



BOARD OF WATER AND NATURAL RESOURCES November 5, 2020 9:00 a.m. CT

Remote Meeting Via Audio/Visual Conference November 5 at 9:00 a.m. CT

The public may participate by live audio or by streaming through a computer or other mobile device. The full board packet and directions for access to the meeting and live streaming can be found on the South Dakota Boards and Commissions Portal at

http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108

AGENDA

Scheduled times are estimates only. Some items may be delayed due to prior scheduled items or may be moved up on the agenda.

November 5, 2020

9:00 a.m. CT

- 1. Call meeting to order and roll call
- 2. Approve Agenda
- 3. Approve Minutes of September 24, 2020 Board Meeting
- 4. Public Comment Period

- 5. 2021 State Water Plan Applications Andy Bruels
- a) Alcester
- b) Baltic
- c) Bear Butte Valley Water, Inc.
- d) Blunt
- e) Canistota (water)
- f) Canistota (wastewater)
- g) Castlewood
- h) Chancellor (water)
- i) Chancellor (wastewater)
- j) Cresbard (wastewater)
- k) Cresbard (water)
- l) Custer
- m) Elkton
- n) Faith
- o) Gayville
- p) Grant-Roberts Rural Water System
- q) Groton
- r) Hot Springs (N. 24th St. wastewater)
- s) Hot Springs (N. River St. wastewater)
- t) Hot Springs (N. River St. water)
- u) Joint Well Field, Inc.
- v) Kingbrook Rural Water System
- w) Lake Norden (water)
- x) Lake Norden (wastewater)
- y) Lead (water)
- z) Lead (wastewater)
- aa) Mitchell (Lake Mitchell dredging)
- bb) Mitchell (wastewater treatment)

- cc) Mitchell (landfill)
- dd) Mitchell (water)
- ee) Mni Waste' Water Company
- ff) Mobridge (water)
- gg) Mobridge (wastewater)
- hh) Northdale Sanitary District
- ii) Philip
- jj) Presho
- kk) Saint Lawrence
- II) Salem (wastewater)
- mm)Salem (water)
- nn) Sioux Falls
- oo) Tabor
- pp) Tea (wastewater regionalization)
- qq) Tea (272nd St. wastewater)
- rr) Tea (272nd St. water)
- ss) Terry Trojan Water Project District
- tt) Vermillion (stormwater)
- uu) Vermillion (lift station)
- vv) Vermillion (landfill)
- ww) Watertown
- xx) Waubay
- yy) Wessington Springs (2nd S.t water & wastewater)
- zz) Wessington Springs (wastewater treatment)
- aaa) Wessington Springs (water meters)
- bbb) White (water)
- ccc) White (wastewater)
- 6. Cash Flow Model Jon Peschong
- Public Hearing to Adopt the FFY 2021 Clean Water State Revolving Fund Intended Use Plan Andy Bruels
- Public Hearing to Adopt the FFY 2021 Drinking Water State Revolving Fund Intended Use Plan Andy Bruels
- 9. State Water Resources Management System Deadline Mike Perkovich
- 10. State Water Resources Management System Recommendations Mike Perkovich
- 11. Omnibus Bill Funding Recommendations Stephanie Riggle
- 12. 2020 Annual Report and the 2021 State Water Plan Andy Bruels
- 13. January 7, 2021 Meeting
- 14. Adjourn

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <u>http://boardsandcommissions.sd.gov/Meetings.aspx?BoardIDis108</u>

Minutes of the Board of Water and Natural Resources Meeting Remote Meeting Via Audio/Visual Conference

> September 24, 2020 1:00 p.m. Central Time

<u>CALL MEETING TO ORDER</u>: The meeting was called to order by Chairman Jerry Soholt. The roll was called, and a quorum was present.

Chairman Soholt announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Jerry Soholt, Gene Jones, Todd Bernhard, Paul Gnirk, and Kathryn Johnson.

BOARD MEMBERS ABSENT: Jackie Lanning and Karl Adam.

<u>APPROVE AGENDA</u>: Motion by Bernhard, seconded by Gnirk, to approve the agenda. A roll call vote was taken, and the motion carried unanimously.

<u>APPROVE MINUTES OF JUNE 5, 2020 AND JUNE 25, 2020, MEETINGS</u>: Motion by Gnirk, seconded by Johnson, to approve the minutes of the June 5, 2020 and June 25, 2020, Board of Water and Natural Resources meetings. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

<u>DEPARTMENT UPDATE</u>: Mike Perkovich reported that the Department of Environment and Natural Resources and the Department of Agriculture are combining into one department. He introduced Brian Walsh, DENR Public Affairs Director, who updated the board on the department merger.

Mr. Walsh stated that the two departments will merge to form the Department of Agriculture and Natural Resources. The two departments have been working to find synergies and build the organizational structure of the new agency.

Early in her term, Governor Noem moved the Agriculture Business Development group to the Governor's Office of Economic Development. With that move, both the Department of Agriculture and the Department of Environment and Natural Resources are largely regulatory agencies. With agriculture, conservation, and natural resources all working hand in hand, it made sense to combine the two departments into a single department.

Governor Noem announced the merger on August 27, 2020. On September 8, 2020, Secretary Roberts was appointed as interim secretary of the Department of Agriculture. Between now and early in the 2021 legislative session, the departments will be working on the new organizational

structure and budgets so the legislature can be presented with a unified budget for FY 2022. Within the first five days of the 2021 legislative session, Governor Noem will issue an executive order that merges the two departments and creates the Department of Agriculture and Natural Resources. Ninety days after the executive order is issued it becomes effective.

Mr. Walsh noted that all of the Department of Agriculture and Department of Environment and Natural Resources' programs and regulatory responsibilities will remain in place moving forward, and the combined departments will continue to do their jobs as they have been.

Mr. Walsh answered questions from the board.

<u>PUBLIC HEARING TO ADOPT BROWNFIELDS REVITALIZATION AND ECONOMIC</u> <u>DEVELOPMENT PROGRAM WORK PLAN</u>: Chairman Soholt opened the hearing at 1:15p.m. Central Time.

The purpose of the hearing was to receive public input and adopt the FFY 2021 Brownfields Revitalization and Economic Development Program work plan. The primary purpose of the work plan is to identify Brownfields projects to be funded through the Brownfields Revolving Loan Subfund and Brownfields Assessment and Cleanup Subfund and amounts available to fund such projects.

Nayyer Syed, DENR Ground Water Quality Program, presented and discussed the proposed FFY 2021 Brownfields Revitalization and Economic Development work plan.

Each year the department receives funds from EPA for the development and enhancement of the state Brownfields Program. Limited funding is available for the Assessment and Cleanup Subfund. The funds will be used by the department to hire contractors to perform assessment and cleanup work on eligible Brownfields sites. The work plan includes a list of Brownfields assessment and cleanup projects to be funded.

Notice of the public hearing was published in the Aberdeen American News, Rapid City Journal, and Pierre Capital Journal on August 20, 2020. The notice is also available on the Department of Environment and Natural Resources' website.

Mr. Syed noted that no public comments were received after publication of the notice. He requested approval of the workplan.

Chairman Soholt requested public testimony regarding the proposed work plan. There was no public testimony.

Mr. Syed answered questions from the board regarding assessment and cleanup funds.

Motion by Jones, seconded by Gnirk, to adopt the FFY 2021 Brownfields Revitalization and Economic Development Program work plan. A roll call vote was taken, and the motion carried unanimously.

AMENDMENTS TO STATE WATER PLAN, 2020 CLEAN WATER SRF INTENDED USE PLAN, AND 2020 DRINKING WATER SRF INTENDED USE PLAN

Amendments to State Water Plan

Andy Bruels reported that Water projects which will require state funding or need state support for categorical grant or loan funding need to be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendments of projects onto the plan on a quarterly basis. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 2021.

Projects seeking a Clean Water or Drinking Water State Revolving Fund loan must be included on the project priority list of the Intended Use Plan (IUP). The State Water Plan applications are used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists.

The department received four State Water Plan applications received by the August 1, 2020, deadline. Mr. Bruels provided a map showing the location of the applications. He identified those projects to be placed on the Clean Water SRF and Drinking Water SRF project priority lists as he presented the State Water Plan applications.

Minnehaha Community Water Corp requested placement onto the facilities plan to increase capacity for existing users in two areas of the distribution system. The project includes construction of two elevated water storage tanks, a new control valve station, and installation of approximately eight miles of 12-inch transmission lines. The estimated total project cost is \$7,505,900. The project will be placed on the Drinking Water SRF IUP with 32 priority points and an estimated loan amount of \$7,505,900 at 2.125 percent interest for 30 years.

Sioux Falls Pump Station 240 requested placement onto the facilities plan to increase the capacity of the existing Pump Station 240 from 3.5 million gallons per day to 7 million gallons per day and to install a parallel 30-inch force main from the pump station to the Water Reclamation Facility. The total funding also includes \$3,538,000 of nonpoint source improvements to the Big Sioux watershed project. The estimated total project cost is \$39,038,000. The project will be placed on the Clean Water SRF IUP with 12 priority points and an estimated loan amount of \$39,038,000 at 1.25 percent interest for 20 years.

Sioux Falls Basin 15 requested amendment onto the facilities plan to install approximately two miles of sanitary sewer trunk line in the Basin 15 collection area. This is located in the northwest part of Sioux Falls near 12th St and Ellis Rd and will open up 1,200 acres for future development. The total funding also includes \$918,145 of nonpoint source improvements to the Big Sioux watershed project. The estimated total project cost is \$10,128,145. The project will be placed on the Clean Water SRF IUP with 12 priority points and an estimated loan amount of \$10,128,145 at 1.25 percent interest for 20 years.

Yankton requested amendment onto the facilities plan for upgrades at the wastewater treatment facility to include construction of a new equalization basin, replacing influent piping, installing a splitter at the plant headworks, making upgrades to the electrical system, and installing a back-up

generator. The estimated total project cost is \$9,638,400. The project will be placed on the Clean Water SRF IUP with 18 priority points and an estimated loan amount of \$3,180,000 at 2.125 percent interest for 30 years. Yankton received nearly \$6 million in funding from the Economic Development Administration for the remaining funds in the project.

Staff recommended amending all four projects onto the facilities plan.

Motion by Bernhard, seconded by Johnson, to place the four projects on the State Water Facilities Plan. A roll call vote was taken, and the motion carried unanimously.

Amendments to the Clean Water SRF IUP

Staff recommended the addition of the three projects discussed above to the Project Priority List of the Clean Water SRF IUP.

Motion by Gnirk, seconded by Bernhard, to add the Yankton, Sioux Falls Pump Station 240, and Sioux Falls Basin 15 projects to the Clean Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

Amendment to the Drinking Water SRF IUP

Staff recommended the addition of the project discussed above to the Project Priority list of the Drinking Water SRF IUP.

Motion by Gnirk, seconded by Johnson, add the Minnehaha Community Water Corporation project to the Project Priority List of the Drinking Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

<u>AVAILABLE FUNDING</u>: Mike Perkovich reviewed available funds for the Consolidated Water Facilities Construction Program, Drinking Water Facility Grants Build America Bonds (BABs) Federal Subsidy Payments, Drinking Water SRF Loans, Drinking Water SRF Principal Forgiveness, Clean Water SRF Water Quality Grants, Wastewater Facility Grants Build America Bonds (BABs) Federal Subsidy Payments, Clean Water SRF loans, and Clean Water SRF Principal Forgiveness.

<u>SANITARY/STORM SEWER FACILITIES FUNDING APPLICATIONS</u>: Mr. Perkovich presented the applications and staff recommendations for funding.

Sioux Falls requested funding to modernize and expand the Water Reclamation Facility. This funding application is the second of four anticipated loans to fund the project. A \$41,625,000 loan was awarded in September 2019.

The project will address the need to improve reliability due to age and condition to avert a risk of failure, increase hydraulic and organic capacity to accommodate growth, meet potential future regulations, and improve treatment operations.

Improvements will be made to the influent flow equalization, headworks facilities, primary clarifiers, aeration basins, final clarifiers, return activated sludge and waste activated sludge pumps, tertiary filters, disinfection units, effluent flow meter, and solids handling capabilities.

Design of the project is currently underway, and it is anticipated that the project will be bid in 2021 with project completion in the of fall of 2024.

Total estimated total project amount is \$159,000,000, and the amount requested is \$18,500,000.

Rates in Sioux Falls are \$36.49 per month based on 5,000 gallons usage.

Staff recommended awarding a \$18,500,000 Clean Water SRF loan at 2.00 percent interest for 20 years.

Sioux Falls has pledged system revenues for repayment of the loan. Staff analysis indicates Sioux Falls would have 150 percent coverage based on estimated wastewater revenue and expenses projected in 2023. The city has enacted an ordinance that will increase rates each year through the year 2023 when rates will be \$44.82 per for 5,000 gallons.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Ryan Johnson, principal engineer for the city of Sioux Falls, and Mark Perry discussed the project and answered questions from the board.

Motion by Johnson, seconded by Bernhard, to adopt **Resolution No. 2020-93** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$18,500,000 at 2.00 percent interest for 20 years to the **city of Sioux Falls** for a Water Reclamation Facility expansion project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective. A roll call vote was taken, and the motion carried with unanimously.

Mitchell requested funding to construct a new sewage lift station in northern Mitchell to replace the nearby Dailey Drive lift station. The project includes extension of a six-inch force main to the new lift station site. The existing Dailey Drive lift station is beyond its useful life and in need of rehabilitation. This lift station is located on residential property and needs to be moved to a city-owned location. The application also includes a nonpoint source component to install nonpoint source best management practices in the Firesteel Creek Watershed.

The estimated total project amount is \$1,686,202, and the amount requested is \$1,663,000, which consists of \$1,500,000 for the lift station project and \$163,000 for the nonpoint source component.

Rates in Mitchell are \$30.52 based on 5,000 gallons usage.

Staff recommended awarding a \$1,663,000 Clean Water SRF loan at the nonpoint source incentive rate of 1.375 percent interest for 30 years.

Mitchell has pledged a project surcharge for repayment of the loan. Staff analysis indicates Mitchell would have to establish a surcharge of approximately \$1.11. Mitchell's current rate of \$30.52 does not include the required \$4.20 surcharge for a \$4,618,000 loan that the board awarded in April 2020, but has not yet closed. Mitchell's rate will be approximately \$35.83 when all required surcharges are established.

Staff recommended the loan being contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Staff also recommended a special condition that the borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan.

Joe Schroeder, city engineer, discussed the project and answered questions from the board.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2020-94** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,663,000 at 1.375 percent interest for 30 years to the **city of Mitchell** for the Dailey Drive sewage lift station replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage., and with the special condition that the borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan. A roll call vote was taken, and the motion carried unanimously.

<u>DRINKING WATER FACILITIES FUNDING APPLICATION</u>: Mr. Bruels presented the Drinking Water Facilities application and the staff recommendation for funding.

Tea requested funding to construct a 750,000-gallon water tower to provide adequate storage and uniform pressure throughout the city.

The city bid the project in July 2020, and the project is currently under construction. A project completion date of November 2021 is anticipated.

The estimated total project amount is \$2,700,000, and the amount requested is \$2,700,000.

Rates is Tea are \$32.00 for 5,000 gallons.

Staff recommended awarding a \$2,700,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Tea pledged system revenue for repayment of the loan. Staff analysis indicates current rates will provide 111 percent coverage upon project completion.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Gabe Labor, HDR Engineering, discussed the project.

Motion by Gnirk, seconded by Johnson, to adopt **Resolution No. 2020-95** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,700,000 at 2.125 percent interest for 30 years to the **city of Tea** for a water tower project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. A roll call vote was taken, and the motion carried with Bernhard, Gnirk, Johnson, and Soholt voting aye. Jones abstained.

Mr. Bruels provided a recap of available funding.

<u>SOLID WASTE FUNDING APPLICATIONS</u>: Drew Huisken discussed available funding. He presented the funding applications and staff recommendations. A map showing the location of the projects was included in the board packet.

Gregory, in partnership with the Gregory Recycling Team, requested funding to purchase a recycling trailer for use in the community to increase local recycling efforts. The proposed trailer will include an eight-foot by twenty-foot box with a 25 cubic yard capacity, three internal compartments to separate different types of recycling, and a cardboard container. The container will be in an accessible location in the city and made available to all residents for their recycling needs.

The Gregory Recycling Team has volunteered to monitor the trailer and transport the container to an appropriate handler when it is full.

The estimated total project amount is \$14,425, and the amount requested is \$11,500.

The city plans to purchase the recycling trailer in October 2020.

Staff recommended awarding a Solid Waste Management Program grant up to 50.0 percent of the total project cost not to exceed \$7,200.

Mr. Huisken noted that for recycling projects, grant awards have historically been between 35 and 50 percent of total project costs. The city of Gregory is not interested in a Solid Waste Management loan and has committed to funding the remaining project costs with local cash.

Mr. Huisken answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2020-96** approving the South Dakota Solid Waste Management Program grant agreement to the **city of Gregory** for up to 50 percent of approved total project costs not to exceed \$7,200 for the purchase of a recycling trailer. A roll call vote was taken, and the motion carried unanimously.

South Eastern Council of Governments (SECOG) requested funding to pass through to the South Eastern Development Foundation to recapitalize its revolving loan fund program. This program assists with economic development and makes loans to for-profit entities that request assistance for eligible projects that advance South Dakota's Solid Waste Hierarchy.

Since 2010, SECOG has used previous DENR grants and other funding to leverage approximately \$21.3M in total funding and the creation and retention of 61 jobs in the solid waste industry. The funding is available to eligible entities in SECOG's region which includes Clay, Lincoln, McCook, Minnehaha, Turner, and Union Counties.

Since 2010, the board has awarded \$1,845,000.00 to these projects.

The estimated total project amount is \$625,000, and the amount requested is \$500,000.

Staff recommended awarding a Solid Waste Management Program grant up to 80.0 percent of the total project cost not to exceed \$500,000.

Historically, the Board of Water and Natural Resources has awarded 80 percent grants to the South Eastern Council of Governments for this type of pass-through project.

Lynne Keller Forbes, SECOG, answered questions from the board.

Motion by Jones, seconded by Gnirk, to adopt **Resolution No. 2020-97** approving the South Dakota Solid Waste Management Program grant agreement to **South Eastern Council of Governments** for up to 80 percent of approved total project costs not to exceed \$500,000 for the Regional Revolving Loan Fund Recapitalization project. A roll call vote was taken, and the motion carried unanimously.

Mr. Huisken provided a recap of available funds.

<u>MONTROSE CLEAN WATER SRF LOAN RE-AWARD</u>: Mr. Perkovich reported that in April 2020 the Board of Water and Natural Resources awarded a \$1,008,000 Clean Water State Revolving Fund loan with \$200,000 of principal forgiveness to the city of Montrose for a wastewater project.

It recently came to the department's attention that Montrose was awarded a \$644,800 grant from the Economic Development Administration (EDA) for the same wastewater project. Had the city secured the EDA grant prior to the April 2020 board meeting, the staff recommendation would have been for a \$363,200 loan with no principal forgiveness.

Staff recommended that the board rescind Resolution 2020-62 and adopt a new resolution awarding a \$363,200 Clean Water SRF loan at 2.125 percent interest for 30 years to the city of Montrose.

Mr. Perkovich answered questions from the board.

Motion by Bernhard, seconded by Gnirk, to rescind Resolution No. 2020-62 and adopt **Resolution No. 2020-98** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$363,200 at 2.125 percent interest for 30 years to the **city of Montrose** for a wastewater project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried with unanimously.

<u>BRANT LAKE SANITARY DISTRICT UPDATE</u>: Mr. Perkovich reported that the department received a Declaration of Financial Insolvency from the Brant Lake Sanitary District (BLSD).

BLSD was awarded a \$1,700,000 Clean Water SRF loan on June 24, 2010, to replace septic systems with a conventional wastewater collection system. The current balance of the loan is \$1,471,311.27, and the loan does not mature until 2044.

The district is having financial problems due primarily to a judgement in a civil case brought on by the contractor on the wastewater project. The contractor was awarded \$2,026,483 and has incurred additional interest of approximately \$430,000. The district has also incurred unforeseen expenses due to flood events in 2019.

The board packet included a letter from BLSD explaining its financial situation, the Declaration of Insolvency resolution, the response from DENR and the follow-up from Brant Lake.

The district's next loan payment is due on October 15, 2020. There is a chance that the BLSD situation may result in the first default in the history of both the Clean and Drinking Water SRF programs.

Mr. Perkovich stated that this was an informational update, and not board action is required at this time. The department will monitor the situation and update the board at a later date.

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

SFY 2020 STATE REVOLVING FUNDS REPORT TO THE INTERIM BOND REVIEW

<u>COMMITTEE</u>: The South Dakota Conservancy District is required to present an annual report to the Legislature's Interim Bonding Review committee at its meeting in November 2020.

A combined report for both SRF programs for the legislative committee's review was developed for this purpose. Information in this report presents program activity and financial statements on a state fiscal year basis and contains additional information on the District's bond issues.

Mr. Perkovich presented the report and answered questions from the board. .

Staff recommended the board approve the SFY 2020 State Revolving Funds report to the Interim Bonding Review Committee and authorize distribution of the report.

Motion by Jones, seconded by Bernhard, to approve the SFY 2020 State Revolving Funds report to the Interim Bonding Review Committee and authorize distribution of the report. A roll call vote was taken, and the motion carried unanimously.

<u>NOVEMBER 5, 2020, MEETING</u>: The next meeting is scheduled for November 5, 2020, at 9:00 a.m. Central Time. Mr. Perkovich highlighted some possible agenda items for that meeting.

<u>ADJOURN</u>: Motion by Jones, seconded by Gnirk, that the meeting be adjourned. Motion carried unanimously.

Approved this 5th day of November 2020.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources

November 5, 2020 Item 5

2021 State Water Plan Applications

Water projects that will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. At its November planning meeting, the Board of Water and Natural Resources approves projects for placement on the next year's State Water Facilities Plan. The projects placed on the plan at this meeting will remain on the facilities plan through December 2022.

Placement of a project on the State Water Plan by the board provides no guarantee of funding. The following applications have been received for placement on the 2021 State Water Plan.

- a) Alcester
- b) Baltic
- c) Bear Butte Valley Water, Inc.
- d) Blunt
- e) Canistota (water)
- f) Canistota (wastewater)
- g) Castlewood
- h) Chancellor (water)
- i) Chancellor (wastewater)
- j) Cresbard (wastewater)
- k) Cresbard (water)
- l) Custer
- m) Elkton
- n) Faith
- o) Gayville
- p) Grant-Roberts Rural Water System
- q) Groton
- r) Hot Springs (N. 24th St. wastewater)
- s) Hot Springs (N. River St. wastewater)
- t) Hot Springs (N. River St. water)
- u) Joint Well Field, Inc.
- v) Kingbrook Rural Water System
- w) Lake Norden (water)
- x) Lake Norden (wastewater)
- y) Lead (water)
- z) Lead (wastewater)
- aa) Mitchell (Lake Mitchell dredging)
- bb) Mitchell (wastewater treatment)

- cc) Mitchell (landfill)
- dd) Mitchell (water)
- ee) Mni Waste' Water Company
- ff) Mobridge (water)
- gg) Mobridge (wastewater)
- hh) Northdale Sanitary District
- ii) Philip
- jj) Presho
- kk) Saint Lawrence
- II) Salem (wastewater)
- mm) Salem (water)
- nn) Sioux Falls
- oo) Tabor
- pp) Tea (wastewater regionalization)
- qq) Tea (272nd St. wastewater)
- rr) Tea (272nd St. water)
- ss) Terry Trojan Water Project District
- tt) Vermillion (stormwater)
- uu) Vermillion (lift station)
- vv) Vermillion (landfill)
- ww) Watertown
- xx) Waubay
- yy) Wessington Springs (2nd St. water & wastewater)
- zz) Wessington Springs (wastewater treatment)
- aaa) Wessington Springs (water meters)
- bbb) White (water)
- ccc) White (wastewater)

RECOMMENDED	Approve staff recommendations for placement of projects onto 2021 State Water Facilities
ACTION:	Plan.

CONTACT: Andy Bruels, 773-4216

TITLE:

EXPLANATION:

State Water Plan November 2020



OCT - 2 2020

Division of Financial & Techsin: EPointero487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Alcester	Projected State Funding	\$5,500,000
PO Box 318	Local Cash	
Alcester, South Dakota 57001	Other:	
Phone Number:	Other:	
(605) 934-2851	TOTAL	\$5,500,000

Project Title: Wastewater Systems Improvement Project

Description: (Include present monthly utility rate.)

The City of Alcester is proposing improvements to its wastewater treatment facility and sanitary sewer collection system. The project is divided into phases. Phase 1 of the collection system improvements include open-cut sanitary sewer replacement along Ofstad St., the alley between Ofstad St. and Union St., the alley between Union St. and Broad St., and First St. from Ofstad St. to the alley east of Iowa Street. As part of Phase 1, the remainder of the system will be televised to determine the condition and need for replacement. Phase 1 of improvements to the wastewater treatment facility would replace deteriorating and inoperative equipment, relocate the main power feed and operations area to higher ground, and includes storm water system improvements to reduce the impacts of flooding. The total project cost for Phase 1 is \$5,500,000. The current wastewater rate is \$45.00 per 5,000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Daniel Haeder

Name & Title of Authorized Signatory (Typed)

9-29-2020 Signature

SEP 3 0 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant: City of Baltic	Proposed Funding Package	
Address:	Projected State Funding	\$718,600
PO Box 327 Baltic, South Dakota 57003	Local Cash	
	Other:	
Phone Number: 605-529-5497	Other:	
and and a set	TOTAL	\$718,600

Project Title: Baltic Main Lift Station Replacement

Description: (Include present monthly utility rate.)

The City of Baltic proposes to replace the main lift station at the wastewater lagoons with a new packaged can-style lift station. The new lift station will include a new concrete wet well, new pumps, a flow meter, and all lift station structures and equipment sized for future flows.

Current sewer rates are 64.80 per month for 5,000 gallons of usage.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott Grunewaldt, Mayor Name & Title of Authorized Signatory Signature Date (Typed)

OCT - 1 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Bear Butte Valley Water, Inc.		¢1,000,000
Address:	Projected State Funding	\$1,999,000
PO Box 351	Local Cash	
Sturgis, SD 57785		
	Other:	
Phone Number:	Other:	
605-206-0703	TOTAL	\$1,999,000

Project Title: Alkali Road Expansion

Description: (Include present monthly utility rate.)

Bear Butte Valley Water, Inc. (BBVW) is a public water supply system providing service to rural connections in Meade County and a small portion of eastern Lawrence County. The original system was completed in 2017 with approximately 225 users and today serves over 283 individual connections with reliable, quality water. The system boundaries include Butte-Meade Sanitation District to the north; the City of Sturgis and the Black Hills to the west; the Belle Fourche River to the east, and; Tilford Road to the south. The Alkali Road Expansion Project proposes to expand the water system to the east to provide 24 new service connections for rural residential drinking water demands. The project will replace existing water supplies for 24 customers who rely on private wells or hauling water to meet existing water needs. (See attached letter for water quality testing data for two of the customers who will be served by the project). Testing indicates the private water sources exceed the limits listed above for sulfate, TDS (electrical conductivity) & total coliform. Additional testing of existing wells is planned in the near future. Drinking water rates include a \$77.50/month service plus \$4.95 for each 1,000 gallons. Rates per 7,000 gallons are \$112.15.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dennis Kinslow, System Manager Name & Title of Authorized Signatory (Typed)

mber Signature

9/25/2020 Date

SD EForm RECEIVED

SEP 3 0 2020

State Water Plan Application

		Division of Financia
Applicant:	Proposed Funding Package	& Technical Assistance
City of Blunt		
Address:	Projected State Funding	\$1,354,866
PO Box 127 Blunt, SD 57522	Local Cash	
Diunt, 3D 37322	Other:	
Phone Number:	Other:	
(605)962-6262	TOTAL	\$1,354,866

Project Title: City of Blunt Storm Drainage System Improvements

Description: (Include present monthly utility rate.)

The City of Blunt proposes to undertake stormwater drainage improvements to mitigate flooding and issues of standing water. The city is located within a floodplain and within the Medicine Knoll Creek Drainage area. During periods of heavy rainfall and rapid snow melts, the city experiences periods of standing water in many parts of town. Over the years, the city has made several improvements including \$200,000+ of diversion ditch improvements in 2012. Multiple homes have undergone flood damage, along with the street and wastewater infrastructure.

The city does not currently have an underground storm water system, but instead relies on a series of 138 culverts and valley gutters. The proposed improvements include: removing and replacing all culverts that are in fair and poor condition while savaging as many as possible and updating necessary appurtenances to handle water flow, cleaning and reshaping the channel, replacement of box culvert, rip rapping, seeding, etc. and constructing a collection alternative near the school lot.

Continued in additional comments box

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Bryce Chambers, Mayor Name & Title of Authorized Signatory (Typed)

burce) Chambers 9/30/2020

Additional Comments:

The city has established a flood control budget within their general fund.

An updated facility plan will be submitted with application.

SEP 3 0 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Address:	Projected State Funding	\$437,000
PO Box 67 Conjetata South Dakata 57012	Local Cash	
Callistota, South Dakota 57012	Other:	
Phone Number:	Other:	
605-296-3551	TOTAL	\$437,000

Project Title: Canistota Infrastructure Improvements - Drinking Water

Description: (Include present monthly utility rate.)

New 8-inch PVC pipe will be installed to replace the existing 4-inch water main. This will increase distribution capacity of the system and will bring the system into compliance with current design standards.

The project area includes 5th Avenue from Main Street to the City Park; 6th Avenue from Pine Street south to the end of the road; 7th Avenue from Ash Street to Main Street; one block of Fir Street west of 7th Avenue; one block of Walnut Street west of 7th Avenue; one block of Oak Street west of 7th Avenue; and Pine Street from 3rd Avenue to 7th Avenue.

Current monthly water rate for 5,000 gallons of usage is \$52.90.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examinedby me and, to the best of my knowledge and belief, is in all things true and correct.

Justin Engbarth, Mayor Name & Title of Authorized Signatory (Typed)

have be Super 9/28/2020

SEP 3 0 2020

Division of Financial & Technical Assistance SD EForm - 0487LD V3

State Water Plan Application

Applicant: City of Canistota	Proposed Funding Package	
Address:	Projected State Funding	\$1,075,000
PO Box 67 Capitate South Dalate 57010	Local Cash	
Callistota, South Dakota 57012	Other:	
Phone Number:	Other:	
605-296-3551	TOTAL	\$1,075,000

Project Title: Canistota Infrastructure Improvements - Sanitary/Storm Sewer

Description: (Include present monthly utility rate.)

Clay sanitary sewer pipe along 5th Avenue and Pine Street and extending south will be removed and replaced with PVC. There is measurable deterioration and infiltration in the project area, particularly along 7th Avenue. In addition to the sanitary sewer piping being replaced, storm sewer will be added to the corridor to reduce standing water and convey runoff to the southwest.

The project area includes 5th Avenue from Main Street to the City Park; 6th Avenue from Pine Street south to the end of the road; 7th Avenue from Ash Street to Main Street; one block of Fir Street west of 7th Avenue; one block of Walnut Street west of 7th Avenue; one block of Oak Street west of 7th Avenue; and Pine Street from 3rd Avenue to 7th Avenue.

Current sewer rate for 5,000 gallons of usage is \$35.80.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Justin Engbarth, Mayor
Name & Title of Authorized Signatory
(Typed)

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Division of Financial & Technical Assistance

State Water Plan Application

Proposed Funding Package	
	#200.000
Projected State Funding	\$800,000
Local Cash	
Other:	
Other:	
TOTAL	\$800,000
	Proposed Funding Package Projected State Funding Local Cash Other: Other: TOTAL

Project Title: Castlewood Water System Improvements

Description: (Include present monthly utility rate.)

The City of Castlewood is proposing to construct improvements to its water distribution system. The improvements involve rehabilitating the existing water tower plus replacing approximately 6,500 LF of water mains that include aging cast iron pipe, undersized pipe, and to complete line looping to eliminate dead-end lines in the system. The water tower is still structurally sound but the coatings and paint need to be refurbished to extend the useful life of the water tower.

Current utility rates: \$30.00/month - base fee that includes 2,000 gallons \$.90/1,000 gallons of water used

5,000 gallons = \$32.70/month

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Brian Ries, Mayor Name & Title of Authorized Signatory (Typed)

Tun 983020

OCT - 2 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Town of Chancellor		
Address:	Projected State Funding	\$3,300,000
PO Box 106 Chancellor, SD 57015-0106	Local Cash	
	Other:	
Phone Number:	Other:	
000) 047-0090	TOTAL _	\$3,300,000

Project Title: Drinking Water Improvement Project

Description: (Include present monthly utility rate.)

The majority of the water main within the Town of Chancellor is cast iron main over 50 years old and contains tuberculation. This two-phase water main replacement project is proposed to be constructed in 2021 and 2022.

Phase 1 water distribution improvements are proposed within the west side of Chancellor and include replacement and installation of 7,000 feet of 6" PVC water main, water services within the right-of-way, curb stops, hydrants, valves, and fittings.

Phase 2 water distribution improvements are proposed within the east side of Chancellor include replacement and installation of 2,700 feet of 6" PVC water main, water services within the right-of-way, curb stops, hydrants, valves, and fittings.

Current water rate based on 5,000 gallon residential user: \$48.00

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Daniel Severson, Board President Name & Title of Authorized Signatory (Typed)

lignature 9/30/020

OCT - 2 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Town of Chancellor		
Address:	Projected State Funding	\$5,300,000
PO Box 106 Chancellor, SD 57015-0106	Local Cash	
	Other:	
Phone Number:	Other:	
(605) 647-8696	TOTAL	\$5,300,000

Project Title: Sanitary and Storm Sewer Improvement Project

Description: (Include present monthly utility rate.)

