



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

Transmitted herewith is the 1998 Annual Report/1999 State Water Plan of the Board of Water and Natural Resources. The Annual Report describes the board's water development and waste management activities during the past year. The State Water Plan outlines the projects on the State Water Facilities Plan and the State Water Resources Management System. Additionally, the report provides the board's Water and Environment Fund funding recommendations to the Governor and Legislature for fiscal year 2000.

Throughout this document you will see significant progress has been made on the water, wastewater, and solid waste programs. Over the past year, the board awarded more than \$30.3 million in grant and loan funds for construction of municipal drinking water systems, wastewater facilities, watershed projects, rural water systems, solid waste disposal projects, waste tire clean-ups, and recycling activities. These awards resulted in more than \$87.3 million in total construction activity.

I invite you to visit our Internet webpage at www.state.sd.us/denr. Our webpage is constantly updated to provide easy access to documents for downloading, conferences, reports on compliance, calendar of events, and scheduled board meetings.

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

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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 1998 Annual Report and the 1999 State Water Plan. The annual report provides progress reports on each program and on board activities during 1998. 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 1999 is included in Appendix A.

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 summarizes the board's 1998 activities, including a detailed account of Water and Environment Fund awards and obligations.

In November 1997, the board placed 36 projects onto the 1998 State Water Facilities Plan. During the year, the board amended an additional eight 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 \$30.3 million in grant and loan funds for construction of municipal drinking water systems, wastewater facilities, watershed projects, rural water systems, solid waste disposal projects, waste tire clean-ups, and recycling activities. These awards resulted in more than \$87.3 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 1998, the board approved \$2,647,500 in state funding for projects on the State Water Resources Management System component of the State Water Plan (Table 1). These awards helped leveraged more than \$43.5 million in federal funds.

West River/Lyman-Jones Rural Water used \$1 million in state loan funds for the construction of distribution system facilities as advanced features of the Mni Wiconi project and an operation, maintenance, and administrative building in Murdo. The advanced distribution system features use interim ground water sources for their water supply. Construction on the Reliance area project was completed in 1998. West River/Lyman-Jones also awarded three additional construction contracts in 1998 that are scheduled to be completed in 1999. These contracts provided for the construction of the Vivian North service area; the Mellette West service area; and the operation, maintenance, and administrative building in Murdo. West River/Lyman-Jones anticipates awarding additional construction contracts in 1999 that include rebuilding the town of Draper's water service, the Mellette east service area, and construction of four or five water storage tanks throughout the water system. The Oglala Sioux Water Supply System continued to work on a \$16.4 million contract for the construction of the water treatment plant near Fort Pierre. Tribal project sponsors also awarded and initiated construction on more than \$11.7 million of core system projects in 1998.

Mid-Dakota Rural Water System was awarded \$1.3 million in state grant funds for administrative, engineering, and construction efforts. The 1998 funding completed the state's cost share commitment to Mid-Dakota. In total, the state provided \$9.67 million towards the construction of this rural water system. By the end of 1998 the water treatment plant, Highmore water storage tower, main pipeline to the Highmore tower, pipeline to Gettysburg, and a majority of the rural water distribution system in Hughes and Sully counties were completed. The main pipeline to Highmore and pipeline to Gettysburg allowed Mid-Dakota to begin providing potable water to the communities of Highmore, Onida, and Blunt along with rural users in the Oahe Plains Water System.

Information on SWRMS projects 1998 activities are summarized in the State Water Plan section, page 15.

Table 1

**STATE WATER RESOURCES MANAGEMENT SYSTEM
1998 FUNDING AWARD SUMMARY**

<u>Project</u>	<u>Amount</u>	<u>Type</u>
Bad River Restoration	\$ 87,500	Grant
Black Hills Hydrology & Water Mgmt Study	210,000	Grant
Lewis and Clark Rural Water System	50,000	Grant
Mid-Dakota Rural Water System	1,300,000	Grant
Mni Wiconi Rural Water System	<u>1,000,000</u>	Loan
TOTAL	\$2,647,500	

Clean Water State Revolving Fund Loan Program

The Clean Water State Revolving Fund Loan Program, which began in 1988, is designed to provide low-interest loans to governmental entities including municipalities, sanitary districts, and waste management districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. To date, 101 loans totaling \$85.4 million have been made from the program.

During 1998, the board approved five loans totaling \$5,898,500 (Table 2). The 1998 interest rates were 4.5 percent for 10 years, 5 percent for 15 years, and 5.25 percent for 20 years. At its September meeting, the board took action adjusting the interest rates to 4.5 percent for 10 years, 4.75 percent for 15 years and 5.0 percent for 20 years.

Table 2

1998 CLEAN WATER STATE REVOLVING FUND LOANS

Sponsor	Description	Amount	Interest
			Rate
Chamberlain (04)	Expand Sewer Service	\$ 450,000	5.25%
Pierre (02)	Treatment Facility Upgrade	4,417,000	5.25%
Richmond Lake (02)	Collection System Construction	226,500	5.25%
Tea (04)	Treatment Facility Upgrade	375,000	5.00%
Valley Springs	Treatment Facility Upgrade	430,000	5.25%
TOTAL		\$5,898,500	

Drinking Water State Revolving Fund Loan Program

The Drinking Water State Revolving Fund (SRF) Loan Program was created under the federal 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.

