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Board of Water and Natural Resources Meeting

Conducted via the Digital Dakota Network

Northern State University
Aberdeen, SD

Department of Transportation
Brookings, SD

Department of Transportation
Huron, SD

(This site was added the day of the meeting to accommodate a participant.)

Mitchell Technical Institute
Mitchell, SD

Capitol Building
Pierre, SD

University Center
Rapid City, SD

USD School of Medicine
Sioux Falls, SD

Department of Environment & Natural Resources
Watertown, SD

January 8, 2016
1:00 p.m. CST

CALL MEETING TO ORDER: The meeting was called to order by Chairman Brad Johnson. The roll was called, and a quorum was present.

BOARD MEMBERS PRESENT: Brad Johnson, Todd Bernhard, Jackie Lanning, Paul Goldhammer, Jerry Soholt, and Dr. Paul Gnirk.

BOARD MEMBERS ABSENT: Gene Jones, Jr.

LEGISLATIVE OVERSIGHT COMMITTEE MEMBERS PRESENT: Representative Mary Duvall and Senator Jim White.

OTHERS: See attached sign-in sheets.

APPROVE AGENDA: Mike Perkovich noted that the city of Pierre submitted a letter withdrawing its Solid Waste Management Program funding application; therefore, it was removed from the agenda. Chairman Johnson approved the agenda.

APPROVE MINUTES OF THE NOVEMBER 5, 2015, MEETING: Motion by Gnirk, seconded by Bernhard, to approve the minutes of the November 5, 2015, Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

SECTION 319 APPLICATIONS: The Board of Water and Natural Resources is the designated entity that provides the state's Section 319 nonpoint source pollution project funding recommendations to EPA. The board considers recommendations from the Nonpoint Source (NPS) Task Force as part of its review process.

The 2016 Clean Water SRF Intended Use Plan authorized the use of \$1,200,000 in administrative surcharge fees to supplement the Consolidated and Section 319 programs for wastewater treatment and Total Maximum Daily Load (TMDL) implementation projects. The Section 319 funding allocation has not yet been received from EPA for FFY 2016, but staff anticipates receiving \$2,487,000, which is at the same level as last year's allocation. The DENR and NPS Task Force recommendations reflect both the anticipated FFY 2016 Section 319 federal funding allocation and \$150,000 in Clean Water SRF Water Quality grant awards.

The department proposed using \$680,000 in Section 319 grant funds for administration of the program, which leaves \$1,807,000 for pass through grants. With the \$150,000 Clean Water SRF Water Quality grant funds, the total amount for pass through grants is \$1,957,000. Based on the final allocation of Section 319 funds, whether it be an increase or decrease, awards will be adjusted on a proportional basis.

Barry McLaury presented the six applications, which requested a total of \$2,837,528 in Section 319 funding. He also presented the DENR funding recommendations.

Belle Fourche River Watershed Implementation Project - Segment 7 (Amendment)

Total Cost: \$3,546,900

Section 319 Grant Request: \$400,000

The Belle Fourche River Watershed Partnership is the project sponsor for this two-year project. This is the seventh segment that addresses seven TMDLs. The activities planned for this segment will begin implementing Best Management Practices (BMPs) that reduce E. coli and advance the BMP implementation for Total Suspended Solids pollutants to 71 percent complete. These BMPs include installing irrigation sprinkler systems, implementing grazing management

systems, installing riparian vegetation improvements, implementing clean water diversion, and relocating livestock feeding grounds.

Recommendation: \$400,000 as requested in Section 319 funds.

Upper Big Sioux River Watershed Implementation Project - Segment 7

Total Cost: \$1,152,800

Section 319 Grant Request: \$511,863

The city of Watertown is the project sponsor of this three-year project. The Upper Big Sioux River Watershed Project is designed to continue to improve water quality of the Big Sioux River, Lake Kampeska, and Lake Pelican by reducing nutrient and sediment loads originating from grazing and animal feeding operations, from crop ground and pasture lands caused by inappropriate application of manure or holding pond water, and from stream/river banks and lake shoreline erosion.

Recommendation: \$200,000 in Section 319 funds for the installation of BMPs under the project's sediment load reduction objective.

