,200	224,400
Spink County Cons. Dist.	Turtle Creek/Redfield Lake Rehab	1999	434,857			1,352,553
Springfield	Storm Water Drainage	1998				315,950
Sturgis	Water/Sewer Street Rehab	1998			550,000	900,000
Sturgis	Wastewater Irrigation Upgrade	1999	200,000		1,480,000	1,680,000
Summit	Wastewater Treatment Upgrade	1998	73,250			146,500
Swan Lake Association	Lake Restoration	1998	120,000			218,796
T-M Rural Water District	Phase II Capital Improvements	1999	250,000			2,171,500
Tea	Wastewater Treatment Upgrade	1999	100,000		250,000	395,366
Timber Lake	Water Distribution Upgrade	1998	106,840			178,064
Tulare	Water Distribution Upgrade	1998				497,000
Tyndall	Water Distribution Upgrade	1998	223,000			446,800
Tyndall	Storm Water Collection System	1998	45,000			249,200
Valley Springs	Wastewater Treatment Expansion	1998	180,000		150,000	360,000
Wagner	Water/Sewer Replacement	1999	60,000			121,621
Wall	Wastewater Treatment Improvement	1998			750,000	1,158,000
Watertown	Upper Big Sioux Watershed	1998	42,500			726,321
WEB Water District	System Upgrade	1998		3,000,000		4,000,000
White Lake	Water/Sewer Upgrade	1999	70,000			540,000
Willow Water, Inc.	Storm Water Drainage	1998	50,000			170,000
Yankton	Wastewater Treatment Facility	1999	300,000		10,000,000	10,300,000
TOTAL			\$14,794,807	\$7,661,935	\$24,988,814	\$118,725,716

* CWFCP - Consolidated Water Facilities Construction Program
DWSRF - Drinking Water State Revolving Fund Loan Program
WWSRF - Wastewater 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 State Water Resources Management System (Table 10) serves as the preferred priority list to accomplish optimum water resources management in the state. Once a project is placed on the list, it remains until it is removed by legislative action.

Table 10

1997 STATE WATER RESOURCES MANAGEMENT SYSTEM PROJECTS

<u>Project</u>	<u>Description</u>
Bad River Watershed Project	Rehabilitation Of The Bad River Watershed
Belle Fourche Irrigation Project	Rehabilitation Of Belle Fourche Project
Big Sioux Flood Control Study	Watertown Flood Control Dam
Black Hills Hydrology & Water Management Study	Study Of The Black Hills Water Resources
Brennan Reservoir	Management Of Water Flows In Rapid Creek
CENDAK Irrigation Project	Irrigation Project In Central SD
Fall River County Rural Water System	Rural Water System In Fall River County
Gregory County Rural Water System	Multi Purpose Water Utilization
James River Improvement Program	Watershed/Channel Improvement Projects
Lake Andes-Wagner/Marty II Irrigation Unit	Irrigation In Charles Mix County
Lewis & Clark Rural Water System	Water Supply System In Southeastern SD
Mid-Dakota Rural Water System	Rural Water System In Central SD
Mni Wiconi Rural Water System	Rural Water System In Western SD
Perkins County Rural Water System	Rural Water System In Northwestern SD
Pick-Sloan Riverside Irrigation	Pick-Sloan Integration Of Irrigation
Sioux Falls Flood Control Project	Increased Flood Protection
Slip-Up Creek	Proposed Reservoir Near Sioux Falls
Vermillion Basin Flood Control Project	Flood Control Study 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 3,209 square miles from the Badlands between Wall and Kadoka to the Missouri River at Fort Pierre. The Bad River annually delivers about 3.25 million tons of sediment into Lake Sharpe, primarily from eroding gullies and stream banks. The sediment negatively impacts fishing and other recreation in the Pierre-Fort Pierre area.
- Increased ground water elevations caused by the sediment-induced river elevation contribute to flooding in the Pierre-Fort Pierre area during winter peak power releases from the Oahe Dam when ice cover restricts downstream flow. To reduce flooding, power generation from the dam must be reduced during the coldest days of the year. Estimated economic losses from decreased power and recreation are about \$15 million annually.
- The U.S. Army Corps of Engineers has proposed building levees in the Pierre-Fort Pierre area to allow greater releases and maximize power generation. Local interests believe that a combination of watershed treatment and localized dredging in Lake Sharpe will be a more acceptable and effective solution than levees.