During 1998, the board approved 13 loans totaling \$19,378,157 (Table 3). The FFY 1998 interest rates were 4.5 percent for 10 years, 5.00 percent of 15 years, and 5.25 percent for 20 years. At its September meeting, the board took action adjusting the interest rates to 4.5 percent for 10 years, 4.75 percent for 15 years, and 5.0 percent for 20 years. A 3.0 percent, 30 year loan is available to communities meeting criteria for disadvantaged status.

Table 3

1998 DRINKING WATER STATE REVOLVING FUND LOANS

Sponsor	Description	Amount	Interest
			Rate
Big Stone City	Water Tower and Transmission Lines	\$ 600,000	5.25%
Black Hawk WUD	New Well and Transmission Lines	500,000	5.25%
Brandon	Water Treatment Plant	1,950,000	5.00%
Clear Lake	Water Tower and Transmission Lines	565,000	3.00%
Hermosa	Distribution System Replacement & Upgrade	300,000	5.00%
Lead-Deadwood Sanitary Dist.	Refinance Water Treatment Plant Bonds	2,683,957	5.25%
Madison	Refinance Water Treatment Plant Bonds	2,372,000	5.00%
Mina Lake	Water Tower Construction	255,200	5.00%
Mobridge (01)	Water Treatment Plant Upgrades	965,000	5.25%
Mobridge (02)	Water Treatment Plant Upgrades	355,000	5.25%
Sioux Falls	New Booster Pumps and Transmission Lines	7,022,000	4.50%
Sturgis	Water Line Upgrades	700,000	5.00%
WEB WDA	Transmission Lines	1,110,000	5.25%
TOTAL		\$19,378,157	

**Watershed
Protection - EPA
Implementation
Grants**

The South Dakota Watershed Protection program is designed to assess the status of pollution sources and their 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 1998, \$1,296,790 was available for 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 4).

Table 4

1998 EPA IMPLEMENTATION GRANT AWARDS

<u>Project</u>	<u>Description</u>	<u>Amount</u>	<u>Project Cost</u>
Animal Waste Team	Regional Implementation	\$ 424,400	\$3,136,100
Statewide Lake Assessment	Assessment	72,190	120,316
Lake Mitchell Watershed	Watershed Restoration	113,152	188,583
Lake Hendricks Watershed	Watershed Restoration	213,152	355,253
Ravine Lake Watershed	Watershed Restoration	109,822	307,633
Information and Education	Information and Education	20,000	122,000
Lake Poinsett Watershed	Watershed Restoration	213,152	355,253
Bachelor Creek Assessment	Assessment	50,922	84,870
Shadehill Lake Protection	Watershed Restoration	80,000	133,333
TOTAL		\$1,296,790	\$4,803,341

**Solid Waste
Management
Program**

The 1998 State Legislature appropriated \$1,345,000 for the Solid Waste Management Program and approved the use of non-recycling funds for waste tire cleanup projects. 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. A minimum of 50 percent of the funds collected from the fees are reserved for recycling activities.

The board's regularly scheduled December 1997 and June 1998 funding rounds reviewed a total of 29 applications. From these applications, the board made 16 grant awards totaling \$546,520 and two loan awards totaling \$220,000 (Table 5). Twelve awards were for municipal solid waste projects, four awards were for recycling activities, and two awards were for waste tire clean-up projects. The 1998 Solid Waste awards leveraged nearly \$1.7 million in total project construction.

Table 5

1998 SOLID WASTE MANAGEMENT PROGRAM

Municipal Solid Waste

<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Beresford	Restricted Use Site		\$ 35,000	\$ 70,000
Corsica	Landfill Closure		10,000	20,800
Corsica	Restricted Use Site		23,200	38,650
Gregory County	Landfill Closure (amendment)		17,000	25,000
Lake Andes	Landfill Closure		4,000	8,000
McLaughlin	Landfill Closure		35,000	70,000
Mound City	Landfill Closure		12,435	18,435
Platte	Landfill Closure		6,375	12,750
Roberts County	Regional Landfill - Equipment		40,000	80,000
Roscoe	Restricted Use Site		10,500	24,820
Vermillion	Regional Landfill Upgrade	150,000	125,000	919,800
TOTAL		\$150,000	\$318,510	\$1,288,255

Recycling

<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Hot Springs	Material Recovery Facility Equipment		\$145,000	\$193,713
Petrik Sanitation	Recycling Center	70,000	46,160	116,160
Spearfish	Compost Turner		12,500	25,000
TOTAL		\$70,000	\$203,660	\$334,873

Waste Tire Cleanup

<u>Sponsor</u>	<u>Description</u>	<u>Grant Amount</u>	<u>Total Project</u>
Sturgis	Waste Tire Cleanup	\$18,250	\$36,500
Winner	Waste Tire Cleanup	6,100	12,210
TOTAL		\$24,350	\$48,710

**Consolidated
Water Facilities
Construction
Program**

The 1998 State Legislature appropriated \$2.5 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 considered 26 applications for consolidated funding and awarded 17 new grants totaling \$1,735,500 (Table 6). The 1998 consolidated awards helped leverage more than \$9 million in construction activities.