Chancellor has experienced excessive infiltration and inflow contributing to overloading at their wastewater treatment ponds. Review of televising videos and reports indicated significant infiltration within the existing VCP collection system. The Town also has poor drainage throughout the town contributing to the infiltration and inflow. This two-phase project is planned to be constructed in 2021 and 2022. It will replace the existing VCP sanitary sewer main and install new storm sewer to address the drainage issues that will outfall on the west side of Chancellor. Phase 1 sewer improvements will include the west half of the Town of Chancellor and include complete replacement of 5,400 feet of 8" sanitary sewer main, services within the right-of-way, and 16 sanitary sewer manholes. The phase 1 scope also includes the installation of 4,900 feet of new storm sewer along the south side town and along Main Street. Phase 2 sewer improvements are proposed for the east side of Chancellor to replace VCP sanitary sewer main, services, and 9 manholes. Storm sewer improvements within phase 2 are proposed to include extending new storm sewer to serve the east side of the Town of Chancellor. Current sewer rate is \$31/user.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Daniel Severson, Board President Name & Title of Authorized Signatory (Typed)

9/30/2020 Signature

Proposed Funding Package	
	t o 101107
Projected State Funding	\$3,124,127
Local Cash	
Other:	
Other:	
TOTAL	\$3,124,127
	Proposed Funding Package Projected State Funding Local Cash Other: Other: TOTAL

State Water Plan Application

Project Title: Cresbard Wastewater Improvement Project

Description: (Include present monthly utility rate.)

Cresbard's wastewater system hasn't had any major improvements since installation in 1958. Although there was damage due to muskrats in 2010 that required an emergency drainage request and repair, there were no other improvements since then. There is evidence that the system is leaking. The lagoon's capacity and retainage of wastewater is much less that what is moving into the system. DENR has not received a request for an emergency discharge of the system in the last 5 years, which indicates that there are large amounts of wastewater that is unaccounted for in the system. Other issues with the system such as overgrowth of vegetation, burrowing rodents, and the inflow of storm water also indicate that there are issues that need to be addressed and that repairs may need to be made throughout the whole wastewater system.

Cresbard has a flat rate of \$26 per user and there are 85 hookups.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gary Wegner, President Name & Title of Authorized Signatory (Typed)

y Wegner Date

State Water Plan Application

Applicant:	Proposed Funding Package	
Town of Cresbard		\$0.068.20E
Address:	Projected State Funding	\$2,068,305
PO Box 49	Local Cash	
Cresbard SD 57435-0049	Othem	
	Other:	ż
Phone Number:	Other:	
605-324-3619	TOTAL	\$2,068,305

Project Title: Cresbard Drinking Water Improvement Project

Description: (Include present monthly utility rate.)

Cresbard's water system is a cast iron water system. There have been repairs at certain places within the system changing it over to PVC. Cresbard purchases water from WEB water and has a 50,000 gallon elevated steel tank. There have been leaks of th system in recent years creating issues with unaccounted-for water and repairs resulting from finding and repair the leaks. There has been a loss rate of 34.3% in the Town of Cresbard due to water leaks throughout the system.

Water rates are \$30 per user up to 4000 gallons and an additional \$2.50 for the next 1000 gallons for a total of \$32.50 for 5000 gallons. There are 85 water hookups.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gary Wegner, President Name & Title of Authorized Signatory (Typed)

Signature Date

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Division of Financial

State Water Plan Application

	0L	Iconnical Assistance
Applicant:	Proposed Funding Package	
City of Custer		
Address:	Projected State Funding	\$12,450,400
622 Crook St. Custer, SD 57730	Local Cash	
	Other:	
Phone Number:	Other:	
605-673-4824	TOTAL	\$12,450,400

Project Title: Custer Wastewater Treatment System Upgrades and New Force Main

Description: (Include present monthly utility rate.)

The project will upgrade the City's sanitary sewer wastewater treatment facility (WWTF) and construct a new force main with discharge to French Creek. The City has a gravity sewer collection system with discharge to its WWTF via an interceptor line. The collection system runs east along Hwy.16 to the WWTF located north on Spring Place. A discharge force main runs from the WWTF to the discharge point on Flynn Creek. Due to age of the WWTF/force main, extensive improvements are needed. Specific project activities are many and fall within 3 areas: (1)Many improvements to the WWTF including upgrades to: control building HVAC & electric repair, standby generator & ATS replace, SCADA system, misc. pond structure changes, transfer pumps, piping & valve replace, etc. (2)Upgrades to discharge pumps & valves & a new 3.5-mile force main (discharge to French Creek south of Stockade Lake), (3)Addition of a submerged attached growth reactor (SAGR) (.75MGD design flow), SAGR standby generator, SAGR blower & building, U/V disinfection & building. Project may be phased (see attached) but this SWP covers entire project. Sewer rates are based on water use & for 5K gal.'s are: \$31.01 single-family & \$49.62 multifamily/commercial. There is a Sewer Reserve Fund. (See eng. plan on file with DENR.)

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Corbin Herman, Mayor Name & Title of Authorized Signatory (Typed)

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SEP 2 8 2020

SD EForm - 0487LD V3

			Division of Financial
State	Water	Plan	Application

Applicant: City of Elkton	Proposed Funding Package	
Address:	Projected State Funding	\$867,500
PO Box 308	Local Cash	
Eikton, 3D 37020-0308	Other:	
Phone Number:	Other:	
605-542-5411	TOTAL	\$867,500

Project Title: Elkton Lift Station Improvements

Description: (Include present monthly utility rate.)

The City of Elkton has two lift stations that need to be completely replaced. Each of the two lift stations have a single pump and a wet well that is too small for a duplex pump system. A third lift station requires rehabilitation to provide continued service. All three lift stations require the replacement of pumps and controls. SPN provided the preliminary engineering and cost estimates for the project.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Charles Kemind, Mayor Name & Title of Authorized Signatory

in fr

9/25-/20 Date

(Typed)

Signature

St.	te Water Dien Annliestien	OCT - 5 2020
50	ate water Plan Application	Division of Financial & Technical Assistance
Applicant: City of Faith	Proposed Funding Package	
Address:	Projected State Funding	\$2,274,000
PO Box 368 Faith, SD 57626	Local Cash	
	Other:	
Phone Number:	Other:	
(605) 967-2261	TOTAL	\$2,274,000

Project Title: New Elevated Water Storage Tank

Description: (Include present monthly utility rate.)

The City of Faith is proposing to install a new 225,000 gallon elevated water storage tank to provide additional storage capacity, remove the existing pump station from the system, improve reliability to the system during power outages, and also extend the time that fire flow and water supply can be provided during emergency situations. Water is supplied to Faith by the Tri-County/Mni Waste' Water Association and the existing incoming pressure will be utilized to fill the elevated tank. A new 12-inch diameter water main will also be installed from the proposed tank to the existing water distribution system.

The existing water system currently consists of a pressure reducer, 154,000 gallon ground storage tank, single pump, 35,000 gallon elevated storage tank, and distribution piping. In the event the single pump goes off-line due to necessary repairs or a power outage, the water capacity in the elevated storage tank at that time becomes the only water supply available to the city. The proposed project will eliminate dependence on this single pump.

Current monthly water rates are \$43.27/5,000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Glen Haines, Mayor Name & Title of Authorized Signatory (Typed)

Centaines 9-29-2020 Date

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		Division & Technic	of Fi cal As	nancial sistance

State Water Plan Application

Applicant:	Proposed Funding Package	
Town of Gayville		* 4 4 9 9 9 9 9
Address:	Projected State Funding	\$4,429,000
500 Kingsbury Street Gavville, SD 57031-0162	Local Cash _	
	Other:	
Phone Number:	Other:	
(605) 267-4555	TOTAL _	\$4,429,000

Project Title: Sanitary and Storm Sewer Rehabilitation with Possible Phases

Description: (Include present monthly utility rate.)

The Town is proposing a comprehensive rehabilitation and improvement of the wastewater collection, treatment and storm water infrastructure. Seventy five percent of the sanitary sewer mains are clay and well beyond the expected service life.

At this time the Town's leadership is looking to address a small section of its sanitary sewer system. The Town desires an opportunity to expand the work activities therefore placement of the entire master plan is being requested. The Town retained DGR Engineers and with assistance of a Small Community Planning Grant was able to move forward with a comprehensive evaluation of said infrastructure. Please refer to the enclosed Facilities Plan for a more detailed project explanation.

The City charges a flat fee of \$25.00 for sanitary sewer service with no limit as to volume. In a recent Town Board meeting the concept of metered sewer and rate increases were discussed with no formal action taken.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Jay Jorgenson, President 10/1/20 Signature Name & Title of Authorized Signatory (Typed)

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Grant-Roberts Rural Water System		
Address:	Projected State Funding	\$857,000
PO Box 145 Milbank, SD 57252	Local Cash	
	Other:	
Phone Number:	Other:	
605-432-6793	TOTAL	\$857,000

Project Title: System Wide SCADA

Description: (Include present monthly utility rate.)

The project consists of implementing a system wide SCADA system to enhance operations. The SCADA System will include:

1) The SCADA system providing operating information to the Operator in real time. The Operator can verify system operations and be informed, in real time regardless of his location, of deviations from normal system operation.

2) The SCADA system allows Operators at a remote location to make adjustment to facility settings. Operators, either as part of normal operational adjustments or in response to emergencies, may need to adjust the control settings at various locations. The SCADA system allows Operators to observe current conditions, initiate changes in settings, and verify that changes have been accepted without physically visiting the locations.
3) The SCADA system provides records of operations on a continuous basis. The records are used to analyze current and past operations and to prepare reports as needed for system operation and regulatory compliance.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Brent Hoffmann - General Manager Name & Title of Authorized Signatory (Typed)

Signature

10-01-2020 Date

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Groton Address:	Projected State Funding	\$1,265,400
PO Box 587 Groton, SD 57445	Local Cash	
	Other:	
Phone Number:	Other:	
605-397-8422	TOTAL	\$1,265,400

Project Title: Groton Water Improvements

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Description: (Include present monthly utility rate.)

The City of Groton is proposing to make improvements to their water system. These improvements include looping water lines in two separate areas of town and painting the interior and exterior of the ground storage tank.

Groton has a current water rate of \$56.95 per user for 5000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott Hanlon, Mayor, City of Groton Name & Title of Authorized Signatory (Typed)

September 30, 2020

Date

OCT - 1 2020

Division of Financial & Technical Assistance SD EForm - 0487LD V3

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State Water Plan Application

Applicant:	Proposed Funding Package	
City of Hot Springs		\$620 E0F
Address:	Projected State Funding	\$038,525
303 N. River St.	Local Cash	
Hot Springs, SD 57747	Other	
Phone Number:	Other:	
605-745-3135	TOTAL	\$638,525

Project Title: North 24th Street Sewer Project

Description: (Include present monthly utility rate.)

The City of Hot Springs is proposing to extend sanitary sewer collection system to an area in the northwestern portion of the community that currently lacks central sewer. This area instead relies upon private septic systems. The project will serve both existing residences as well as proposed new development. The water supply source for the SD Veterans Home is located nearby and is threatened by failing septic systems. Therefore this project is needed to alleviate this potential problem. Specific project improvements include the installation of approximately 5,500 LF of 8" PVC sewer main and related appurtenances as set forth in the engineering report on file with the DENR.

The current sewer rate is a flat \$30.57/month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert Nelson, Mayor Name & Title of Authorized Signatory (Typed)

Range	7-28-20
Signature	Date

SD EForm - 0487LD V3

Applicant:	Proposed Funding Package	
City of Hot Springs	Projected State Funding	\$704,000
303 N. River St.	Local Cash	
Hot Springs, SD 57747	Other:	
Phone Number:	Other:	
605-745-3135	TOTAL	10.00 C
		\$701 00

State Water Plan Application

Project Title: North River Street Utility Replacement (Sewer)

Description: (Include present monthly utility rate.)

The City is proposing to replace aged and unreliable sewer main along Highway 385/18 as part of the SDDOT's reconstruction of this road in 2021. The overall project area includes the highway and directly adjacent areas from the Summerville and Battle Mountain intersection south to Valley View Drive. Within this overall area, only the antiquated segments of sewer main will be replaced. A total of about 5,639' of sewer main will be replaced. Specific project improvements will also include: asphalt removal, new PVC sewer main of varying diameters, new sewer manholes, replacement of base course, pipe bedding, sewer service line connections and other appurtenances. (Refer to engineering report on file with the DENR as submitted in 2018 for both sewer and water main improvements).

The current sewer rate is a flat \$30.57/month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert Nelson, Mayor Name & Title of Authorized Signatory (Typed)

9.28 Date

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Hot Springs		\$392.000
Address:	Projected State Funding _	+052,000
303 N. River St. Hot Springs, SD 57747	Local Cash	
	Other:	
Phone Number:	Other:	
605-745-3135	TOTAL	90.850 GX
		\$392.000

Project Title: North River Street - Water Main Replacement Project

Description: (Include present monthly utility rate.)

The City is proposing to replace aged and unreliable water main along Highway 385/18 as part of the SDDOT's reconstruction of this road in 2021. The overall project area includes the highway and directly adjacent areas from the Summerville and Battle Mountain intersection south to Valley View Drive. Within this overall area, only the antiquated segments of water main will be replaced. A total of about 2,950' of water main will be replaced. Specific project improvements will also include: asphalt removal, new PVC water main of varying diameters, valves, new fire hydrants, replacement of base course, pipe bedding, water service line connections and curb stops, and other related appurtenances as set forth in the engineering report already on file with the DENR (submitted in 2018 as part of SWP application for both sewer and water main improvements).

The current water rate per 5,000 gallons is \$31.18/month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert Nelson, Mayor Name & Title of Authorized Signatory (Typed)

100 9-28-20 Date

Applicant:	Proposed Funding Package	
Joint Well Field, Inc.	- Topobou I ununig I achage	
Address:	Projected State Funding	\$5,523,000
47602 SD Hwy 28 Toronto, SD 57268	Local Cash	\$100,000
	Other:	
Phone Number: 605-794-4201	Other:	
	TOTAL	\$5,623,000

State Water Plan Application

Project Title: Joint Well Field Water Treatment Plant Improvements

Description: (Include present monthly utility rate.)

The Joint Well Field, Inc. proposes improvements to their water treatment facility including a high service pumping building, ground storage reservoir (GSR), and new backwash ponds. The high service pumping building includes new pumps to serve Kingbrook Rural Water System (KBRWS) and space for future pumps to serve Brookings-Deuel Rural Water System (BDRWS). The existing high service pumping piping will be retrofitted to serve BDRWS exclusively, which will eventually be phased out into the new high service pumping building in the future. These improvements will increase finished water pumping firm capacity by 2,200 gpm (2.6 MGD) and improve pumping efficiencies serving the two rural water systems. The new 1.2 MG GSR will increase on-site finished water storage and provide redundancy. The new backwash ponds will replace the existing backwash ponds which are undersized and in poor condition.

The Joint Well Field, Inc. sells water to KBRWS and BDRWS at a pre-project rate of \$1.03/kgal. To finance the project, the post-project water rate will increase to \$1.43/kgal. KBRWS's rates for 2021 will be \$67.15/7,000 gal and BDRWS's rates for 2021 will be \$63.20/7,000 gal.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gene Wilts, Manager Name & Title of Authorized Signatory (Typed)

Gene P. Willi 9-16-20 Signature Date
SEP 2 9 2020

SD EForm - 0487LD V3

Division of Financial & Technical Assistance

State Water Plan Application

Applicant:	Proposed Funding Package	
Kingbrook Rural Water System		
Address:	Projected State Funding	\$360,000
302 E Ash Street Arlington, SD 57212	Local Cash	\$33,100
	Other:	
Phone Number:	Other:	
(605) 983-5074	TOTAL	\$393,100

Project Title: City of Carthage Elevated Tank Recoating Project

Description: (Include present monthly utility rate.)

The City of Carthage owns an elevated tank within the corporate limits and leases the facility to Kingbrook Rural Water System, Inc. (KBRW). KBRW provides potable water service to the residents of Carthage as individual services. The tank is a 50,000 gallon conical top with four lattice legs. The exterior coating system contains lead and both the interior and exterior coatings have been top-coated several times to the point where both are in need of complete removal and application of a new coating system. In addition to the coating systems, the roof is corroded beyond repair and needs to be replaced, along with other minor improvements to the tank are proposed.

KBRW has a specific water rate for the residents of Carthage which is \$21.00 per month plus \$4.45 per 1,000 gallons used resulting in a monthly bill of \$43.25 for 5,000 gallons used. KBRW will establish a tank maintenance surcharge to be added to the monthly minimum in Carthage to ensure long-term planning is included for future improvements, repairs, and infrequent maintenance.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Erin Hayes, General Manager Name & Title of Authorized Signatory (Typed)

Em Haga 9/28/2020 Signature Date

SEP 2 8 2020

SD EForm - 0487LD V3 Division of Financial

& Technical Assistance

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Lake Norden		\$3,000,000
Address:	Projected State Funding	φ5,000,000
508 Main Avenue	Local Cash	
Lake Norden, SD 57248	Other:	
Phone Number:	Other:	
(605) 785-3602	TOTAL	\$3,000,000

Project Title: Lake Norden North Lift Station and Wastewater Lagoon Improvements

Description: (Include present monthly utility rate.)

Replacement of north lift station and repairs to wastewater treatment lagoons including rebuilding and riprapping dike walls and replacing control structures in the City of Lake Norden, South Dakota at an estimated cost of \$3,000,000.

Present monthly utility rates: The minimum monthly wastewater rate is \$16.80. The City has a \$10.70 wastewater fee surcharge. All users are billed as follows: \$1.00/thousand gallons after the first 2,000 gallons of water usage. The charge shall be based on the average usage during the months of December, January and February.

A reserve fund has been established for the wastewater utility.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Jason Aho, Mayor Name & Title of Authorized Signatory (Typed)

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Date

SEP 1 8 2020

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State Water Plan Application

Applicant:	Proposed Funding Package	
City of Lake Norden		#0.700.000
Address:	Projected State Funding	\$2,700,000
PO Box 213	Local Cash	
Lake Norden, SD 57248		
	Other:	
Phone Number:	Other:	
(605) 785-3602	TOTAL	\$2,700,000

Project Title: Water Tower Improvements

Description: (Include present monthly utility rate.)

The City of Lake Norden plans to construct a new 500,000 gallon water tower to supplement their existing elevated storage capacity. Preliminary engineering report with cost estimates for this project were prepared by Banner Associates and are attached. According to the report, the City's water distribution system suffers from insufficient total and elevated storage capacity and a lack of redundant operation modes.

The current water rate for 5,000 gallons of usage is \$35.31. A copy of the most current drinking water rate ordinance is also attached.

The Applicant Certifies That:

Jason A	ho, Ma	yor		
Name &	Title of	f Authorize	ed	Signatory
(Typed)				

signature M Date

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Division of Financial & Technical Assistance

Applicant:	Proposed Funding Package	
City of Lead		*
Address:	Projected State Funding	\$378,733
801 West Main Street Lead, SD 57754	Local Cash _	
	Other:	
Phone Number:	Other:	
(605) 584-1401	TOTAL _	\$378,733

Project Title: Mill Street Sewer Line Replacement and Storm Sewer Separation Project

Description: (Include present monthly utility rate.)

The City of Lead is requesting SRF funding to replace sewer lines and separate storm sewer along Mill Street, as part of an overall utility rehabilitation project. The storm sewers will be separated from McClellan up to High Street (2 blocks), and pick up the ancillary storm sewers on McClellan/Hill/High Streets. This project is a sub-area of the High, Sawyer, and Hill Street (Project 4) identified in the City of Lead's 2018 Facility Plan. The project cost has been revised for just the Mill Street portion of this project and includes a 50% share of the road replacement, contingencies, & engineering of the overall combined project cost with the water portion.

The area of Mill Street is being focused on so that all construction will be finished after 2021 and travel in this area will no longer be affected. Mill Street is a primary access route to the Ross Complex of the Sanford Underground Research Facility and surrounding neighborhoods.

Lead's sewer collection rates are \$11 per Equivalent Residential Unit per month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ron Everett, Mayor Name & Title of Authorized Signatory (Typed)

Ron Swuth 10-1-20 Signature / Date

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Lead		#aca taa
Address:	Projected State Funding	\$360,138
801 West Main Street Lead. SD 57754	Local Cash	
	Other:	
Phone Number:	Other:	
(605) 584-1401	TOTAL	\$360,138

Project Title: Mill Street Water Line Replacement Project

Description: (Include present monthly utility rate.)

The City of Lead is requesting SRF funding to install new water lines along Mill Street, as part of an overall water and sewer line replacement and storm sewer separation project. This project is a sub-area of the High, Sawyer, and Hill Street (Project 4) identified in the City of Lead's 2018 Facility Plan. The project cost has been revised for just the Mill Street portion of this project and includes a 50% share of the road replacement, contingencies, & engineering of the overall combined project cost with the sewer and storm sewer portions.

The area of Mill Street is being focused on so that all construction will be finished after 2021 and travel in this area will no longer be affected. Mill Street is a primary access route to the Ross Complex of the Sanford Underground Research Facility and surrounding neighborhoods.

Current water rates for City of Lead residents are \$28.75 per Equivalent Residential Unit (EQR), which will include the first 2,000 gallons of usage, plus \$2.80 per 1,000 gallons over the base 2,000 gallons (equal to \$37.15 for 5,000 gallons).

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ron Everett, Mayor Name & Title of Authorized Signatory (Typed)

Ren Eurottings 10-1-20 Signature Date

SEP 1 8 2020

Division of Financial SD E EOTEChnical Assistance

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Mitchell	2	
Address:	Projected State Funding	\$11,250,000
612 N. Main Mitchell, SD 57301	Local Cash	
,	Other:	
Phone Number:	Other:	
605 995-8143	TOTAL	\$11,250,000

Project Title: Lake Mitchell Rehabilitation Project

Description: (Include present monthly utility rate.)

Nutrient levels from watershed runoff and sediments is causing increasingly serious algae blooms in Lake Mitchell. To reduce the level of these nutrients, primarily phosphorous, a phased implementation plan that addresses internal (in-lake) and external (watershed) sources of phosphorus in the lake has been developed. This project focuses on the internal sources of phosphorus that exist in enormous amounts in the lakebed sediments. Lake restoration requires their removal to the maximum extent possible. To accomplish the removal, mechanical dredging of the main lake area and possibly extending into the headwaters at Firesteel Creek is recommended. The project budget includes an amount for installation of a drawdown conduit, which will be needed so the lake can be drawn down prior to dredging.

Mitchell's current sewer rate for 5,000 gallons of water used is \$30.42.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert B. Everson, Jr, Mayor Name & Title of Authorized Signatory (Typed)

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Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant: City of Mitchell	Proposed Funding Package	
Address:	Projected State Funding	\$10,000,000
612 N. Main Mitchell, SD 57301	Local Cash	0
	Other:	
Phone Number:	Other:	
605 995-8143	TOTAL	\$10,000,000

Project Title: Mitchell Wastewater Treatment Facility Improvements

Description: (Include present monthly utility rate.)

The project consists of major upgrades to the North plant of Mitchell's Wastewater Treatment Facility. The improvements proposed will ensure that the facility is able to meet the City's sewage treatment needs for at least the next 20 years. The project will include construction of a new headworks facility for screening and grit removal, construction of a new equalization basin, improvements to the facility's septage receiving structure, upgrades to the plant's electrical system, improvements to the existing equalization basin, and miscellaneous other site improvements. The project is expected to begin construction in 2022.

Mitchell's current sewer rate for 5,000 gallons of water used is \$30.42.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert 🐉. Everson Jr, Mayor

Name & Title of Authorized Signatory (Typed)

8-3-2020

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Division of Financial & Technical Assistance

State Water Plan Application

Applicant: CITY OF MITCHELL	Proposed Funding Package	
Address:	Projected State Funding	\$1,600,000
612 North Main Street Mitchell, South Dakota 57301	Local Cash	\$21,905
	Other:	
Phone Number: (605) 996-8465	Other:	
	TOTAL _	\$1,621,905

Project Title: Construction of Landfill Cell #4

Description: (Include present monthly utility rate.)

The City is proposing to commence development of Cell #4 at their regional landfill facility. The intent is to complete final closure of Cell #2 in conjunction with expansion of the facility into Cell #4. Due to the layout of Cell #3 it is imperative that the City remain diligent in developing Cell #4 so the facility may operate at capacity while facilitating final closure of Cell #2. A critical design element focused on existing infrastructure and the integration of the proposed liner and leachate systems from the existing cells located to the north and west. These efforts will ensure future cells developed to the south are best utilized when developed. In an effort to ensure a smooth and seamless transition the City has retained its original consulting engineering firm, Helms and Associates, to prepare a cost estimate and scope of work for the project before you. While there is some debate as to how soon Cell #4 is needed the consensus is by early spring 2022 at the latest. The City is applying for Solid Waste Management Program and possibly Clean Water State Revolving Loan funds to finance the proposed project thus enabling construction to commence the spring of 2021.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert B. Everson, Jr., Mayor Name & Title of Authorized Signatory (Typed)

September 30, 2020

Date

OCT - 2 2020

Division of Financial & Technical Assistance - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Address:	Projected State Funding	\$11,000,000
612 N. Main Mitchell SD 57301	Local Cash	
	Other:	
Phone Number:	Other:	
605-995-8143	TOTAL	\$11,000,000

Project Title: Mitchell Water System Improvements

Description: (Include present monthly utility rate.)

The City of Mitchell is planning various upgrades to its water system over the next several years. Major priorities to be completed include the following:

• Making improvements to the West Water Tower to extend its useful life, including cleaning and recoating the exterior surface, installing a new tank mixing system, replacing valves, and installing a valve vault.

• Constructing a new 2.5 million gallon ground storage tank, and subsequent demolition of the Burr Street tank.

• Constructing a pump and chemical feed facility near the ground storage tank to help deliver more water where needed during high demand periods.

• Modifying the water distribution system, including the installation of additional piping at the water treatment plant, modifications to piping in the distribution system on the south side of Mitchell to improve water quality, and installation of pressure control fittings in the pipes that cross Interstate 90 to increase water pressure south of the interstate.

The current water fee for the City of Mitchell is \$33.38 per 5,000 gallons used.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert B. Everson, Jr., Mayor Name & Title of Authorized Signatory (Typed)

9-29-2020 Date

State Water Plan Application

Applicant: Mni Waste' Water Company	Proposed Funding Package
Address:	Projected State Funding 2,517,000.00
PO Box 490 Eagle Butte, SD 57625	Local Cash 144.000.00 PD Lean 9,646,000.00 Other: <u>PD Grant</u> 17.500,000.00
Phone Number:	Other: 1HS Grant 3,070,000.00
003-904-7700	Est. TOTAL 32, 733,000,00

Project Title: Hwy 63 North

Description: (Include present monthly utility rate.)

A funding application was submitted to USDA Rural Development in August 2018. The application was split in two segments, the first portion serving north Hwy 63 to Timber Lake and the second upgrading west along Hwy 212 from Eagle Butte to Faith. Recently, in September 2020 a Certification of Approval was issued from the national office to fund the first segment of the project. Within the Hwy 63 North segment, are two components (1A & 1B.)

1A- upgrades the current line is between 2.5 and 4" to a 24" line from Hwy 212/Hwy 63 junction north to the Moreau River at On The Tree Road, approximately 13.7 miles. This will accommodate both current and new users.

1B- establishes a new 16" service line from On The Tree Road north to Hwy 20 junction, approximately 14.5 miles. From which a new 10" service line will follow Hwy 20 for 7 miles to provide bulk water to the town of Timber Lake.

Rates are included under additional comments.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Leo Fischer, Executive Director Name & Title of Authorized Signatory (Typed)

September 29, 2020 Signature Date

Additional Comments:

Rural Resident Rates= \$12,50 per 1,000 gallons + \$5.90 per 1,000 after= \$47.90 per 7,000 gallons Bulk City Rates=

\$4.83 per 1,000 gallons= \$33.81 per 7,000 gallons

\$4.83 per 1.000 gallons= \$33.81 per 7.000 gallons DUIK CIEV KARES=

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Mobridge		\$1,830,000
Address:	Projected State Funding	\$1,830,000
114 1st Ave E	Local Cash	
Mobridge SD 57601-2604	Other:	
Phone Number:	Other:	
605-845-3509	TOTAL	\$1,830,000

Project Title: Mobridge Wastewater Improvements

Description: (Include present monthly utility rate.)

Mobridge is currently having multiple degradation issues that are needing to be addressed with their wastewater system. As time has passed, multiple equipment failures are creating issues for their wastewater system. The existing screw pumps, grit handling processes and rehabilitation of their screening system is needed to allow Mobridge to accommodate their residents. Structural issues such as repairing the leaking roof of their wastewater treatment facility, rehabilitation of their screening system, and replacing nonfunctioning electrical equipment is also required to maintain the building and treatment systems.

Current wastewater rates are \$23.00 per 5,000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gene Cox, Mayor, City of Mobridge Name & Title of Authorized Signatory (Typed)

September 08, 2020 Date

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Mobridge		¢11 050 000
Address:	Projected State Funding	\$11,350,000
114 1st Ave E	Local Cash	
Mobridge SD 57601-2604	Other:	
Phone Number:	Other:	
605-845-3509	TOTAL	\$11,350,000

Project Title: Mobridge Drinking Water Improvements

Description: (Include present monthly utility rate.)

The City of Mobridge is proposing to make repairs to its existing water treatment plant or replace it altogether. They are also looking at repairing and/or replacing their water intake system in the Missouri River. Finally they are looking to either raise the North water tower or put in a booster pump station to increase the water pressure.

Mobridge has a current water rate of \$25.72 per user for 5000 gallons plus \$2.25 per 1000 gallons over the 5000 gallon rate. There are currently 1872 residential and commercial accounts for the water system. Mobridge also serves accounts outside of their city limits. There are 171 accounts and each user pays \$42.22 per 5000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gene Cox, Mayor, City of Mobridge Name & Title of Authorized Signatory (Typed)

September 08, 2020 Date

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Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Northdale Sanitary District		\$440.000
Address:	Projected State Funding	\$440,000
4924 Saratoga Drive	Local Cash	
Black Hawk SD 57718	Other:	
Phone Number:	Other:	
605-787-4640	TOTAL	\$440,000

Project Title: Northdale Sanitary District Sewer Line Relocation

Description: (Include present monthly utility rate.)

Northdale Sanitary District is proposing to reroute the water and sewer lines that have been jeopardized by collapsing streets which are located on top of an old gypsum mine. The work will include capping and abandoning existing 6 inch water main and termination of a manhole and plugging the south invert to the manhole; and rerouting the lines.

Northdale's sewer rate is at \$34.00/month.

The Applicant Certifies That:

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Toni Davila, Board President	Toni, Davila,	September 25, 2020
Name & Title of Authorized Signatory	Signature	Date
(Typed)	_	

SEP 2 8 2020

SD EForm - 0487LD V3

Division of Financial & Technical Assistance

State Water Plan Application

Applicant: City of Philip	Proposed Funding Package	
Address:	Projected State Funding	\$464,031
PO Box 408 Philip, SD 57567-0408	Local Cash	
1 mip, 62 67667 6166	Other:	
Phone Number:	Other:	
(605)859-2175	TOTAL	\$464,031

Project Title: Philip Water Meter Improvement Project

Description: (Include present monthly utility rate.)

The City of Philip is proposing to replace approximately 464 water meters and transition to a automated reading system.

The City has been experiencing water loss on a monthly basis ranging from 3.25% to 30.5%. The city lost a monthly average of 8.6% in 2019, the highest water loss occurring in February at 17.3% and the lowest in April at 3.24%. The city has lost an average of 17.4% in 2020. The highest water loss occurred in May at 30.68% due to a leak since fixed, and the lowest water loss happened in August at 4.04%.

Over the years the City has replaced several of their water meters in an attempt to mitigate the issue. The City proposes to replace the remaining 464 meters, plus install new radio transmitters on the remaining meters to allow for an entirely automated reading system. The project also involve all necessary appurtenances for the project.

See Comments Section

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Michael Vetter, Mayor Name & Title of Authorized Signatory (Typed)

Signature Date

Additional Comments:

The city's current water rate is \$20.00 for the first 2,000 gallons and \$.005 per gallon over within city limits (\$35 for 5,000 gallons). For users outside of the city, the rate is \$40.00 for the first 2,000 gallons and \$0.005 per gallon in excess of 2,000 gallons (\$55 for 5,000 gallons).

An updated cost estimate is attached to the application, and the facility plan is on file with SD-DENR.

OCT - 2 2020

SD EForm - 0487LD V3

Division of Financial & Technical Assistance

State Water Plan Application

Applicant: City if Presho	Proposed Funding Package
Adducer	Projected State Funding \$452,000
Address:	Local Cash
P.O. Box 100	
Presho, SD. 57568-0100	Other:
	Other:
Phone Number: 605-895-2337	TOTAL <u>\$452,000</u>

Project Title: Presho Wastewater Improvements

Description: (Include present monthly utility rate.)

The existing sanitary sewer outfall line consists of approximately 3,750 feet of 15inch vitrified clay pipe (VCP). There are only four known manholes the entire stretch of the outfall line. One segment covers approximately 2,100 feet without a manhole. Based on the condition of the sanitary sewer system within the City, the condition of the outfall line is expected to be in poor condition and in need of repair, if not replacement.

This is further evidenced by a connection to the outfall line at the edge of the City. The outfall line at this connection was found to be in flowing in the wrong direction. This is assumed to be a sag in the line. The City anticipates televising the outfall line and developing a plan to utilize the existing funding while the environmental review and funding protocol are being completed.

Funding was obtained and the improvements to the wastewater system were completed. However, no improvements were made to the outfall line. The poor condition and lack of manholes and at least one sag makes it clear that there are deficiencies that need to be corrected.

If approved, the project would be completed in 2021. The City charges its users \$30 for 5,000 gallons of wastewater.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Sprenger, Mayor

Name & Title of Authorized Signatory (Typed)

-29-29-20 Date Signature

SEP 2 2 2020

Division of Financial & Technical Assistante Water Plan Application

Applicant:	Proposed Funding Package	
Town of St. Lawrence		#0.124.000
Address:	Projected State Funding	φ2,134,000
PO Box 37	Local Cash	
St. Lawrence, SD 57373	Other:	
Phone Number:	Other:	
605-853-2705	TOTAL	\$2,134,000

Project Title: St. Lawrence Wastewater Improvements

Description: (Include present monthly utility rate.)