BMPs include grassed waterways, riparian area management, and sediment traps. The recommendation for a reduction in funding is based on limited available funding and local funding sources for staff. DENR acknowledges that requiring local funding to provide the staff that the local sponsors believe is necessary will reduce local funding for BMPs. DENR will work with sponsors to provide additional BMP cost share funding when needed. Options include a Watershed Restoration Project application to this board or Section 319 funds reverted during the year or from subsequent allocations.

SD Nonpoint Source Information and Education Project - Segment 4 (Amendment)

Total Cost: \$554,124

Section 319 Grant Request: \$86,700

The 2014 South Dakota Nonpoint Source Information and Education Project is sponsored by the SD Discovery Center. The project provides South Dakota's citizens with information and education opportunities about nonpoint source pollution in order to gain their support for, and participation in, nonpoint source pollution prevention and reduction practices. To achieve the goal, this project will focus on outreach to South Dakota's adults using a combination of traditional and innovative methods, support local and regional activities through a competitive mini-grants program, and increase teacher, student, and adult awareness of watersheds and watershed protection.

Recommendation: \$86,700 as requested in Section 319 funds.

South Central Watershed Implementation Project - Segment 1

Total Cost: \$13,317,530

Section 319 Grant Request: \$1,550,000

This five-year project is sponsored by the James River Water Development District and is the first segment of a locally planned multi-year (10-15 year) effort to implement BMPs in the Lewis and Clark Lake watershed, Lake Andes, Geddes, Academy, and Platte Lake Watersheds and impaired stretches of the Lower James River tributaries. The goal of the project is to restore or protect the beneficial uses through the installation of BMPs in the watersheds that target sources of sediment, nutrients, and fecal coliform bacteria. Segment I will address and target BMP installation in the entire South Dakota portion of the Lewis and Clark Lake Watershed (1.9 million acres) and the Lower James River Watershed and its tributaries (2.6 million acres).

Recommendation: \$1,081,335 (\$931,335 in Section 319 funds and \$150,000 in Water Quality grant funds).

The recommendation for a reduction in funding is based on available Section 319 funds. DENR recommended the sponsor submit future applications for Section 319 funds and continue to work with other potential funding partners to help make up the reduced Section 319 funding level.

SD School of Mines & Technology Pathogenicity Project

Total Cost: \$166,671

Section 319 Grant Request: \$100,000

This project is sponsored by the South Dakota School of Mines & Technology. The project would measure the pathogenic potential of the bacterial contamination of six sites along the Big Sioux River and Skunk Creek bi-weekly for the period of one year. Although fecal coliforms and E. coli are commonly quantified in the monitoring of water quality, the level of pathogenicity is often overlooked. The project proposes to apply a newly developed monitoring metric for pathogenic potential of contaminated water by screening bacteria for harmful traits that can be passed even among harmless bacteria, creating the possibility for severe public health risks. Through this work, the project will determine the effects of seasonal change and major weather events on the human disease potential, and help guide usage of these waterways.

Recommendation: No funding.

The recommendation for no funding is based on the South Dakota Surface Water Quality Standards not distinguishing between E. coli gene types. This research may be appropriate for another funding source, but it does not provide water quality benefits to justify consideration of Section 319 funding.

South Dakota State University Bacteria in Sediment Project

Total Cost: \$314,941

Section 319 Grant Request: \$188,965

This three-year project is sponsored by South Dakota State University and will use a combination of literature review and spatial sampling to determine a standard method for sampling E. coli in stream sediments. Using the standard method, the project will also assess the

stability of E. coli concentrations over time including the impact of stormflow, shear stress, and sediment particle sizes. Stormflows have the potential to deplete sediment stores of E. coli; therefore, this project will also evaluate the potential for E. coli recovery after such events. Outcomes from the project will provide needed insight into the risks to South Dakota waterbodies from existing in-stream E. coli stores and the potential persistence of the risks from E. coli stores over time.

Recommendation: \$188,965 as requested in Section 319 funds.

This concluded Mr. McLaury's presentation of the funding applications.

Jay Gilbertson, Chairman of the NPS Task Force, stated that the members of the task force concurred with the recommendations of DENR.

Mr. McLaury and Mr. Feeney answered questions from the board.