Table 6

1998 CONSOLIDATED AWARDS

<u>Sponsor</u>	<u>Description</u>	<u>Amount</u>	<u>Total Project</u>
Beadle County Cons Dist	Ravine Lake Restoration	\$ 100,000	\$ 200,000
Big Stone City	Water Distribution Improvements	100,000	328,000
Brookings County Cons Dist	Lake Hendricks Restoration	60,000	155,000
Clear Lake	Water Distribution Improvements	100,000	665,000
Colome	Water Distribution Improvements	100,000	501,300
Hamlin County Cons Dist	Lake Poinsett Restoration	20,000	57,500
Hartford	Wastewater Collection Upgrade	300,000	1,400,000
Hermosa	Water Distribution Improvements	175,000	530,000
Lake City	Rural Water System Hookup	80,000	107,000
Prairie Hills Water & Devel Co	Water Supply/Distribution Upgrade	45,000	80,000
Roberts County	Big Stone Lake Restoration	15,000	214,286
Salem	Water Distribution Upgrade	100,000	801,400
Spink County Cons Dist	Turtle Creek/Lake Redfield Watershed	118,000	220,000
TM RWD	Rural Water System Hookup	250,000	2,171,500
Veblen	Water Distribution Improvements	50,000	525,000
Watertown	Lake Kampeska/Pelican Lake Watershed	42,500	507,800
White Lake	Wastewater Collection Upgrade	80,000	540,000
TOTAL		\$1,735,500	\$9,003,786

**1998 Federal
Water
Development
Legislation**

Congressional Hearings

During the 105th Congress, federal legislation was introduced to authorize construction of the Fall River Rural Water System, the Lewis and Clark Rural Water System, and the Perkins County Rural Water System. Senate hearings were held on the Fall River and Lewis and Clark project authorizations in 1997.

In 1998, the House Subcommittee on Water and Power held a hearing on the Fall River project in May, a hearing on the Lewis and Clark project in June, and a hearing on the Perkins County project in September. The Senate Subcommittee on Water and Power held a hearing on the Perkins County project in July.

On September 23, 1998, all three bills were marked up and passed by the Senate Energy and Natural Resources Committee. The Perkins County authorization was packaged into a bill with several project authorizations. The House and Senate did not reach full agreement on the package before the end of the 105th Congress. The Chairman of the Senate Water and Power Subcommittee requested no Senate floor action on the Lewis and Clark legislation during the 105th Congress. The Chairman will be holding hearings early in the 106th Congress to determine the appropriate federal oversight and funding agency for the Lewis and Clark project.

Congressional Authorization

The September 23, 1998, mark-up of the Fall River legislation changed the cost share to 70 percent federal and 30 percent nonfederal. The authorization as passed by the Senate committee changed the federal oversight and funding agency to the U.S. Department of Agriculture from the Bureau of Reclamation. On October 7th, the Senate passed the legislation with the House passing the legislation on October 12th. The Fall River Water Users District Rural Water System Act of 1997 was signed by the President on November 3, 1998, and became Public Law 105-352.

Federal Appropriations

The federal fiscal year 1999 Energy and Water Development Appropriations Bill was signed by the President on October 7, 1998 (Public Law 105-245). The funding levels for South Dakota water projects are listed in Table 7.

Table 7

FEDERAL FISCAL YEAR 1999 APPROPRIATIONS Bureau of Reclamation

Facility Operation, Maintenance & Rehab	
Mni Wiconi Rural Water System O&M	\$ 4,627,000
Resources Management & Development	
Black Hills Water Management Study*	\$ 250,000
Brennan Reservoir	100,000
Mid-Dakota Rural Water System	15,000,000
Mni Wiconi Rural Water System	26,717,000

*Line item under Dakota Water Management and Technical Assistance Program

Table 7 continued

Corps of Engineers	
Operation and Maintenance	
Big Bend Dam/Lake Sharpe	\$6,576,000
Fort Randall Dam/Francis Case	7,567,000
Gavins Point/Lewis & Clark	7,138,000
Oahe Dam/Lake Oahe*	9,217,000
Cold Brook Lake	204,000
Cottonwood Springs Lake	184,000
Lake Traverse, SD & MN	1,440,000
Construction, General	
Missouri National Recreational River, NE & SD	\$ 125,000
General Investigations	
James River SD and ND	\$ 90,000
Watertown and Vicinity	380,000

* Includes \$750,000 for sediment mitigation and flood damage repair near Pierre and Fort Pierre

**1998 State Water
Development
Legislation**

State Legislation

Appropriations

The 1998 Legislature adopted Senate Bill 32, the Omnibus Water Funding Bill, authorizing the following appropriations from the Water and Environment Fund:

- Consolidated Water Facilities Construction Program -- \$2,500,000 to provide grants and loans for community drinking water, wastewater, and water quality and watershed projects;
- Mni Wiconi Rural Water Supply System -- \$1,000,000 loan to provide nonfederal cost share for project construction;
- Mid-Dakota Rural Water System -- \$1,300,000 grant to provide nonfederal cost share for construction;
- Sioux Falls Flood Control -- \$600,000 grant to provide for the nonfederal cost share for construction;
- James River Restoration Project -- \$250,000 grant for restoration activities;
- Black Hills Hydrology and Water Management Study -- \$210,000 grant to local project sponsors to provide for ongoing studies of the Black Hills;
- 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;
- Brennan Reservoir -- \$25,000 grant to provide for a feasibility study; and
- Solid Waste Management Program -- \$1,345,000 to provide grants and loans for municipal solid waste, waste tire, and recycling projects.