The Town of St. Lawrence is proposing to make improvements to their wastewater system. The proposed improvements include replacing approximately 13,175 linear feet of wastewater line. They are also proposing to rehabilitate the lift station.

The current sewer rates are a flat \$45.00 per month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Shirley Peck, Town President Name & Title of Authorized Signatory (Typed)

kirley Feck September 16, 2020 Signature Date

SEP 3 0 2020

Division of Financial & Technical Assistance SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Salem		#0.040.000
Address:	Projected State Funding	\$2,040,000
PO Box 249 Salem South Dakota 57058	Local Cash	
Salom, South Banbla 67000	Other:	
Phone Number:	Other:	
605-425-2301	TOTAL	\$2,040,000

Project Title: Industrial Area Improvements - Sanitary Sewer

Description: (Include present monthly utility rate.)

The proposed multi-phase project is at the center of the City's industrial area.

Phase 1 sewer improvements will include the replacement of dilapidated vitrified clay sanitary sewer mains, services, and manholes and relining existing 15" clay sewer mains and manholes on Center Ave which currently serves as one of two sanitary sewer trunk mains that discharge directly to the wastewater treatment facilities. The phase 1 scope also includes the installation of new storm sewer along Hollister Ave.

Phase 2 sewer improvements are proposed along Douglas Street to replace existing sanitary sewer. The project will include installing 8" PVC mains with perpendicular connecting services to replaced existing services that are currently aligned parallel to the roadway and exceed design standard lengths with no cleanouts.

Current Sewer Rate based on 5,000 gallon residential user: \$40.00

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Shawn English, Mayor Name & Title of Authorized Signatory (Typed)

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State Water Plan Application

Applicant:	Proposed Funding Package	
City of Salem		¢1 007 000
Address:	Projected State Funding	\$1,097,000
PO Box 249 Salem South Dakota 57058	Local Cash	
Saloin, South Parlota 97000	Other:	
Phone Number:	Other:	
605-425-2301	TOTAL	\$1,097,000

Project Title: Industrial Area Improvements - Water

Description: (Include present monthly utility rate.)

This proposed multi-phase project is at the center of the City's industrial area.

Phase 1 water distribution improvements include the complete replacement of asbestos cement water main along Center Avenue, the installation of new water main along Gilbert Street to provide necessary looping, and the replacement of services and appurtenances along Hollister St.

Phase 2 water distribution improvements are proposed along Douglas Street to replace existing asbestos cement water mains with new PVC mains. The water main on Douglas St is currently a part of the main distribution loop that surrounds the City and is vital to provide the necessary flows and pressures to the high-volume users in the industrial area.

Current water rate based on 5,000 gallon residential user: \$60.78

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true₁ and correct.

Shawn English, Mayor Name & Title of Authorized Signatory (Typed)

OCT - 2 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

605-367-8800	TOTAL	\$98,875,000
Phone Number:	Other:	
224 W. 9th Street Sioux Falls, South Dakota 57104	Local Cash	······································
Address:	Projected State Funding	\$98,875,000
City of Sioux Falls	Proposed Funding Package	

Description: (Include present monthly utility rate.)

The City of Sioux Falls Water Reclamation Facility (WRF) was originally constructed in phases beginning in 1980 with the final phase completed in 1986. The original facility was designed to accommodate an average daily flow of 13.4 MGD and a peak instantaneous flow of 27 MGD. As part of the 2009 WRF Master Plan, the capacity of the facility was rerated with an increase of 21 MGD average flow and 35 MGD peak equalized flow. With future growth of the city, the projected needs for the future of the facility is 30.1 MGD average daily flow and 57 MGD peak flow. In 2018, the Sioux Falls Wastewater and Collections System Master Plan was completed which presented a review of the existing collection system and WRF capacity complete with the recommended five year capital improvement plan. It reflects the timing for the following needs: 1) provide reliability due to age and condition, and avert risk for failure for the WRF and select lift stations, 2) increase existing and hydraulic capacity for growth for the WRF, collections systems, and lift stations, 3) increase organic capacity for growth at the WRF, 4) meet future growth needs, and 5) improve treatment operations. Current residential rates are \$36.49 per month as of January 2020.

The Applicant Certifies That:

Paul TenHaken, Mayor Name & Title of Authorized Signatory (Typed)

Beck 09-28-2020

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Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Proposed Funding Package	
Deriverte 1 Otata Darrelin e	\$4 765 000
Projected State Funding	φ1,700,000
Local Cash	
Other:	
Other:	
TOTAL	\$4,765,000
	Proposed Funding Package Projected State Funding Local Cash Other: Other: TOTAL

Project Title: Tabor Wastewater Collection System Improvements

Description: (Include present monthly utility rate.)

Tabor's sewer collection system was televised and inspected in July 2016. Many deficiencies were found in the system, 90% of which is composed of clay piping. Problems include sags, fractures, broken pipes, offset and separated joints, protruding services, roots, and other issues. The deficient pipes will be replaced with 8" or 10" PVC piping (pipe lining is not an option, due to the very poor condition of the existing piping). A number of manholes also will be replaced. The project also involves sewage lift station rehabilitation. The cost estimate for the project was updated in September 2020, and is reflected in the proposed funding package shown above.

The Town's current sewer rate is \$29.00 per month.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Laverne Schieffer, Town Board President Name & Title of Authorized Signatory (Typed)

chieffer 9-15-20 Date

OCT - 2 2020

Division of Financial & Technical Accession SD Crown - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Tea		AT 202 200
Address:	Projected State Funding	\$7,392,000
PO Box 128 Tea, South Dakota 57064	Local Cash	
	Other:	
Phone Number:	Other:	
(605) 498-5191	TOTAL	\$7,392,000

Project Title: City of Tea Sanitary Sewer Regionalization Project

Description: (Include present monthly utility rate.)

The City of Tea is proposing to connect their wastewater treatment system to the City of Sioux Falls and desires to obtain financing for the project through the Clean Water State Revolving Fund and Consolidated Water Facilities Construction Program administered by the Department of Environment and Natural Resources (DENR). The proposed lift station and force main will connect the City of Tea to the City of Sioux Falls as a regional customer. All wastewater from the City of Tea will be pumped to the City of Sioux Falls. Connecting to Sioux Falls will provide a long-term solution to treat the City of Tea's wastewater. Currently, the City of Tea's treatment system is at capacity and in need of expansion. This connection will also allow the City to eliminate its wastewater ponds in the future. The costs associated with paying system development charges (SDC) to buy into the regional system was previously funded. The current sewer fee is \$32.00.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dan Zulkosky, City Administrator Name & Title of Authorized Signatory (Typed)

09/24/2020 Date

OCT - 2 2020

Division of Financial SD &Form - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Tea		Mit 400.000
Address:	Projected State Funding	\$1,433,000
PO Box 128 Tea, South Dakota 57064	Local Cash	
,	Other:	
Phone Number:	Other:	
(605) 498-5191	TOTAL	\$1,433,000

Project Title: 272nd Street Sanitary Sewer Extension

Description: (Include present monthly utility rate.)

The City of Tea is planning to extend the sanitary sewer along 272nd (E. 1st) Street, from Ceylon Avenue to Sundowner Avenue as part of the City's East 1st Street Extension Project. The proposed sanitary sewer extension will connect to the existing utility at 272nd Street and Ceylon Avenue and extend east to Sundowner Avenue. Approximately 4,700 lineal feet of 12-inch sanitary sewer will be constructed along 272nd Street. The sanitary sewer extension will provide service for sewer Sub-Basin E2, which includes the area east of Heritage Parkway (County Hwy 111) to I-29, and north of 272nd Street (First Street), and south of Brian Avenue. The future land use plan indicates development in this subbasin will include agricultural/open space, single family residential, multi-family residential, high density residential, community commercial, business park, industrial, and institutional. The current sewer fee is \$32.00.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dan Zulkosky, City Administrator Name & Title of Authorized Signatory (Typed)

09/29/2020 Signature Date

OCT - 2 2020

Division of Financial & Technical Assistance SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
Address:	Projected State Funding	\$805,000
PO Box 128 Tea South Dakota 57064	Local Cash	
Tea, Souur Dakota 57004	Other:	
Phone Number:	Other:	
(605) 498-5191	TOTAL	\$805,000

Project Title: 272nd Street Water Main Extension Project

Description: (Include present monthly utility rate.)

The City of Tea is planning to extend the water main along 272nd (E. 1st) Street. The proposed project is consistent with the City's Water and Wastewater Master Plan. The water main extension will connect to the existing utility at 272nd Street and Ceylon Avenue and provide water to existing homes and commercial property along the north and south sides of 272nd Street. It will also provide water services to existing homes southeast of 272nd Street and Sundowner Ave along with providing services to future development along the north and south sides of 272nd Street. Approximately 4,400 lineal feet of 12-inch watermain will be constructed as part of this project. Hydrants will be located at approximately 500 feet spacing and fittings and isolation valves will be located at the quarter section line for extension of future watermain. The watermain will be buried at a depth of approximately 7 feet. The current water rate is \$31.80 for 5,000 gallons.

The Applicant Certifies That:

Dan Zulkosky, City Administrator 09/24/2020 Name & Title of Authorized Signatory Signature Date (Typed)

OCT - 2 2020

SD EForm - 0487LD V3

State Water Plan Application

Proposed Funding Package	
Projected State Funding	\$347,262
Local Cash	
Other:	
Other:	
TOTAL	\$347,262
	Proposed Funding Package Projected State Funding Local Cash Other: Other: TOTAL

Project Title: System-Wide Meter Pit Project

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Description: (Include present monthly utility rate.)

Terry Trojan Water Project District (TTWD) is requesting to amend DW SRF No. C462455-01 to utilize their remaining funding award (approx. \$375,000) in order to replace water meters and install an automatic meter reading system in the summer through fall of 2021. Installing new meters will allow TTWD to read meters remotely (as opposed to monthly manual readings), thereby lowering the labor required and increasing the amount and speed of usage information available. A tower system will be used to constantly collect data from all meters and make meter reading more convenient during the winter months. The use of Sensus Ally water meters is proposed due to their added benefit of remote flow control through a shut-off valve, which will allow the system to easily turn services on and off or keep a reduced flow through the service line. This is beneficial for avoiding leaks and unauthorized use when residences aren't occupied, which is frequent due to the many vacation homes and rental properties serviced by TTWD.

Monthly residential water rates are \$67 for full-time residents/\$70 for rental properties (base rate) plus \$4/1,000 gallons. Commercial water rates start at \$132.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Janell Berg, Chairperson Name & Title of Authorized Signatory (Typed)

Janell Berg 9/30/2020 Signature Date

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Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant: City of Vermillion	Proposed Funding Package	an an galantan Takung - yang kanang pengkang pengkang pengkang an ang pengkang pengkang pengkang pengkang peng
Address:	Projected State Funding	\$4,150,000
25 E. Center Street Vermillion South Dakota 57060	Local Cash	
venimion, South Dakota 37009	Other:	Not statute
Phone Number:	Other:	www.inferoncy.
605-677-7056	TOTAL	\$4,150,000

Project Title: Highway 50 Stormwater Improvements

Description: (Include present monthly utility rate.)

The proposed project includes installation of approximately 7,790 linear feet of 60" RCP storm sewer below the south ditch of Highway 50 beginning at Dakota Street and ending immediately west of Over Drive. The proposed storm sewer will generally be installed below the south ditch of Highway 50 and will include new drop inlets to allow for quicker and more complete drainage of the ditch between rainfall events. Grading improvements within the ditch are also proposed to promote drainage to the new drop inlets. The new storm sewer will connect to the city's storm sewer system at Dakota Street and Cottage Street. The proposed improvements are intended to increase the conveyance of the Highway 50 south ditch, lower the tailwater condition for the city's storm sewer systems which currently discharge into the south ditch, and significantly reduce the ponding within the ditch between rainfall events.

The City of Vermillion has a stormwater fee. That fee is calculated using the runoff weighting factor x parcel area (in square feet) x unit financial charge (in \$/square feet); \$0.00043.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Kelsey Collier-Wise, Mayor Name & Title of Authorized Signatory (Typed)

og alle Upi 9/22/20 Date

OCT - 2 2020

Division of Financial & Technical Assistance SD EForm - 0487LD V3

State Water Plan Application

Applicant: City of Vermillion	Proposed Funding Package	
Address:	Projected State Funding	\$764,000
25 E. Center Street Vermillion, South Dakota 57069	Local Cash	
	Other:	
Phone Number:	Other:	
003-077-7056	TOTAL _	\$764,000

Project Title: Tom Street Lift Station Replacement

Description: (Include present monthly utility rate.)

The City of Vermillion proposes replacing the Tom Street Lift Station with a new can-style unit. The new lift station will include two 258 gallons per minute pumps sized with Variable Frequency Drives to convey future lift station flows. The new lift station will be relocated west of Tom Street within an easement or on land the City will purchase. Relocating the lift station will make it possible for city staff to access the lift station without closing Tom Street and provide a much safer working condition outside the street. The diameter of the drywell will be increased to ten-feet to allow two staff enough room to complete maintenance.

Monthly sewer rates in the City of Vermillion are \$38.44 for 5,000 gallons of usage.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Kelsey Collier-Wise, Mayor Name & Title of Authorized Signatory (Typed)

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OCT - 2 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

605-677-7056	TOTAL	\$2,240,000
Phone Number:	Other:	
	Other:	
25 E. Center Street Vermillion, South Dakota 57069	Local Cash	
Address:	Projected State Funding	\$2,240,000
Applicant: City of Vermillion	Proposed Funding Package	

Project Title: Vermillion Landfill Expansion and Cell Closing Project

Description: (Include present monthly utility rate.)

The landfill began operation at the current site in the early 1990s. The landfill annually receives approximately 46,000 tons of municipal solid waste for environmentally responsible disposal. Currently, the landfill existing cells are nearing capacity which require cell closures and new cells are necessary for additional capacity to meet the landfill requirements.

At the current rate, existing cells 2-5 are anticipated to reach capacity in 2022. Cells 6-7 are scheduled to be constructed in 2021. The resulting increase in capacity will extend the life of the landfill significantly. In addition to providing more capacity, the new landfill cells will be built with liner and leachate collection systems to mitigate the infiltration of leachate into groundwater sources.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Kelsey Collier-Wise, Mayor Name & Title of Authorized Signatory (Typed)

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Division of Financial & Technical Assistance SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Watertown		\$2 500 000
Address:	Projected State Funding	φ2,000,000
PO Box 910	Local Cash	
Watertown, SD 57201-0910	Other:	
Phone Number:	Other:	
605-882-6200	TOTAL	\$2,500,000

Project Title: Wastewater Primary Clarifier 2 Replacement

Description: (Include present monthly utility rate.)

Primary clarifier #2 mechanism failed structurally in 2019. Due to the mechanism's structural failure, it cannot perform its purpose in its current state. The City of Watertown recently evaluated the two primary clarifiers at its wastewater treatment facility. The evaluation report states that primary clarifier #2 has numerous structural defects that affect its stated purpose. The severity of the defects have compromised the structure and make the rehabilitation of the clarifier doubtful.

The City is proposing to demolish the current #2 clarifier and construct a new clarifier to replace it. See the attached preliminary report. Current wastewater fee for 5,000 gallons is \$23.11.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Sarah Caron, Mayor

Name & Title of Authorized Signatory (Typed)

9/22/2020

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Waubay		# 0.160.010
Address:	Projected State Funding	\$2,168,910
PO Box 155 Waubay SD 57273	Local Cash	
	Other:	
Phone Number:	Other:	
605-947-4261	TOTAL	\$2,168,910

Project Title: WWTF Bank Stabilization - Existing Pond Erosion on Bitter Lake

Description: (Include present monthly utility rate.)

Currently the City of Waubay utilizes a primary and secondary pond for their wastewater treatment. The two ponds were constructed in the late 1980's and incorporated into the current wastewater treatment system for adequate capacity.

Continued high water elevations on Bitter Lake are creating severe erosion to the west bank on the primary pond. Estimated erosion to the dike is approximately 5-6 vertical feet and 20-24 horizontal feet.

Bank stabilization and erosion control due to wave action from Bitter Lake is required to protect the integrity of the dike and the storage capacity to the City's WWTF.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Kevin Jens, Mayor Name & Title of Authorized Signatory (Typed)

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OCT -2 2025 EForm - 0487LD V3

State Water Plan Application of Financial

Applicant:	Proposed Funding Package	
City of Wessington Springs	Projected State Funding	\$1,108,029
PO Box 443	Local Cash	
Wessington Springs, SD 57382	Other: DWSRF	
Phone Number:	Other: CWSRF	
(605) 539-1691	TOTAL	\$1,108,029

Project Title: Second Street Water and Sanitary Sewer Replacement

Description: (Include present monthly utility rate.)

The City is proposing to replace water and sanitary sewer mains within the second street corridor. The project area is approximately four and a half blocks running north to south from Dunham Avenue to Wallace Avenue. These mains are long past their service lives and consist of AC and clay piping. The City has submitted a SDDOT Community Access grant for the same section. It is hoped to bid the project as a package depending on the Community Access outcome. If not, the City is prepared to move ahead with the project.

The City charges \$47.75 for 5,000 gallons of drinking water (\$23.25 minimum + \$4.90/1,000 gallons).

The Applicant Certifies That:

Brian Bergeleen, Mayor 2020 Name & Title of Authorized Signatory (Typed)

OCT - 2 2020

SD EForm - 0487LD V3 Division of Financial

& Technical Assistance

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Wessington Springs		*
Address:	Projected State Funding	\$960,000
PO Box 443 Wessington Springs, SD 57382	Local Cash	
	Other:	
Phone Number:	Other:	
(605) 539-1691	TOTAL	\$960,000

Project Title: Wastewater Treatment Facility Improvements

Description: (Include present monthly utility rate.)

Wessington Springs' wastewater treatment facility has been experiencing periods of dangerously high water levels. Part of the problem is high levels of infiltration and inflow entering the facility from the collection system, but another major factor is that the treatment cells' current surroundings allows surface water to run off into the cells. To address this issue, site grading around the cells is proposed, and riprap around the primary cell will be added.

The City's sewer rate is \$24.00 based on 5,000 gallons of water used.

The Applicant Certifies That:

Brian Bergeleen, Mayor Name & Title of Authorized Signatory Signature (Typed)

State Water Plan Application

Applicant:	Proposed Funding Package	
City of Wessington Springs Address:	Projected State Funding	\$685,000
PO Box 443 Wessington Springs, SD 57382	Local Cash	
	Other:	
Phone Number:	Other:	
(605) 539-1691	TOTAL	\$685,000

Project Title: Water Meter Replacement

Description: (Include present monthly utility rate.)

An analysis of water usage and billing data indicates that the City of Wessington Springs has an average of approximately 21 percent of water that is unaccounted for. A major part of the problem is that the city's residential and business water meters no longer function very effectively. Most of the meters are over 20 years old, and they consist of various types. The City is interested in replacing these aging meters and installing an automatic meter reading system.

The City charges \$47.75 for 5,000 gallons of drinking water (\$23.25 minimum + \$4.90/1,000 gallons).

The Applicant Certifies That:

Brian Bergeleen, Mayor Name & Title of Authorized Signatory Date Signature (Typed)

OCT - 5 2020

Division of Financial SD EForma Technical Assistance

State Water Plan Application

Applicant: City of White	Proposed Funding Package	
Address:	Projected State Funding	\$6,000,000
PO Box 682	Local Cash	
winte, SD 57270-0082	Other:	
Phone Number:	Other:	
605-629-3661	TOTAL	\$6,000,000

Project Title: White Water System Improvements

Description: (Include present monthly utility rate.)

The City of White is proposing to construct several improvements to its water distribution system. The improvements include replacing aging water distribution mains and refurbishing the existing water tower. The majority of water mains the City is proposing to replace are cast iron pipes installed prior to 1955. According to the engineering report, the water tower is structurally sound but the coatings and paint need to be refurbished. Copies of the water user rate ordinance and SAM.gov report are attached.

Current utility rates: \$23.00/month - base fee \$4.50/1,000 gallons of water used

5,000 gallons = \$45.50/month

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott Gladis, Mayor Name & Title of Authorized Signatory (Typed)

9-10-20 Signature

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OCT - 5 2020

Division of Financial & Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package	
City of White		\$6,100,000
Address:	Projected State Funding	\$0,100,000
PO Box 682	Local Cash	
White, SD 57276-0682	Other:	
Phone Number: 605-629-3661	Other:	
	TOTAL	\$6,100,000

Project Title: White Wastewater System Improvements

Description: (Include present monthly utility rate.)

The City of White is proposing to construct improvements to its wastewater collection system. The proposed project involves the replacement/repair of approximately 13,000 LF of vitrified clay pipe via open cut and CIPP relining methods. Most of these mains consist of older VCP that is cracking, breaking, deformation, joint offsets, etc. that contribute to I & I issues. The project will be constructed in two phases.

Current utility rates: 5,000 gallons = \$25.00/month flat fee

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott Gladis, Mayor Name & Title of Authorized Signatory (Typed)

-10-20 Signature

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TITLE: Cash Flow Model

EXPLANATION: In the past, to determine how much money is available to loan annually through the SRF programs, Staff projected the amount to be received for the annual federal capitalization grant, the state match funds, one year of excess principal repayments, and one year of excess interest earnings. The amount of the above projections added to the ending balance from the previous year would be the total amount available to loan.

By comparing the projected funding needs of the program and amount available to loan, staff would determine when the South Dakota Conservancy District (the District) would issue leveraged bonds.

This approach has allowed the programs to build up a large cash balance at the trustee. As of September 30, 2020, the combined cash balance in the Loan Fund was \$380.5 million which does not include \$30 million in federal awards. For FFY12 through FFY16, it took an average 37 months for the Drinking Water program and 30 months for the Clean Water program to disburse up to 80 percent for the annual awards made.

The cash flow model takes into account the cash outflows and inflows into the program and allows staff to determine when to issue leveraged bonds based on projected Loan Fund cash balance verses the amount needed to loan. For example, under the old model the District would need to issue \$148 million in leveraged bonds for the Clean Water Program before the March 2021 board meeting with the projected \$227 million in loan awards for FFY21. Utilizing the cash flow model, the District can wait to issue \$65 million in leveraged bonds in the summer of 2021, and not have to issue another leveraged issue until the 3Q of FFY22.

This will allow the District to leverage the current cash balance and save a substantial amount on interest costs.

Attached is a memo dated May 5, 2020, from Assistant Attorney General David M. McVey, that reviewed the legal aspect of the cash flow model for the State Revolving Fund Programs.

RECOMMENDEDNo action required, informational update for the Board of Water and Natural
ACTION:Resources.

CONTACT: Jon Peschong, 773-4216

TO: MIKE PERKOVICH, PROGRAM ADMINISTRATOR WATER AND WASTE FUNDING PROGRAM

- FROM: DAVID M. MC VEY ASSISTANT ATTORNEY GENERAL
- DATE: MAY 5, 2020

RE: CASH FLOW MODEL FOR STATE REVOLVING FUND PROGRAM

Question Presented

Can the State revolving fund programs ("SRF" programs) switch to a cash flow model ("CFM") for determining how much money is available annually to loan rather than basing the decision on one-year projections of the receipt of proceeds which are reasonably certain, as is the current practice.

Disclaimer

First and foremost, the question I have been asked to answer is stated above, and it is not whether you should switch to a CFM, only whether you can. As such, this memo will not consider the relative positives or negatives of such a decision and I offer no opinion for consideration on that issue. This memo is to offer an opinion of whether converting to a CFM is legal under the laws of the State of South Dakota. The basis for this opinion rests the Statutes and Administrative rules, Attorney General Opinion 79-19, the analysis set forth by Harold Deering, Assistant Attorney General, dated December 28, 1990, a memo from Steve Pirner, the Secretary of the Department of Environment and Natural Resources to Curt Everson, the Commissioner for the Bureau of Finance and Management, dated May 10, 2001, and a memo from Harold Deering, Assistant Attorney General, dated February 19, 2009 to Jim Feeney, Program Administrator Water and Waste Funding Program. (References to titles reflect the title of the individuals at the time the documents were drafted.)

Assumptions

The Board of Water and Natural Resources, when acting in its capacity as the South Dakota Conservancy District (the "SDCD") makes loans to borrowers for various clean water and drinking water projects. Once the loan is closed it is considered a debt commitment. The SDCD is not obligated to disburse funds any faster or to any greater extent than it has available for disbursement, amounts derived from EPA capitalization grants, proceeds from bonds, or other sources. The borrower acknowledges that if the project costs are incurred faster than the borrower projected at closing, there may be delays in the SDCD making disbursements for such costs.

Discussion

As a general proposition, for a state board to incur a financial obligation they must have an appropriation for the money and the authority to make expenditures from that appropriation. SDCL §§4-8-1 and 4-8-2.

Nevertheless, Mr. Deering stated in his 1990 memo, loans made by the SDCD from bond proceeds are not "state public funds" as defined in SDCL §46A-1-31, and further, the SDCD is authorized to have bond proceeds go to the Trustee pursuant to SDCL §§46A-1-39 and 46A-1-60.1. There is a restriction on the State Auditor which essentially states that while the State has the authority to accept and disburse federal funds pursuant to SDCL §4-8-17, it may not anticipate receipt of such funds unless the receipt of the funds has actually been provided for by levy of taxes, sale of bonds or otherwise, and receipt is reasonably certain. SDCL §4-8-14.

In 2009, Mr. Deering stated:

Under SDCL 46A-1-60. 1 SRF monies from whatever source go to the state water pollution control revolving fund program sub-fund or the state drinking water revolving fund program sub-fund in the water and environment fund. That includes all federal grants for the capitalization of either program. The statute provides in pertinent part:

The required sub-funds shall be maintained separately, and all federal, state, and other funds for use in the program shall be deposited into the respective sub-fund, including all federal grants for capitalization of either a state water pollution control revolving fund or a state drinking water revolving fund or both, all repayments of assistance awarded from the sub-fund, interest on investments made on money in the sub-fund, proceeds of discretionary bond issues allowed by § 46A-1-31, and principal and interest on loans made from the fund. Money in the sub-fund may be used only for purposes authorized under federal law.

The last sentence of the statute goes on to provide that amounts in the subfunds may be pledged or assigned by the Conservancy District to or in trust for the benefit of the bondholders, and may be transferred to and held by a trustee pursuant to SDCL 46A-1-39. SDCL 46A-1-39 allows the trustee to hold, apply and dispose of bond proceeds and all income and revenue pledged or assigned to the bondholders.

SDCL 46A-1-60.2 goes on to provide that "[f]unds from the state water pollution control revolving fund program and the state drinking water revolving fund program shall be disbursed and administered according to rules promulgated

by the Board of Water and Natural Resources pursuant to chapter 1-26, § 46A-1-65 and the provisions of§§ 46A-1-60 to 46A-1-60.3, inclusive." The Board of Water and Natural Resources has adopted rules providing for the disbursement and administration of funds from both program sub-funds. In addition, SDCL 46A-1-60. I specifically makes SDCL 46A-1-61, which requires that all money disbursed from the water and environment fund must be pursuant to an act of the Legislature, inapplicable to disbursements from the state water pollution control revolving fund program and the state drinking water revolving fund program.

<u>Taken together it is my opinion that these statutes establish a legislative intent</u> <u>that the funds in the respective SRF program sub-funds are continuously</u> <u>appropriated...(Emphasis supplied).</u>

I concur fully with the foregoing analysis. Additionally, since the SDCD bond proceeds go to the Trustee and loans are made from the bond proceeds, there is further support the idea that it is not necessary to annually appropriate for loan funds. Likewise, since the SDCD does not rely on "state public funds" or annual appropriations to fund the loans the restrictions of SDCL §4-8-14 do not apply.

After discussing the foregoing with Mr. Deering and bond counsel Bruce Bonjour of Perkins Coie, I have reached the conclusion that the current process of determining how much is available annually to loan through the SRF programs (projecting the amounts you will receive for the annual federal capitalization grant, the state match funds for that, one year of excess principal, one year of excess interest) was a business decision based on a conservative investment strategy due to the youth of the program, rather than on a legal requirement.

Conclusion

Based on the foregoing, it is my opinion that the decision of how to determine how much is available annually to loan through the SRF programs is a business decision and not a decision based on a legal requirement. Therefore, it is my opinion that the SDCD can choose to switch to a cash flow model if it determines that it is commercially prudent, it does not create a situation where the SDCD would need to seek appropriations of state public funds to support its obligations, and so long as the decision to do so would not undermine the security of outstanding bonds. Additionally, if the decision to change is made, I recommend that the change is made definitively and consistently. Simply put, you cannot ride two horses at the same time. You must make the switch to require the cash flow model to become the only process to determine how much is available annually to loan through the SRF programs for the foreseeable future, i.e., no switching back and forth between methods.

November 5, 2020 Item 7

TITLE:	Public Hearing to Adopt Federal Fiscal Year 2021 Clean Water State Revolving Fund Intended Use Plan.
EXPLANATION:	The Intended Use Plan describes how the board intends to use available funds to meet the objectives of the Clean Water Act. A prioritized list of projects is included in the Intended Use Plan. Projects seeking a Clean Water State Revolving Fund loan must be included on the priority list. The hearing has been advertised in accordance with applicable state and federal requirements.
RECOMMENDED ACTION:	Conduct the public hearing, receive testimony and approve the Federal Fiscal Year 2021 Intended Use Plan.
CONTACT:	Andy Bruels, 773-4216

SOUTH DAKOTA CLEAN WATER STATE REVOLVING FUND FEDERAL FISCAL YEAR 2021 INTENDED USE PLAN

INTRODUCTION

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for Federal Fiscal Year (FFY) 2021 as required under Section 606(c) of the Clean Water Act.

The primary purpose of the IUP is to identify the proposed annual intended use of the amounts available to the Clean Water State Revolving Fund (SRF). The IUP has been reviewed by the public and reflects the results of that review.

The IUP includes the following:

- 1. List of projects and activities;
- 2. Goals, objectives, and environmental results;
- Amount of funds transferred between the Clean Water SRF and the Drinking Water SRF;
- 4. Information on the activities to be supported;
- 5. Assurances and specific proposals;
- 6. Criteria and method for distribution of funds; and
- 7. Sources and uses of funds.

LIST OF PROJECTS AND ACTIVITIES

The IUP identifies potential municipal wastewater, storm water, and nonpoint source projects. A project must be on the project priority list, Attachment I, to be eligible for a loan. This list was developed from the State Water Plan and includes projects that did not designate Clean Water SRF loans as a funding source.

Projects may be added to the project priority list by the Board of Water and Natural Resources if the action is included on the meeting agenda at the time it is posted.

Priority ratings are based on the integrated project priority system established in ARSD 74:05:08:03.01. The general objective of the integrated priority system is to ensure that projects funded through the Clean Water SRF program address high priority water quality problems. This is accomplished with a priority system that ranks both municipal wastewater and nonpoint source pollution control projects on an equal basis. Projects activities utilizing and administrative surcharge funds are not required to be ranked and included on the project priority list.

The Clean Water SRF may be used for the following purposes:

- 1. Low-interest loans for secondary or more stringent treatment of any cost-effective alternatives, interceptors new and infiltration/inflow appurtenances, correction, new collectors, sewer system rehabilitation, expansion and correction combined of sewer overflows. decentralized wastewater treatment systems, and construction of new storm sewers. The low-interest loans can be made for up to 100 percent of the total project cost;
- 2. Refinancing of existing debt obligations for municipal wastewater facilities if the

debt was incurred and construction initiated after March 7, 1985; or

3. Nonpoint source pollution control projects and programs, including non-traditional projects (projects with a primary purpose other than water quality).

A determination of which projects are funded from the above-mentioned lists, the amount of assistance, and the financing terms and conditions will be made by the Board of Water and Natural Resources during FFY 2021.

GOALS, OBJECTIVES, AND ENVIRONMENTAL RESULTS

Long-term Goals and Objectives:

The long-term goals of the State Water Pollution Control Revolving Fund are to fully capitalize the Clean Water SRF, maintain or restore and enhance the chemical, physical, and biological integrity of the state's waters for the benefit of the overall environment, protect public health, and promote economic well-being.

Objectives:

- 1. Maintain a permanent, self-sustaining Clean Water SRF program that will serve in perpetuity as a financing source for wastewater treatment works projects and nonpoint source pollution control projects; and
- 2. Fulfill the requirements of pertinent federal, state, and local laws and regulations governing water pollution control activities while providing the state and local project sponsors with maximum flexibility and decision-

making authority regarding such activities.

Short-term Goal and Objectives:

The short-term goal of the Clean Water SRF is to fully capitalize the fund.

Objectives:

- 1. Ensure the technical integrity of Clean Water SRF projects through the review of planning, design plans and specifications, and construction activities;
- 2. Ensure compliance with all pertinent federal, state, and local water pollution control laws and regulations; and
- 3. Obtain maximum capitalization of the funds for the state in the shortest time possible.

Environmental Results:

States are required to quantify and report the environmental benefits being realized through the Clean Water SRF loan program. The reporting requirement is being satisfied using an on-line environmental benefits assessment developed by EPA in cooperation with the States and other organizations. A summary of the FFY 2021 loans and the resulting benefits will be provided in the endof-year-annual report.

AMOUNT OF FUNDS TRANSFERRED BETWEEN THE CLEAN WATER SRF AND THE DRINKING WATER SRF

The Safe Drinking Water Act Amendments of 1996 and subsequent congressional action allows states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

South Dakota has transferred \$15,574,320 from the Clean Water SRF program to the Drinking Water SRF program in past years. In fiscal year 2006 and 2011, \$7.5 million in leveraged bond proceeds and \$10 million of repayments, respectively, were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the anticipated FFY 2021 capitalization grant, the ability exists to transfer nearly \$59.3 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$57.3 million could be transferred from the Drinking Water Program to the Clean Water SRF program. Table 2 on page 10 details the amount of funds transferred between the programs and the amount of funds available to be transferred.

No transfers are expected in FFY 2021.

INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the Clean Water SRF is direct loans including refinancing of existing debts where eligible. Loan assistance will be provided to municipalities, sanitary districts, counties, or other units of government for publicly owned wastewater treatment facilities, storm sewers, and nonpoint source pollution control programs in accordance with the Clean Water SRF administrative rules adopted by the Board of Water and Natural Resources. With the adoption of the amended and restated Master Indenture in 2004, the Clean Water and Drinking Water SRF programs are crosscollateralized. This allows the board to

pledge excess revenues on deposit in the Drinking Water SRF program to act as additional security for bonds secured by excess revenues on deposit in the Clean Water SRF program, and vice versa.

Sources of Loan Funds

Loan funds are derived from various sources and include federal capitalization grants, state match, leveraged bonds, borrowers' principal repayments, and interest earnings.

<u>Capitalization Grants/State Match:</u> Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The fiscal year 2021 capitalization grant is expected to be \$7,780,000 which requires \$1,556,000 in state match. Bond proceeds will be used to match FFY 2021 capitalization grant funds.

For purposes of meeting FFY 2021 proportionality requirements, the South Dakota Clean Water SRF program will document the expenditure of repayments and bond proceeds in an amount equivalent to the entire required state match.

<u>Leveraged Bonds</u>: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. It is anticipated that approximately \$65 million in leveraged bonds will be required in FFY 2021.

Borrowers' Principal Repayments: The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$3,300,000 in principal repayments will become available for loans in FFY 2021.

<u>Interest Earnings:</u> The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semiannual state match bond payments. Any excess interest is available for loans. It is estimated that \$3,600,000 in interest earnings will become available for loans in FFY 2021.

Additional Subsidy - Principal Forgiveness

The 2010 and 2011 Clean Water SRF appropriations mandated that not less than 30 percent of the funds made available for Clean Water SRF capitalization grants be used by the State to provide additional subsidy to eligible recipients and shall only apply to the portion of the national allocation that exceeds \$1 billion. The 2012 through 2014 capitalization grants mandated additional subsidy be provided in an amount not less than 20 percent, but not more than 30 percent, of that portion of the national allocation that exceeds \$1,000,000,000. Additional subsidy may be in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).

Additional subsidy will be provided in the form of principal forgiveness. Municipalities and sanitary districts must have a minimum rate of \$30 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness. Other applicants must have a minimum rate of \$40 per month based on 5,000 gallons usage or a flat rate to qualify for principal forgiveness.

With the passage of the Water Resources Reform and Development Act (WRRDA) in June 2014, states may provide additional subsidization when the total amount appropriated for capitalization grants exceeds \$1,000,000,000. Additional subsidization can be provided to a municipality only if it affordability requirements meets the

established by the state or to projects that implement a process, material, technique, or technology with water efficiency, energy efficiency, mitigation of stormwater runoff or sustainability benefits.

The 2016 through 2020 appropriation acts required an additional 10 percent of the capitalization grant be used for additional subsidy and is available for any eligible borrower. At this time South Dakota will only provide this 10 percent to borrowers who meet the state's affordability criteria.

When determining the amount of principal forgiveness, the Board of Water and Natural Resources may consider the following decision-making factors, which are set forth in alphabetical order:

- (1) Annual utility operating budgets;
- (2) Available local cash and in-kind contributions;
- (3) Available program funds;
- (4) Compliance with permits and regulations;
- (5) Debt service capability;
- (6) Economic impact;
- (7) Other funding sources;
- (8) Readiness to proceed;
- (9) Regionalization or consolidation of facilities;
- (10) Technical feasibility;
- (11) Utility rates; and
- (12) Water quality benefits.

Table 3 on page 11 summarizes the amounts of principal forgiveness provided with the 2010 - 2020 capitalization grants.

In compliance with the WRRDA provisions South Dakota has adopted the affordability criteria below.

- 1. All applicants will be awarded points to determine principal forgiveness eligibility as follows:
 - a. Five points if an applicant's median household income is equal to or less than 80 percent of the statewide median household income;
 - b. Three points if an applicant's median household income is equal to or less than the statewide median household income and greater than 80 percent of the statewide median household income;
 - c. One point if the applicant's 2010 census population is less than the applicant's 2000 census population; and
 - d. One point if an applicant's county unemployment rate is greater than the statewide unemployment rate.
- 2. If the boundaries of an applicant are located in more than one county, the unemployment rate of the county with the largest percentage of the applicant's population will be used.
- 3. Applicants must receive a minimum of five points to be eligible for principal forgiveness in the upcoming fiscal year.

The source of median household income statistics will be the American Community Survey or other statistically valid income data supplied by the applicant and acceptable to the board.

The source of unemployment rates will be the 2013 average unemployment rates as determined by the South Dakota Department of Labor and Regulation, Labor Force Statistics.

Systems that are eligible to receive principal forgiveness are identified in Attachment I and Attachment II. Attachment II - List of Projects to be Funded in FFY 2021 identifies \$5,337,100 in principal forgiveness.

Green Project Reserve

Recent Clean Water SRF appropriations mandated that to the extent there are sufficient eligible project applications, a portion of the funds made available for each year's Clean Water SRF capitalization grant shall be used by the State for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These four categories of projects are the components of the Green Project Reserve.

Sufficient funds have been awarded to qualifying projects to meet the 2010 - 2019 capitalization grants Green Project Reserve requirements.

The Green Project Reserve requirement was included in the 2010 - 2020 capitalization grants, and required that not less than 10 percent be made available for Green Project Reserve eligible projects. It is anticipated that the 2021 capitalization grant will include a requirement that not less than 10 percent be made available for Green Project Reserve eligible projects. South Dakota for several years has utilized incentive rate financing to help encourage borrowers to take additional loan funds for Section 319 Non-point Source project funding. In South Dakota many Nonpoint Source projects include the purchase of easements adjacent to impaired waterbodies to install best management practices reducing nutrient loading into the streams. These activities are green projects as defined by EPA's eligibility criteria and have been used to meet a portion of the 2016-2020 GPR requirements, additional funds are allocated

to projects and as funds are expended they will be recorded for GPR tracking. Water Sioux Falls Additionally, the Reclamation Facility expansion will replace a significant amount of mechanical equipment replacement. The energy efficiency realized by the equipment replacement will be determined later and the Green Project Reserve amount will be updated. These projects will provide sufficient funds to meet the 10 percent requirement of the remaining 2020 and 2021 capitalization grants anticipated to be \$1,302,122 combined.

Interest Rates

Interest rates are reviewed periodically in comparison to established bond rating indexes to assure rates are at or below market rates as required. The SRF rates are then set to be competitive with other funding agencies.

The current interest rates for FFY 2021 are summarized in Table 1. The rates were adjusted in April 2020.

Projects for traditional wastewater or stormwater projects that include a nonpoint source component may receive the nonpoint source rate. The annual principal and interest payments are calculated for a loan at the higher base interest rate. Using the lower interest incentive rate, a loan is sized using the annual payment previously calculated. The difference in the two loan amounts is the amount of funding available for the nonpoint source component of the project.

Administrative Surcharge Activities

The interest rate includes an administrative surcharge as identified in Table 1. The surcharge was established to provide a pool of funds to be used for administrative purposes after the state ceases to receive

Table 1 – Clean Water SRF Interest Rates										
	Up to 5 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs*						
Interim Rate										
Interest Rate	2.00%									
Admin. Surcharge	0.00%									
Total	2.00%									
Base Rate										
Interest Rate		1.375%	1.50%	1.625%						
Admin. Surcharge		0.50%	0.50%	0.50%						
Total		1.875%	2.00%	2.125%						
Nonpoint Source Inc	Nonpoint Source Incentive Rate									
Interest Rate		0.50%	0.75%	0.875%						
Admin. Surcharge		0.50%	0.50%	0.50%						
Total		1.00%	1.25%	1.375%						

* Term cannot exceed useful life of the project.

capitalization grants. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the discretion of the Board of Water and Natural Resources and department. Recent emphasis has been on using the surcharge for purposes other than reserves for future program administration.

In fiscal year 2001, the board initiated the Small Community Planning Grant program to encourage proactive planning by small communities. The planning grants reimburse 80 percent of the cost of the study. Planning grants are available only to communities of 2,500 or less. Communities are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any project being \$10,000.

Administrative surcharges are being used for non-federal cost share for Total Maximum Daily Load (TMDL) assessment and implementation projects.

Additionally, administrative surcharges have been allocated to supplement the Consolidated program by providing water quality grants to Clean Water SRF eligible projects.

Beginning in fiscal year 2005, administrative surcharge funds were also provided to the planning districts to defray the cost of SRF application preparation and project administration. Reimbursement is \$9,000 per approved loan with payments made in \$3,000 increments as certain milestones are met. Future allocations for this activity are anticipated and will be based on expected loan demand.

The American Recovery and Reinvestment Act (ARRA) of 2009 and subsequent capitalization grants through 2014 had mandated implementation of Davis-Bacon prevailing wage rules. The WRRDA of 2014 included Davis-Bacon prevailing wage requirements for all capitalization grants forward. Under powers going joint agreements between the planning districts and the department, the planning districts are reimbursed \$1,100 per project to oversee compliance with the Davis-Bacon wage rate verification and certification.

Administrative Surcharge Uses in FFY 2020

As of September 30, 2020, \$97,984 of unobligated administrative surcharge funds is available. It is anticipated that the administrative surcharge will generate an additional \$1,700,000 in FFY 2021.

In FFY 2021, \$1,250,000 of administrative surcharge funds will be allocated. It is proposed to allocate \$100,000 for planning grants and \$1,150,000 to supplement the Consolidated and Section 319 programs with grants for wastewater treatment and TMDL implementation projects.

Administrative surcharge funds will again be provided to the planning districts to defray the cost of SRF application preparation and project administration, which includes Davis-Bacon wage rate verification and certification. The FFY 2021 allocation for these activities will be \$200,000.

In FFY 2021, \$25,000 of administrative surcharge funds will be allocated to assist SRF applicants to improve the financial or managerial capacity of the wastewater utility. In 2018, DENR signed a three-year contract with Midwest Assistance Program to provide these services.

Build America Bond Activities and Uses

The Series 2010A bonds that were issued in December 2010 were designated as Build America Bonds. As a result, the District receives subsidy payments from the U.S. Treasury equal to 35% of the interest payable on its Series 2010A Bonds.

In fiscal year 2020, \$2,000,000 of Build America Bond funds were allocated to supplement the Consolidated program with grants for wastewater and storm sewer projects. No additional funds will be allocated the above amount includes subsidy payments to be received through 2021.

Capitalization Grant Administrative Allowance

The WRRDA of 2014 provides three options to states to calculate the administrative fees available from each year's capitalization grant. States may use the larger of 1) an amount equal to four percent of the annual capitalization grant, 2) \$400,000 per year or 3) 1/5 of a percent of the current valuation of the Clean Water SRF fund based on the most recent previous year's audited financial statements. Four percent of the fiscal year 2021 capitalization grant is \$312,000, and 1/5 of a percent of the current fund valuation of \$260,127,066 results in \$520,254 available for administrative fees. As a result, an administrative allowance of \$520,254 will be reserved for administrative purposes in FFY 2021.

ASSURANCES AND SPECIFIC PROPOSALS

The state has assured compliance with the following sections of the law in the State/EPA Operating Agreement – XI Certification Procedures. In addition, the state has developed specific proposals on implementation of those assurances in the administrative rules promulgated by the Board of Water and Natural Resources.

<u>Section 602(a) – Environmental Reviews</u> – The state certifies that it will conduct environmental reviews of each project on Attachment II receiving assistance from the Clean Water SRF, as applicable. The state will follow EPA-approved National Environmental Policy Act (NEPA) procedures in conjunction with such environmental reviews.

<u>Section 602(b)(3) – Binding Commitments</u> – The state certifies that it will enter into binding commitments equal to at least 120 percent of each quarterly grant payment within one year after receipt.

Section 602(b)(4) – Timely Expenditures of <u>Funds</u> – The state is committed to obligate Clean Water SRF moneys to eligible applicants as quickly and efficiently as possible to facilitate the financing of eligible projects and to initiate construction with a minimum of delay. <u>Section 602(b)(5) – First Use Enforceable</u> <u>Requirements</u> – The state certifies that all major and minor wastewater treatment facilities identified as part of the National Municipal Policy (NMP) universe are:

1. in compliance, or

- 2. have received funding through various state and federal assistance programs and constructed a facility designed to produce an effluent capable of meeting the appropriate permit limits and achieve compliance with its discharge permit, or
- have upgraded existing facilities or constructed new facilities through its own means to achieve compliance with its discharge permit.

Section 602(b)(6) – Compliance with Title II <u>Requirements</u> – The state certifies that it will comply as applicable.

<u>Section 602(b)(13)</u> – Cost Effectiveness <u>Certification</u> – The state will require Clean Water SRF assistance recipients and their consulting engineer to certify that they have studied and evaluated the cost effectiveness of the proposed project, and to the maximum extent practicable, have selected the alternative that maximizes the potential for efficient water use, reuse, and recapture, and conservation and energy conservation.

<u>Section 602(b)(14)</u> – Procurement of <u>Architectural and Engineering Services</u> – The state will not provide Clean Water SRF assistance to projects for architectural or engineering services that are identified as an equivalency project in the annual report, unless the project has complied with the architectural and engineering procurement procedures identified in 40 U.S.C. 1101 *et seq*. <u>Section 608 – American Iron and Steel</u> <u>Provisions</u> – The state certifies that it will require American Iron and Steel products to be utilized for all treatment works projects receiving assistance from the Clean Water SRF, as applicable.

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The Clean Water SRF funds are distributed using the following criteria:

- 1. the availability of funds in the Clean Water SRF program;
- 2. the applicant's need;
- 3. violation of health and safety standards; and
- 4. the applicant's ability to repay.

The methods and criteria used are designed to provide the maximum flexibility and assistance that is affordable to the borrower while providing for the long-term viability of the fund.

Public Review and Comment – On May 25, 1988, a public hearing was held to review the initial Clean Water SRF rules and to receive comments. The Board of Water and Natural Resources approved the rules following the hearing. Revisions to the Clean Water SRF rules have been made periodically to reflect the needs of the program.

A formal public hearing was held for the South Dakota FFY 2021 Clean Water SRF Intended Use Plan on November 5, 2020.

	DWSRF	Amount Available	Banked	Amount Transferred from	Amount Transferred from		CWSRF Funds	DWSRF Funds
	Capitalization	for	Transfer	CWSRF to	DWSRF to	Transfer	Available to	Available to
Year	Grant	Transfer	Ceiling	DWSRF	CWSRF	Description	Transfer	Transfer
1997	\$12,558,800	\$4,144,404	\$4,144,404				\$4,144,404	\$4,144,404
1998	\$7,121,300	\$2,350,029	\$6,494,433				\$6,494,433	\$6,494,433
1999	\$7,463,800	\$2,463,054	\$8,957,487				\$8,957,487	\$8,957,487
2000	\$7,757,000	\$2,559,810	\$11,517,297				\$11,517,297	\$11,517,297
2001	\$7,789,100	\$2,570,403	\$14,087,700				\$14,087,700	\$14,087,700
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960		CW Cap Grant/Match	\$8,932,065	\$16,745,025
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360		CW Cap Grant/Match	\$3,812,058	\$19,386,378
2004	\$8,303,100	\$2,740,023	\$22,126,401				\$6,552,081	\$22,126,401
2005	\$8,285,500	\$2,734,215	\$24,860,616				\$9,286,296	\$24,860,616
2006	\$8,229,300	\$2,715,669	\$27,576,285		\$7,500,000	Leveraged Bonds	\$12,001,965	\$20,076,285
2007	\$8,229,000	\$2,715,570	\$30,291,855				\$14,717,535	\$22,791,855
2008	\$8,146,000	\$2,688,180	\$32,980,035				\$17,405,715	\$25,480,035
2009	\$8,146,000	\$2,688,180	\$35,668,215				\$20,093,895	\$28,168,215
2010	\$13,573,000	\$4,479,090	\$40,147,305				\$24,572,985	\$32,647,305
2011	\$9,418,000	\$3,107,940	\$43,255,245		\$10,000,000	Repayments	\$27,680,925	\$25,755,245
2012	\$8,975,000	\$2,961,750	\$46,216,995				\$30,642,675	\$28,716,995
2013	\$8,421,000	\$2,788,930	\$48,995,925				\$33,421,605	\$31,495,925
2014	\$8,845,000	\$2,918,850	\$51,914,775				\$36,340,455	\$34,414,775
2015	\$8,787,000	\$2,899,710	\$54,814,485				\$39,240,165	\$37,314,485
2016	\$8,312,000	\$2,742,960	\$57,557,445				\$41,983,125	\$40,057,445
2017	\$8,241,000	\$2,719,530	\$60,276,975				\$44,702,655	\$42,776,975
2018	\$11,107,000	\$3,665,310	\$63,942,285				\$48,367,965	\$46,442,285
2019	\$11,004,000	\$3,631,320	\$67,573,605				\$51,999,285	\$50,073,605
2020	\$11,011,000	\$3,633,630	\$71,207,235				\$55,632,915	\$53,707,235
2021 Est.	\$11,011,000	\$3,633,630	\$74,840,865				\$59,266,545	\$57,340,865

Table 2 – Amounts Available to Transfer between State Revolving Fund Programs

Table 3 – Princi	pal Forgiveness	Allowed	and A	Awarded
	par i orgiveness.		una 1	1 mai aca

	Principal Forgiveness for all Borrowers						
			Awarded from				
Year	Minimum	Maximum	FY Grant				
2010	\$1,497,982	\$4,993,274	\$4,993,274				
2011	\$669,233	\$2,230,777	\$2,230,777				
2012	\$383,922	\$575,882	\$575,882				
2013	\$307,120	\$460,680	\$460,680				
2014	\$372,924	\$559,386	\$559,386				
2015	\$0	\$2,045,100	\$2,045,100				
2016	\$652,500	\$2,610,000	\$2,610,000				
2017	\$647,400	\$2,589,600	\$2,589,600				
2018	\$785,900	\$3,143,600	\$3,143,600				
2019	\$777,900	\$3,111,600	\$3,111,600				
2020	\$778,000	\$3,112,000	\$172,520				
2021 Est.	\$778,000	\$3,112,000	\$0				
Totals	\$7,650,881	\$28,543,899	\$22,492,419				

ATTACHMENT I

PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for Clean Water SRF loans. This list was developed from State Water Plan applications. Inclusion on the list carries no obligations to the Clean Water SRF program. Attachment II lists those projects expected to be funded in FFY 2021.

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
28	Alcester	C461212-01	Replacement of 7,400 feet of	\$5,500,000	2.125%, 30 yrs	Yes
			existing collection pipe, cleaning and			
			televising the remaining collection			
			system to prioritize for future			
			repairs, and making wastewater			
			treatment facility improvements to			
			include upgrades to the inflow lift			
			station and equalization basins, new			
			aeration basin construction, upgrades			
			to the existing aeration basin,			
		•	process pumping system upgrades,			
			and disinfection process upgrades.			
26	Mitchell	C461129-09	Upgrades to the wastewater	\$10,000,000	2.125%, 30 yrs	
			treatment facility to include a new			
			headworks facility, new equalization			
			basin, improvements to the septage			
			receiving structure, electrical system			
			and other site improvements.	· · ·		
22	Tea	C461028-09	Construction of a lift station and	\$7,392,000	2.125%, 30 yrs	
			26,800 feet of forcemain to convey			
			all wastewater in the community to			
			Sioux Falls for treatment.			
21	Piedmont	C461462-01	Construction of a centralized	\$4,500,000	2.00%, 20 yrs	Yes
			collection system and activated			(Pending
			sludge treatment facility to replace			rate
			on-site septic systems within the			increase)
			municipality.			

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
20	Rapid City	C461014-07	Upgrades to the water reclamation	\$6,075,000	2.00%, 20 yrs	
			facility to include a new			
			clariflocculator for the aeration basin			
			and replacement of siphon pipes near			
			the screenings building.			
20	Sioux Falls	C461232-46	Major replacement and upgrades to	\$98,875,000	2.00%, 20 yrs	
			the city's water reclamation facility			
			to improve treatment processes and			
			expand the current treatment			
			capacity to meet future growth needs			
10		~	(Phases 3 and 4).			
18	Watertown	C461029-13	Replacement of primary clarifier #2	\$2,500,000	2.125%, 30 yrs	
10	TT 1	C.4.(1000.05	at the wastewater treatment facility.	#2 1 0 0 0 0 0	0.1050/ 0.0	
18	Yankton	C461038-05	Upgrades at the wastewater	\$3,180,000	2.125%, 30 yrs	
			treatment facility to include			
			construction of a new equalization			
			basin, replacing influent piping,			
			installing a splitter at the plant			
			neadworks, making upgrades to the			
			back up generator			
16	Hot Springs	C461040-03	Construction of new gravity sewer	\$638 525	2 125% 30 yrs	Ves
10	not springs	C+010+0-0J	main to connect users currently	\$050,525	2.12570, 50 yis	103
			utilizing on-site sentic systems to the			
			city's wastewater treatment system			
16	Lead	C461007-10	Replacement of two blocks of	\$378 733	2 125% 30 vrs	
10	Louia	010100/10	sanitary sewer and install separate	\$570,755	2.12070, 00 J10	
			storm sewer to remove additional			
			combined sewer on Mill Street.			
16	Mobridge	C461016-06	Upgrades at the wastewater	\$1,830,000	2.00%, 20 yrs	Yes
	e		treatment facility to include	. , ,	, ,	(Pending
			replacement of the existing screw			rate
			pumps, grit handling equipment and			increase)
			screening system and repairs to the			<i>,</i>
			facility roof and electrical			
			equipment.			

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
16	Rapid City	C461014-08	Construction of a landfill cap for existing waste cell #16, a landfill gas collection and control system and improvements to the existing gas collection system, and construction of a new landfill disposal cell.	\$4,760,000	2.00%, 20 yrs	
15	Custer	C461021-05	Upgrades at the wastewater treatment facility to include control building HVAC and electrical, standby generators, SCADA system, pond structures, pumps, interpond piping, installation of a submerged- attached-growth-reactor treatment system, related appurtenances, and UV disinfection. A new lift station and forcemain with a new discharge point will also be installed for better maintenance and ability to meet discharge permits limits.	\$12,450,400	2.125%, 30 yrs	Yes
15	Eagle Butte	C461148-04	Replacement of existing sanitary sewer and manholes in several locations and lift stations at No Heart and Hwy 212, installation of piping necessary to convey the wastewater, and rehabilitation of the wastewater treatment ponds to include new rip- rap, embankment shaping, and sludge removal.	\$5,506,000	2.125%, 30 yrs	Yes
15	Gregory	C461126-04	Replacement and relining of the existing sanitary sewer collection lines, replacement of two existing lift stations, and improvements to the wastewater treatment facility to include new rip-rap, embankment shaping, and sludge removal.	\$13,192,400	2.125%, 30 yrs	Yes

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
14	Mitchell	C461129-10	Construction of a landfill cap for existing waste cell #2 and construction of a new landfill disposal cell #4.	\$1,600,000	2.00%, 20 yrs	
14	Vermillion	C461022-09	Construction of a landfill cap for existing waste cells and construction of new landfill disposal cells #6 & 7.	\$2,240,000	2.00%, 20 yrs	Yes
14	Waubay	C461025-04	Construction of bank stabilization and erosion control protection on the outside berm of the wastewater treatment lagoon facility adjacent to Bitter Lake.	\$2,168,910	2.125%, 30 yrs	Yes
14	Wessington Springs	C461210-02	Grading of the wastewater treatment facility site will be conducted to redirect stormwater from over topping berms and entering the treatment ponds, installing riprap on the primary treatment cell to prevent erosion.	\$960,000	2.125%, 30 yrs	Yes (Pending rate increase)
13	Gayville	C461250-02	Replacement of 11,100 feet of existing clay sanitary sewer, installation of 2,250 feet of storm sewer, replacement of an existing lift station, and improvements at the wastewater treatment facility to include repair of the pond liner, repair to pond inlet/outlet structures, and inter pond piping replacement.	\$4,429,000	2.125%, 30 yrs	
13	Harrisburg	C461065-08	Replacement of 17,000 feet of existing sanitary sewer and installation of 10,700 new storm sewer in the southeastern portion of the city.	\$8,650,000	2.125%, 30 yrs	

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
13	Lake Norden	C461256-03	Replacement of the north lift station and repairs to the wastewater treatment lagoons to include riprapping of embankments and replacing control structures.	\$3,000,000	2.125%, 30 yrs	Yes
13	Mitchell	C461129-11	Dredging of Lake Mitchell to remove nutrient laden lakebed sediments.	\$11,250,000	2.00%, 20 yrs	
13	Pickstown	C461378-01	Cleaning and televising 29,000 feet the wastewater collection system and determine where cast in place or open trench pipe replacement is appropriate for rehabilitating the collection system. The project will also rehabilitate the wastewater treatment facility to continue providing adequate treatment.	\$4,758,625	2.125%, 30 yrs	
12	Mitchell	C461129-12	Televising, replacing and relining areas of sanitary sewer collection lines throughout the city, and replacement or rehabilitation of several existing lift stations throughout the city.	\$23,100,000	2.125%, 30 yrs	
12	Rapid City	C461014-09	Installation of higher capacity wastewater gravity and forcemain lines that enter into and exit the Elk Vale Lift Station to increase the capacity for sewer service in the surrounding area.	\$7,800,000	2.125%, 30 yrs	
12	Sioux Falls	C461232-44	Increase the capacity of the existing Pump Station 240 from 3.5 million gallons per day to 7 million gallons per day, install a parallel 30-inch forcemain from the pump station to the water reclamation facility, and install best management practices in the Big Sioux River watershed.	\$39,038,000	1.25%, 20 yrs	

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
12	Sioux Falls	C461232-45	Installation of approximately two miles of sanitary sewer trunk line in the Basin 15 collection area. Located in the northwest part of Sioux Falls near 12th Street and Ellis Road to provide for future development.	\$10,128,145	1.25%, 20 yrs	
12	Vermillion	C461022-10	Replacement of an existing lift station that is undersized and in need of improvements.	\$764,000	2.00%, 20 yrs	Yes
10	Elkton	C461229-03	Cleaning and televising the entire collection system and replacement or relining of approximately 44,500 feet of sewer lines and manholes.	\$8,412,000	2.125%, 30 yrs	
10	Hot Springs	C461040-04	Replacement of approximately 5,640 feet of sewer lines and manholes under SD Hwy 385/18.	\$704,000	2.125%, 30 yrs	Yes
10	Vermillion	C461022-11	Installation of 7,800 feet of storm sewer trunk line to help with upstream storm water conveyance.	\$4,150,000	2.125%, 30 yrs	Yes
9	Baltic	C461223-04	Replacement of the main lift station at the wastewater treatment facility that is beyond its useful life.	\$718,600	2.125%, 30 yrs	
9	Chancellor	C461122-03	Replacement of 8,500 feet of existing clay sanitary sewer and installation of 6,100 feet of storm sewer throughout the community.	\$5,300,000	2.125%, 30 yrs	
9	Salem	C461057-04	Replacement of existing sanitary sewer and installation of storm sewer in the city's industrial area.	\$2,040,000	2.125%, 30 yrs	
9	Tabor	C461259-01	Replacement of approximately 16,500 feet of sewer lines and manholes throughout the city and the rehabilitation of a lift station.	\$4,765,000	2.125%, 30 yrs	

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
9	White	C461118-01	Replacement or relining of	\$6,100,000	2.125%, 30 yrs	Yes
			approximately 13,000 feet of sewer			(Pending
			lines and manholes throughout the			rate
			city.			increase)
8	Bowdle	C461243-01	Replacement of approximately	\$2,015,444	2.125%, 30 yrs	
			11,700 feet of clay sanitary sewer			
			with 8- and 15-inch PVC pipe under			
			Main Street and the outfall line to the			
	<u> </u>	04(100(.05	treatment facility.	¢1.075.000	2.1250/ 20	
8	Canistota	C461226-05	Replacement of 3,900 feet of	\$1,075,000	2.125%, 30 yrs	
			existing clay sanitary sewer and			
			installation of 2,800 feet of storm			
			Street areas			
8	Creshard	C461132-01	Replacement of 11,000 feet of	\$3 124 127	2 125% 30 yrs	Ves
0	Clesbard	0401152-01	existing clay sanitary sewer and	$\psi_{2}, 12 + , 127$	2.12570, 50 yis	(Pending
			installation of 7.500 feet of storm			rate
			sewer throughout the community.			increase)
8	Marion	C461020-03	Replacement of 300 feet of sanitary	\$2,323,261	2.125%, 30 yrs	,
			sewer and installation of 3,400 feet		•	
			of storm sewer on Broadway			
			Avenue.			
8	Northdale Sanitary	C461005-02	Replacement and rerouting of	\$440,000	2.125%, 30 yrs	
	District		existing sanitary sewer collection			
			lines jeopardized by collapsing			
			streets over an abandoned gypsum			
	0.1.1	C461045.00	mine.	#2 124 000	2.1250/ 20	
8	Saint Lawrence	C461045-02	Replacement of 13,1/5 feet of	\$2,134,000	2.125%, 30 yrs	
			existing clay sanitary sewer and			
			station			
8	Теа	C461028-10	Installation of 4,700 feet of new	\$1 433 000	2 125% 30 vrs	
0	100	C+01020-10	sanitary sewer to connect existing	ψ1, τ55,000	2.12570, 50 yrs	
			users and provide for future			
			connections.			
8 8 8 8	Northdale Sanitary District Saint Lawrence Tea	C461005-02 C461045-02 C461028-10	Replacement and rerouting of existing sanitary sewer collection lines jeopardized by collapsing streets over an abandoned gypsum mine. Replacement of 13,175 feet of existing clay sanitary sewer and rehabilitation of an existing lift station. Installation of 4,700 feet of new sanitary sewer to connect existing users and provide for future connections.	\$440,000 \$2,134,000 \$1,433,000	2.125%, 30 yrs 2.125%, 30 yrs 2.125%, 30 yrs	

				Estimated	Expected	Principal
Priority		Project		Loan	Loan Rate	Forgiveness
Points	Loan Recipient	Number	Project Description	Amount	& Term	Eligible
8	Wessington Springs	C461210-03	Replacement of 4.5 blocks of	\$90,000	2.125%, 30 yrs	Yes
			sanitary sewer on Second Street.			(Pending
						rate
						increase)
7	Hudson	C461280-01	Replacement of an existing lift	\$8,705,820	2.125%, 30 yrs	Yes
			station and 2,800 feet of forcemain			(Pending
			to the treatment facility, removal of			rate
			sludge from the treatment ponds,			increase)
			cleaning and televising of the			
			collection system, and 26,000 feet of			
			sanitary sewer pipe replacement			
			throughout the community.			

Priority	Loan Recipient	Project	Assistance	Principal	Funding	Expected Funding
Points	Green Project Reserve Information	Number	Amount	Forgiveness ¹	Date	Source ²
Loans Expected						
28	Alcester	C461212-01	\$3,720,000	\$558,000	March 2021	Repay/Lev. Bonds
26	Mitchell	C461129-09	\$10,000,000		March 2021	Repay/Lev. Bonds
22	Теа	C461028-09	\$7,392,000		March 2021	Repay/Lev. Bonds
18	Watertown	C461029-13	\$2,500,000		March 2021	Repay/Lev. Bonds
18	Yankton	C461038-05	\$3,180,000		March 2021	Repay/Lev. Bonds
16	Mobridge	C461016-06	\$1,830,000	\$274,500	March 2021	Repay/Lev. Bonds
16	Rapid City	C461014-08	\$4,000,000		March 2021	Repay/Lev. Bonds
15	Custer	C461021-05	\$6,300,000	\$945,000	March 2021	Repay/Lev. Bonds
15	Gregory	C461126-04	\$6,400,000	\$960,000	March 2021	Repay/Lev. Bonds
14	Mitchell	C461129-10	\$1,280,000		March 2021	Repay/Lev. Bonds
14	Vermillion	C461022-09	\$1,800,000	\$270,000	March 2021	Repay/Lev. Bonds
14	Waubay	C461025-04	\$2,168,910	\$325,000	March 2021	Repay/Lev. Bonds
14	Wessington Springs	C461210-02	\$960,000	\$144,000	March 2021	Repay/Lev. Bonds
13	Gayville	C461250-02	\$4,429,000		March 2021	Repay/Lev. Bonds
13	Lake Norden	C461256-03	\$2,600,000	\$390,000	March 2021	Repay/Lev. Bonds
12	Sioux Falls	C461232-44	\$36,000,000		March 2021	2019/20/21/ Lev. Bonds
12	Sioux Falls GPR Project Type: Green Infrastructure (Categorical) GPR Amount: TBD	C461232-45	\$10,128,145		March 2021	Leveraged Bonds
10	Vermillion	C461022-11	\$4,150,000	\$622,500	March 2021	Repay/Lev. Bonds
9	Baltic	C461223-04	\$718,600		March 2021	Repay/Lev. Bonds
9	Chancellor	C461122-03	\$3,900,000		March 2021	Repay/Lev. Bonds
9	Salem	C461057-04	\$2,040,000		March 2021	Repay/Lev. Bonds
9	White	C461118-01	\$3,300,000	\$495,000	March 2021	Repay/Lev. Bonds
8	Canistota	C461226-05	\$1,075,000		March 2021	Repay/Lev. Bonds
8	Cresbard	C461132-01	\$1,500,000	\$225,000	March 2021	Repay/Lev. Bonds
8	Northdale Sanitary District	C461005-02	\$440,000		March 2021	Repay/Lev. Bonds
8	Saint Lawrence	C461045-02	\$2,134,000		March 2021	Repay/Lev. Bonds

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2021

Principal forgiveness amounts shown for loans expected are estimates for planning purposes only.
 Projects identified using capitalization grant funds are for equivalency requirements planning purposes only, actual projects used for capitalization grant equivalency will be identified on the FFY 2021 annual report.