Motion by Gnirk, seconded by Bernhard to concur with the funding recommendations of the Department of Environment and Natural Resources and the Nonpoint Source Task Force and to authorize the department to forward the FFY 2016 Section 319 funding recommendations to EPA with adjustments to the final federal funding level. A roll call vote was taken, and the motion carried unanimously.

Motion by Gnirk, seconded by Bernhard, to authorize the department to enter into a grant agreement with the James River Water Development District in the amount of \$150,000 from Clean Water SRF administrative surcharge fees pursuant to the 2016 Clean Water SRF Intended Use Plan, contingent upon the 2016 Legislature authorizing the required budget authority for the awards. A roll call vote was taken, and the motion carried unanimously.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION: Andy Bruels discussed available funds.

A map showing the location of the applicant was included in the board packet.

The Solid Waste Management Program was established under SDCL 46A-1-83. The Board of Water and Natural Resources may award grant and loan funds for the purpose of solid waste planning and management under the program. ARSD 74:05:10:09 provides that applications for the January funding round are due by October 1.

Pursuant to ARSD 75:05:10:11, the board must make its funding decisions within 120 days after applications are presented. In accordance with SDCL 46A-1-83, a minimum of 50 percent of the Solid Waste Management Program funds must be reserved for recycling activities.

Andy Bruels presented the one application that was received by DENR for funding consideration at this meeting.

The South Dakota Solid Waste Management Association requested \$39,000 for a Manager of Landfill Operations Training Course. The application reflected an estimated total project cost of \$63,000, which included costs associated with in-kind match for staff and other expenses. It was determined that to provide the requested grant funding, the in-kind match is not necessary, so that amount was removed from the project cost.

Mr. Bruels noted that a portion of the registration fees will fund the remainder of the cost.

The South Dakota Solid Waste Management Association is planning to sponsor the Solid Waste Association of North American Manager of Landfill Operations (MOLO) course in South Dakota to certify new managers and regulators, maintain existing certifications, and train other new staff in the solid waste industry statewide. The last MOLO course was held in October 2013. The Solid Waste Management Association anticipates a minimum of 42 registrants for the training. Funds will help to defray the registration costs for South Dakota operators only.

Staff recommended awarding a Solid Waste Management Program grant for up to 80 percent of approved total project costs not to exceed \$39,000.

Carolyn Trautman, Executive Director of the SD Solid Waste Management Association, discussed the MOLO training and requested approval of funding. She answered questions from the board.

Motion by Bernhard, seconded by Lanning, to adopt Resolution #2016-01 approving Solid Waste Management Program Grant Agreement #2016G-SW-400 between the Board of Water and Natural Resources and the South Dakota Solid Waste Management Association for up to 80 percent of approved total project costs not to exceed \$39,000 for sponsoring a Manager of Landfill Operations Training Course. A roll call vote was taken, and the motion carried unanimously.

FFY 2015 CLEAN WATER SRF ANNUAL REPORT: Derek Lankford presented the FFY 2015 Clean Water SRF annual report.

The South Dakota Conservancy District is required to submit an annual report to the Environmental Protection Agency for the Clean Water State Revolving Fund (SRF) Program. The FFY 2015 report follows the same format as previous years and discusses activity from October 1, 2014, to September 30, 2015.

Mr. Lankford reported that in FFY 2015 the Board of Water and Natural Resources awarded 21 Clean Water SRF loans totaling \$61,892,657. Five loans received principal forgiveness in the aggregate total of \$3,611,900. Loan repayments totaled more than \$28.3 million, with \$20.5 million in principal, \$6.2 million in interest, and \$1.6 million in administrative surcharge.

Staff recommended the board approve the annual report for the Clean Water SRF program and authorize staff to distribute the report.

Motion by Bernhard, seconded by Gnirk, to approve the FFY 2015 Clean Water SRF annual report and authorize staff to distribute the report. A roll call vote was taken, and the motion carried unanimously.

FFY 2015 DRINKING WATER SRF ANNUAL REPORT: Mr. Lankford presented the FFY 2015 Drinking Water SRF annual report.

The South Dakota Conservancy District is required to submit an annual report to the Environmental Protection Agency for the Drinking SRF. The FFY 2015 report follows the same format as previous years and discusses activity from October 1, 2014, to September 30, 2015.