Water Development Districts

House Bill 1268 revised certain provisions related to water development districts and changed the names of the Mid-Dakota and the Southern Missouri Water Development Districts to Central Plains WDD and South Central WDD, respectively. HB 1268 removed the \$200,000 limit on water development districts' annual levy. The bill also eliminated the provision for Board of Water and Natural Resources approval of water development district contracts over fifty thousand dollars.

Municipal Solid Waste/Recycling Revisions

House Bill 1174 revised the formula and municipal solid waste reduction goals for South Dakota. The bill established 1990 as the base year for determining how the 50 percent municipal solid waste reduction goal is calculated. The bill eliminated several of the landfill bans and the staggered implementation dates. Yard waste, lead acid batteries, waste motor oil, and white goods were retained on the list of materials banned from South Dakota landfills.

Waste Tires

Senate Bill 30 amended SDCL 34A-6 to add a provision to provide for the proper disposal of waste tires. The bill authorizes the department to adopt rules requiring that waste tires collected from wholesalers or retailers be taken to DENR approved collection or processing sites. Improper disposal is a civil penalty of not more than ten thousand dollars per day per violation.

Rule-making Authority for Drinking Water SRF Program

Senate Bill 31 gives the department authority to implement a capacity assurance program as one of the requirements of the Safe Drinking Water Act. The bill authorizes the department to adopt rules for the review and approval of a new public drinking water system's technical, managerial, and financial capacity prior to start-up. After October 1, 1999, a new public water system

will not be able to begin operation unless DENR issues a certificate of approval. The bill also addresses developing rules on how DENR is going to help existing public drinking water systems gain the capacity, if needed, to comply with federal and state drinking water requirements.

Capital Construction Fund Revisions

House Bill 1229 revised the formulas for deposits into the Capital Construction Fund (CCF) and allocation of distributions from the fund. The purpose of the bill was to increase the annual allocation to the Ethanol Fuel Fund without impacting the transfers to the Water and Environment Fund and the Public and Special Transportation Fund. Specifically, the bill increases the Tank Inspection Fee deposit into the CCF by increasing the allocation to 50 percent from 42 percent and removing the \$5.9 million cap on deposits. The distribution allocation for the ethanol fund was increased to 33 percent from 20.75 percent. The allocation to the Water and Environment Fund was decreased to 63.25 percent from 75.5 percent, but the dollar amount is projected to remain approximately \$5.7 million annually.

Special Purpose Districts

Senate Bill 12 establishes a uniform procedure for the formation of certain special purpose districts and the election of the first board of directors for these districts. The special districts covered are county road, ambulance, rural fire protection, sanitary, irrigation, watershed, and water project districts.

1999 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; 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 1998, the board reviewed 43 applications and approved placement of 40 projects on the facilities plan, bringing the total number of projects on the 1999 State Water Facilities Plan to 69 (Table 8). 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 8. 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 8