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2021 (Continued)

Priority	Loan Recipient	Project	Assistance	Principal	Funding	Expected Funding
Points	Green Project Reserve Information	Number	Amount	Forgiveness ¹	Date	Source ²
Loans Ex	pected					
20	Rapid City	C461014-07	\$6,075,000		June 2021	Repay/Lev. Bonds
12	Mitchell	C461129-12	\$6,800,000		June 2021	Repay/Lev. Bonds
12	Vermillion	C461022-10	\$764,000	\$114,600	June 2021	Repay/Lev. Bonds
8	Wessington Springs	C461210-03	\$90,000	\$13,500	June 2021	Repay/Lev. Bonds
20	Sioux Falls GPR Project Type: Energy Efficiency (Categorical) GPR Amount: TBD	C461232-46	\$87,500,000	$\boldsymbol{\wedge}$	Sept. 2021	Leveraged Bonds
16	Lead	C461007-10	\$378,733		Sept. 2021	Repay/Lev. Bonds
8	Теа	C461028-10	\$1,433,000		Sept. 2021	Repay/Lev. Bonds

 Principal forgiveness amounts shown for loans expected are estimates for planning purposes only.
 Projects identified using capitalization grant funds are for equivalency requirements planning purposes only, actual projects used for capitalization grant equivalency will be identified on the FFY 2021 annual report.

ATTACHMENT III PROGRAM FUNDING STATUS

Federal Fiscal Years 1989 – 2020				
Capitalization Grants	\$210,710,200			
State Match	\$42,142,040			
ARRA Grant	\$19,239,100			
Program Administration Allowance	(\$9,648,395)			
Leveraged Funds	\$415,786,052			
Transfer FFY 2002 & 2003 Capitalization Grant and State Match to DWSRF	(\$15,574,320)			
Excess Interest as of September 30, 2020	\$112,255,918			
Excess Principal as of September 30, 2020	\$182,052,086			
Total Funds Dedicated to Loan		\$956,962,681		
Closed Loans made through September 30, 20	20	(\$813,148,590)		
Unclosed loans and available funds as of Septe	ember 30, 2020	\$143,814,091		
Federal Fiscal Year 202	1 Projections			
Capitalization Grants	\$7,780,000			
State Match	\$1,556,000			
Program Administration Allowance	(\$520,254)			
Projected Excess Principal Repayments	\$3,300,000			
Projected Unrestricted Interest Earnings	\$3,600,000			
Leveraged Bonds	\$65,000,000			
Projected FFY 2021 Loan Subtotal		\$80,715,746		
Unclosed loans and funds Available for Loans	\$224,529,837			
Loans Awarded and Unclosed as of September	(\$80,407,400)			
Total Funds Available for Loans	\$144,122,437			
Loan Amount Identified on Attachment II - Li be Funded in FFY 2021	\$226,986,388			

Administrative Surcharge Funds Available as of September 30, 2020			
Restricted Account (Administrative Purposes Only)	\$205,378		
Discretionary Account (Available for Water Quality Grants)	(\$107,394)		
Total	\$97,984		

November 5, 2020 Item 8

TITLE:	Public Hearing to Adopt Federal Fiscal Year 2021 Drinking Water State Revolving Fund Intended Use Plan.
EXPLANATION:	The Intended Use Plan describes how the board intends to use available funds to meet the objectives of the Safe Drinking Water Act. The Intended Use Plan describes the set-aside activities to be performed and amount of funding allocated to these. A prioritized list of potential drinking water projects is also included in the Intended Use Plan. Projects seeking a Drinking Water State Revolving Fund loan must be included on the priority list. The hearing has been advertised in accordance with applicable state and federal requirements.
RECOMMENDED ACTION:	Conduct the public hearing, receive testimony and approve the Federal Fiscal Year 2021 Intended Use Plan.
CONTACT:	Andy Bruels, 773-4216

SOUTH DAKOTA DRINKING WATER STATE REVOLVING FUND FEDERAL FISCAL YEAR 2021 INTENDED USE PLAN

INTRODUCTION

The Safe Drinking Water Act Amendments of 1996 and South Dakota Codified Law 46A-1-60.1 to 46A-1-60.3, inclusive, authorize the South Dakota Drinking Water State Revolving Fund (SRF) program. Program rules are established in Administrative Rules of South Dakota chapter 74:05:11.

The state of South Dakota proposes to adopt the following Intended Use Plan (IUP) for the federal fiscal year (FFY) 2021 as required under Section 1452(b) of the Safe Drinking Water Act and ARSD 74:05:11:03. The IUP describes how the state intends to use the Drinking Water SRF to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. A public hearing was held on November 5, 2020, to review the FFY 2021 Intended Use Plan and receive comments. The IUP reflects the results of this review.

The IUP includes the following:

- Priority list of projects;
- Short- and long-term goals;
- Criteria and method of fund distribution;
- Funds transferred between the Drinking Water SRF and the Clean Water SRF;
- Financial status;
- Description and amount of non-Drinking Water SRF (set-aside) activities; and
- Disadvantaged community subsidies.

PRIORITY LIST OF PROJECTS

A project must be on the project priority list, Attachment I, to be eligible for a loan. This list was developed from the State Water Plan and includes projects that did not designate Drinking Water SRF loans as a funding source.

Projects may be added to the project priority list at any meeting of the Board of Water and Natural Resources if the action is included on the agenda at the time it is posted.

Priority ratings are based on the project priority system established in ARSD 74:05:11:06. The general objective of the priority system is to assure projects that address compliance or health concerns, meet certain affordability criteria, or regionalize facilities receive priority for funding.

GOALS, OBJECTIVES, AND ENVIRONMENTAL RESULTS

The long-term goals of the Drinking Water SRF are to fully capitalize the fund, ensure that the state's drinking water supplies remain safe and affordable, ensure that systems are operated and maintained, and promote economic well-being.

The specific long-term objectives of the program are:

1. To maintain a permanent, selfsustaining SRF program that will serve in perpetuity as a financing source for drinking water projects and source water quality protection measures. This will necessitate that the amount of capitalization grant funds for non-Drinking Water SRF activities are reviewed annually to assure adequate cash flow to maintain the fund.

2. To fulfill the requirements of pertinent federal, state, and local laws and regulations governing safe drinking water activities, while providing the state and local project sponsors with maximum flexibility and decision making authority regarding such activities.

The short-term goal of the SRF is to fully capitalize the fund.

The specific short-term objectives of the program are:

- 1. To assist systems in replacing aging infrastructure.
- 2. To assist systems in maintaining and upgrading its water treatment capabilities to ensure compliance with the Safe Drinking Water Act.
- 3. To promote regionalization and consolidations of water systems, where mutually beneficial, as a practical means of addressing financial, managerial, and technical capacity.
- 4. To ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities.
- 5. To ensure the financial integrity of the Drinking Water SRF program through the review of the financial impacts of the setasides and disadvantaged subsidies and individual loan applications and the ability for repayment.
- 6. To obtain maximum capitalization of the funds for the state in the shortest time

possible while taking advantage of the provisions for disadvantaged communities and supporting the non-Drinking Water SRF activities.

Environmental Results

States are required to establish program activity measures (outcomes) in its Intended Use Plan to receive the federal capitalization grant. Progress related to the measures is to be reported in the following annual report.

For FFY 2021, the specific measures are:

- 1. In FFY 2020, the fund utilization rate, as measured by the percentage of executed loans to funds available, was 98.0 percent, which exceeded the target goal of 90 percent. For FFY 2021, the goal of the Drinking Water SRF program is to maintain the fund utilization rate at or above 90 percent.
- 2. In FFY 2020, the rate at which projects progressed as measured by disbursements as a percent of assistance provided was 80.5 percent, which met the goal of 80 percent. For FFY 2021, the goal is to maintain the construction pace at 80 percent or higher.
- 3. For FFY 2021, the goal of the Drinking Water SRF program is to fund 22 loans, totaling more than \$44.6 million.
- 4. For FFY 2021, it is estimated that 36 projects will initiate operations.
- 5. For FFY 2021, it is estimated that 10 Small Community Planning Grants will be awarded to small systems to evaluate the system's infrastructure needs.
- 6. For FFY 2021, it is estimated that the South Dakota Association of Rural Water Systems will provide 1,400 hours of technical assistance to small systems.

CRITERIA AND METHOD OF FUND DISTRIBUTION

Projects will be funded based on their assigned priority as set forth on the Project Priority list. Projects with the highest ranking that have submitted a complete State Revolving Fund loan application and demonstrated adequate financial, managerial, and technical capacity to receive the loan shall be funded before any lower ranked projects. Projects on the priority list may be bypassed if they have not demonstrated readiness to proceed by submitting a loan "Readiness to Proceed" is application. defined by EPA as the applicant being prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements. The next highest priority project that has submitted an application will be funded. The state shall exert reasonable effort to assure that the higher priority projects on the priority list are funded.

Interest rates are reviewed periodically in comparison to established bond rating indexes to assure rates are at or below market rates as required. The SRF rates are then set to be competitive with other funding agencies.

The current interest rates for FFY 2021 are summarized in Table 1. Information regarding disadvantaged eligibility and subsidy level criteria can be found in the disadvantaged community subsidies section. The interest rates were adjusted in April 2020.

ADMINISTRATIVE SURCHARGE FEES

The interest rate includes an administrative surcharge as identified in Table 1. The primary purpose of the surcharge is to provide a pool of funds to be used for administrative purposes after the state ceases to receive capitalization grants. The administrative surcharge is also available for other purposes, as determined eligible by EPA and at the

Table I - Drinking Water SRF Interest Rates				
	Up to 5 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs*
Interim Rate				
Interest Rate	2.00%			
Admin. Surcharge	0.00%			
Total	2.00%			
Base Rate				
Interest Rate		1.375%	1.50%	1.625%
Admin. Surcharge		0.50%	0.50%	0.50%
Total		1.875%	2.00%	2.125%
Disadvantaged Rate	– 80% to	o100% of	MHI	
Interest Rate 1.625%				
Admin. Surcharge				0.25%
Total			1.875%	
Disadvantaged Rate - 60% to 80% of MHI				
Interest Rate		1.00%		1.375%
Admin. Surcharge		0.00%		0.25%
Total		1.00%		1.625%
Disadvantaged Rate -1 ess than 60% of MHI				
Interest Rate				0.00%
Admin Surcharge			0.00%	
Total				0.00%
* Term cannot exceed useful life of the project				

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discretion of the Board of Water and Natural Resources and the department.

As of September 30, 2020, nearly \$4.79 million of administrative surcharge funds are available.

Beginning in FFY 2005, administrative surcharge funds were provided to the planning districts to defray expenses resulting from SRF application preparation and project administration. Reimbursement is \$9,000 per approved loan with payments made in \$3,000 increments as certain milestones are met.

The American Recovery and Reinvestment Act (ARRA) of 2009 and subsequent capitalization grants have mandated implementation of Davis-Bacon prevailing wage rules. Under joint powers agreements between the planning districts and the department, the planning districts are to be reimbursed \$1,100 per project to oversee compliance with the Davis-Bacon wage rate verification and certification.

Administrative surcharge funds will again be provided to the planning districts to defray the cost of SRF application preparation and project administration, which includes Davis-Bacon wage rate verification and certification. The FFY 2021 allocation for these activities will be \$50,000.

In FFY 2021, \$75,000 of administrative surcharge funds will be allocated for operator certification training.

In FFY 2019, \$200,000 of administrative surcharge funds were allocated to provide grants to assist very small systems in violation of the Safe Drinking Water Act. These funds are limited to community systems with 50 or less connections and notnon-community for-profit, non-transient water systems. Funds will be provided for infrastructure projects as 100 percent grants up to a maximum of \$50,000 and for total project costs less than \$100,000. No additional funds will be allocated for these activities in federal fiscal year 2021.

SMALL SYSTEM FUNDING

A requirement of the program is that a minimum of 15 percent of all dollars credited to the fund be used to provide loan assistance to small systems that serve fewer than 10,000 persons. Since the inception of the program, loans totaling nearly \$278.0 million have been made to systems meeting this population threshold, or 49.4 percent of the \$562.2 million of total funds available for loan. Attachment II – List of Projects to be funded in FFY 2021 identifies more than \$44.6 million in projects, of which more than \$34.7 million is for systems serving less than 10,000; therefore, the state expects to continue to exceed the 15 percent threshold.

Water systems must demonstrate the technical, managerial, and financial capability to operate a water utility before it can receive a loan.

The distribution methods and criteria are designed to provide affordable assistance to the borrower with maximum flexibility while providing for the long-term viability of the fund.

AMOUNT OF FUNDS TRANSFERRED BETWEEN THE DRINKING WATER SRF AND THE CLEAN WATER SRF

The Safe Drinking Water Act Amendments of 1996 and subsequent Congressional action allows states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

South Dakota transferred \$15,574,320 from the Clean Water SRF to the Drinking Water SRF program in past years. In FFY 2006 and 2011, \$7.5 million of leveraged bond proceeds and \$10 million of repayments, respectively were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the expected FFY 2021 capitalization grant, the ability exists to transfer nearly \$59.3 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$57.3 million could be transferred from the Drinking Water SRF Program to the Clean Water SRF program. Table 2 (page 10) itemizes the amount of funds transferred between the programs and the amount of funds available to be transferred.

No transfers are expected in FFY 2021.

FINANCIAL STATUS

Loan funds are derived from various sources and include federal capitalization grants, state match, leveraged bonds, borrowers' principal repayments, and interest earnings.

<u>Capitalization Grants/State Match:</u> Federal capitalization grants are provided to the state annually. These funds must be matched by the state at a ratio of 5 to 1. The anticipated FFY 2021 capitalization grant is expected to be \$11,011,000 which requires \$2,202,200 in state match. Bond proceeds will be used to match FFY 2021 capitalization grant funds.

For purposes of meeting FFY 2021 proportionality requirements, the South Dakota Drinking Water SRF program will document the expenditure of repayments and bond proceeds in an amount equivalent to the entire required state match.

<u>Leveraged Bonds</u>: The South Dakota Conservancy District has the ability to issue additional bonds above that required for state match, known as leveraged bonds. To date, \$123.7 million in leveraged bonds have been issued for the Drinking Water SRF program. It is not anticipated that additional leveraged bonds will be required in FFY 2021.

<u>Borrowers' Principal Repayments:</u> The principal repaid by the loan borrowers is used to make semi-annual leveraged bond payments. Any excess principal is available for loans. It is estimated that \$9.9 million in principal repayments will become available for loans in FFY 2021.

<u>Interest Earnings</u>: The interest repaid by the loan borrowers, as well as interest earned on investments, is dedicated to make semiannual state match bond payments. Any excess interest is available for loans. It is estimated that \$1.3 million in interest earnings will become available for loans in FFY 2021. As of September 30, 2020, 354 loans totaling \$550,791,753 have been made.

At the beginning of FFY 2021, \$11,497,516 is available to loan. With the expected FFY 2021 capitalization grant, state match, leveraged bonds, excess interest earnings, and repayments, nearly \$35.4 million will be available to loan. This information is provided in Attachment III, Drinking Water SRF Funding Status.

Funds will be allocated to the set-aside activities in the amounts indicated below. All remaining funds will be used to fund projects on the project priority list. A more detailed description of the activities can be found in the section pertaining to set-asides and the attachments.

Total for set-asides	\$515,440
Local Assistance	\$75,000
Administration	\$440,440

With the adoption of the amended and restated Master Indenture in 2004, the Clean Water and Drinking Water SRF programs are cross-collateralized. This allows the board to pledge excess revenues on deposit in the Drinking Water SRF program to act as additional security for bonds secured by excess revenues on deposit in the Clean Water SRF program, and vice versa.

The Safe Drinking Water Act included three provisions that call for a withholding of Drinking Water SRF grant funds where states fail to implement three necessary requirements. programmatic These provisions were assuring the technical, financial and managerial capacity of new water systems, developing a strategy to address the capacity of existing systems, and developing an operator certification program that complies with EPA guidelines. The State of South Dakota continues to meet the requirements of these provisions and will not be subject to withholding of funds.

Additional Subsidy - Principal Forgiveness

The 2010 and 2011 Drinking Water SRF appropriations mandated that not less than 30 percent of the funds made available for Drinking Water SRF capitalization grants shall be used by the state to provide additional subsidy to eligible recipients. The 2012 through 2015 capitalization grants mandated additional subsidy be provided in an amount not less than 20 percent, but not more than 30 percent, of the capitalization grants. The 2016 through 2019 capitalization grant mandated additional subsidy of exactly 20 percent of the total grant be provided to recipients. The FFY 2020 capitalization grant includes the ability to award principal forgiveness for any borrower of exactly 14 percent of the total grant award. Additional subsidy may be in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these).

Additional subsidy will be provided in the form of principal forgiveness. Municipalities and sanitary districts must have a minimum rate of \$30 per month based on 5,000 gallons usage or to qualify for principal forgiveness. Other applicants must have a minimum rate of \$55 per month based on 7,000 gallons usage to qualify for principal forgiveness.

When determining the amount of principal forgiveness, the Board of Water and Natural Resources may consider the following decision-making factors, which are set forth in alphabetical order:

- (1) Annual utility operating budgets;
- (2) Available local cash and in-kind contributions;
- (3) Available program funds;
- (4) Compliance with permits and regulations;
- (5) Debt service capability;
- (6) Economic impact;
- (7) Other funding sources;
- (8) Readiness to proceed;

- (9) Regionalization or consolidation of facilities;
- (10) Technical feasibility;
- (11) Utility rates; and
- (12) Water quality benefits.

Table 3 on page 11 summarizes the amounts of principal forgiveness provided to date.

It is anticipated FFY 2021 capitalization grant will include the ability to award principal forgiveness for any borrower equal to 14 percent of the total grant award.

Additional principal forgiveness can also be provided to disadvantaged communities. Further discussion can be found in the Disadvantaged Community Subsidy section beginning on page 9.

Attachment II - List of Projects to be Funded in FFY 2021 identifies \$2,590.890 in principal forgiveness for communities not eligible for the additional disadvantaged community principal forgiveness.

Build America Bond Activities and Uses

The Series 2010A bonds that were issued in December 2010 were designated as Build America Bonds. As a result, the District receives subsidy payments from the U.S. Treasury equal to 35% of the interest payable on its Series 2010A Bonds.

In fiscal year 2020, \$1,000,000 of Build America Bond funds were allocated to supplement the Consolidated program with grants for water projects. No additional funds will be allocated the above amount includes subsidy payments to be received through 2021.

DESCRIPTION AND AMOUNT OF NON-PROJECT ACTIVITIES (SET-ASIDES)

The Safe Drinking Water Act authorizes states to provide funding for certain non-

project activities provided that the amount of that funding does not exceed certain ceilings. Unused funds in the non-Drinking Water SRF will be banked for future use, where allowable, or transferred to the project loan account at the discretion of the state and with concurrence from the EPA Regional Administrator.

The following sections identify what portions of the capitalization grant will be used for non-Drinking Water SRF activities and describe how the funds will be used.

Administration.

The Water Infrastructure Improvements for the Nation (WIIN) Act of 2017 provides three options to states to calculate the administrative set-aside available from each year's capitalization grant. States may use the greatest of 1) \$400,000 per year, 2) 1/5 of a percent of the current valuation of the Drinking Water SRF fund based on the most recent previous year's audited financial statements, or 3) an amount equal to four percent of the annual capitalization grant.

Four percent of the FFY 2021 capitalization grant is \$440,440, and 1/5 of a percent of the current fund valuation of \$210,221,328 results in \$420,442 available for administrative fees. As a result, an administrative set-aside of \$440,440 will be reserved for administrative purposes in FFY 2021.

Specific activities to be funded are: staff salary, benefits, travel, and overhead; retaining of bond counsel, bond underwriter, financial advisor, and trustee; and other costs to administer the program.

Unused administrative funds will be banked to assure a source of funds not dependent on state general funds.

<u>Small system technical assistance.</u> No funds will be allocated from the two percent technical assistance set-aside to public

water systems serving 10,000 or fewer in FFY 2021.

The objective of this set-aside is to bring noncomplying systems into compliance and improve operations of water systems.

In fiscal year 1997, the board contracted with the South Dakota Association of Rural Water Systems to help communities evaluate the technical, managerial, and financial capability of its water utilities. These contracts have been renewed periodically to allow the continuation of assistance activities. The Rural Water Association provides such onsite assistance as leak detection, consumer confidence reports, water audits, board and review, treatment plant oversight operations, operator certification, and rate analysis.

To promote proactive planning within small communities, the Small Community Planning Grant program was initiated in fiscal year 2001. Communities are reimbursed 80 percent of the cost of an engineering study, with the maximum grant amount for any study being \$8,000.

Unused funds from previous years' set-aside for small system technical assistance are banked for use in future years. Currently, \$230,038 remains from previous years' allocations to be used for the purposes described above. Previous year capitalization grant allocations will provide sufficient funding for South Dakota's technical assistance programs to complete all tasks and activities identified above. No additional funds will be set-aside for these activities in FFY 2021.

State program management. No funds will be allocated for the administration of the state's Public Water System Supervision (PWSS) program in FFY 2021.

The state may use up to 10 percent of its allotment to (1) administer the state PWSS

program; (2) administer or provide technical assistance through water protection programs, including the Class V portion of the Underground Injection Control program; (3) develop and implement a capacity development strategy; and (4) develop and implement an operator certification program. The WIIN Act of 2017 removed the requirements for an additional dollar-fordollar match of capitalization funds for these activities.

Previous year capitalization grant allocations will provide sufficient funding for South Dakota's PWSS program to complete all tasks and activities identified in the workplan. No additional funds will be set-aside for these activities in FFY 2021.

Local assistance and other state programs. Up to \$75,000 will be allocated for the capacity development activities described below.

The state can fund other activities to assist development and implementation of local drinking water protection activities. Up to 15 percent of the capitalization grant may be used for the activities specified below, but not more than 10 percent can be used for any one activity. The allowable activities for this setaside are: (1) assistance to a public water system to acquire land or a conservation easement for source water protection; (2) assistance to a community water system to implement voluntary, incentive-based source water quality protection measures; (3) to provide funding to delineate and assess source water protection areas; (4) to support the establishment and implementation of a wellhead protection program; and (5) to provide funding to a community water system to implement a project under the capacity development strategy.

Since 2008, Midwest Assistance Program (MAP) has been assisting communities that received an SRF loan and recommendations were made in the capacity assessment to

improve the technical, financial, or managerial capacity of the system. In addition, the MAP has assisted in the review of capacity assessments required as part of the Drinking Water SRF loan applications.

There remains \$93,400 from prior years' allocations. In FFY 2018, DENR issued a request for proposals to select the most qualified assistance provider firm for contracting of these services. A three-year contract was signed with Midwest Assistance Program to continue their efforts with borrowers to improve the technical, financial, or managerial capacity of the system.

DISADVANTAGED COMMUNITY SUBSIDIES

Communities that meet the disadvantaged eligibility criteria described below may receive additional subsidies. This includes communities that will meet the disadvantaged criteria as a result of the project.

<u>Definition</u>. To be eligible for loan subsidies a community must meet the following criteria:

- (1) for municipalities and sanitary districts:
 - (a) the median household income is below the state-wide median household income; and
 - (b) the monthly residential water bill is\$30 or more for 5,000 gallons usage;or
- (2) for other community water systems:
 - (a) the median household income is below the state-wide median household income; and
 - (b) the monthly water bill for rural households is \$55 or more for 7,000 gallons usage.

The source of median household income statistics will be the American Community Survey or other statistically valid income data
supplied by the applicant and acceptable to the board.

Affordability criteria used to determine subsidy amount. Loans given to disadvantaged communities may have a term up to 30 years or the expected life of the project, whichever is less. Disadvantaged communities below the statewide median household income, but at or greater than 80 percent, are eligible to extend the term of the loan up to 30 years. Disadvantaged communities below 80 percent of the statewide median household income, but at or greater than 60 percent may receive up to a one percentage point reduction in interest rates. Disadvantaged communities with a median household income less than 60 percent of the statewide median household income may receive a zero percent loan. See Table 1 for the disadvantaged interest rates for FFY 2021.

Amount of capitalization grant to be made available for providing additional subsidies to disadvantaged communities. Disadvantaged communities are eligible for additional subsidy in the form of principal forgiveness. South Dakota utilized the option to provide additional subsidy in the form of principal forgiveness to disadvantaged communities in federal fiscal years 2016 through 2018, in an amount equal to 30 percent of the annual capitalization grant.

The American Water Infrastructure Act (AWIA) of 2018 added new requirements to provide additional subsidy to disadvantaged communities. Beginning with the FFY 2019 capitalization grant and all subsequent grants states must provide a minimum of 6 percent and may provide up to 35 percent of the capitalization grant amount as additional subsidy to disadvantaged communities.

Table 3 on page 11 summarizes the amounts of disadvantaged principal forgiveness provided to date. Attachment II – List of Projects to be Funded in FFY 2021 identifies \$4,664,500 in principal forgiveness.

Identification of systems to receive subsidies and the amount. Systems that are eligible to receive disadvantaged community rates and terms are identified in Attachment I and Attachment II.
 Table 2 – Amounts Available to Transfer between State Revolving Fund Programs

Year	DWSRF Capitalization Grant	Amount Available for Transfer	Banked Transfer Ceiling	Amount Transferred from CWSRF to DWSRF	Amount Transferred from DWSRF to CWSRF	Transfer Description	CWSRF Funds Available to Transfer	DWSRF Funds Available to Transfer
1997	\$12,558,800	\$4,144,404	\$4,144,404				\$4,144,404	\$4,144,404
1998	\$7,121,300	\$2,350,029	\$6,494,433				\$6,494,433	\$6,494,433
1999	\$7,463,800	\$2,463,054	\$8,957,487				\$8,957,487	\$8,957,487
2000	\$7,720,100	\$2,559,810	\$11,517,297				\$11,517,297	\$11,517,297
2001	\$7,789,100	\$2,370,403	\$14,087,700			CW Can	\$14,087,700	\$14,087,700
2002	\$8,052,500	\$2,657,325	\$16,745,025	\$7,812,960		Grant/Match	\$8,932,065	\$16,745,025
2003	\$8,004,100	\$2,641,353	\$19,386,378	\$7,761,360		CW Cap Grant/Match	\$3,812,058	\$19,386,378
2004	\$8,303,100	\$2,740,023	\$22,126,401				\$6,552,081	\$22,126,401
2005	\$8,352,500	\$2,756,325	\$24,882,726				\$9,308,406	\$24,882,726
2006	\$8,229,300	\$2,715,669	\$27,598,395		\$7,500,000	Leveraged Bonds	\$12,024,075	\$20,098,395
2007	\$8,229,000	\$2,715,570	\$30,313,965				\$14,739,645	\$22,813,965
2008	\$8,146,000	\$2,688,180	\$33,002,145				\$17,427,825	\$25,502,145
2009	\$8,146,000	\$2,688,180	\$35,690,325				\$20,116,005	\$28,190,325
2010	\$13,573,000	\$4,479,090	\$40,169,415				\$24,595,095	\$32,669,415
2011	\$9,418,000	\$3,107,940	\$43,277,355		\$10,000,000	Repayments	\$27,703,035	\$25,777,355
2012	\$8,975,000	\$2,961,750	\$46,239,105				\$30,664,785	\$28,739,105
2013	\$8,421,000	\$2,788,930	\$49,018,035				\$33,443,715	\$31.518,035
2014	\$8,845,000	\$2,918,850	\$51,936,885				\$36,362,565	\$34,436,885
2015	\$8,787,000	\$2,899,710	\$54,814,485				\$39,240,165	\$37,314,485
2016	\$8,312,000	\$2,742,960	\$57,557,445				\$41,983,125	\$40,057,445
2017	\$8,241,000	\$2,719,530	\$60,276,975				\$44,702,655	\$42,776,975
2018	\$11,107,000	\$3,665,310	\$63,942,285				\$48,367,965	\$46,442,285
2019	\$11,004,000	\$3,631,320	\$67,573,605				\$51,999,285	\$50,073,605
2020	\$11,011,000	\$3,633,630	\$71,207,235				\$55,632,915	\$53,707,235
2021 Est.	\$11,011,000	\$3,633,630	\$74,840,865				\$59,266,545	\$57,340,865

	Principal	Forgiveness for all	Borrowers	Disadvantaged-only Principal Forgiveness					
			Awarded from			Awarded from			
Year	Minimum	Maximum	FY Grant	Minimum	Maximum	FY Grant			
2010	\$4,071,900	\$13,573,000	\$13,573,000						
2011	\$2,825,400	\$9,418,000	\$9,418,000						
2012	\$1,795,000	\$2,692,500	\$2,692,500						
2013	\$1,684,200	\$2,526,300	\$2,526,300						
2014	\$1,769,000	\$2,653,500	\$2,653,500						
2015	\$1,757,400	\$2,636,100	\$2,636,100						
2016	\$1,662,400	\$1,662,400	\$1,662,400	\$0	\$2,493,600	\$2,493,600			
2017	\$1,648,200	\$1,648,200	\$1,648,200	\$0	\$2,472,300	\$2,472,300			
2018	\$2,221,400	\$2,221,400	\$2,221,400	\$0	\$3,332,100	\$3,332,100			
2019	\$2,200,800	\$2,200,800	\$2,154,798	\$660,240	\$3,851,400	\$3,851,400			
2020	\$1,541,540	\$1,541,540	\$0	\$660,660	\$3,853,850	\$3,043,200			
2021 Est.	\$1,541,540	\$1,541,540	\$0	\$660,660	\$3,853,850	\$3,043,200			
Totals	\$24,718,780	\$44,315,280	\$41,186,198	\$1,981,560	\$19,857,100	\$18,235,800			

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PROJECT PRIORITY LIST

Attachment I is a comprehensive list of projects that are eligible for Drinking Water SRF loans. This list was developed from State Water Plan applications. Inclusion on the list carries no obligations to the Drinking Water SRF program. Attachment II lists those projects expected to be funded in FFY 2021.

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis- advan- taged
150	Tripp	C462238-02	<i>Problem:</i> portions of the existing main and all water meters are beyond their useful life, the existing storage does not equalize properly resulting in poor turnover of water, the existing source does not have redundancy to meet peak day demands with any one well out of service, the existing wells are also high in chloride, sulfate, and total dissolved solids impacting water quality, and existing unused wells that have not been properly abandoned. <i>Project:</i> replace 1,500 feet of watermain with PVC, install new remote read meters, raise one water storage tank to match overflow elevations and install a mixer to improve quality, properly abandon unused wells, and either connect to a rural water system for supply or construct new walls to provide better water and install.	\$2,210,000	0%, 30 years	647	Yes
131	Edgemont	C462216-04	<i>Problem:</i> the town's new water supply has been found to be high in iron causing discoloration in the water and issues with a recently installed treatment system. <i>Project:</i> install a iron removal system to reduce the content prior to the treatment system to improve color and allow proper operation of the treatment system	\$637,000	0%, 30 years	774	Yes
117	Cresbard	C462132-01	<i>Problem:</i> the existing water distribution system is old and experiencing excessive breaks and high-water loss and the existing meters are beyond their useful life with several unmetered locations contributing to high water loss. <i>Project:</i> replace 15,400 feet of watermain with PVC and install new remote read meters.	\$2,068,305	1.625%, 30 years	104	Yes

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis- advan- taged
111	Hot Springs	C462040-02	<i>Problem</i> : the city's raw water pumping system does not have capacity to provide adequate water in the event one of the two pumping stations is out of commission, the storage capacity is less than the peak day demand, and the system does not have adequate well supply. <i>Project</i> : install a new well and pump house, construct a new 3-million gallon water tower, and develop a new Madison well.	\$3,850,000	0%, 30 years	3,711	Yes
103	Bear Butte Valley Water, Inc.	C462486-01	<i>Problem:</i> Twenty-four existing homes along Alkali Road in the southeast portion of the distribution system currently rely on private wells with poor water quality or haul water for domestic use. <i>Project:</i> install 18.5 miles of transmission line and related appurtenances to provide water to the existing homes.	\$1,999,000	2.125%, 30 years	360	
95	Gregory	C462126-03	<i>Problem:</i> the existing cast iron and asbestos cement distribution system pipe is beyond its useful life and some areas of town experience low pressure due to undersized pipe. <i>Project:</i> replace approximately 35,000 feet of water main with PVC pipe and increase pipe size where needed	\$6,752,000	0.00%, 30 years	1,295	Yes
93	Lake Norden	C462256-03	<i>Problem:</i> the existing water storage in the community is not sufficient to provide average day use. <i>Project:</i> construct a new 500,000 elevated water storage tower to provide adequate storage and pressures.	\$2,700,000	1.625%, 30 years	467	Yes
86	Hot Springs	C462040-03	<i>Problem:</i> the existing water distribution pipe under North River Street/SD Hwy 385/18 is old and the highway will be reconstructed. <i>Project:</i> replace the existing watermain pipe with new PVC pipe prior to the SD DOT reconstruction of the roadway.	\$392,000	0%, 30 years	3,711	Yes

					Expected		Dis-
Priority	Community/	Project	Project	Est. Loan	Loan Rate	Pop.	advan-
Points	Public Water System	Number	Description	Amount	& Term	Served	taged
83	Kingbrook Rural Water System	C462432-09	<i>Problem:</i> an existing water storage tank is in need of repairs to assure continued use and supply of high quality water. <i>Project:</i> re-coat the tank, make repairs and improvements for water quality and OSHA compliance to extend the useful life of the tank	\$360,000	1.625%, 30 years	13,528	Yes
73	Joint Well Field, Inc.	C462454-01	<i>Problem:</i> Brookings-Deuel and Kingbrook Rural Water Systems which utilize the water produced by the system have the need for additional water quantity within their distribution systems and the existing backwash ponds are in poor condition and undersized. <i>Project:</i> make upgrades to the water treatment plant to increase the treatment and pumping capacity by 2.6 million gallons per day, install a new 1.2-million gallon ground storage tank, and replace the avicting backwash ponds	\$5,523,000	2.125%, 30 years	22,028	
56	Mobridge	C462016-08	Problem: the existing backwash points. Problem: the existing water treatment facility is in need of significant repairs to the raw water intake system is beyond it useful life and in need of repair, and the North water tower height does not provide full system storage or adequate pressure. Project: make repairs or replacement at the water treatment facility to include controls, high service pumps, lime slaker and HVAC system, repair or replace the existing raw water intake system, and increase the height of the North water tower to allow full utilization of the storage and pressure provided.	\$11,350,000	1.875%, 30 years	3,465	Yes (Pending rate increase)

					Expected		Dis-
Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Loan Rate & Term	Pop. Served	advan- taged
53	Hudson	C462280-01	<i>Problem:</i> the existing cast iron distribution	\$9,494,180	1.625%, 30 years	296	Yes
			useful life, the current water storage ground level tanks do not supply adequate pressure or storage for the average day demand and are beyond their useful life. <i>Project:</i> replace and install approximately 25,100 feet of water main with PVC pipe, loop the system, and increase pipe size where needed, install new remote read useful matching and approximately 20,000				rate increase)
			water meters, and construct a new 120,000-				
37	Mni Waste' Water Company	C462487-01	<i>Problem:</i> the existing water line running north along Highway 63 for the system is inadequate to supply current users and those requesting service and capacity is also not available to	\$2,517,000	1.625%, 30 years	8,102	Yes (Pending rate increase)
			provide bulk service to Timber Lake. <i>Project:</i> install 35 miles of transmission main from Highway 212 north along Highway 63 to serve current and anticipated new users and bulk water transmission to Timber Lake.				
36	Black Hawk Water User District	C462393-03	<i>Problem:</i> the system has limited looping of lines impacting flows to users, portions of the existing mains are beyond their useful life, the existing storage is inadequate to supply peak days, and the existing source does not have redundancy to meet peak day demand with any one well out of	\$8,494,000	2.125%, 30 years	3,850	
			service. <i>Project:</i> construct two crossings under				
			to better loop portions of the system, replace a				
			portion of existing cast iron pipe with PVC on				
			Elm Street to alleviate problem areas, construct				
			a new 1,000,000-gallon storage tank, and develop a new Madison aquifer well.				