Mr. Lankford reported that in FFY 2015 the board awarded 19 Drinking Water SRF loans totaling \$32,823,750. Six loans received principal forgiveness in the aggregate total of \$3,518,940. Loan repayments totaled more than \$20.1 million, with \$16 million in principal, \$3.3 million in interest, and \$870,070 in administrative surcharge.

Staff recommended the board approve the annual report for the Drinking Water SRF program and authorize staff to distribute the report.

Motion by Goldhammer, seconded by Gnirk, to approve the FFY 2015 Drinking Water SRF annual report and authorize staff to distribute the report. A roll call vote was taken, and the motion carried unanimously.

REQUEST FOR CONSENT TO PERKINS COIE'S SIMULTANEOUS REPRESENTATION OF SOUTH DAKOTA CONSERVANCY DISTRICT AND CITY OF SIOUX FALLS: Mike Perkovich reported that Bruce Bonjour, Perkins Coie, who serves as bond counsel for the Clean Water and Drinking Water SRF programs is also working with the city of Sioux Falls on a sales tax bond issue. Sioux Falls has one outstanding Clean Water SRF loan (CW-22) secured by a pledge of sales tax revenue.

Mr. Bonjour submitted a letter to the South Dakota Conservancy District requesting its consent to undertake representation of the city of Sioux Falls in a matter in which the interests of the Conservancy District and the city are potentially adverse, while continuing its representation of the Conservancy District in other matters related to the SRF programs.

The South Dakota Attorney General's approval of the Consent Letter for Perkins Coie is also required.

Mr. Bonjour's request was reviewed by legal counsel and no concerns were noted.

Staff recommended the board authorize Chairman Johnson to execute the Consent Letter for Perkins Coie's simultaneous representation of the South Dakota Conservancy District and the city of Sioux Falls.

Mr. Perkovich and Mr. Feeney answered questions from the board.

Motion by Bernhard, seconded by Soholt, to authorize Chairman Johnson to execute the Consent Letter for Perkins Coie's simultaneous representation of the South Dakota Conservancy District and the city of Sioux Falls. A roll call vote was taken, and the motion carried unanimously.

MARCH 23-24, 2016, MEETING: Mr. Perkovich discussed possible agenda items for the March 23-24, 2016, meeting, which is scheduled to be held at the Matthew Training Center in Pierre.

Note: Following the board meeting, the March meeting date was changed to March 30-31, 2016, due to several board members having a scheduling conflict.

ADJOURN: Motion by Bernhard, seconded by Lanning, that the meeting be adjourned. A roll call vote was taken, and the motion carried unanimously.

The meeting was digitally recorded and it is available on the Boards and Commissions portal at <http://boardsandcommissions.sd.gov/bcuploads/bwnr0108.mp3>.

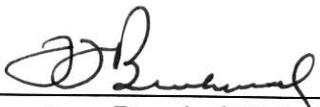
Approved this 30th day of March, 2016.

(SEAL)



Chairman, Board of Water and Natural Resources

ATTEST:



Secretary, Board of Water and Natural Resources

ATTENDANCE SHEET
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JANUARY 8, 2016

PIERRE
CAPITOL BUILDING

<u>NAME (PLEASE PRINT)</u>	<u>ADDRESS</u>	<u>REPRESENTING</u>
James Feeney	Pierre	DENR
Jim Putnam	ARMOUR	SCWDD
Mike Perkovich	Pierre	DENR
Jon Peschang	Pierre	DENR
Derek Lankford	Pierre	DENR
CLAIRE PESCHANG	Pierre	DENR
Andy Bruels	Pierre	DENR
Barry McLaury	Pierre	DENR
Drew Huisker	Pierre	DENR
TODD BERNHARD	FOOT PIERRE	BWNR
Paul Colquhoun	WALL	BWNR
PAUL GNIRK	NEW UNDERWOOD	BWNR
Mary Duvall	Pierre	Legis Oversight

ATTENDANCE SHEET
BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JANUARY 8, 2016

UNIVERSITY CENTER
RAPID CITY

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Robert L. Smith

2050 W. main RC, SD

SD DENR

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ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

JANUARY 8, 2016

WATERTOWN
DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

Brad Johnson
Andrew Kapp

Watertown
Watertown

BWNR
DENR

Roger Footie

Water

UBSRWP