1999 STATE WATER FACILITIES PLAN

Sponsor	Project Description	On Plan Through	Proposed Funding Sources*			TOTAL
			CWFCP	CWSRF	DWSRF	
Aberdeen	Water Treatment Plant Upgrade	99/00	\$	\$	\$2,873,000	\$ 2,873,000
Artesian	Wastewater Collection Improvements	99/00				1,027,000
Aurora-Brule RWS	Northeast Aurora County Expansion	98/99	750,000		850,000	3,131,000
Aurora-Brule RWS	North Chamberlain Area Expansion	98/99				190,725
Aurora-Brule RWS	Water Plant Improvements	98/99	75,000			225,000
BDM RWS	System Expansion - Phase II	99/00	425,000			12,615,000
Box Elder	Water/Sewer Improvements	98/99	500,000	3,600,000		6,800,000
Bryant	Water Distribution Upgrade	99/00	100,000			442,000
B-Y Water District	Water Treatment Plant Expansion	99/00	250,000			8,350,000
B-Y Water District	Bon Homme County Expansion	99/00	100,000			3,100,000
B-Y Water District	Hutchinson County Expansion	99/00	100,000			3,500,000
Cheyenne Rvr Sioux Tribe	Community Sewer System	98/99	37,700			360,000
Clark RWS	Wellhead Protection	98/99	60,000			110,625
Clear Lake Restoration	Clear Lake Watershed/Lake Restoration	99/00	627,000			2,758,051
Colman	Wastewater Treatment Improvements	98/99	300,000			300,000
Columbia	Wastewater Treatment Upgrade	99/00		337,600		389,600
Conde	Water Distribution Upgrade/Storage	99/00	150,000		178,200	328,200
Custer	Water/Sewer Improvements	98/99	200,000	379,852		1,079,852
Davison County	Firesteel Creek Watershed Project	99/00	190,000			2,760,000
Dell Rapids	Wastewater Treatment Upgrade	99/00	200,000	670,000		970,000
Delmont	Wastewater Treatment/Collection	99/00	30,000			50,000
Doland	Water Tower Rehabilitation	98/99	28,000			38,650
Eagle Butte	Wastewater Treatment Upgrade	98/99		502,012		635,012
East Gregory RWS	Booster Station/Tower Upgrade	99/00	10,043			16,738
Fort Pierre	Wastewater Treatment/Collection	99/00	300,000	525,000		1,225,000
Freeman	Sanitary Sewer Collection Upgrade	99/00	30,000			150,000
Gettysburg	Water Meter Replacement	98/99	25,000			43,954
Gregory	Water Supply/Storage/Distribution	99/00	100,000			440,000
Hamlin County Cons Dist	Lake Poinsett Watershed Project	98/99	55,250			608,926
Harrisburg	Wastewater Treatment Facility	99/00	350,000	510,000		905,490
Hartford	Wastewater Collection Improvements	98/99	100,000	371,110		471,110
Herrick	Water Tower Rehab/Fire Protection	98/99	25,000			42,000
Highmore	Water Tower	99/00	275,000			499,800
Hughes County	Cow Creek/Sprink Creek Rural Water	99/00				35,000
Ipswich	Water/Sewer/Storm Sewer Upgrade	98/99	200,000			3,068,860
Isabel	Water Distribution Upgrade	99/00	298,000			318,000
Kingbrook RWS	System Expansion	99/00	40,000			2,100,000
Lake Kampeska WPD	Diversion Dam	98/99	200,000			915,000
Lake Poinsett Sanitary Dist	Wastewater Collection Expansion	99/00	200,000			4,200,000
Lead	Water/Sewer for Highway Reconstruct	98/99	645,000	110,000	110,000	1,076,290
Montrose	Water Distribution Upgrade	99/00	25,000		45,000	70,000
Northern Hills Comm Dev	Deadwood Hill Utility Infrastructure	99/00	600,000			3,754,240
Pierre	Wastewater Treatment Upgrade	98/99		8,893,000		8,893,000
Platte	Booster Station Replacement	98/99				85,000
Platte	Water Distribution Upgrade Phase VII	98/99	50,000			134,000
Platte	Storm Drainage Management	98/99				609,000
Platte	Water/Sewer Utility Street Project	98/99	100,000			350,000
Platte	Sanitary Sewer Collection Upgrade	99/00	300,000	1,000,000		1,500,000
Prairie Hills Water & Dev	Well No. 4 and System Improvements	98/99	500,000			535,000
Randall Comm Water Dist	System Expansion	99/00	2,400,000			13,400,000
Rapid Valley Sanitary Dist	Refinance of CWSRF Loan	99/00	250,000			460,620
Scotland	Wastewater Line Relocation	99/00	25,000			40,700
Scotland Lake Henry Assn	Lake Henry Dam Construction	99/00	200,000			1,740,000
Sioux Falls	Drinking Water Facility Improvements	99/00			1,423,500	1,423,500
Sioux Falls	Various Wastewater Projects	99/00		1,339,000		1,339,000
Sioux RWS	Water Storage and System Expansion	99/00	150,000			2,500,000
Sisseton	Water/Sewer Replacement	98/99		110,000	110,000	224,400
Spink County Cons Dist	Turtle Creek/Lake Redfield Project	98/99	434,857			1,352,553
Stickney	Drainage Project	98/99	40,000			105,000
Sturgis	Wastewater Irrigation Upgrade	98/99	200,000	1,480,000		1,680,000

<u>Sponsor</u>	<u>Project Description</u>	<u>On Plan Through</u>	<u>Proposed Funding Sources*</u>			<u>TOTAL</u>
			<u>CWFCP</u>	<u>CWSRF</u>	<u>DWSRF</u>	
T-M Rural Water Dist	System Expansion - Phase III	99/00	200,000			1,565,700
Tripp	Water Line Replacement	99/00	77,940			129,900
Tripp Co. Water Users Dist	System Expansion	99/00	200,000			4,865,100
Tyndall	Water Distribution Upgrade	99/00			440,000	540,000
Vermillion	Sludge Removal	99/00		942,000		942,000
Volin	Water Distribution Upgrade	99/00	92,000			154,000
Wagner	Water/Sewer Replacement	98/99	50,000			121,621
Woonsocket	Water/Sewer Expansion Project	98/99				969,500
Yankton	Water Distribution Expansion	99/00	20,000			46,500
			<u>\$12,890,790</u>	<u>\$20,769,574</u>	<u>\$6,029,700</u>	<u>\$117,680,294</u>

* CWFCP - Consolidated Water Facilities Construction Program
DWSRF - Drinking Water State Revolving Fund Loan Program
CWSRF - Clean 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 State Water Resources Management System (Table 9) 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 9

1998 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 had proposed building levees in the Pierre-Fort Pierre area to allow greater releases and maximize power generation. Many local interests believe that a combination of watershed treatment and localized dredging in Lake Sharpe will be a more acceptable and effective solution than levees. Congress is also working on a plan to relocate a portion of the Pierre residential area which is most affected.
- 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 \$350,000 from 1995 to 1998.

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. Over a three-year period, the state legislature appropriated \$4 million for the Belle Fourche project and completed the authorized state cost share commitment in 1997. 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 gather comments. City and county elections were held with residents voting against further local participation in the flood control project.
- The project regained momentum after severe spring flooding in 1997 forced 5,000 residents from their homes. The Watertown City Council scheduled an election on February 24, 1998, calling for a citywide vote on the proposed Mahoney Creek Dam. The record turnout of voters again rejected the proposed dam.