- State authorization of the \$21 million project was approved in 1995; this included a state cost share commitment of \$875,000 in grants. State appropriations total \$262,500 from 1995 to 1997.

Belle Fourche Irrigation Project - 1981

- The original Belle Fourche Irrigation project was authorized by Congress in 1904 and completed in 1914 to deliver irrigation water to 57,000 acres in Butte County.
- Congress authorized a \$42 million rehabilitation project in 1983 to reduce operation and maintenance costs, conserve water, provide safety features, lessen the risk of system failure, reclaim agricultural lands affected by seepage losses, and protect the economic welfare of the area.
- Congress amended the federal authorization in 1994 to raise the construction ceiling by \$14.5 million. The amendment language provided for a federal cost share of \$10.5 million and a state cost share of \$4 million. The U.S. Bureau of Reclamation, Board of Water and Natural Resources, and the Belle Fourche Irrigation District executed a Memorandum of Understanding outlining the funding commitment.
- The rehabilitation project has received \$62.5 million in federal appropriations from FFY 1985 through FFY 1998.
- The State Legislature authorized the project in 1995 with a state cost share commitment of \$4 million. The 1997 legislature appropriated \$1.5 million to Belle Fourche and completed the authorized state cost share commitment. The state funds were used to replace 47 wooden bridges that did not meet current safety standards.

Big Sioux Flood Control Study - 1989

- The proposed \$16 million project would provide flood protection for Watertown, Lake Kampeska, and Pelican Lake through the construction of a dry dam on the Big Sioux River at the Mahoney Creek site.
- A feasibility study was initiated in 1988 by the Corps of Engineers in cooperation with the city of Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and Department of Environment and Natural Resources. State legislative appropriations of \$150,000 were provided to assist local sponsors in meeting the nonfederal cost share.

- The final draft feasibility report was distributed in June 1994 for public review and comment. A public hearing was held in July in Watertown to present the findings of the feasibility report and to gather comments. A city and county election was held in November with residents voting against further local participation in the flood control project.

Black Hills Hydrology and Water Management Study - 1982

- The hydrology study will compile water resource data to make informed management decisions concerning the development of water resources in the Black Hills area related to the expansion of mining, municipal, recreational, and urban water development needs. The U.S. Geological Survey has provided a total of \$2.4 million from 1988 through 1997 to establish the hydrologic monitoring system and to collect data.
- The hydrology study entered Phase II during FFY 1997. The emphasis of the study during Phase I was data collection and has now shifted to analytical activities during Phase II. Phase II of the hydrology study is expected to be completed by the end of FFY 2000 to complete the products and reports.
- The water management study will provide local project sponsors with tools to assist them in making water development and water management decisions. Data gathered during the hydrology study will be utilized in the water management study. Congress appropriated funds in FFY 1991 to initiate a federal Black Hills Water Management Study by the Bureau of Reclamation. Federal appropriations total \$925,000 through FFY 1998.
- A Black Hills Hydrology and Water Management Steering Committee was established in 1991 to provide local input into the development of the hydrology and water management studies. Membership is comprised of individuals from the Black Hills and from adjacent areas in Wyoming.
- State legislative appropriations to the local project sponsors total \$1,070,000 from 1988 through 1997. Additionally, the Department of Environment and Natural Resources received \$505,000 in state legislative appropriations to drill monitoring wells and establish and operate a stream gauging system to assist the hydrologic evaluations.

Brennan Reservoir - 1991

- The purpose of the Brennan Reservoir/Rapid City Wastewater Recycling project is to determine feasibility of constructing wetlands at the upper end of a proposed reservoir to provide tertiary wastewater treatment for Rapid City. The proposed area for Brennan Reservoir and the wetlands lies across Dry Creek southeast of 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. This would meet more than half of the current demands for the Rapid Valley District.
- The 1990 State Legislature provided \$25,000 to assist local sponsors in an engineering study of the Brennan Reservoir site. The Brennan Reservoir Preliminary Project Plan report was completed in July 1992. The Legislature provided \$25,000 in 1993 to conduct additional Brennan Reservoir studies.