_	Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis- advan- taged
	34	Lake Preston	C462011-01	<i>Problem:</i> the existing cast iron distribution system pipe is beyond its useful life, some areas of town experience low pressure due to undersized pipe, and the current water storage tower is beyond its useful life. <i>Project:</i> replace approximately 28,500 feet of water main with PVC pipe and increase pipe size where needed and construct a new 100,000-gallon water storage tank	\$8,405,000	1.875%, 30 years	599	Yes
	32	Minnehaha Community Water Corp.	C462440-03	<i>Problem:</i> two zones of the existing distribution system does not have average day storage capacity for current users and in one zone the pressures are limited due to smaller diameter lower pressure rated mainline pipe. <i>Project:</i> construct two new elevated storage tanks in each zone provide the needed storage for average day use, install a new control valve structure to monitor and adjust pressure as needed, and construct approximately eight miles of 12-inch mainline pipe to increase capacity and pressures.	\$7,505,900	2.125%, 30 years	6,474	
	24	Elkton	C462229-01	<i>Problem:</i> the existing water distribution system is old and experiencing excessive breaks and high water loss, the current water tower coatings are in need of replacement, and an existing unused well not properly abandoned. <i>Project:</i> replace approximately 20,000 feet of water main with PVC pipe, recoat the water storage tank, and properly cap and abandon the unused well.	\$4,600,000	2.125%, 30 years	736	
	22	Harrisburg	C462065-04	Problem: the distribution system in the southeastern part of the city is beyond its useful life and has several dead ends impacting water quality. <i>Project:</i> replace and install approximately 26,200 feet of water main with PVC pipe and loop the system.	\$6,250,000	2.125%, 30 years	5,698	

Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Expected Loan Rate & Term	Pop. Served	Dis- advan- taged
20	Salem	C462057-04	<i>Problem:</i> the distribution system in the southeastern part of the city is beyond its useful life and has several dead ends impacting water quality and pressure. <i>Project:</i> replace and install approximately 3,000 feet of water main with PVC	\$1,097,000	1.875%, 30 years	1,347	Yes
19	Castlewood	C462246-01	<i>Problem:</i> the distribution system in much of the city is beyond its useful life and has several dead ends impacting water quality and the existing interior and exterior coating on the water tower are in poor condition and need repair. <i>Project:</i> replace and install approximately 6,500 feet of water main with PVC pipe and loop the system	\$800,000	1.875%, 30 years	627	Yes
19	Valley Springs	C462239-01	and recoat the water tower interior and exterior. <i>Problem:</i> the existing water distribution system is old and experiencing excessive breaks and high water loss, has several dead-end lines and the current water tower coatings are in need of replacement. <i>Project:</i> replace and install approximately 4,700 feet of water main with PVC pipe and loop the system and recoat the water storage task	\$1,583,000	2.125%, 30 years	759	
18	Chancellor	C462122-02	<i>Problem</i> : the distribution system throughout the city is beyond its useful life and has several dead ends impacting water quality. <i>Project:</i> replace and install approximately 9,700 feet of water main with PVC pipe	\$3,300,000	1.875%, 30 years	264	Yes
18	White	C462118-01	Problem: the distribution system in much of the city is beyond its useful life and has several dead ends impacting water quality, the existing interior and exterior coating on the water tower are in poor condition and need repair. <i>Project:</i> replace approximately 17,000 feet of water main with PVC pipe and loop the system and recoat the water tower interior and exterior.	\$6,000,000	1.625%, 30 years	485	Yes

					Expected		Dis-
Priority	Community/	Project	Project	Est. Loan	Loan Rate	Pop.	advan-
Points	Public Water System	Number	Description	Amount	& Term	Served	taged
14	Philip	C462205-01	<i>Problem:</i> many of the city's meters are obsolete and unserviceable or require manual reading. <i>Project:</i> replace approximately 220 water meters and install an automatic meter reading system and transmitters for the meters not being replaced.	\$464,031	1.875%, 10 years	779	Yes
14	Wessington Springs	C462210-02	<i>Problem:</i> many of the city's meters are obsolete and unserviceable or require manual reading. <i>Project:</i> replace approximately 540 water meters and install an automatic meter reading system.	\$685,000	1.00%, 10 years	956	Yes
11	Lead	C462007-05	<i>Problem:</i> the distribution system on Mill Street is beyond its useful life. <i>Project:</i> replace two blocks of water main with PVC pipe.	\$360,138	1.875%, 30 years	3,124	Yes
9	Bowdle	C462243-02	<i>Problem:</i> the distribution system on Main Street is beyond its useful life. <i>Project:</i> replace approximately 1,400 feet of water main with PVC pipe.	\$783,587	1.875%, 30 years	502	Yes
9	Canistota	C462226-04	<i>Problem:</i> the distribution system in the 7 th Ave and Pine Street area is beyond its useful life. <i>Project:</i> replace approximately 3,400 feet of water main with PVC pipe.	\$437,000	1.875%, 30 years	656	Yes
9	Marion	C462020-01	<i>Problem</i> : the distribution system on Broadway Avenue is beyond its useful life. <i>Project:</i> replace approximately 2,500 feet of water main with PVC pipe.	\$1,519,958	1.875%, 30 years	784	Yes

					Expected		Dis-	
Priority Points	y Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Loan Rate & Term	Pop. Served	advan- taged	
8	Mitchell	C462129-05	<i>Problem:</i> the existing West water tower is in need of coating and equipment improvements, the existing Burr Street tower is beyond its useful life and undersized for the storage needs of the area, certain areas of the distribution system have inadequate pressures, ability to provide peak flows or lack chemical residual to assure water quality. <i>Project:</i> recoat the West tower and install new mixing system and valve vault, construct a new 2.5-million gallon Burr Street tank, construct a new pump station and chemical feed building near the existing ground storage tank, and make improvements to the distribution system piping to improve flows and pressures in various locations.	\$11,000,000	1.875%, 30 years	15,254	Yes	
6	Grant-Roberts Rural Water System	C462475-02	<i>Problem:</i> the existing SCADA system is old and beyond repair and will not communicate well with existing newer technology. <i>Project:</i> replace SCADA system components system wide to enhance operational management ability.	\$857,000	2.00%, 20 years	4,857		
6	Tea	C462028-03	<i>Problem:</i> there are existing homes along 272 nd Street that are currently unserved by the city's distribution system. <i>Project:</i> installation of approximately 4,400 feet of PVC watermain to connect these users to the city's distribution system.	\$805,000	2.125%, 30 years	3,806		
4	Wessington Springs	C462210-03	<i>Problem:</i> the distribution system on Second Street is beyond its useful life. <i>Project:</i> replace 4.5 blocks of water main with PVC pipe.	\$100,000	1.625%, 30 years	956	Yes	

					Expected		Dis-
Priority Points	Community/ Public Water System	Project Number	Project Description	Est. Loan Amount	Loan Rate & Term	Pop. Served	advan- taged
3	Faith	C462249-01	<i>Problem:</i> the town's primary storage source is a ground storage tank that utilizes a single pump to feed the water system, and the capacity of the existing elevated is insufficient to meet average day consumption when the single pump is offline due to maintenance or power outages. <i>Project:</i> construct a 225,000-gallon elevated storage tank to replace the ground storage tanks and install a new 12-inch water line to connect the new tank to the distribution system.	\$2,274,000	1.875%, 30 years	421	Yes
3	Rosholt	C462258-01	Problem: the existing water storage tank is in need of repairs. Project: re-coat the tank, make repairs and improvements for water quality and OSHA compliance to extend the useful life of the tank.	\$500,000	2.125%, 30 years	423	

Priority	Loan Recipient	Project	Assistance	Principal	Funding	Expected Funding
Points		Number	Amount	Forgiveness ¹	Date	Source ²
LOANS EX	XPECTED				·	
131	Edgemont	C462216-04	\$637,000	\$127,400 ³	Jan. 2021	2021
32	Minnehaha Community Water Corp.	C462440-03	\$7,505,900	\$750,590	Jan. 2021	2020
117	Cresbard	C462132-01	\$2,068,305	\$413,600 ³	March 2021	2021/Lev. Bonds
103	Bear Butte Valley Water, Inc.	C462486-01	\$1,999,000	\$199,900	March 2021	2020/2021
95	Gregory	C462126-03	\$1,607,000	\$321,400 ³	March 2021	Repayments
93	Lake Norden	C462256-03	\$2,700,000	\$540,000 ³	March 2021	Repayments
83	Kingbrook Rural Water System	C462432-09	\$360,000	\$72,000 ³	March 2021	2021
73	Joint Well Field, Inc.	C462454-01	\$5,523,000	\$552,300	March 2021	2021
56	Mobridge	C462016-08	\$4,000,000	\$800,000 ³	March 2021	Repayments
37	Mni Waste' Water Company	C462487-01	\$2,517,000	\$503,400 ³	March 2021	2021
20	Salem	C462057-04	\$1,097,000	\$219,400 ³	March 2021	Repayments
19	Castlewood	C462246-01	\$800,000	\$160,000 ³	March 2021	Repayments
18	Chancellor	C462122-02	\$2,300,000	\$460,000 ³	March 2021	Repayments
18	White	C462118-01	\$3,800,000	\$760,000 ³	March 2021	Repayments
9	Canistota	C462226-04	\$437,000	\$87,400 ³	March 2021	Repayments
6	Grant-Roberts Rural Water System	C462475-02	\$857,000	\$85,700	March 2021	2021
14	Wessington Springs	C462210-02	\$685,000	\$137,000 ³	June 2021	Repayments
8	Mitchell	C462129-05	\$4,000,000	\$800,000 ³	June 2021	Repayments
4	Wessington Springs	C462210-03	\$100,000	\$20,000 ³	June 2021	Repayments
14	Philip	C462205-01	\$464,031	\$92,800 ³	Sept. 2021	Repayments
11	Lead	C462007-05	\$360,138	$72,000^{3}$	Sept. 2021	Repayments
6	Теа	C462028-03	\$805,000	\$80,500	Sept. 2021	Repayments

ATTACHMENT II – LIST OF PROJECTS TO BE FUNDED IN FFY 2021

1. Principal forgiveness amounts shown for loans expected are estimates for planning purposes only.

2. Projects identified using capitalization grant funds are for equivalency requirements planning purposes only, actual projects used for capitalization grant equivalency will be identified on the FFY 2021 annual report.

3. Projects are anticipated to be funded in part utilizing the additional 6 percent minimum and up to 35 percent of the capitalization grant for principal forgiveness to disadvantaged communities.

ATTACHMENT III PROGRAM FUNDING STATUS

Federal Fiscal Years 1997 - 2020

Capitalization Grants	\$216,087,698	
State Match	\$43,217,540	
ARRA Grant	\$19,500,000	
Set-Asides	(\$16,440,162)	
Transfer of FY 2002 & 2003 Clean Water Capitalization Grant and State Match	\$15,574,320	
Leveraged Bonds	\$123 742 076	
Excess Interest as of Sentember 30, 2020	\$49,715,146	
Excess Principal as of September 30, 2020	\$110 892 660	
Excess Timespar as of September 50, 2020	\$110,872,000	
Total Funds Dedicated to Loan		\$562,289,269
Closed Loans made through September 30, 20	(\$510,782,753)	
Unclosed loans and available funds as of Sept	\$51,506,516	
Federal Fiscal Year 202	21 Projections	
Capitalization Grants	\$11.011.000	
State Match	\$2.202.200	
Set-Asides	(\$515,440)	
Projected Excess Principal Repayments	\$9.900.000	
Projected Unrestricted Interest Farnings	\$1,300,000	
Leveraged Bonds	\$0	
Projected FFY 2021 Loan Sub-total	\$	\$23 897 760
		<i>\$23,071,100</i>
Unclosed loans and funds Available for Loans	S	\$75,404,276
Loans Awarded and Unclosed as of September	(\$40,009,000)	
Total Funds Available for Loans		\$35,395,276
Loan Amount Identified on Attachment II - I	ist of Projects to	
be Funded in FFY 2021	\$44,622,374	

Administrative Surcharge Funds Available as of September 30, 2020		
Program Income	\$719,590	
Non-Program Income	\$4,066,552	
Total	\$4,786,142	

NOTICE OF PUBLIC HEARING TO ADOPT FISCAL YEAR 2021 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN AND PROJECT PRIORITY LIST

Notice is hereby given that the South Dakota Board of Water and Natural Resources will hold a public hearing to adopt the South Dakota 2021 Drinking Water State Revolving Fund Intended Use Plan and Project Priority List on November 5, 2020, at 9:00 a.m. CT.

The public may participate by live audio or by streaming through a computer or other mobile device. The full board packet and directions for access to the meeting and live streaming can be found on the South Dakota Boards and Commissions Portal at http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108

This public hearing is being held pursuant to ARSD 74:05:11:03 and meets all requirements of the federal Safe Drinking Water Act.

The Intended Use Plan consists of two components. One component describes how the state intends to use available funds for the year to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. This includes the amount of funds to be allocated to set-aside activities such as administration, state program management, small system technical assistance, and local assistance and other state programs.

The second component of the Intended Use Plan is a priority list of projects that will be eligible to receive funding. Projects seeking a Drinking Water State Revolving Fund loan must be on the priority list.

Persons interested in presenting public testimony concerning the adoption of the 2021 Intended Use Plan may appear at the designated place and time. Written comments will be received at any time prior to the hearing date by mailing them to the Water and Waste Funding Program, Department of Environment and Natural Resources, 523 E. Capitol Avenue, Pierre, SD 57501.

A copy of the proposed 2021 Intended Use Plan can be received at no charge by requesting a copy from the address given above, by calling (605) 773-4216, by sending an e-mail request to andrew.bruels@state.sd.us, or from the DENR website at:

https://denr.sd.gov/public/default.aspx

Published once at the total approximate cost of \$_____.

November 5, 2020 Item 9

TITLE:	Adjust Application Deadlines for State Water Resources Management System Projects
EXPLANATION:	Currently there are two items related to the State Water Resources Management System (SWRMS) list that have a due date of October 1 st of each year. One is the State Water Plan application and the other is Projected Funding Need application.
	Any additions to the SWRMS list resulting from a new State Water Plan application or a request for funding for a project on the SWRMS list must be included in the yearly Omnibus bill. Due to the need to begin preparing the recommendations for the Omnibus bill in late July and early August, receiving notification of new projects or funding needs in October is difficult to accommodate.
	Staff plans to adjust the deadline to July 1st for receipt of new State Water Plan applications with the potential for SWRMS listing and for projects on the SWRMS list requesting additional funds. This will allow staff adequate time to prepare the draft Omnibus bill and make any necessary changes during the preparation.
RECOMMENDED ACTION:	No action needed, informational only.
CONTACT:	Andy Bruels, 773-4216

November 5, 2020 Item 10

TITLE: State Water Resources Management System Recommendations

EXPLANATION: The Board of Water and Natural Resources annually provides recommendations to the State Legislature and Governor regarding deletions, additions, and retention of projects on the State Water Resources Management System (SWRMS) component of the State Water Plan. The following projects are currently included on the State Water Resources Management System list:

- 1. Belle Fourche Irrigation Upgrade Project
- 2. Big Sioux Flood Control Study
- 3. Cendak Irrigation Project
- 4. Gregory County Pumped Storage Site
- 5. Hydrology and Water Management Studies
- 6. Lake Andes-Wagner/Marty II Irrigation Unit
- 7. Lewis and Clark Rural Water System
- 8. Sioux Falls Flood Control Project
- 9. Vermillion Basin Flood Control Project

There are no proposed revisions to the SWRMS list.

RECOMMENDEDApprove a resolution recommending the retention of all projects on the State WaterACTION:Resources Management System list.

CONTACT: Mike Perkovich 773-4216

STATE OF SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES RESOLUTION NO. 2020-____

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

WHEREAS, the Board of Water and Natural Resources ("the Board") pursuant to SDCL 46A-1-2, 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 designates the water resource projects included on the State Water Resources Management System component of the State Water Plan that serve as the preferred, priority objectives of the State; and

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

WHEREAS, the Board has reviewed the applications submitted from various South Dakota water resource projects for inclusion on the State Water Plan; and

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

Dated this 5th day of November, 2020

(SEAL)

ATTEST:

BY:

Chairman, Board of Water and Natural Resources

BY:

Secretary, Board of Water and Natural Resources

November 5, 2020 Item 11

TITLE: Omnibus Bill Funding Recommendations

EXPLANATION: The Board of Water and Natural Resources, under the authority provided in SDCL 46A-1-12 and 46A-1-13, may recommend state funding and cost share levels to the Governor and Legislature.

The board annually reviews applications from projects wishing to be placed on the State Water Facilities Plan and the projected funding needs of projects on the State Water Resources Management System (SWRMS) component of the State Water Plan.

The board conducts a public meeting to take statements from all interested parties regarding water development funding needs. A resolution is developed to make specific recommendations to the Governor and State Legislature on funding levels for individual SWRMS projects, the Consolidated program, and the Solid Waste Management program, and for appropriations from specific state revolving fund subfunds.

The board's recommendations developed through this public process provide the basis for the Governor's preparation and the Legislature's consideration of the annual Omnibus Funding bill.

- RECOMMENDED Approve a resolution providing recommendations to the Governor and the State ACTION: Legislature on Water & Environment Fund state fiscal year 2022 funding levels for the State Water Resources Management System projects, the Consolidated program, and the Solid Waste Management program, and for appropriations from specific state revolving fund subfunds.
- CONTACT: Stephanie Riggle, 773-4216



2021 OMNIBUS BILL FUNDING RECOMMENDATIONS

BOARD OF WATER & NATURAL RESOURCES

NOVEMBER 05, 2020







2021 OMNIBUS BILL

Authorizes **Special Appropriations** for State Fiscal Year 2022

Available for four fiscal years (i.e., through 30-Jun-2025)

Based on actual revenues received through 30-Jun-2020

Revenue projections for SFY 2021 and 2022 used to estimate available funds

Revenue Flows



Projected SFY 2022 South Dakota

Lotto Distribution

(SB 183 - SFY 2022 Percentages)



Projected SFY 2022 Petroleum Release Compensation and Tank Inspection Fee Distribution



(\$20 per 1,000 gallons or \$0.02 per gallon) (SB 183 – SFY 2022 Percentages)

2022 PROJECTED WATER & ENVIRONMENT FUND DEPOSITS

0

(SB 183-SFY 2022 Percentages)



AVAILABLE FUNDING FOR 2021 OMNIBUS BILL

WATER & ENVIRONMENT FUND	Solid Waste	Water	Total
Projected Surplus/(Shortfall) for Preparation of 2020 Omnibus Bill	\$129,000	(\$260,000)	(\$131,000)
PROJECTED SFY 2021 DEPOSITS			
CCF Transfers		\$9,760,000	\$9,760,000
Contractor's Excise Tax		\$O	\$O
Loan Repayments & Interest	\$583,000	\$512,000	\$1,095,000
Solid Waste Fees	\$1,800,000		
TOTALS	\$2,512,000	\$10,012,000	\$12,524,000

2022 PROJECTED WATER & ENVIRONMENT FUND DEPOSITS

0

(SB 183– SFY 2022 Percentages)

 \bigcirc





WEF SUBFUNDS

- SDCL 46A-1-60.1 ESTABLISHED CLEAN WATER SRF PROGRAM AND DRINKING WATER SRF PROGRAM SUBFUNDS WITHIN THE WATER & ENVIRONMENT FUND.
- INTENDED USE PLAN ALLOCATES FUNDS FOR PURPOSES AUTHORIZED BY THE FEDERAL ACTS.
- OMNIBUS BILL PROVIDES BUDGET AUTHORITY FOR EXPENDITURE OF THESE FUNDS TO INCLUDE DW SRF SET-ASIDES.
- SPECIAL APPROPRIATIONS THAT VARY ANNUALLY.
 BUDGET AUTHORITY ADDRESSED THROUGH THE OMNIBUS BILL RATHER THROUGH DENR'S ANNUAL OPERATING BUDGET.



FFY 2021 INTENDED USE PLAN -\$1,450,000

CLEAN WATER SRF SURCHARGE FEES

- WATER QUALITY GRANTS
 - TO SUPPLEMENT THE CONSOLIDATED PROGRAM ASSISTANCE FOR COMMUNITY INFRASTRUCTURE PROJECTS
 - TO SUPPLEMENT THE SECTION 319 PROGRAM ASSISTANCE FOR WATERSHED PROJECTS
- SMALL COMMUNITY PLANNING GRANTS
- CLEAN WATER SRF APPLICATION AND ADMINISTRATION TECHNICAL ASSISTANCE



FFY 2021 INTENDED USE PLAN-\$ 125,000

DRINKING WATER SRF SET-ASIDES/ SURCHARGE FEES

- 2% SMALL SYSTEM TECHNICAL ASSISTANCE
 - SMALL COMMUNITY PLANNING GRANTS
 - SDARWS TECHNICAL ASSISTANCE CONTRACT
 - \$75,000 SFY 2021 EXPENDITURE AUTHORITY
- ADMINISTRATIVE SURCHARGE FEES
 - DRINKING WATER SRF APPLICATION AND
 ADMINISTRATION TECHNICAL ASSISTANCE
 - \$50,000 SFY 2021 EXPENDITURE AUTHORITY

2021 Omnibus Bill Funding Appropriations

	Solid Waste	Water
Consolidated Program		\$10,000,000
Solid Waste Management Program	\$2,500,000	
TOTAL WEF APPROPRIATIONS	\$2,500,000	\$10,000,000
State Revolving Fund (SRF) Administrative Surcharge Fee	es	
Clean Water SRF Water Quality Grants		\$1,250,000
Clean Water SRF Application and Admin. Technical A	ssistance	\$200,000
Drinking Water SRF Application and Admin. Technical Assistance		\$50,000
Federal Set-Aside Funds and Federal Subsidy Payments		
Small System Technical Assistance		\$75,000
WEF SUBFUND TOTAL		\$1,575,000
TOTAL OMNIBUS BILL APPROPRIATIONS		\$14,075,000

STATE OF SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES RESOLUTION NO. 2020-____

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR, THE BOARD OF WATER AND NATURAL RESOURCES' RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2022 APPROPRIATION LEVELS.

WHEREAS, SDCL 46A-1-2 provides the means for the planning, funding, and construction of a state water plan and creates the State Water Resources Management System component and the State Water Facilities Plan components of the State Water Plan; and

WHEREAS, pursuant to the authority provided in SDCL 46A-1-7, the Board of Water and Natural Resources ("the Board") is responsible for approving all projects placed on the State Water Facilities Plan component of the State Water Plan, an annual listing of potential water related projects; and

WHEREAS, pursuant to the authority provided in SDCL 46A-1-10, 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-1-12 and 46A-1-13, the Board may recommend state funding levels to the Governor and the State Legislature; and

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

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

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

WHEREAS, the Board has reviewed potential financial and technical assistance needs of projects that may require funding from the Clean Water State Revolving Fund Administrative Surcharge fees, Drinking Water State Revolving Fund Set-Asides, Drinking Water State Revolving Fund Administrative Surcharge fees, and federal subsidy payments deposited in the Water and Environment Fund Subfunds; and

WHEREAS, the Board conducted a public hearing and adopted Intended Use Plans that include projects that require funding from the Clean Water State Revolving Fund Administrative Surcharge fees, Drinking Water State Revolving Fund Set-Asides, Drinking Water State Revolving Fund Administrative Surcharge fees, and federal subsidy payments deposited in Water and Environment Fund Subfunds; and WHEREAS, the Board conducted a public meeting on November 5, 2020, to take statements from all interested parties regarding water development and solid waste funding needs.

NOW THEREFORE BE IT RESOLVED, that the Board recommends to the Governor and the State Legislature a Water and Environment Fund fiscal year 2022 appropriation level of ten million dollars (\$10,000,000) for the Consolidated Water Facilities Construction Program; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2022 appropriation level of two million five hundred thousand dollars (\$2,500,000) for the Solid Waste Management Program; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature the following Water and Environment Fund Subfund fiscal year 2022 appropriation levels for the Drinking Water State Revolving Fund Set-Asides, the Clean Water State Revolving Fund Administrative Surcharge fees, the Drinking Water State Revolving Fund Administrative Surcharge fees, and federal subsidy payments approved in the respective 2021 Intended Use Plans for the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) programs:

State Revolving Fund Administrative Surcharge Fees

CWSRF Water Quality Grants	\$1,250,000	
CWSRF Application and Administration Assistance	\$200,000	
DWSRF Application and Administration Assistance	\$50,000	
Federal Set-Aside Funds and Federal Subsidy Payments		
DWSRF Small System Technical Assistance	\$75,000	

WEF Subfund Total: \$1,575,000

Dated this 5th day of November, 2020 (SEAL)

BY:

Chairman, Board of Water and Natural Resources

ATTEST:

BY: ____

Secretary, Board of Water and Natural Resources
November 5, 2020 Item 12

TITLE: 2020 Annual Report and the 2021 State Water Plan

EXPLANATION: In accordance with South Dakota Codified Laws § 46A-2-2, § 46A-1-10, and § 46A-1-14, an Annual Report and State Water Plan is to be presented to the Legislature and Governor by the first day of the legislative session.

> The Annual Report provides a brief description of activities undertaken in calendar year 2020 and includes tables detailing funding awards approved by the board throughout the year. The State Water Plan identifies the projects approved for placement on the 2021 State Water Facilities Plan and provides information on the State Water Resources Management System projects. The report also provides recommendations to the Governor and Legislature on funding levels for various water and solid waste projects, programs, and activities. The board's recommendations for State Water Resources Management System designation, funding levels for projects, programs, and activities, and a Water and Environment Fund Special Condition Statement are provided as appendices to the report.

- RECOMMENDEDApprove the 2020 Annual Report and 2021 State Water Plan for distribution to the
State Legislature, Governor, and other interested parties.
- CONTACT: Andy Bruels, 773-4216





DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES JOE FOSS BUILDING

523 EAST CAPITOL PIERRE, SOUTH DAKOTA 57501-3182 denr.sd.gov

Governor Kristi Noem and Members of the Ninety-Sixth Legislative Session

As required by state law, transmitted herewith is the 2020 Annual Report/2021 State Water Plan of the Board of Water and Natural Resources (the Board). The Annual Report describes water development and waste management activities during the past year. The State Water Plan outlines the projects on the State Water Facilities Plan and State Water Resources Management System (SWRMS).

Throughout this document, you will see the on-going needs for water, wastewater, and solid waste projects statewide and how critical state assistance is to construct these projects. During the past year, the Board awarded more than \$165.5 million in grant and loan funds for the planning, design, and construction of municipal drinking water, wastewater, watershed restoration, rural water, solid waste disposal, and recycling projects. The 2021 State Water Facilities Plan currently includes 76 unfunded projects with projected state funding needs of nearly \$438.0 million.

The Department of Environment and Natural Resources (DENR) sincerely appreciates the interest and help of all who have contributed to the success of the State Water Plan. The DENR will continue to work together with the Governor, the Legislature, the Board of Water and Natural Resources and local project sponsors to make the State Water Plan the road map leading to a better environmental future for South Dakota.

Sincerely,

Hunter Roberts Secretary

BOARD OF WATER AND NATURAL RESOURCES

JERRY SOHOLT, CHAIRMAN Sioux Falls Member since 2014

GENE JONES, JR., VICE CHAIRMAN Sioux Falls Member since 2002

TODD BERNHARD, SECRETARY Ft. Pierre Member since 2010

KARLTON ADAM Pierre Member since 2019

DR. PAUL GNIRK New Underwood Member since 2009

Dr. KATHRYN JOHNSON Hill City Member since 2018

JACKIE LANNING Brookings Member since 2011

2020 LEGISLATIVE OVERSIGHT COMMITTEE

Senator Red Dawn Foster Senator John Wiik Representative Mary Duvall Representative Steve McCleery Pine Ridge Big Stone City Pierre Sisseton

To Governor Kristi Noem and the Ninety-Sixth Session, Legislative Assembly 2021

2020 ANNUAL REPORT

~~and~~

2021 STATE WATER PLAN

Board of Water and Natural Resources

January 2021

Table of Contents

TABLE OF CONTENTS	.1
LIST OF TABLES	II
LIST OF MAPS	П
PREFACE	III
2020 ANNUAL REPORT	1
Overview Clean Water State Revolving Fund Loan Program Drinking Water State Revolving Fund Loan Program 1 Consolidated Water Facilities Construction Program 1 State Revolving Fund Programs – Assistance 1 State Water Resources Management System 1 Watershed Protection Program – EPA Section 319 Grants 1 Solid Waste Management Program 2 Brownfields Revitalization and Economic Development Program 2 2020 State Water Development Legislation 2 2021 STATE WATER PLAN 2 Overview 2 State Water Resources Management System 3 SWRMS Project Status 3 Belle Fourche Irrigation Upgrade Project - 2012 3 Big Sioux Flood Control Study (Watertown & Vicinity) – 1989 4 CENDAK Irrigation Project – 1982 4 Gregory County Pumped Storage Project - 1981 4 Black Hills Hydrology and Water Management Studies – 2015 to Present 4 Lake Andes-Wagner/Marty II Irrigation Unit – 1975 4 Lewis & Clark Regional Water System – 1989 5 Southern Black Hills Water System – 2006 5	3 3 8 1 2 9 9 9 0 2 4 5 7 7 8 9 9 0 1 1 1 3 4 6 7 3 3 4 7 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 4 7 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 3 4 7 3 4 7 3 4 7 3 4 7 3 4 7 3 3
Recommendations to the Governor and State Legislature	9 1
Water and Environment Fund English Condition Statement	-
Appendix B)1 i5
Board of Water and Natural Resources Resolutions	5

List of Tables

TABLE	PAGE
Table 1 – 2020 Clean Water State Revolving Fund Loan Awards	4
Table 2 – 2020 Drinking Water State Revolving Fund Loan Awards	9
Table 3 – 2020 Consolidated Awards	11
TABLE 4 – 2020 STATE REVOLVING FUND ALLOCATIONS	12
Table 5 – 2020 State Revolving Fund Programs Grant Awards	15
TABLE 6 - 2020 EPA SECTION 319 GRANTS	19
TABLE 7 - 2020 EPA SECTION 319 GRANT AMENDMENTS	20
Table 8 - 2020 Solid Waste Management Awards	20
TABLE 9 - 2020 BROWNFIELDS ASSESSMENT AND CLEANUP PROJECTS.	22
TABLE 10 - 2021 STATE WATER FACILITIES PLAN FUNDED PROJECTS	28
TABLE 11 - 2021 STATE WATER FACILITIES PLAN UNFUNDED PROJECTS	34
TABLE 12 – STATE WATER RESOURCES MANAGEMENT SYSTEM PROJECTS	38
TABLE 13 – BOARD OF WATER AND NATURAL RESOURCES FUNDING RECOMMENDATIONS	59

List of Maps

Map	PAGE
MAP 1 – 2019 CLEAN WATER STATE REVOLVING FUND RECIPIENTS	7
MAP 2 – 2019 DRINKING WATER STATE REVOLVING FUND RECIPIENTS	10
MAP 3 – 2019 CONSOLIDATED PROGRAM GRANT/LOAN RECIPIENTS	12
Map 4 –2019 Watershed/Construction Grant Recipients	16
Map 5–2019 Small Community Planning Grant Awards	18
MAP 6 – 2019 Solid Waste Management Program Grant/Loan Recipients	21

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 2020 Annual Report and the 2021 State Water Plan. The annual report provides progress reports on each funding program and other board activities during calendar year 2020.

The water plan section sets forth the projects included on the State Water Facilities Plan and the State Water Resources Management System. A Water and Environment Fund Special Condition Statement that projects the status of the Water and Environment Fund at the end of fiscal year 2021 is included in Appendix A. A copy of the resolutions approved by the Board of Water and Natural Resources that provide recommendations to the Governor and the Legislature for the designation of projects on the State Water Resources Management System and the recommended Water and Environment Fund fiscal year 2022 appropriation levels are included in Appendix B.

2020 Annual Report

Board of Water and Natural Resources

Overview

South Dakota Codified Law 46A-1-14 requires an annual report of the Board of Water and Natural Resources (the board). The report summarizes the board's 2020 activities, including a detailed account of Water and Environment Fund grant and loan awards.

In November 2019, the board placed 29 projects on the 2020 State Water Facilities Plan. This made the projects eligible for financial assistance from a variety of federal and state sources. During the year, the board amended an additional 19 projects onto the plan.

The board awarded more than \$165.5 million in grant and loan funds to finance municipal drinking water systems, rural water systems, wastewater facilities, watershed restoration, solid waste disposal, and recycling activities. The grant and loan funds helped to provide South Dakotans with safe and dependable environmental infrastructure.