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 \$2.8 million from FFY 1988 through FFY 1998 to establish the hydrologic monitoring system and 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 December 2000.
- 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 \$1,175,000 through FFY 1999.
- The Water Management Study is scheduled to be completed by the end of FFY 2001. The focus for the remaining years will be on the water needs assessment, development of an Integrated Groundwater/Surface Water Model, and development of alternatives and final reports.
- A Black Hills Hydrology and Water Management Study 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.
- The State Legislature authorized the project in 1992 with a state cost share commitment of \$2.5 million. State legislative appropriations to the local project sponsors total \$1,280,000 from 1988 through 1998. 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 by the Alliance and HDR Engineering. The Legislature provided \$25,000 in 1993 and \$25,000 in 1998 to conduct additional Brennan Reservoir studies.

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 1998.

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 Fall River 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. The House Subcommittee on Water and Power conducted a hearing on May 19, 1998. In October 1998, Congress passed the Fall River authorization legislation. The Fall River Water Users District Rural Water System Act of 1997 was signed by the President on November 3, 1998, and became Public Law 105-352. The legislation was amended to provide for a federal cost share of 70 percent and a nonfederal cost share of 30 percent and the funding to be provided through the U.S. Department of Agriculture.

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.
- 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.

James River Improvement Program - 1984

- This program has been designed to provide flood control as well as municipal, industrial, agricultural, recreational, and wildlife benefits.
- The Water Resources Development Act of 1986 (Public Law 99-662) authorized \$20 million for flood control and stream flow improvements. A draft Environmental Impact Statement was completed in 1987.
- The James River Water Development District has completed a number of improvement projects. Projects 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.
- The State Legislature authorized the project in 1992 with a state cost share commitment of \$2.5 million. State legislative appropriations to the district total \$1,660,000 from 1988 through 1998 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.
- The James River WDD selected 11 bridge sites for debris removal along the James River. In 1998, work started on four of the sites. At the end of October, more than 6,755 tons of debris were removed and stockpiled away from the river.

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. No significant activity occurred on this project in 1998.

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 Lewis and Clark's South Dakota project features (\$200 million) 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 \$675,000 from 1990 through 1998.
- Congress provided \$350,000 from FFY 1991 to 1994 for the Bureau of Reclamation's technical assistance on the feasibility study and project development.
- The Lewis and Clark federal authorizing legislation was introduced during the 103rd Congress, 104th Congress, and 105th Congress. The Senate Subcommittee on Water and Power conducted a hearing on the proposed Lewis and Clark project in 1994, 1996, and 1997. The House Subcommittee on Water and Power held its first hearing on the Lewis and Clark federal legislation in 1998. 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.
- The Senate Subcommittee marked up and approved the Lewis and Clark legislation on September 23, 1998. Negotiations among the project sponsors, the congressional delegations, and the Senate Subcommittee chairman will continue through the end of the 105th Congress regarding the appropriate federal funding agency for rural water projects. Oversight hearings will be held early in the 106th Congress on the Bureau of Reclamation's role in the construction of new drinking water projects. The hearings will also focus on whether other federal funding agencies such as the Environmental Protection Agency and the U.S. Department of Agriculture would be appropriate for funding and oversight.

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. The state's commitment also provided that the \$8.4 million cost share could be increased by ordinary fluctuations in construction costs. In 1998, Mid-Dakota received a state appropriation of \$1.3 million which completed the state's commitment to the Mid-Dakota project and brought the total provided to \$9.67 million from 1988 through 1998.
- 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.
- In 1996, the \$3.9 million intake and \$1.7 million raw water pipeline construction contracts were completed. In 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 construction contracts were completed. Additionally, individual water service hookups for residents in Harrold and Virgil should be completed by the end of 1998.
- Mid-Dakota began operation of the water treatment plant in 1997. The completion of the main pipeline and a secondary pipeline to Gettysburg allowed the system to begin providing potable water to the communities of Highmore, Onida, Blunt, and Agar along with rural users in the Oahe Plains Water System. By the end of the 1998 construction season, Mid-Dakota will have completed construction contracts in its Canning, Onida, Okobojo, and Highmore West service areas.
- Federal appropriations for planning and construction activities total \$55.9 million from FFY 1992 through 1998. In October 1998, the Bureau of Reclamation reprogrammed \$1 million of FFY 1998 funds to the Mid-Dakota project. In FFY 1999 Congress approved a line-item appropriation of \$15 million for the Mid-Dakota RWS project.

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 \$113.8 million through FFY 1998. The Bureau of Reclamation reprogrammed \$1 million of FFY 1998 funds to the Mni Wiconi project in October 1998. Congress also approved a FFY 1999 appropriation level of \$26.7 million for construction and \$4.6 million for operation and maintenance.
- 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 Oglala Sioux Water Supply System approved two contracts for construction on the main intake facility to be located at Echo Point near Fort Pierre and the site preparation and sludge lagoon construction contract at the water treatment plant.
- In July 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. Construction activities began in 1997 but are not anticipated to be completed until 1999.
- In FFY 1998, the Oglala Sioux Water Supply System awarded 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

1999. In FFY 1999 the Oglala Sioux Water Supply System also anticipates awarding two additional main pipeline contracts. These contracts would take water from the water treatment plant around Fort Pierre and connect with the existing main pipeline construction south of the Fort Pierre lagoons. The second contract would spilt off of the main pipeline and carry water from a point approximately 15 miles south of Fort Pierre to Draper.