CENDAK Irrigation Project - 1982

- This irrigation project is to supply Missouri River water to 474,000 acres in Hughes, Hyde, Hand, Spink, Beadle, and Faulk Counties in central South Dakota. No activity occurred on the project in 1997. South Dakota will pursue development of the project when federal policies are more supportive of large-scale irrigation projects.

Fall River County Rural Water System - 1991

- The proposed \$4.5 million Fall River Rural Water System will provide quality Madison aquifer water to a service area covering the eastern half of the county. A history of poor water quality and droughts has left local residents without a satisfactory water supply for home use and livestock watering.
- State legislative appropriations to the project include a \$50,000 grant in 1992 for planning. The 1993 State Legislature authorized construction of the project. The 1995 State Legislature increased the state cost share commitment to \$800,000 from \$500,000.
- Federal legislation to authorize construction of the rural water system was introduced in Congress on August 2, 1996. The legislation provides for a federal cost share of 80 percent and a nonfederal cost share of 20 percent.
- Federal legislation to authorize construction of the rural water system was again introduced in Congress in 1997. The Senate Subcommittee on Water and Power conducted a hearing on the proposed project on June 10, 1997. Hearings in the House subcommittee are anticipated for early 1998.

Gregory County Pumped Storage Project - 1981

- Hydroelectric Component - The Gregory County Pumped Storage Project is a proposed peak generation hydroelectric facility located in northern Gregory County. In 1988, the Federal Energy Regulatory Commission issued to the board the preliminary permit for development of the project. The state's preliminary permit expired in August 1991.

- Water Supply Component - The project has the potential to provide water for irrigation and municipal, rural, and industrial purposes using the hydroelectric project's upper bay as a water supply source. Reclamation completed a Special Report on the Gregory Unit of the Pick-Sloan Missouri Basin Program, South Dakota in 1992.

James River Improvement Program - 1984

- This program has been designed to provide flood control as well as municipal, industrial, agricultural, recreational, and wildlife benefits.
- In 1986, federal legislation (Public Law 99-662) authorized \$20 million for flood control and stream flow improvements. A draft Environmental Impact Statement was completed in 1987.
- The James River Water Development District has completed a significant number of improvement projects. Projects have included channel clean out of trees and other debris, tributary drainage control through tree plantings and other watershed improvements including the construction and repair of small dams, and bank stabilization.
- A Corps of Engineers' 1989 reconnaissance report established federal interest in conducting feasibility studies for flood protection in the lower Elm River/Moccasin Creek basins and the Dry Run Creek basin. Project funding has been provided to assist the city of Aberdeen and Brown County in meeting cost share requirements for a Corps of Engineers' flood control feasibility study.
- State legislative appropriations to the district have totaled \$1,410,000 from 1988 through 1997 for restoration and study activities.
- A hazard mitigation plan was developed to recommend mitigation efforts on the James River to present to Congress for federal assistance. As a result of the severe spring flooding in 1997 and having the plan in place, a \$5 million federal appropriation was approved through the Corps of Engineers budget in the 1997 Disaster Relief Bill. The James River WDD will utilize these funds to remove dead timber and debris under an approved plan by the Corps of Engineers.

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 1992, the 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 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. Congress approved \$250,000 in FFY 1995 funds for the research program.
- In 1995, state and federal agencies revised the 1990 plan of study. The revised plan of study re-scoped the demonstration program to identify the specific issues and research components that are of national significance. A nine-year, \$11.3 million effort has been projected.

Lewis and Clark Rural Water System - 1989

- The proposed Lewis and Clark RWS 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. About 133,000 South Dakotans would receive water from Lewis and Clark.
- Iowa and Minnesota project sponsors have provided funding support for project development proportionate to their respective service capacity needs. Iowa and Minnesota have authorized the project for construction.
- The 1993 State Legislature authorized \$200 million of Lewis and Clark's South Dakota project features and authorized the Governor and local project sponsors to negotiate a nonfederal matching agreement with Congress. The state's cost share may not exceed 50 percent of the nonfederal match requirement. State legislative appropriations have totaled \$625,000 from 1990 through 1997.
- Congress provided \$350,000 from FFY 1991 to 1994 for the Bureau of Reclamation's technical assistance on the feasibility study and project development.
- On May 3, 1994, Lewis and Clark legislation was introduced in Congress to authorize the system. The U.S. Senate conducted a hearing on the proposed Lewis and Clark project on June 28, 1994. Federal authorizing legislation was re-introduced in Congress in 1995. On September 5, 1996, the U.S. Senate held hearings on the federal authorizing legislation.