Clean Water State Revolving Fund Loan Program

In 1989, the Clean Water State Revolving Fund (SRF) loan program began providing low-interest loans to governmental entities including municipalities, sanitary districts, and other special purpose districts. The loans are used for construction of wastewater facilities, storm sewers, and nonpoint source pollution control projects. During 2020, the board approved 31 loans and one loan amendment totaling more than \$105.6 million (Table 1).

In November 2019 the board established interest rates for the Clean Water SRF program of 2.00 percent for loans up to 10 years, 2.25 percent for up to 20 years, 2.50 percent for up to 30 years, and an interim financing rate of 2.00 percent for up to five years. The program's nonpoint source incentive rates were 1.00 percent for loans with a term of 10 years or less, 1.25 percent for loans with a term up to 20 years, and 1.50 percent for loans with a term up to 30 years. In April 2020 the board adjusted interest rates for loans awarded after April 17, 2020. The adjusted rates were 1.875 percent for loans up to 10 years, 2.00 percent for up to 20 years, 2.125 percent for loans up to 30 years, and an interim financing rate of 2.00 percent for loans up to five years. The program's nonpoint source incentive rates are 1.00 percent for loans with a term of 10 years or less, 1.25 percent for loans with a term up to 20 years, and 1.375 percent for loans with a term up to 30 years. Projects for traditional wastewater or stormwater projects that include a nonpoint source component may receive the nonpoint source rate. The annual principal and interest payments were calculated for a loan at the higher base interest rate. Using the lower nonpoint source interest rate, a loan is sized using the annual payment previously calculated. The difference in the two loan amounts is the amount of funding available for the nonpoint source component of the project.

The federal fiscal year 2020 appropriations bill for the Clean Water SRF program included the requirements set forth in the Water Resources Reform and Development Act of 2014 along with some specific requirements for the current year. These requirements involve 1) applying Davis-Bacon wage rates to all projects awarded in fiscal year 2020; 2) requiring that not less than 10 percent of the 2020 capitalization grant be utilized for "green" projects; 3) requiring that a portion of the capitalization grant be made available as additional subsidy; 4) requirements for American Iron and Steel products to be used for all projects awarded on or after January 17, 2014; 5) adoption of affordability criteria by the state for principal forgiveness eligibility; and 6) requirements for procurement of architectural and engineering services.

The board uses principal forgiveness as the method to provide the additional subsidy. Municipalities and sanitary districts with monthly residential wastewater rates of \$30 per month (based on 5,000 gallons usage or a flat rate) are eligible to receive principal forgiveness. Other applicants are required to have residential wastewater rates of \$40 per month (based on 5,000 gallons usage or a flat rate) to be eligible to receive principal forgiveness. Applicants must also meet the state's affordability criteria to be eligible to receive principal forgiveness.

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	Principal Forgiveness	Interest <u>Rate</u>	Term
Andover (02)	Wastewater and Storm Sewer System Improvements	\$1,168,000	\$1,068,000	2.125%	30
Aurora (03)	Sanitary Sewer Collection System Replacement	\$2,002,000		2.125%	30
Brookings (10)	State Avenue Stormwater Improvements	\$850,000		2.25%	20
Claremont (02)	Wastewater Improvements	\$625,000	\$556,000	2.125%	30
Dell Rapids (10)	5th, 6th, and Iowa Street Wastewater and Storm Sewer Improvements	\$1,964,000		1.375%	30
Dell Rapids (10NPS)	Big Sioux Watershed Restoration	\$213,500		1.375%	30
Delmont (01)	Sanitary Sewer Line Replacement	\$1,210,000	\$1,210,000	0%	0

Table 1 – 2020 Clean Water State Revolving Fund Loan Awards

Sponsor	Description	Total Award	Principal Forgiveness	Interest Rate	Term
Elk Point (08)	Washington & Douglas Streets Wastewater Improvements	\$593,000		2.5%	30
Fort Pierre (07)	Wastewater Treatment System Improvements	\$3,701,000		2.125%	30
Garretson (04)	Sewer Replacement	\$917,000		2.125%	30
Hudson (01)	Sewer System Improvements	\$898,000		2.125%	30
Hurley (02)	Center Avenue Collection System Improvements	\$188,000		2.125%	30
Huron (05)	Sequencing Batch Reactor Replacement	\$14,946,000		2.125%	30
Irene (02)*	Wastewater Improvements - Phase II	\$330,000	\$248,000	2.75%	30
Lake Norden (02)	Wastewater Lift Station Replacement	\$671,000		2.125%	30
Lake Preston (01)	Wastewater Collection System Improvements	\$758,000		2.125%	30
Madison (03)**	Storm and Sanitary Sewer Improvements	\$3,287,000		2.125%	30
Madison (04)**	Storm and Sanitary Sewer Improvements	\$3,073,000		2.125%	30
Marion (03)	Broadway Avenue Storm and Sanitary Sewer Improvements - Phase I	\$420,000		2.125%	30
Mellette (01)	Lift Station Improvements	\$286,000		2.125%	30

Sponsor	Description	Total Award	Principal <u>Forgiveness</u>	Interest <u>Rate</u>	<u>Term</u>
Mitchell (07)	East Central Drainage Sanitary and Storm Sewer Improvements - Phase II	\$4,200,000		1.25%	20
Mitchell (07NPS)	Firesteel Creek Watershed Restoration	\$311,700		1.25%	20
Mitchell (08)	Daily Drive Lift Station Replacement	\$1,500,000	\wedge	1.375%	30
Mitchell (08NPS)	Firesteel Creek Watershed Restoration	\$163,000		1.375%	30
Montrose (04)	Sanitary Sewer & Treatment System Improvements	\$363,200		2.125%	30
Pierre (09)	Wastewater Treatment Facility Improvements	\$15,310,000		2.00%	20
Renner Sanitary District (01)	Wastewater and Storm Sewer Improvements	\$1,147,000		2.125%	30
Sioux Falls (42)	Stormwater Improvements Basins 95, 104, and 371	\$9,000,000		1.00%	10
Sioux Falls (42NPS)	Big Sioux Watershed Restoration	\$457,400		1.00%	10
Sioux Falls (43)	Water Reclamation Facility Expansion - Phase II	\$18,500,000		2.00%	20
Tea (08)	Sanitary Sewer Regionalization	\$4,431,000		2.125%	30
Valley Springs (03)	Sanitary and Storm Sewer Improvements	\$1,779,000		2.125%	30
Viborg (03)	Park Avenue Storm and Sanitary Sewer Improvements	\$1,771,000		2.50%	30

<u>Sponsor</u>	Description	Total Award	Principal <u>Forgiveness</u>	Interest <u>Rate</u>	<u>Term</u>
Volga (02)	Wastewater Collection System Improvements	\$2,405,000		2.00%	20
Watertown (12)	Wastewater Facility Administration and Operations Building Construction	\$5,000,000		2.25%	20
Webster (04)	Sewer Line Replacement	\$1,184,000		2.125%	30
	Total	\$105,622,800	\$3,082,000		
*Amendment to prior year	Clean Water SRF Award				

** Deobligated at recipient request

Map 1 – 2020 Clean Water State Revolving Fund Recipients



Drinking Water State Revolving Fund Loan Program

In 1998, the Drinking Water State Revolving Fund (SRF) loan program began providing low-interest loans to nonprofit corporations and governmental entities including municipalities, sanitary districts, and other special districts for the construction of drinking water facilities. In 2020, 22 loans and one loan amendment were approved totaling nearly \$39.0 million (Table 2).

In November 2019 the board established interest rates for the Drinking Water SRF program of 2.00 percent for terms up to 10 years, 2.25 percent for up to 20 years, 2.50 percent for up to 30 years, and an interim financing rate of 2.0 percent for up to five years. In April 2020 the board adjusted interest rates for loans awarded after April 17, 2020. The adjusted rates were 1.875 percent for loans up to 10 years, 2.00 percent for up to 20 years, 2.125 percent for up to 30 years, and an interim financing rate of 2.0 percent for up to 20 years, 2.125 percent for up to 30 years, and an interim financing rate of 2.0 percent for up to five years.

Disadvantaged communities were eligible to receive an interest rate below the base rate. To qualify as disadvantaged, the water system's monthly residential water bill must be at least \$30 per 5,000 gallons usage for municipalities and sanitary districts or \$55 per 7,000 gallons usage for all other community water systems.

Additionally, the median household income of a disadvantaged community must be below the statewide median household income (MHI). In November the board set interest rates for communities with a household income less than the MHI but greater than 80 percent of the MHI were eligible for a 30-year term loan at 2.25 percent interest. Communities with a household income between 60 percent and 80 percent of the MHI were eligible for a 30-year term loan at 1.00 percent interest. In April 2020 the board adjusted interest rates for loans awarded after April 17, 2020. The adjusted rates communities with a household income less than the MHI but greater than 80 percent of the MHI were eligible for a 30-year term loan at 1.00 percent and 80 percent of the MHI were eligible for a 30-year term loan at 1.00 percent and 80 percent of the MHI were eligible for a 30-year term loan at 1.00 percent and 80 percent of the MHI were eligible for a 30-year term loan at 1.875 percent interest. Communities with a household income between 60 percent and 80 percent of the MHI were eligible for a 30-year term loan at 1.625 percent interest and a 10-year loan at 1.00 percent interest. An average household income less than 60 percent of the MHI is necessary to be eligible for a 30-year term loan at zero percent interest.

The federal fiscal year 2020 appropriations bill for the Drinking Water SRF program extended several of the requirements set forth in the American Recovery and Reinvestment Act and subsequent SRF appropriation bills. These requirements involve 1) applying Davis-Bacon wage rates to all projects awarded in fiscal year 2020; 2) requiring that a portion of the 2020 capitalization grant be made available as additional subsidy; and 3) requirements for American Iron and Steel products to be used for all projects awarded on or after January 17, 2014.

The board uses principal forgiveness as the method to provide the additional subsidy. Municipalities and sanitary districts with monthly residential water rates of \$30 per month (based on 5,000 gallons usage) were eligible to receive principal forgiveness. Other applicants were required to have residential water rates of \$55 per month (based on 7,000 gallons usage) to be eligible to receive principal forgiveness.

Table 2 – 2020 Drinking Water State Revolving Fund Loan Awards

Sponsor	Description	Total <u>Award</u>	Principal Forgiveness	Interest <u>Rate</u>	<u>Term</u>
Blunt (DW-01)	Water Distribution System Improvements	\$657,000	\$207,000	2.25%	20
Brandon (DW-03)	Water Tower and Booster Station	\$5,687,000		2.125%	30
Burke (DW-02)	Water Main Replacement	\$540,000		1.625%	30
Clay Rural Water System (DW-05)	2020 Water System Improvements	\$2,185,000		2.125%	30
Deer Mountain Sanitary District (DW-01)	Water System Construction and Replacement	\$2,174,000		2.125%	30
Dell Rapids (DW-08)	5th, 6th, and Iowa Street Water Improvements	\$926,000		2.125%	30
DeSmet (DW-02)	Water Distribution System Improvements	\$565,000		1.875%	30
Elk Point (DW-07)	Douglas & Washington Street Water Improvements	\$495,000		2.50%	30
Garretson (DW-03)	Water Line Replacement	\$458,500		2.125%	30
Kingbrook Rural Water System (DW-07)*	Water Service to Oldham	\$400,000	\$304,000	2.25%	30
Kingbrook Rural Water System (DW-08)	Water Service to Nunda	\$836,500	\$747,000	1.625%	30
Lake Norden (DW-02)	Water Supply and Treatment Improvements	\$1,345,000		1.625%	20
Lake Preston (DW-01)	Water Distribution System Improvements	\$2,610,000	\$1,000,000	1.875%	30
Langford (DW-02)	Water Line and Storage Improvements	\$570,000	\$470,000	0%	30
Marion (DW-01)	Broadway Avenue Water Improvements - Phase I	\$1,235,000	\$325,000	1.875%	30
North Sioux City (DW-01)	Water Tower Construction	\$2,700,000		2.125%	30
Saint Lawrence (DW-01)	Water System Improvements	\$1,148,000	\$1,030,000	2.125%	30

		Total	Principal	Interest	
<u>Sponsor</u>	Description	Award	Forgiveness	<u>Rate</u>	<u>Term</u>
Springfield (DW-01)	Water Treatment Plant Replacement	\$2,000,000	\$2,000,000	0%	0
Tea (DW-02)	Water Tower Construction	\$2,700,000		2.125%	30
Valley Springs (DW-01)	Water System Improvements	\$1,603,000		2.125%	30
Volga (DW-01)	Water Tower Construction	\$2,790,000		2.00%	20
Webster (DW-03)	Water Line Replacement	\$5,031,000	\$1,400,000	1.625%	30
Wolsey (DW-03)	Pumphouse Replacement	\$326,000		1.625%	30
	Total	\$38,982,000	\$7,483,000		

*Amendment to prior year Drinking Water SRF Award





Consolidated Water Facilities Construction Program

The 2020 State Legislature appropriated \$11.3 million for the Consolidated Water Facilities Construction Program to provide grants and loans for water development projects on the State Water Facilities Plan. Additionally, prior year funding and reversions were available for award in 2020.

The board awarded ten grants and one loan totaling more than \$14.1 million (Table 3). The 2020 awards leveraged more than \$42.9 million in total project activities.

<u>Sponsor</u>	Description	Grant <u>Amount</u>	Loan <u>Amount</u>	Total <u>Project</u>
Aurora	Sanitary Sewer Collection System Replacement	\$2,000,000		\$4,352,000
Dell Rapids	5th, 6th, and Iowa Street Wastewater Improvements	\$750,000		\$2,714,000
Garretson	Water Line Replacement	\$458,500		\$917,000
Green Valley Sanitary District	Centralized Sewer Collection System	\$2,000,000		\$9,722,000
Lake Preston	Wastewater Collection System Improvements	\$2,000,000		\$2,992,000
Lake Preston	Water Distribution System Improvements	\$2,000,000		\$5,610,000
Marion	Broadway Avenue Storm and Sanitary Sewer Improvements - Phase I	\$865,000		\$1,968,500
Renner Sanitary District	Wastewater and Storm Sewer Improvements	\$978,000		\$2,125,000
Теа	Sanitary Sewer Regionalization	\$1,108,000		\$5,539,000
Webster	Water Line Replacement	\$1,600,000		\$6,631,000
Westport	Wastewater Lift Station Replacement		\$352,000	\$352,000
	Total	\$13,759,500	\$352,000	\$42,922,500

Table 3 – 2020 Consolidated Awards



Map 3 – 2020 Consolidated Program Grant/Loan Recipients

State Revolving Fund Programs – Assistance

In 2020, the board allocated additional funds under both the Clean Water and Drinking Water State Revolving Fund programs for planning, technical assistance, construction activities, and management of the regulatory Public Water System Supervision program. The board's 2020 intended use plans approved the use of \$5,495,220 in Clean Water and Drinking Water funds for assistance (Table 4).

Table 4 – 2020 State Revolving Fund Allocations

Activity	Source	<u>Amount</u>
Water Quality Grants	Clean Water SRF Admin Surcharge (CWSRF WQ)	\$1,050,000
Public Water System Supervision Program	Drinking Water SRF Set-Aside	\$600,000

<u>Activity</u>	<u>Source</u>	<u>Amount</u>
Small System Technical Assistance Grants	Drinking Water SRF Set-Aside and Clean Water Admin Surcharge	\$520,220
SRF Application Preparation and Administration	Clean Water SRF and Drinking Water SRF Admin Surcharge	\$250,000
Drinking Water Operator Certification Training	Drinking Water SRF Admin Surcharge	\$75,000
Wastewater Facility Grants	Build America Bonds Federal Subsidy Payments (CW BABS)	\$2,000,000
Drinking Water Facility Grants	Build America Bonds Federal Subsidy Payments (DW BABS)	\$1,000,000
	Total	\$5,495,220

During 2020, the board approved 35 Water Quality or Technical Assistance awards totaling more than \$3.3 million (Table 5). The narrative sections below describe the general categories of the State Revolving Fund programs assistance and provide updates for on-going activities supported by this funding.

Water Quality Watershed/Construction Grants: The board provided additional grant assistance from Clean Water Administrative Surcharge fees to supplement the Consolidated and Section 319 grant awards. The construction of wastewater treatment, collection, or conveyance projects and watershed restoration projects are eligible uses for these fees, and its use allows additional projects to be completed.

Water Quality Planning Grants: The Small Community Planning Grant Program was established to encourage proactive planning by small communities and systems. Grants are available for the preparation of a wastewater or stormwater engineering study for systems serving populations of 2,500 or less. For engineering studies, participating systems are reimbursed 80 percent of the cost, up to \$10,000.

Wastewater and Drinking Water Facility Grants: The board provided additional grant assistance from Build America Bond Federal subsidy payments to supplement the Consolidated and Water Quality Construction grant awards. The Series 2010A bonds that were issued by the board for the State Revolving fund programs in December 2010 were designated as Build America Bonds. As a result the board receives subsidy payments from the U.S. Treasury equal to 35% of the interest payable on its Series 2010A Bonds. The construction of wastewater, drinking water, and stormwater facilities projects are eligible uses for these funds, and their use allows additional projects to be completed.

Public Water System Supervision Program: Insufficient federal funds have been allocated from the Performance Partnership Grant for South Dakota's Public Water System Supervision (PWSS) program to complete all tasks and activities identified in DENR's workplan with EPA. The PWSS program is managed by DENR's Drinking Water program and ensures all public water systems in the state are maintaining compliance with the requirements of the Safe Drinking Water Act. A total of \$600,000 was allocated from the State Program Management set-aside in federal fiscal year 2020.

Technical Assistance Grants: Small Community Planning Grants are also available for the preparation of a drinking water engineering study for systems serving populations of 2,500 or less. Participating systems are reimbursed at 80 percent of the cost, up to \$8,000, for engineering studies.

The board continued its technical assistance contract with the South Dakota Association of Rural Water Systems (SDARWS) in 2018. SDARWS provides assistance to small drinking water systems serving populations of 10,000 or less with compliance, permitting, and operational issues. In 2020, the Midwest Assistance Program conducted capacity assessments and follow-up reviews to assist the department in ensuring that all borrowers demonstrate the required technical, financial, or managerial capacity to access Drinking Water SRF loan assistance. Midwest Assistance Program also has a contract to provide technical assistance to wastewater funding applicants with capacity issues.

In 2020, the board provided \$75,000 for operator certification training. These funds are provided to SDARWS and used for operator certification training of drinking water system operators. During state fiscal year 2020, 340 operators received training.

The board continued to offer grants to assist very small systems in violation of the Safe Drinking Water Act to come into compliance. These funds are limited to community systems with 50 or less connections and not-for-profit, non-transient, non-community water systems. Funds will be provided for infrastructure projects as 100 percent grants up to a maximum of \$50,000 and total project costs less than \$100,000. In calendar year 2020, a Very Small System Compliance (VSSC) grant was awarded to Meadow Crest Sanitary district. The grant was awarded for \$48,499 covering the total project cost to install water treatment units at each residence to remove radionuclides.

The board continued to provide assistance to the state's six planning districts for preparation of applications and on-going loan administration activities to include Davis-Bacon wage rate compliance. The planning districts are all under existing five-year joint powers agreements to receive up to \$9,000 per loan for application and loan administration duties and up to \$1,100 per loan for Davis-Bacon wage rate compliance. No additional funds were placed under agreement with the planning districts in 2020.

Table 5 – 2020 State Revolving Fund Programs Grant Awards

<u>Sponsor</u>	Project	Grant <u>Amount</u>	Source of <u>Funds</u>
Aurora	Sanitary Sewer Collection System Replacement	\$350,000	CW BABS
Garretson	Sewer Line Replacement	\$225,000	CW BABS
Hurley	Center Avenue Collection System Improvements	\$712,000	CW BABS
Green Valley Sanitary District	Centralized Sewer Collection System	\$370,000	CWSRF WQ
Lake Preston	Wastewater Collection System Improvements	\$234,000	CWSRF WQ
Lake Preston	Water Distribution System Improvements	\$1,000,000	DW BABS
Meadow Crest Sanitary District	Drinking Water Compliance Improvements	\$48,499	VSSC Grants
Saint Lawrence	Sanitary Sewer Cleaning and Televising	\$71,000	CWSRF WQ
	Total	\$3,010,499	

Watershed /Wastewater/Water Construction Grant Awards



Map 4 – 2020 Watershed/Construction Grant Recipients

Table 5 (continued)

Small Community Planning Grant Awards

<u>Sponsor</u>	Project	Grant <u>Amount</u>
Alcester	Wastewater Engineering Study	\$10,000
Alpena	Storm Water Engineering Study	\$10,000
Baltic	Wastewater Engineering Study	\$10,000
Chancellor	Drinking Water Engineering Study	\$8 <i>,</i> 000
Chancellor	Storm Water Engineering Study	\$10,000
Chancellor	Wastewater Engineering Study	\$10,000

<u>Sponsor</u>	<u>Project</u>		Grant <u>Amount</u>
Clark	Storm Water Engineering Study		\$10,000
Cresbard	Drinking Water Engineering Study		\$8,000
Eagle Butte	Stormwater Engineering Study		\$10,000
Fairfax	Wastewater Engineering Study		\$10,000
Gayville	Storm Water Engineering Study		\$10,000
Gayville	Wastewater Engineering Study		\$10,000
Howard	Drinking Water Engineering Study	Ť	\$8,000
lpswich	Storm Water Engineering Study		\$10,000
Mission Hill	Wastewater Engineering Study		\$10,000
Nunda	Drinking Water Engineering Study		\$8,000
Seneca	Wastewater Engineering Study		\$10,000
Timber Lake	Drinking Water Engineering Study		\$8,000
Timber Lake	Wastewater Engineering Study		\$10,000
Tulare	Wastewater Engineering Study		\$10,000
Webster	Storm Water Engineering Study		\$10,000
White	Wastewater Engineering Study		\$10,000
White	Drinking Water Engineering Study		\$8,000
		Total	\$218,000



Map 5 –2020 Small Community Planning Grant Awards

Table 5 (continue	d)
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	Technical Assistance Awards	
<u>Sponsor</u>	Project	Award
SD Association of Rural Water Systems*	Drinking Water Operator Certification Training	\$75,000
Midwest Assistance Program*	Drinking Water Small Systems Capacity Assessment	s \$75,000
Midwest Assistance Program*	Small Systems Wastewater Capacity	\$25,000
SD Association of Rural Water Systems*	Small System Technical Assistance	\$120,000
	Tot	al \$295,000

* Amendment to prior year Technical Assistance award.

State Water Resources Management System

No new funds were appropriated in the 2020 Omnibus Bill (House Bill 1035) for the State Water Resources Management System (SWRMS) list. Information on individual SWRMS project accomplishments and activities is provided in the State Water Plan section (pages 39-59). No SWRMS funding was placed under agreement during the year.

Watershed Protection Program – EPA Section 319 Grants

The South Dakota Watershed Protection Program is designed to assess nonpoint water pollution sources and reduce or eliminate their impact on water quality throughout the state. Nonpoint source refers to the polluted run-off from urban, agriculture, and forest lands. The program provides technical and financial assistance to local watershed project sponsors in the planning and management of assessment and implementation projects. Additionally, the program administers state and federal grants, monitors the effectiveness of implementation projects, and funds information and education activities. Applications for Section 319 grants must be approved by the board prior to submission to EPA. In 2020, the board recommended that EPA award \$1.913 million in federal fiscal year 2020 Section 319 grant funds to watershed projects (Table 6).

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	Total Project
Belle Fourche Watershed Partnership*	Belle Fourche River Watershed Implementation	\$283,000	\$2,580,500
South Dakota Discovery Center	South Dakota Nonpoint Source Information and Education	\$200,000	\$513,125
James River Water Development District*	South Central Watershed Implementation	\$400,000	\$21,118,842
South Dakota Soil Health Coalition	Soil Health Improvement and Planning	\$130,000	\$439,000
Minnehaha Conservation District	Big Sioux River Watershed Implementation	\$900,000	\$13,831,678
	Total	\$1,913,000	\$38,483,145

Table 6 - 2020 EPA Section 319 Grants

* Amendment to prior year 319 award

Throughout the year, the department works with EPA to reallocate deobligated prior year funds. Table 7 contains a list of grants that were awarded to existing project sponsors during the calendar year 2020.

Table 7 - 2020 EPA Section 319 Grant Amendments

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	Total Project
South Dakota State University	Bacteria in Sediment Project	\$1,575.64	\$188,965
James River Water Development District	South Central Watershed Implementation Project Segment 1	\$64,777.48	\$21,118,842
	Total	\$66,353.12	\$21,307,807

Solid Waste Management Program

The 2020 State Legislature appropriated \$2,225,000 for the Solid Waste Management Program (SWMP). These appropriations, combined with reverted and unobligated prior year funding, resulted in nearly \$5.2 million being available for grants and loans for recycling, waste tire, and solid waste disposal projects.

These programs are supported by three funding sources – a 0.75 per ton landfill surcharge on municipal solid waste, a 0.25 per tire vehicle registration fee, and principal and interest payments from past solid waste loan awards.

The board awarded 9 grants and one loan in 2020, totaling nearly \$3.3 million (Table 8). Of these awards, six were for recycling and four were for solid waste disposal. SWMP awards helped leverage more than \$6.0 million in total project activities.

Table 8 - 2020 Solid Waste Management Awards

Sponsor	Description	Loan <u>Amount</u>	Grant <u>Amount</u>	Total <u>Project</u>
Day Conservation District	Recyling Trailer Purchase		\$6,750	\$13,500
Escrap Properties, LLC	Electronic Recycling Facility Acquisition	\$1,398,400		\$1,698,400
Gregory	Recyling Trailer Purchase		\$7,200	\$14,425
Huron	Recycling Truck Replacement		\$150,000	\$300,000
Mitchell	Landfill Compactor Purchase		\$118,000	\$590,126
Mitchell	Single Stream Recyling Container Purchase		\$545,000	\$1,095,000
Rapid City	Landfill Improvements Cells 15, 16 & 18		\$148,000	\$740,000

Casasa	Description	Loan	Grant	Total
<u>Sponsor</u>	Description	Amount	Amount	Project
Day Conservation District	Recyling Trailer Purchase		\$6,750	\$13,500
Escrap Properties, LLC	Electronic Recycling Facility Acquisition	\$1,398,400		\$1,698,400
South Eastern Council of Local Governments	Regional Revolving Loan Fund Recapitalization		\$500,000	\$625,000
Vermillion	Missouri Valley Recycling Center Renovation		\$343,000	\$686,650
Yankton	Transfer Station Equipment Purchase		\$60,000	\$297,000
	Total	\$1,398,400	\$1,877,950	\$6,060,101

Map 6 – 2020 Solid Waste Management Program Grant/Loan Recipients



Brownfields Revitalization and Economic Development Program

The 2004 South Dakota Legislature followed the federal Brownfields Act and established a state Brownfields Revitalization and Economic Development Program within the Department of Environment and Natural Resources (the department). The purpose of the Brownfields program is to complete environmental assessments and cleanups so that local governments can put contaminated lands back into productive, beneficial use and complete projects that are necessary to revitalize local economies. The 2004 bill created two subfunds: a Brownfields revolving loan subfund and a Brownfields assessment and cleanup subfund. The board approves annual work plans for both subfunds. The department agreed to use existing staff to administer this program.

While the department has made application for federal funding, the U.S. Environmental Protection Agency has not awarded South Dakota any federal funds for the Brownfields revolving loan subfund. Therefore, there has been no activity in this subfund. EPA has advised the department that until potential applicants are identified, the department will not be eligible for federal revolving loan funds.

The department has used both federal Brownfields grants and federal Leaking Underground Storage Tank Trust Funds to complete environmental assessments and cleanups of Brownfields projects statewide. Projects are limited by federal Brownfields law to \$200,000 for Assessment and \$200,000 for Clean Up unless a waiver is granted by EPA. Brownfields projects are nominated by local project sponsors and approved by the board. Table 9 contains a list of all the Brownfields projects approved by the board in calendar year 2020. The Brownfields process is an extremely useful tool to help assess and clean up contaminated lands statewide and move economic development projects forward that are a high local priority.

Applicant	<u>Site Name and</u> Location	<u>Activity</u>	Land After <u>Cleanup</u>	<u>Amount</u> *
DENR	Inventory of the Brownfields Sites	Data Gathering	Public	\$20,000.00
Glacial Lakes Area Development	Britton Livestock Sale Barn	Assessment	Public	\$11,761.80
South Eastern Development Foundation	Ozones Falls-Sioux Falls	Assessment	Commercial	\$11,798.60
Hartford Area Development Foundation	Railway Addition- Hartford	Assessment	Public	\$2,905.25

Table 9 - 2020 Brownfields Assessment and Cleanup Projects

<u>Applicant</u>	<u>Site Name and</u> Location	Activity	Land After <u>Cleanup</u>	<u>Amount</u> *
City of Scotland	Former Residence- Scotland	Assessment	Public	\$1,829.55
South Dakota Military Heritage Alliance	Badland Pawn-Sioux Falls	Assessment	Commercial	\$4,957.05
Hartford Area Development Foundation	Vacant Lots-Hartford	Assessment	Public	\$3,535.90
Brandon Development Foundation	Rovang Industrial Park- Corson	Assessment	Commercial	\$3,410.70
Hartford Area Development Foundation	Vacant Lots-Hartford	Assessment	Public	\$1,198.00
City of Hudson	Fillin Station-Hudson	Assessment	Commercial	\$3,125.00
Kimball Economic District	Main Street Apartment-Kimball	Assessment	Public	\$3,992.00
DENR	Inventory of the Brownfields Sites	Data Gathering	Public	\$20,000.00
Pathways Shelter for the Homeless	Pathways Shelter- Yankton	Assessment	Commercial	\$3,865.00
Accumulative costs as of Sep	tember 30, 2020		Total	\$92,378.85

*
2020 State Water Development Legislation

On March 27, 2020, Governor Noem signed House Bill 1035, the Omnibus Water Funding Bill. The 2020 Omnibus Bill contained the following appropriations:

Appropriations from the Water and Environment Fund

- Consolidated Water Facilities Construction Program \$11,300,000 to provide grants and loans for community drinking water, wastewater, and watershed improvement projects;
- Solid Waste Management Program \$2,225,000 to provide grants and loans for recycling, solid waste disposal, and waste tire projects.

Appropriations from WEF Subfunds and Other Sources

- Section 4 of the bill appropriated \$1,250,000 from the Clean Water State Revolving Fund program subfund for the purpose of providing water quality grants;
- Section 5 of the bill appropriated \$200,000 from the Clean Water State Revolving Fund program subfund for the preparation of loan applications and administration of loans;
- Section 6 of the bill appropriated \$50,000 from the Drinking Water State Revolving Fund program subfund for the preparation of loan applications and administration of loans;
- Section 7 of the bill appropriated \$150,000 from the Drinking Water State Revolving Fund program subfund for small system technical assistance grants.
- Section 8 of the bill appropriated \$2,000,000 from the Clean Water State Revolving Fund program subfund using Build America Bond subsidy payments for the purpose of providing wastewater facility grants;
- Section 9 of the bill appropriated \$1,000,000 from the Drinking Water State Revolving Fund program subfund using Build America Bond subsidy payments for the purpose of providing drinking water facility grants.

2021 State Water Plan

2021 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 wellbeing 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 board).

The State Water Plan, as established in SDCL 46A-1-2, consists of two components – the State Water Facilities Plan and the State Water Resources Management System. To be considered for the State Water Facilities Plan, projects must meet criteria established by the board. These eligibility criteria are used as guidelines by the board and the Department of Environment and Natural Resources (the department) when considering a project for inclusion on the State Water Facilities Plan. Additions to or deletions from the State Water Resources Management System can only be made by the State Legislature.

State Water Facilities Plan

The State Water Facilities Plan (Facilities Plan) is a list of potential water projects. The Facilities Plan includes projects such as rural, municipal, and industrial water supply, wastewater collection and treatment facilities, storm sewers, groundwater protection, and watershed restoration. The board is responsible for approving the placement of projects on the Facilities Plan. The board can provide direct assistance to projects on the plan and placement on the plan may influence federal and other state agency funding decisions.

In November 2020, the board considered 55 applications requesting placement on the State Water Plan. The board placed all 55 projects on the Facilities Plan, bringing the total number of projects on the 2021 State Water Facilities Plan to 189 (Table 10 and Table 11).

The projects in Table 10 have received either partial or full funding. Projects that have received funding from the board remain on the Facilities Plan until project completion and remain eligible to request additional funding.

The projects in Table 11 had not received funding as of December 31, 2020. Projects placed on the plan in November 2019 or that were amended onto the plan during calendar year 2020 remain on the Facilities Plan through December 2021. The 55 projects placed on the plan in November 2020 remain on the Facilities Plan through December 2022.