- 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 has completed construction activities and is waiting to receive water from the Lower Brule Water System. Upgrades to the Lower Brule Water System are anticipated to be completed around the end of 1998. The Vivian North area project was bid and awarded late in 1997, but construction activities have been put on hold until the end 1998 for various reasons to include accommodating the contractors schedule. Vivian North is currently scheduled to be completed in 1999.
- West River/Lyman-Jones also awarded a contract in late 1998 to complete its Mellette West service area to include service to the community of White River. This advanced feature would use ground water from the Rosebud Sioux Rural Water System. The Rosebud Sioux Rural Water System completed a core pipeline extension from the reservation to White River and from White River west to several Indian housing units in 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 State Legislature provided \$50,000 per year in 1993 and 1994 to assist the project with its initial feasibility study and federal authorization.
- In 1994, a feasibility study was completed and identified hooking up to the Southwest Pipeline Project in North Dakota as the preferred alternative.
- In 1995, water service contract negotiations began between Perkins County and North Dakota's Southwest Pipeline Project. North Dakota's state authorization for the Southwest Pipeline Project required that Perkins County agree to pay all of the incremental construction costs incurred in bringing water to the border. Under this requirement, Perkins County's share of the Southwest Pipeline Project was estimated at \$6 million. Approximately \$4.5 million of this amount was for project features that

were constructed in North Dakota prior to 1995. The remaining \$1.5 million was an estimate of the costs to bring water the rest of the way to the border.

- In May 1996, the Perkins County Rural Water System completed negotiations with the North Dakota State Water Commission and signed a water service agreement. Several contracts were then awarded in North Dakota bringing water towards the border. After bidding, Perkins County's share of these contracts was reduced from the estimated \$1.5 million to \$898,478.
- The 1996 State Legislature authorized the construction of an \$18 million Perkins County RWS project and approved a state cost share commitment of \$1 million. In 1996, the Legislature also appropriated \$450,000 of the \$1 million commitment. In 1997, the state Legislature appropriated the remaining \$550,000 for the Perkins County project providing the cost share required by North Dakota to bring water service to the Perkins County area. The appropriation of this \$550,000 in 1997 completed the state's authorized cost share commitment.
- 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.
- Federal legislation to authorize construction of the rural water system was introduced in the U.S. House of Representatives in March 1997 and in the Senate in May 1998. The Senate waited to introduce authorizing legislation until after Lemmon and Bison voted to approve city contracts to hook up to the rural water system. The Senate Subcommittee on Water and Power held a hearing on July 14, 1998, with the House following up with a hearing on September 29, 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 significant activity occurred on this project in 1998 and future activities are uncertain.

Sioux Falls Flood Control Project – 1989

- In 1961, the Corps of Engineers completed a channelization, levee, and diversion system to provide 30-year flood protection on the Big Sioux River and 20-year flood protection on Skunk Creek.
- The Corps of Engineers completed a feasibility study in 1993 that recommended upgrading the existing project to provide Sioux Falls with 100-year flood protection on the Big Sioux River and Skunk Creek. Plans to upgrade the project include raising the levees above and along the diversion channel, modifying the spillway chute, replacing the stilling basin, and modifying some bridges.
- 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. A public hearing was held in August 1993 to gather comments on the proposed project.
- In 1992, the State Legislature authorized the \$26.9 million project and included a state cost share commitment of \$4.55 million in grants.
- The 1995 State Legislature appropriated \$300,000 for the engineering design, pre-construction activities, and construction of the flood control project and in 1998 appropriated an additional \$600,000.
- 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 1998.

Vermillion Basin Flood Control Project - 1987

- The project objective is to address the severe flooding problems in the Vermillion River Basin. The basin is a spindle-shaped watershed covering 2,697 square miles that includes parts of 14 counties, and is about 150 miles long with an average width of about 20 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 completed by the Corps of Engineers in 1993 did not identify a feasible federal project. The project sponsors re-evaluated project alternatives for nonfederal development.
- Local project sponsors submitted a pre-application notification for a Federal Emergency Management Agency hazard mitigation grant for a Feasibility Study of Flood Control Alternatives for the basin. In 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.
- The Vermillion River Watershed Authority was incorporated in December 1997 and is composed of representatives from Clay, Miner, Turner, McCook, and Lake counties' commissions.
- The Authority is proposing to use Federal Emergency Management Agency (FEMA) Hazard Mitigation grant funds to widen the channel at the outlet of Lake Thompson and construct a control structure to retain the natural outlet elevation; channel maintenance along 19 miles of the Vermillion River and its tributaries; and wetland restoration and development throughout the basin.

**Recommendation
to the Governor
and State
Legislature**

In November 1998, the board conducted a public meeting on the funding needs of the State Water Resources Management System projects. The board adopted Resolution #98-85 recommending to the Governor and Legislature that all current projects remain on the list and that no new projects be added. The board adopted Resolution #98-86 providing its funding recommendations to the Governor and the Legislature for Water and Environment Fund fiscal year 2000 expenditure authorization levels. A summary of the board's recommendation is provided below (Table 10). The full resolutions are in Appendix B.