- Federal legislation to authorize construction of the rural water system was introduced in Congress on May 21, 1997. The Senate Subcommittee on Water and Power held a hearing on the project on October 7. The federal legislation provides for a federal cost share of 80 percent and nonfederal cost share of 20 percent. The city of Sioux Falls share is to be 50 percent of the incremental cost to the city for participation in the project.

Mid-Dakota Rural Water System - 1988

- Mid-Dakota is a federally authorized (Public Law 102-575) rural domestic water system that will provide high quality Missouri River water to 30,000 people in Beadle, Buffalo, Hand, Hughes, Hyde, Jerauld, Potter, Sanborn, Sully, and small portions of Spink, Kingsbury, and Aurora Counties. The cost sharing provisions provide for \$85 million in federal grants, \$15 million in federal treasury rate loans, and \$8.4 million in state funding.
- The 1992 State Legislature authorized the construction of a \$108.4 million Mid-Dakota project and provided a state cost share commitment of \$8.4 million. Mid-Dakota has received state appropriations totaling \$8.37 million from 1988 through 1997.
- The Mid-Dakota project completed a successful sign-up process in 1993 with 2,400 rural sign-ups generating \$1.2 million in hook-up fees. Negotiation of municipal and special users agreements is on schedule.
- By the end of the 1996 construction season, the \$3.9 million intake and the \$1.7 million raw water pipeline contracts were completed. By the end of 1997, the \$9.9 million water treatment plant, \$13 million main pipeline to the Highmore water storage tower, \$1.5 million Highmore water storage tower, and \$500,000 secondary pipeline to Gettysburg were completed. The system has also bid and awarded two additional contracts that would provide service to rural customers in the Canning, Onida, Okobojo, and Highmore West service areas. Water service to customers in these areas should be available by the end of 1998.
- Mid-Dakota began operation of the water treatment plant in 1997. The completion of the main pipeline and the secondary pipeline to Gettysburg allowed the system to begin providing potable water to the communities of Highmore, Onida, and Blunt along with rural users in the Oahe Plains Water System.
- Federal appropriations for planning and construction activities total \$42.8 million from FFY 1992 through 1998. In addition to the line-item appropriation of \$13 million in FFY 1998, the Bureau of Reclamation re-programmed \$1.5 million in FFY 1997 funds to provide a portion of the funding to complete construction of the pipeline to Gettysburg.

Mni Wiconi Rural Water System - 1989

- Public Law 100-516, as amended in 1994, authorizes a \$263 million federal project to provide high quality Missouri River water to 50,000 western South Dakota citizens in a 10-county area extending south and west of Fort Pierre through the Pine Ridge Indian Reservation.
- The Oglala Water Supply System component encompasses the distribution facilities on the Pine Ridge Indian Reservation and the off-reservation core system facilities including the Missouri River intake and water treatment plant. The Rosebud and Lower Brule components include the delivery and distribution facilities associated with service to their respective reservations. About \$200 million of the project costs are allocated to the tribal systems as non-reimbursable federal costs. Operation and maintenance for the tribal systems are a federal trust responsibility.
- West River/Lyman-Jones Rural Water System, Inc. is the non-Indian distribution component. The cost share for construction is 80 percent federal and 20 percent nonfederal. West River/Lyman-Jones is responsible for its operation and maintenance costs.
- The 1992 State Legislature authorized the construction of the Mni Wiconi project. The 1995 Legislature amended the authorization to reflect the \$263 million project, and the state cost share commitment was revised to \$12.9 million. To date, \$6.7 million in state loans have been authorized by the State Legislature.
- Federal appropriations for planning and construction activities total \$84.3 million through FFY 1997. Congress approved a FFY 1998 appropriation level of \$27.98 million for construction and \$3.35 million for operation and maintenance. Additionally, the Bureau of Reclamation re-programmed \$1.5 million in FFY 1997 funds.
- West River/Lyman-Jones initiated construction of advance features in 1993. These features are distribution systems that have access to interim ground water supplies.
- In June 1993, the Oglala Sioux Water Supply System initiated construction of advanced features in White Clay and Wakpamni districts of the Pine Ridge Reservation. In 1996, the system approved two contracts for construction on the main intake facility to be located at Echo Point near Fort Pierre and the initial site preparation and sludge lagoon construction contract at the water treatment plant.

- On July 2, 1996, the Oglala Sioux Water Supply System along with the West River/Lyman-Jones, Rosebud, and Lower Brule rural water systems had the Mni Wiconi core facilities groundbreaking ceremonies at Echo Point near Fort Pierre.
- During FFY 1997, the Oglala Sioux Water Supply System bid and awarded a \$16.4 million contract for the construction of the water treatment plant near Fort Pierre. Initiation of the construction activities began in 1997, but are not anticipated to be completed until 1999. The Oglala Sioux Water Supply System also anticipates awarding the first of two main pipeline contracts that would transport water from just south of the Fort Pierre wastewater lagoons to the Vivian/I-90 junction before the end of 1997.
- West River/Lyman-Jones Rural Water System continued to construct advance features using interim water sources. Contracts for the construction of the Reliance and Vivian North service areas were awarded in 1997. The Reliance area project is scheduled to be substantially completed before the end of 1997. The Vivian North area project was bid and awarded late in 1997, with construction to begin in the spring of 1998.

Perkins County Rural Water System - 1993

- The proposed Perkins County RWS will provide quality drinking water to the communities of Lemmon, Bison, and Lodgepole. Additionally, the system will provide 185 rural users with domestic and livestock water needs. The distribution system is estimated at \$10 million.
- A feasibility study identified the preferred alternative as hooking up to the Southwest Pipeline Project in North Dakota.
- State legislative appropriations to assist the project with its initial feasibility study and federal authorization totaled \$100,000 from 1993 to 1996.
- In 1995, water service contract negotiations began between Perkins County and North Dakota's Southwest Pipeline Project. Construction of the remaining segments of the Southwest Pipeline Project required to provide service to Perkins County is estimated at \$1 million. The Perkins County RWS share of the Southwest Pipeline Project already constructed, currently estimated at \$4.5 million, is being negotiated with North Dakota.
- The 1996 State Legislature authorized the construction of the \$18 million Perkins County RWS project; provided a state cost share commitment of \$1 million of which \$450,000 was appropriated towards the state cost share.

- The Perkins County Rural Water System completed negotiations with the North Dakota State Water Commission and signed a water service agreement in May 1996. After the completion of these negotiations, several contracts were awarded in North Dakota to bring water towards the Perkins County border. Perkins County's share of these contracts is \$898,478.
- Federal legislation to authorize construction of the rural water system was introduced in Congress on August 2, 1996. The legislation provides for a federal cost share of 75 percent and nonfederal cost share of 25 percent.
- The 1997 Legislature appropriated \$550,000 for the Perkins County Rural Water System to provide the cost share required to bring water service to the Perkins County area. With this appropriation, \$1 million has been provided to Perkins County RWS and the authorized state cost share commitment has been completed.
- Federal legislation to authorize construction of the rural water system was introduced in the U.S. House of Representatives in 1997. It is anticipated that authorizing legislation will be introduced in the Senate in early 1998. The South Dakota congressional staff has indicated that the Perkins County RWS could also be scheduled for congressional hearings in 1998.

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 action occurred on this project in 1997 and future activities are uncertain.

Sioux Falls Flood Control Project - 1989

- The proposed project will provide Sioux Falls with 100-year protection from flooding on the Big Sioux River and Skunk Creek through modification of current flood control features.
- The existing flood control features were completed by the Corps of Engineers in 1961 and provides 30-year flood protection on the Big Sioux River and 20-year protection on Skunk Creek.
- Federal appropriations for Corps of Engineers project planning total \$1.99 million from FFY 1990 through 1996. The city used \$120,000 in state funding for the feasibility report, which was completed in June 1993, and a public hearing was held in August 1993.

- The State Legislature authorized the \$26.9 million project in 1992 including a state cost share commitment of \$4.55 million in grants.
- The 1995 State Legislature approved \$300,000 for the engineering design, pre-construction activities, and construction of the flood control project.
- The Sioux Falls Flood Control Project was authorized by the passage of the 1996 Water Resources Development Act that was signed by the President on October 12, 1996 (Public Law 104-303). The Act authorizes the construction of the \$34.6 million project under the Corps of Engineers.