Table 10

STATE WATER RESOURCES MANAGEMENT SYSTEM FUNDING RECOMMENDATIONS

Bad River Water Quality Project	\$ 525,000
Black Hills Hydrology and Water Management Study	275,000
Fall River RWS	800,000
James River Improvement Program	100,000
Lewis & Clark RWS	50,000
Mni Wiconi Rural Water System (<i>Loan</i>)	1,500,000
Total	<u>\$3,250,000</u>
Consolidated Water Facilities Construction Program	\$2,750,000
Solid Waste Management Grant Program	\$1,345,000

WATER AND ENVIRONMENT FUND
Special Condition Statement

Cash Balance from MSA - 6-30-98 **\$6,698,891**

Projected FY99 Revenues

Capital Construction Fund	\$5,404,170
Contractor's Excise Tax	\$400,000
Investment Interest	\$432,093
Loan Principal & Interest Payments	\$259,113
Grant Re-payment	\$120,000
Solid Waste Fees	\$1,345,000
Subtotal	\$7,960,376

Authorized FY 1999 General Bill Expenditure

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

Revenues Less Expenditures **\$7,560,376**

Projected Fund Balance Available for Expenditure **\$14,259,267**

Obligations (Signed contract by 1-Sep-98)

**Unexpended
Balance¹**

Prior Year

Consolidated	\$2,000,917
SWRMS - Major Projects	\$1,816,939
Solid Waste Grants - Disposal	\$740,239
Solid Waste Grants - Recycling	\$134,049
Solid Waste Grants - Waste Tires	\$154,015
Groundwater Monitoring GS	\$125,574

Current Year - 98 Omnibus (1999 authority)

Bad River Watershed Project	\$87,500
Lewis & Clark RWS Grant	\$50,000
Mid Dakota RWS Grant	\$1,300,000
Mni Wiconi (WR/LJ RWS)	\$1,000,000
Consolidated Grant or Loan	\$1,494,281

Subtotal

\$8,903,512

Funds Not Under Contract

\$5,355,755

¹Unexpended Balance as of 30-Jun-98.

WATER AND ENVIRONMENT FUND
Special Condition Statement
Continued

Funds Not Under Contract **\$5,355,755**

Project Expenditures Authorized by the Legislature - No agreement signed

Current Year (SFY 99) Authority

West Dakota - Black Hills Hydro Grant	\$210,000
West Dakota - Brennan Reservoir Grant	\$25,000
James River Restoration Grant	\$250,000
Sioux Falls Flood Control Grant	\$600,000

Prior Year Authority

Sioux Falls Flood Control Grant (96 Authority)	<u>\$300,000</u>
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Unobligated Projects Subtotal **\$1,385,000**

Program Expenditures Authorized by the Legislature - No agreement signed

Consolidated Program Authority - Prior Year	\$157,109
Consolidated Program Authority - Current Year	\$1,005,719

Solid Waste Program Authority - Prior Year	\$1,347,076
Solid Waste Program Authority - Current Year	<u>\$1,345,000</u>

Unobligated Programs Subtotal **\$3,854,904**

Projected Unobligated Fund Balance (as of 30-Jun-99) **\$115,850**

STATE OF SOUTH DAKOTA
BOARD OF WATER AND NATURAL RESOURCES
RESOLUTION # 98 - 85

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

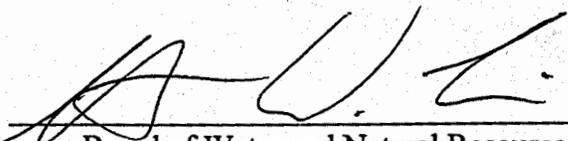
WHEREAS, the board pursuant to SDCL 46A-1-2 annually provides recommendations to the State Legislature and Governor regarding deletions and additions to the State Water Resources Management System component of the State Water Plan; and,

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

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

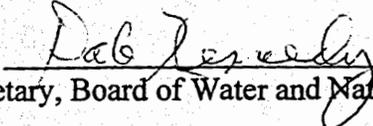
NOW THEREFORE BE IT RESOLVED, that the board recommends to the Governor and the State Legislature that all water resource projects currently on the State Water Resources Management System be retained as preferred, priority objectives of the State.

Dated this 12 th day of November, 1998.

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 # 98 - 86

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR THE BOARD OF WATER AND NATURAL RESOURCES RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2000 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 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 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 the State Legislature; 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 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 potential funding needs of solid waste disposal, recycling, and waste tire projects that may be funded under the Solid Waste Management Program; and,

WHEREAS, the board conducted a public meeting on November 12, 1998, to take the statements of 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 2000 expenditure authorization level of \$2,750,000 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 2000 line-item expenditure authorization levels for projects on the State Water Resources Management System:

Bad River Watershed Project	\$ 525,000
Black Hills Hydrology & Water Mgmt	\$ 275,000
Fall River RWS	\$ 800,000
James River Restoration	\$ 100,000
Lewis & Clark RWS	\$ 50,000
Mni Wiconi RWS *	<u>\$1,500,000</u>
SWRMS Total	\$3,250,000

* Loans

IT IS FURTHER RESOLVED, that the board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2000 expenditure authorization level of \$1,345,000 for the Solid Waste Management Program.

Dated this 13th day of November, 1998.

BY: 

Chairman, Board of Water and Natural Resources

(SEAL)

ATTEST:

BY: 

Secretary, Board of Water and Natural Resources