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 purpose of the project is to store Big Sioux River waters for municipal use by Sioux Falls and for recreation and fish and wildlife activities. No significant action took place on the project in 1997.

Vermillion Basin Flood Control Project - 1987

- The project objective is to address the severe flooding problems in the Vermillion River Basin. The basin is about 120 miles long, 20 miles wide and covers about 2,185 square miles.
- The 1988 State Legislature provided \$50,000 to study the feasibility of flood control structures. Congress appropriated \$362,000 from FFY 1991 through 1993 for the study efforts.
- The Vermillion Basin Flood Control Reconnaissance Report (Corps of Engineers, 1993) did not identify a feasible federal project. The project sponsors are re-evaluating project alternatives for nonfederal development.
- Local project sponsors submitted a pre-application notification for a Federal Emergency Management Agency hazard mitigation grant for a "Feasibility Study of Flood Control Alternatives" for the basin. In June 1994, more than 70 technical experts met to develop a multi-objective plan to reduce the impacts of flooding in the Vermillion River Basin. The National Park Service compiled the group's issues and suggestions and formulated a multi-objective hazard mitigation management plan.
- The Turner Lincoln Clay (TLC) Water Project District held a public meeting in July 1995 to discuss a proposal to construct a dam on the East Fork of the Vermillion River for flood control.

**Recommendation
to the Governor
and State
Legislature**

In November 1997, the board conducted a public meeting on the funding needs of the State Water Resources Management System projects. The board adopted Resolution #97-87 recommending to the Governor and Legislature that all current projects remain on the list and that no new projects be added. In December, the board adopted Resolution #97-96 providing its funding recommendations to the Governor and the Legislature for Water and Environment Fund fiscal year 1999 expenditure authorization levels. A summary of the board's recommendations is provided below (Table 11). The full resolutions are in Appendix B.

Table 11

STATE WATER RESOURCES MANAGEMENT SYSTEM FUNDING RECOMMENDATIONS

Bad River Water Quality Project	\$ 87,500
Black Hills Hydrology and Water Management Study	210,000
Brennan Reservoir	25,000
James River Improvement Program	250,000
Lewis & Clark RWS	50,000
Mid-Dakota Rural Water System	1,300,000
Mni Wiconi Rural Water System (<i>Loan</i>)	1,000,000
Sioux Falls Flood Control	<u>600,000</u>
Total	\$3,522,500
Consolidated Water Facilities Construction Program	\$2,500,000
Solid Waste Management Grant Program	\$1,345,000

APPENDIX A

WATER AND ENVIRONMENT FUND

Special Condition Statement

WATER AND ENVIRONMENT FUND
Special Condition Statement

Cash Balance from MSA - 30-Jun-97 **\$ 8,386,571**

Projected FY 1998 Revenues

Capital Construction Fund	\$5,750,000
Contractor's Excise Tax	\$ 350,000
Investment Interest	\$ 456,300
Loan Principal/Interest Repayments	\$ 241,600
Solid Waste Fees	<u>\$1,345,000</u>
Subtotal	\$8,142,900

Authorized FY 1998 General Bill Expenditure

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

Revenues Less Expenditures **\$ 7,742,900**

Projected Fund Balance Available for Expenditure **\$16,129,471**

Obligations (Signed contract by 1-Oct-97) Unexpended

Prior Year	<u>Balance¹</u>
Consolidated	\$3,765,641
SWRMS - Major Projects	\$1,390,882
Solid Waste - Disposal	\$ 819,911
Solid Waste - Recycling	\$ 722,820
Solid Waste - Waste Tires Cleanup	\$ 281,949
Groundwater Monitoring GS	\$ 128,209

Current Year - 1997 Omnibus (FY 1998 Authority)

Consolidated	\$1,924,265
DW SRF Match	\$ 600,000
Solid Waste - Waste Tire	\$ 108,000
Bad River Watershed Project	\$ 87,500
Belle Fourche Irrigation	\$1,000,000
Black Hills Hydro & Water Mgmt.	\$ 210,000
James River Restoration	\$ 100,000
Lewis & Clark RWS	\$ 50,000
Mid Dakota RWS Grant	\$1,000,000
Mid Dakota RWS Loan	\$1,000,000
Mni Wiconi RWS	\$ 500,000
Perkins County RWS	<u>\$ 550,000</u>

Subtotal

\$14,239,177

Funds Not Under Contract

\$ 1,890,294

¹Unexpended Balance as of 30-Jun-97.

WATER AND ENVIRONMENT FUND
Special Condition Statement
Continued

Funds Not Under Contract **\$ 1,890,294**

Project Expenditures Authorized by Legislature - No agreement signed

Prior Year Authority
Sioux Falls Flood Control \$300,000

Unobligated Projects Subtotal **\$ 300,000**

Program Expenditures Authorized by Legislature - No agreement signed

Consolidated Authority \$ 713,514
Consolidated 1995 Authority² (\$675,000)

Solid Waste Authority - Prior Year \$ 488,239
Solid Waste Authority - Current Year \$1,237,000

Unobligated Programs Subtotal **\$1,763,753**

Projected Unobligated Fund Balance (as of 30-Jun-98) **(\$ 173,459)**

²At its December 1997 meeting, the Board of Water and Natural Resources designated \$675,000 of unobligated FY 1995 Consolidated Program authority for reversion at the end of FY 1998 (30-Jun-98) pursuant to SDCL 4-8-21.

APPENDIX B

BOARD OF WATER AND NATURAL RESOURCES

RESOLUTIONS

STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION #97- 87

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

WHEREAS, the board has reviewed the State Water Plan applications of various South Dakota water resource projects.

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

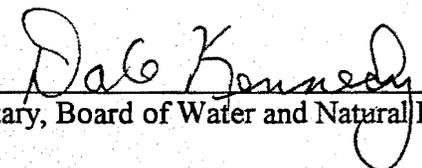
Dated this 12 day of November, 1997.

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 #97 - 96

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 1999 EXPENDITURE AUTHORIZATION LEVELS.

WHEREAS, pursuant to the authority provided in SDCL 46A-1-2, the Board of Water and Natural Resources (the board) annually provides recommendations to the State Legislature and Governor 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 which are placed onto the State Water Facilities Plan, an annual listing of potential water related projects; and,

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

WHEREAS, the board has reviewed the State Water Plan applications of the projects currently on the State Water Facilities Plan; and,

WHEREAS, the board has reviewed the Projected Funding Need forms submitted by projects on the State Water Resources Management System; and,

WHEREAS, the board has conducted a public meeting on November 12, 1997 to take the statements of all interested parties regarding water development funding needs; and,

WHEREAS, on November 12, 1997, the board passed Resolution #97-88 making state funding recommendations for projects on the State Water Resources Management System.

NOW THEREFORE BE IT RESOLVED, that the board rescinds Resolution #97-88; and,

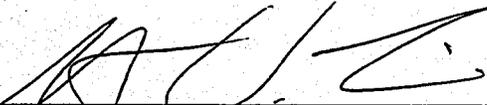
IT IS FURTHER RESOLVED, that the board recommends to the State Legislature and Governor the following Water and Environment Fund fiscal year 1999 line-item expenditure authorization levels for projects on the State Water Resources Management System; and,

Bad River Watershed Project	\$ 87,500
Black Hills Hydrology & Water Mgmt	\$ 210,000
Brennan Reservoir	\$ 25,000
James River Restoration	\$ 250,000
Lewis & Clark RWS	\$ 50,000
Mid-Dakota RWS	\$1,300,000
Mni Wiconi RWS	\$1,000,000 (loan)
Sioux Falls Flood Control	<u>\$ 600,000</u>
SWRMS Total	\$3,522,500

IT IS FURTHER RESOLVED, that the board recommends to the State Legislature and Governor the Water and Environment Fund fiscal year 1999 expenditure authorization level of \$2,500,000 for the Consolidated Water Facilities Construction Program; and,

IT IS FURTHER RESOLVED, that the board recommends to the State Legislature and Governor the Water and Environment Fund fiscal year 1999 expenditure authorization level of \$1,345,000 for the Solid Waste Management Program.

Dated this 10th day of December, 1997.

BY: 
 Chairman, Board of Water and Natural Resources

(SEAL)

ATTEST:

BY: 
 Secretary, Board of Water and Natural Resources