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

<u>Sponsor</u>	Project Description	Amount <u>Funded</u>	Total Project
Avon	Main Street Wastewater Improvements	\$138,000	\$138,000
Avon	Main Street Water Improvements	\$174,000	\$174,000
Belle Fourche	Day Street Lift Station Replacement	\$1,836,000	\$1,836,000
Black Hawk Water User District	Water System Improvements Phase I	\$3,810,000	\$3,810,000
Blunt	Wastewater Treatment and Lift Station Improvements	\$710,000	\$710,000
Box Elder	Well #10 Construction	\$1,742,000	\$1,742,000
Brandon	Drinking Water System Improvements	\$12,425,000	\$12,425,000
Bridgewater	Storm Sewer Collection	\$1,760,000	\$1,760,000
Bridgewater	Water Meter Replacement	\$243,000	\$243,000
Britton	Water Distribution System Improvements	\$1,444,000	\$4,656,000
Butte-Meade Sanitary Water District	Water Line Replacement	\$413,000	\$413,000
B-Y Water District	Water Storage Reservoir	\$4,700,000	\$4,700,000
Canova	Drinking Water Improvements	\$52,000	\$52,590
Canton	Well Replacement	\$1,550,000	\$1,550,000
Cavour	Collection System Improvements	\$956,000	\$956,000
Chamberlain	Water Meter Upgrade/Replacement	\$300,000	\$300,000
Chancellor	Sanitary Sewer Improvements	\$574,000	\$574,000

Table 10 - 2021 State Water Facilities Plan Funded Projects

<u>Sponsor</u>	Project Description	Amount <u>Funded</u>	Total Project
Claremont	Wastewater Improvements	\$1,832,000	\$1,832,000
Clark Rural Water System	System Improvements and Supply to Bradley and Willow Lake	\$2,950,000	\$2,950,000
Colton	Water Distribution Improvements	\$2,158,000	\$2,158,000
Colton	Sanitary Sewer Improvements	\$2,774,000	\$2,774,000
Crooks	Palmira Wastewater Collection Improvements	\$2,400,000	\$2,400,000
Crooks	Palmira Water Distribution Improvements	\$1,214,000	\$1,214,000
Dell Rapids	2016 Utilities Improvements	\$1,037,000	\$1,037,000
Dell Rapids	Southeast Phase I and Railroad Wastewater Improvements	\$4,661,700	\$7,661,700
Dell Rapids	Southeast Phase I and Railroad Water Improvements	\$2,486,000	\$2,486,000
Eagle Butte	Sanitary and Storm Sewer Improvements	\$3,080,000	\$3,080,000
Eagle Butte	Water System Improvements	\$520,000	\$520,000
Edgemont	Water System Upgrades	\$4,590,000	\$4,590,000
Elk Point	Rose Street Wastewater Improvements	\$235,000	\$235,000
Elk Point	Rose Street Water Improvements	\$564,000	\$564,000
Elkton	Wastewater Improvements - Phase I	\$4,000,000	\$4,000,000
Elkton	Water Improvements - Phase I	\$2,000,000	\$2,000,000
Garretson	Water Replacement	\$1,279,000	\$1,279,000
Garretson	Sewer Replacement	\$1,160,000	\$1,160,000
Grant-Roberts Rural Water System	Milbank Service Area Improvements	\$4,500,000	\$4,500,000
Grenville	Water Meters and Valve Replacement	\$352,000	\$352,000

<u>Sponsor</u>	Project Description	Amount <u>Funded</u>	Total Project
Groton	Water System Improvements	\$1,798,000	\$1,798,000
Harrisburg	Wastewater Treatment Facility Construction	\$24,487,000	\$24,487,000
Hartford	Western Avenue Sewer Improvements	\$1,334,000	\$1,334,000
Hermosa	Water Source and Distribution Improvements	\$199,000	\$199,000
Humboldt	Wastewater Collection Improvements Phase II	\$3,876,000	\$3,876,000
Humboldt	Water Meter Replacement	\$290,000	\$290,000
Irene	Wastewater Improvements Phase II	\$3,062,000	\$3,062,000
Irene	Water Improvements Phase II	\$1,191,000	\$1,191,000
James River Water Development District	South Central Watershed Implementation - Segment 1	\$1,325,000	\$19,400,000
Keystone	Wastewater System Improvements - Phase I	\$431,000	\$431,000
Keystone	Well Retrofit	\$98,000	\$98,000
Kingbrook Rural Water System	Water Service to Oldham	\$1,245,000	\$1,245,000
Lake Byron Sanitary District	Wastewater Collection and Treatment System Construction	\$5,475,000	\$5,475,000
Lake Norden	Wastewater Collection System Improvements	\$1,606,000	\$1,606,800
Lake Norden	Water Supply and Treatment Improvements	\$1,477,000	\$1,477,000
Lake Poinsett Sanitary District	Wastewater System Expansion	\$1,917,000	\$1,917,000
Langford	Water Line and Storage Improvements	\$1,371,000	\$1,921,000
Lennox	Central Basin Wastewater Improvements Phase II and III	\$4,766,000	\$4,766,000
Lennox	Central Basin Water Improvements Phase II and III	\$1,287,000	\$1,287,000

<u>Sponsor</u>	Project Description	Amount <u>Funded</u>	Total Project
Leola	Water System Improvements	\$1,891,000	\$1,891,000
Lincoln County Rural Water System	Water Mainline Improvements	\$750,000	\$750,000
Marion	Water Meter Replacement	\$522,000	\$522,000
Martin	4th and 5th Avenue Water Main Improvements	\$633,000	\$633,000
Miller	2017 Wastewater Improvements	\$3,875,000	\$3,876,866
Miller	2017 Water Improvements	\$2,399,000	\$2,400,000
Miller	Wastewater Improvements - Phase III	\$4,239,000	\$5,239,000
Miller	Water Improvements - Phase III	\$2,500,000	\$2,500,000
Mina Lake San District	Wastewater Improvements	\$559,000	\$559,000
Mitchell	Sanborn Boulevard Wastewater Improvements	\$8,612,750	\$8,612,750
Mitchell	Sanborn Boulevard Water Improvements	\$1,028,000	\$1,028,000
Mitchell	East Central Drainage Wastewater Improvements	\$3,931,000	\$3,931,000
Mitchell	East Central Drainage Water Improvements	\$690,000	\$690,000
Montrose	Water Storage Improvements	\$187,000	\$187,000
Oelrichs	Water System and Meter Improvements	\$447,000	\$447,000
Onida	Wastewater System Improvements Phase II	\$3,746,000	\$5,700,000
Onida	Water Distribution Improvements Phase II	\$2,000,000	\$2,000,000
Parker	Wastewater Improvements - Phase V	\$731,000	\$731,000
Parker	Water Improvements - Phase V	\$697,000	\$697,000
Philip	Storm Sewer System Improvements	\$536,000	\$536,000

<u>Sponsor</u>	Project Description	Amount <u>Funded</u>	Total Project
Philip	Wastewater System Improvements	\$605,000	\$605,000
Pierpont	Water Meter Replacement	\$132,000	\$132,000
Pierre	Water Treatment System Construction	\$36,850,000	\$36,850,000
Pine Cliff Park Water & Maintenance Inc.	Water System Improvements	\$463,000	\$463,000
Plankinton	Water Meter Replacement	\$240,000	\$240,000
Platte	Wastewater System Improvements	\$2,300,000	\$2,300,000
Prairie Meadows Sanitary District	Wastewater Collection System Rehabilitation	\$1,388,000	\$1,388,000
Presho	Collection System Improvements	\$4,048,000	\$4,048,000
Randall Community Water District	Geddes Consolidation and System Improvements	\$4,600,000	\$4,600,000
Raymond	Wastewater Improvements - 2016	\$900,000	\$900,000
Raymond	Lift Station and Lagoon Improvements	\$1,011,225	\$1,011,225
Ree Heights	Distribution System Replacement	\$862,000	\$1,020,000
Roscoe	Wastewater Improvements	\$3,150,000	\$3,530,000
Roscoe	Water Improvements	\$2,261,000	\$2,261,790
Salem	Watermain Improvements	\$802,000	\$802,000
Salem	Sanitary Sewer Improvements	\$2,556,000	\$2,556,000
Sheridan Lake Highlands, Inc.	Water System Improvements	\$301,700	\$301,700
Sioux Falls	Basin 14D Sanitary Sewer Extension	\$8,838,000	\$8,838,000
Sioux Falls	Brandon Road Lift Station Parallel Force Main	\$11,400,000	\$11,400,000
Sioux Falls	Main Pump Station Replacement	\$26,808,800	\$26,808,800

<u>Sponsor</u>	Project Description	Amount <u>Funded</u>	Total Project
Sioux Falls	Outfall Sewer Replacement	\$26,060,000	\$26,060,000
Sioux Falls	Primary Digester Mixing Improvements - 2016	\$11,559,125	\$11,559,125
Sioux Falls	Water Reclamation Facility Expansion	\$41,625,000	\$41,625,000
Sioux Rural Water System	Water System Improvements-2018	\$10,921,000	\$11,321,000
Springfield	Wastewater and Storm Water Improvements	\$1,950,000	\$1,950,000
Sturgis	Wastewater Treatment System Improvements	\$16,647,000	\$16,647,000
TC&G Water Association	Water System Improvements	\$2,875,000	\$2,875,000
Terry Trojan Water Project District	Water System Rehabilitation	\$812,000	\$812,000
Tulare	Drinking Water Improvements	\$1,395,000	\$2,145,000
Viewfield Rural Water Association Inc.	Water Treatment Improvements	\$250,000	\$250,000
Volga	Wastewater Treatment Facility Improvements	\$2,819,000	\$2,819,000
Waubay	Wastewater Treatment Facility Improvements	\$2,170,000	\$3,344,400
Westport	Lift Station Replacement and Storm Sewer Upgrades	\$300,000	\$300,000
Yankton	East Highway 50 Lift Station	\$3,330,000	\$3,330,000
Yankton	Water Treatment Plant Construction	\$37,000,000	\$37,000,000
	Total	\$443,058,300	\$473,716,746

<u>Sponsor</u>	Project Description	On Plan <u>Through</u>	Projected <u>State Funding</u>	Total Project
Alcester	Wastewater System Improvements	2022	\$5,500,000	\$5,500,000
Baltic	Main Lift Station Replacement	2022	\$718,600	\$718,600
Bear Butte Valley Water, Inc.	Alkali Raod Expansion	2022	\$1,999,000	\$1,999,000
Blunt	Storm Water Drainage Improvements	2022	\$1,354,866	\$1,354,866
Bowdle	Main Street Sewer Improvements	2021	\$2,015,444	\$2,015,444
Bowdle	Main Street Water Improvements	2021	\$783,587	\$783,587
Canistota	Drinking Water Infrastructure Improvements	2022	\$437,000	\$437,000
Canistota	Sanitary and Storm Sewer Infrastructure Improvements	2022	\$1,075,000	\$1,075,000
Castlewood	Water System Improvements	2022	\$800,000	\$800,000
Chancellor	Drinking Water Improvements	2022	\$3,300,000	\$3,300,000
Chancellor	Sanitary and Storm Sewer Improvements	2022	\$5,300,000	\$5,300,000
Cresbard	Wastewater System Improvements	2022	\$3,124,127	\$3,124,127
Cresbard	Water System Improvements	2022	\$2,068,305	\$2,068,305
Custer	Wastewater Treatment Upgrades and New Forcemain	2022	\$12,450,400	\$12,450,400
Eagle Butte	Sanitary Sewer Improvements	2021	\$5,506,000	\$5,506,000
Elkton	Lift Station Improvements	2022	\$867,500	\$867,500
Eureka	Sanitary Sewer Line Improvements	2021	\$7,384,059	\$7,384,059
Faith	New Water Storage Tank	2022	\$2,274,000	\$2,274,000
Gayville	Sanitary and Storm Sewer Improvements	2022	\$4,429,000	\$4,429,000
Grant-Roberts Rural Water System	System Wide SCADA Upgrades	2022	\$857,000	\$857,000

Table 11 - 2021 State Water Facilities Plan Unfunded Projects

<u>Sponsor</u>	Project Description	On Plan <u>Through</u>	Projected <u>State Funding</u>	Total Project
Gregory	Wastewater System & Water Distribution Improvement	2021	\$19,944,400	\$19,944,400
Groton	Water Improvements Phase 2	2022	\$1,265,400	\$1,265,400
Harrisburg	Sanitary Sewer/Water Main Improvements	2021	\$14,900,000	\$14,900,000
Hot Springs	North 24th Street Sewer	2022	\$638,525	\$638,525
Hot Springs	North River Street Sewer Replacement	2022	\$704,000	\$704,000
Hot Springs	North River Street Water Replacement	2022	\$392,000	\$392,000
Hot Springs	Water System Supply and Storage	2021	\$3,850,000	\$3,850,000
Hudson	Water System Improvements	2021	\$9,494,180	\$9,494,180
Joint Well Field, Inc.	Water Treatment Plant Improvements	2022	\$5,523,000	\$5,623,000
Kingbrook Rural Water System	Carthage Elevated Tank Recoating	2022	\$360,000	\$393,100
Lake Norden	North Lift Station and Wastewater Treatment Improvements	2022	\$3,000,000	\$3,000,000
Lake Norden	New Water Storage Tank	2022	\$2,700,000	\$2,700,000
Lead	Mill Street Sanitary Sewer and Storm Sewer Separation	2022	\$378,733	\$378,733
Lead	Mill Street Watermain Replacement	2022	\$360,138	\$360,138
Minnehaha Community Water Corp.	Water Storage and Capacity Improvements	2021	\$7,505,900	\$7,505,900
Mitchell	Wastewater System Improvements	2021	\$23,100,000	\$23,100,000
Mitchell	Dredging of Lake Mitchell	2022	\$11,250,000	\$11,250,000
Mitchell	Wastewater Treatment Facility Improvements	2022	\$10,000,000	\$10,000,000
Mitchell	Landfill Cell #4 Construction	2022	\$1,600,000	\$1,621,905

<u>Sponsor</u>	Project Description	On Plan <u>Through</u>	Projected <u>State Funding</u>	Total Project
Mitchell	Drinking Water System Improvements	2022	\$11,000,000	\$11,000,000
Mni Waste' Water Company	Hwy 63 North Transmission Line	2022	\$2,517,000	\$32,733,000
Mobridge	Wastewater Treatment Facility Improvements	2022	\$1,830,000	\$1,830,000
Mobridge	Water System Improvements	2022	\$11,350,000	\$11,350,000
Northdale Sanitary District	Sanitary Sewer Relocation	2022	\$440,000	\$440,000
Philip	Water Meter Replacement	2022	\$464,031	\$464,031
Pickstown	Wastewater Improvements	2021	\$4,758,625	\$4,758,625
Piedmont	Central Wastewater System	2021	\$4,500,000	\$4,500,000
Piedmont	Water Tower and Well	2021	\$2,200,000	\$2,200,000
Presho	Sanitary Sewer Outfall Line Rehabilitation	2022	\$452,000	\$452,000
Rapid City	Elk Vale Lift Station Pipe Improvements	2021	\$7,800,000	\$8,000,000
Rapid City	SW Cell #16/GCCS Construct/Flare Replacement	2021	\$4,760,000	\$4,960,000
Rapid City	WRF Aeration Clariflocculator & Siphon Piping	2021	\$6,075,000	\$6,175,000
Rosholt	Water Storage Tank Rehabilitation	2021	\$500,000	\$500,000
Saint Lawrence	Wastewater Collection Improvements	2022	\$2,134,000	\$2,134,000
Salem	Sanitary Sewer Industial Area Improvements	2022	\$2,040,000	\$2,040,000
Salem	Drinking Water Industial Area Improvements	2022	\$1,097,000	\$1,097,000
Sioux Falls	Basin 15 Sanitary Sewer Extension	2021	\$10,128,145	\$10,128,145
Sioux Falls	Pump Station 240 Capacity Improvements	2021	\$39,038,000	\$39,038,000
Sioux Falls	Water Reclamation Facility Expansion Phases 3 & 4	2022	\$98,875,000	\$98,875,000

<u>Sponsor</u>	Project Description	On Plan <u>Through</u>	Projected <u>State Funding</u>	<u>Total Project</u>
Tabor	Wastewater Collection System Improvement	2022	\$4,765,000	\$4,765,000
Теа	Sanitary Sewer Regionalization Phase 2	2022	\$7,392,000	\$7,392,000
Теа	272nd Street Sanitary Sewer Extension	2022	\$1,433,000	\$1,433,000
Теа	272nd Street Watermain Extension	2022	\$805,000	\$805,000
Terry Trojan Water Project District	Water Meter Replacement	2022	\$347,262	\$347,262
Tripp	Water System Improvements	2021	\$2,210,000	\$2,210,000
Vermillion	Highway 50 Stormwater Improvements	2022	\$4,150,000	\$4,150,000
Vermillion	Tom Street Lift Station Replacement	2022	\$764,000	\$764,000
Vermillion	Landfill Cells #6 & 7 Construction and Existing Cell Closure	2022	\$2,240,000	\$2,240,000
Watertown	Wastewater Primary Clarifier Replacement	2022	\$2,500,000	\$2,500,000
Waubay	Wastewater Treatment Facility Bank Stabilization	2022	\$2,168,910	\$2,168,910
Wessington Springs	Second Street Water and Wastewater Replacement	2022	\$1,108,029	\$1,108,029
Wessington Springs	Wastewater Treatment Facility Improvements	2022	\$960,000	\$960,000
Wessington Springs	Water Meter Replacement	2022	\$685,000	\$685,000
White	Water System Improvements	2022	\$6,000,000	\$6,000,000
White	Wastewater System Improvements	2022	\$6,100,000	\$6,100,000
Yankton	Wastewater Treatment Improvements	2021	\$3,180,000	\$9,638,400
		Total	\$437,977,166	\$475,306,571

State Water Resources Management System

The State Water Resources Management System (SWRMS) identifies large, costly water projects that require specific state or federal authorization and financing. These projects are placed on the list when recommended by the board and approved by the Governor and the Legislature. The SWRMS list (Table 12) serves as the preferred priority list to optimize water resources management in the state. Once a project is placed on the SWRMS list, it remains on the list until removed by legislative action.

In November 2019, the Board of Water and Natural Resources received a letter from the Southern Black Hills Water System requesting removal from the SRWMS list. This project was originally placed on the SWRMS list to provide a safe and adequate water supply in Custer, Fall River and Pennington Counties, with a cost share commitment of \$12.0 million dollars from the state. The State's cost share commitment has been fully met through grant funding and Southern Black Hills Water System had constructed significant amounts of the proposed system. Additional work is proposed, but with the original cost share commitment having been met it was determined funding for future projects would be best accomplished by applying for placement on the State Water Facilities Plan and submitting applications for funding consideration to the Board of Water and Natural Resources. As part of the 2020 Omnibus Bill (House Bill 1035), the board recommended removal of the project from the State Water Resources Management System list. The bill was signed on March 27, 2020 and the Southern Black Hills Water System projects was removed from the SWRMS preferred priority list.

Table 12 – State Water Resources Management System Projects

Project Description Belle Fourche Irrigation Upgrade Project Irrigation Project – Belle Fourche Region **Big Sioux Flood Control Study** Watertown Flood Control **CENDAK Irrigation Project Irrigation Project - Central SD** Gregory County Pumped Storage Site Multi-Purpose Water Utilization Hydrology and Water Management Studies Statewide Water Resources Lake Andes-Wagner/Marty II Irrigation Unit **Irrigation - Charles Mix County** Lewis & Clark Rural Water System Bulk Water System - Southeastern SD **Increased Flood Protection** Sioux Falls Flood Control Project Vermillion Basin Flood Control Project Flood Control on Vermillion River

SWRMS Project Status

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

Belle Fourche Irrigation Upgrade Project - 2012

- The 2012 Omnibus Bill added the Belle Fourche Irrigation District upgrade project to the SWRMS list. The project was for the construction of a \$5,000,000 Belle Fourche irrigation upgrade project to include replacement of the Indian Creek siphon, the Horse Creek siphon, the north canal control house, the south canal control house, repair of the Belle Fourche River siphon, and removal of sediment from the south canal intake for the purpose of stabilizing crop and forage production in central western South Dakota to offset the effects of drought conditions which naturally devastate South Dakota's economic viability.
- South Dakota Codified Law 46A-1-13.12 authorized a state cost share commitment of up to \$2,500,000 in grant and \$2,500,000 in loan assistance to provide funding for the Belle Fourche Irrigation District upgrade project.
- The appropriations for 2012 included a \$1,250,000 grant and a \$1,250,000 loan for engineering design, preconstruction, and construction of the facilities associated with the Belle Fourche irrigation upgrade project.
- During calendar years 2012 and 2013, engineering design of siphons and the canal gatehouse was on-going.
- The appropriations for 2013 included a \$750,000 grant and a \$750,000 loan for engineering design, preconstruction, and construction of the facilities associated with the Belle Fourche irrigation upgrade project.
- The appropriations for 2014 included a \$500,000 grant and a \$500,000 loan for engineering design, preconstruction, and construction of the facilities associated with the Belle Fourche irrigation upgrade project. This completed the state cost share commitment to the upgrade project.
- Bids were opened and awarded for the Indian Creek and Horse Creek siphons in 2013, and construction started in October of 2013. The Indian Creek siphon was completed in 2014 and was operational for the 2014 irrigation season. The Horse Creek siphon was completed in 2015 and was operational for the 2015 irrigation season.
- Bids were opened and awarded for the canal gatehouse upgrade in 2015, and construction started in the fall of 2015. The canal gatehouse upgrade was completed in the spring of 2016 and was operational for the 2016 irrigation season.
- In May 2014, bids were opened for dredging of the reservoir intake structure. Dredging
 operations were approximately 10 percent complete prior to 2016 when the contractor
 experienced difficulties with their methods to hydraulically dredge the reservoir. The
 dredging contractor returned to the site in late summer of 2016 with larger equipment to
 resume dredging operations. Dredging of the intake was completed in the spring of 2017.

- The final portion of the Belle Fourche irrigation upgrade project was an assessment of the Belle Fourche River siphon. The work was bid during the 2017 construction season, and the work was completed in the spring of 2018.
- With all proposed work completed, the Board of Water and Natural Resources took action to certify the project complete as of November 1, 2018. As a result of this action the Belle Fourche Irrigation District began making loan payments on November 1, 2019.
- No activity occurred on the project in 2020.

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

- The Corps of Engineers completed a reconnaissance report titled "Flood Control for Watertown and Vicinity." The study concluded the best alternative for flood protection for Watertown, Lake Kampeska, and Pelican Lake was a \$16 million dry dam on the Big Sioux River at the Mahoney Creek site.
- The Corps of Engineers, in cooperation with Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and the Department of Environment and Natural Resources, initiated a feasibility study in 1988. State appropriations of \$150,000 were provided to help meet the nonfederal cost share.
- The final draft feasibility report was distributed in June 1994 for public review and comment. A public hearing in July 1994 in Watertown presented findings of the report and gathered comments. City and county elections were held, and residents voted against further local participation in the project.
- The project regained momentum after severe spring flooding in 1997 forced 5,000 residents from their homes. The Watertown City Council scheduled an election in February 1998, calling for a citywide vote on the proposed Mahoney Creek Dam. The record turnout of voters again rejected the proposed dam.
- In June 2001, the residents of Watertown called for a citywide vote on the proposed Mahoney Creek Dam project. The voters approved the project. City officials proceeded with updating the original Corps of Engineers feasibility study and obtaining support and financing for the project.
- After the affirmative vote, Watertown began negotiations with the Corps of Engineers to complete a General Re-evaluation Report of the city's flood control alternatives. Negotiations continued in 2003, and the scope of work to be reviewed by the report continued to be evaluated. The cost of the re-evaluation report was estimated at \$2.8 million.
- In 2003, Watertown returned \$450,000 of state funds appropriated in 2003 for local participation during the General Re-evaluation process. Because of cost share and scope of work issues, Watertown decided to step back from participation in the re-evaluation and turned over all work to the Corps of Engineers.
- The Corps of Engineers received \$246,000 in 2003, \$473,000 in 2004, \$176,000 in 2005, and \$344,000 in 2008 to continue with the General Re-evaluation Report. Alternatives to be

considered included the Mahoney Creek Dry Dam, three to five medium sized dams, 800 small dams, and a diversion between Lake Kampeska and Lake Pelican.

- A stakeholder's group consisting of representatives from the Lake Pelican and Kampeska water project districts, the Corps of Engineers, the city of Watertown, Codington County Commissioners, and landowners was created in 2010. The group held several public meetings to discuss and develop a flood control plan.
- The U.S. Army Corps of Engineers has indicated that the most cost-effective solution is the Mahoney Creek Dry Dam. The city of Watertown voted to support the Mahoney Creek Dry Dam for flood protection. The cost-benefit study of the dam is anticipated to take two years once started, and the total project cost is estimated at \$40 million dollars.
- In 2015, the city of Watertown indicated its intent to partner with the Corps of Engineers to conduct a feasibility level study update to investigate flood risk management solutions for Watertown.
- In 2016, the \$225,125 in grant funds appropriated by the 2016 legislature was placed under agreement with the city of Watertown. This grant will fund half of the nonfederal cost share for the flood control feasibility study to be completed by the Corps of Engineers.
- In 2020, no work was completed on the study. The Corps of Engineers needs to receive funding for the study and prioritize it in their list of projects before any work will begin. The city of Watertown met with the Corps in 2018 to discuss how to best move the study forward, but funding is still needed prior to beginning work.
- In October 2019, discussions were held with the city of Watertown regarding the study and the need for additional flood protection in the area. Through the existing Big Sioux Flood Information System additional flood inundation studies were conducted and reviewed to show potential benefits of construction of the Mahoney Creek Dry Dam.
- In 2020, the additional flood inundation reviews were completed showing potential benefits of the Mahoney Creek Dry Dam. Flood elevation reductions would be realized; however, it appears only in extreme flood events above the 100-year occurrence level. Additional benefits to other downstream communities would be very limited even during high flow events.

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 2020.

Gregory County Pumped Storage Project - 1981

• The Gregory County Pumped Storage Project is a proposed peak generation hydroelectric facility in northern Gregory County. 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.

- After extensive geotechnical and environmental studies of the site, the Corps was forced to abandon the investigation when its mission was altered and hydroelectric development projects were no longer federally funded.
- Hydroelectric Component The South Dakota Conservancy District authorized a feasibility study to determine if the state of South Dakota should sponsor a continuation of the project with nonfederal funding. To protect the site during these studies, the District applied for and received a 3-year Preliminary Permit from the Federal Energy Regulatory Commission (FERC) effective August 1, 1988. The state's preliminary permit expired August 1, 1991.
- Water Supply Component The project has the potential to provide water for irrigation and municipal, rural, and industrial purposes using the hydroelectric project's upper bay as a water supply source. The Bureau of Reclamation completed a *Special Report on the Gregory Unit of the Pick-Sloan Missouri Basin Program, South Dakota* in 1992.
- On June 20, 2001, Dakota Pumped Storage, LLC, a Minnesota corporation, filed a FERC Preliminary Permit application for a pumped storage hydroelectric facility in Gregory County. On September 25, 2001, South Dakota filed a Motion to Intervene and a Notice of Intent to File Competing Application for Preliminary Permit by the State of South Dakota. An Application for Preliminary Permit for the Gregory County Pumped Storage Hydroelectric Facility was filed with FERC by the South Dakota Conservancy District on October 12, 2001.
- The FERC issued a 3-year Preliminary Permit to the South Dakota Conservancy District on August 12, 2002. FERC denied the application by Dakota Pumped Storage, LLC.
- The 2002 Omnibus Bill appropriated \$100,000 to the South Dakota Department of Environment and Natural Resources to complete preliminary permit and full permit applications to FERC. The department solicited Requests for Proposals from firms interested in providing the research to support the FERC permit. Four proposals were received. Black & Veatch was selected.
- The Black & Veatch study was completed in 2004 and determined that it was not costeffective to pursue the pumped storage project at that time. These findings were presented to the Board of Water and Natural Resources in June 2004. The state's preliminary permit expired in 2005.
- In 2010, South Dakota Energy, LLC submitted a preliminary permit application prepared by Symbiotics, LLC to FERC to study the feasibility of the South Dakota Energy Hydroelectric Project located on the Missouri River in Gregory County, South Dakota. On July 21, 2010, the Commission issued a preliminary permit to South Dakota Energy. The preliminary permit issued to South Dakota Energy expired on July 1, 2013.
- On July 3, 2013, Gregory County, with Schulte Associates, LLC as its designated agent filed a preliminary permit application to study the feasibility of the proposed Gregory County Energy Project.

- On July 30, 2013, Western Minnesota Municipal Power Agency, a municipal corporation and political subdivision of the state of Minnesota, filed a preliminary permit application to study the feasibility of the proposed Gregory County Pumped Storage Project. Western Minnesota Municipal Power Agency finances the construction and acquisition of the generation and transmission facilities for members of Missouri River Energy Services.
- On December 19, 2013, FERC released an order issuing a Preliminary Permit and Granting Priority to File License Application for the project to Western Minnesota Municipal Power Agency. The preliminary permit expired in December 2016.
- On December 1, 2016, the Missouri Basin Municipal Power Agency, doing business as Missouri River Energy Services, applied to FERC for a preliminary permit to study the feasibility of the 1,200-MW Gregory County Pump Storage Project.
- On February 14, 2017, FERC issued a deficiency letter for the Missouri River Energy Services application requesting that revisions be filed within 45 days and informing the applicant that failure to provide this information may result in the application being rejected.
- In a letter dated April 18, 2017, FERC informed Missouri River Energy Services that due to its failure to file a response to FERC's February 14, 2017, letter, the preliminary permit application for the Gregory County Pump Storage Project was rejected pursuant to section 4.32(g) of the Commission's regulations. No activity occurred on the project in 2020.

Black Hills Hydrology and Water Management Study – 1982 to 2015

- The hydrology study compiled water resource data to assess the quantity, quality, and distribution of surface and groundwater resources in the Black Hills area. These resources have been stressed by increasing population, periodic drought, and developments related to expansion of mineral, timber, agricultural, recreational, municipal and urban needs. The U.S. Geological Survey provided \$3.4 million from federal fiscal years 1988 through 2001 to establish the hydrologic monitoring system, collect the data, and complete data analysis.
- The hydrology study entered Phase II in federal fiscal year 1997 and was completed in 2002. The study emphasis during Phase I was data collection. The emphasis shifted to analytical activities and publication of maps and reports during Phase II.
- The hydrology study produced 31 technical reports including a lay reader summary, a comprehensive report on the hydrology of the Black Hills area, and a comprehensive lay reader atlas of water resources in the Black Hills area.
- The water management study provided interested parties with the tools needed to assist in making informed management decisions about development of water resources. Data gathered during the hydrology study was used in the water management study. Congress appropriated funds in federal fiscal year 1991 to initiate the Federal Black Hills Water Management Study by the Bureau of Reclamation.
- The Black Hills Water Management Study was completed in federal fiscal year 2003. The study focused on needs assessment, management alternatives, and a final report.

- The 2004 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review of studies related to development of regional water supply systems in or near the Black Hills. The Fall River Water User District sponsored a regional water supply study for an area that included all of Custer and portions of Fall River and southern Pennington counties.
- The 2005 Omnibus Bill appropriated \$100,000 for the development, evaluation, and review
 of studies related to development of regional water supply systems in or near the Black Hills.
 The Southern Black Hills Water System, Inc., a nonprofit corporation, was formed to continue
 the feasibility study of a regional water system in Custer, Fall River, and southern Pennington
 counties. The Southern Black Hills Water System requested additional funds to continue
 activities begun by the Fall River Water User District. In June 2005, the board awarded
 \$50,000 for these activities.
- The 2006 Omnibus Bill amended the State Water Resources Management System to add the Southern Black Hills Water System to its list of preferred, priority objectives for South Dakota. The bill also provided an initial appropriation of \$125,000 to allow the Southern Black Hills Water System to continue activities begun by the Fall River Water User District.
- In December 2006, the Lead-Deadwood Sanitary District submitted a request for the remaining \$50,000 of SFY 2006 Black Hills Water Management Study funding placed under agreement with the District to conduct a regional water study in the Lead, Deadwood, and Central City area. The funding was awarded in January 2007, and the sanitary district selected an engineer in June 2007. The Lead-Deadwood Area Water Study Final Report was issued on July 18, 2008. The study provided an analysis of the Lead-Deadwood Sanitary District intake and water treatment plant, a review of the Lead and Deadwood distribution systems, an analysis of the development in the surrounding area, and analyzed the ability of the Lead-Deadwood Sanitary District to serve them.
- The 2009 Omnibus Bill appropriated \$65,000 for hydrology studies. These funds were awarded to West Dakota Water Development District to cost share the United States Geological Survey groundwater aquifer study in the Black Hills.
- Several microgravity surveys were completed during 2010 and 2011 at three study sites in the Black Hills. Collected data was analyzed spatially to help characterize the heterogeneity of the Madison and Minnelusa aquifers and possibly the transition zone between the two aquifers. Time-series data was analyzed at each of the three study sites and correlated with water levels in Madison aquifer wells. This analysis helps characterize vertical heterogeneity and effective porosity at selected sites.
- A report entitled "Microgravity Methods for Characterization of Groundwater-Storage Changes and Aquifer Properties in the Karstic Madison Aquifer in the Black Hills of South Dakota" was completed in 2012.

Hydrology and Water Management Studies – 2015 to Present

• The 2015 Omnibus Bill appropriated \$250,000 for statewide hydrology and water management studies. In June 2015, the Department of Environment and Natural Resources was awarded a \$47,000 grant to conduct aquifer isotope analysis in eastern South Dakota.

The department's Geological Survey program conducted this work and the final report was issued in September 2017.

- The 2016 Omnibus Bill appropriated \$750,000 for the development of a Big Sioux River Basin Hydrologic model. In March 2016, the appropriation was placed under agreement with the Department of Environment and Natural Resources to hire a consulting firm to develop the hydrologic model for the Lower Big Sioux River Basin.
- In May 2016, DENR issued a Request for Proposals to consulting firms to develop the hydrologic and hydraulic model. Nine firms submitted proposals for review. In August 2016, after review by all involved state agencies and interviews of several firms, RESPEC was selected as the consulting firm to complete the hydrologic and hydraulic models.
- The 2017 Omnibus Bill appropriated an additional \$450,000 for the development of a Big Sioux River Basin Hydrologic model. In March 2017, the appropriation was placed under agreement with the Department of Environment and Natural Resources to increase the contract with RESPEC to \$1,300,000 to complete development of the models for the Lower Big Sioux River Basin.
- Using the new models, the Big Sioux River Flood Information System was developed. A
 majority of the effort in 2017 focused on developing a basin-wide hydrologic model as well
 as hydraulic models for the cities of Watertown, Brookings, Dell Rapids, Sioux Falls, and North
 Sioux City. Concurrently, a web user interface was created to allow access to model
 predictions, stream gauge data, and precipitation data. The project team met several times
 with the local authorities to gain feedback on model results and user interface.
- In 2017 and 2018, new stream gauges were installed to improve the stream gauge network available for the Flood Information System.
- The beta version of the Flood Information System was operational in the spring of 2018. The beta version was used to help predict river elevations and flood inundation during flooding in June 2018. The model predictions matched very closely to the actual flood levels observed. Entities that were along the river where flooding occurred were able to accurately predict if any infrastructure would be impacted due to the flood waters and prepare accordingly.
- The Flood Information System was completed in December 2018. With the completion of the model, federal, state, county, and local community authorities are able to use the Flood Information System to evaluate flood scenarios and prepare appropriately for flood response.
- In June 2018, an additional \$10,000 from the remaining funds of the 2017 Omnibus Bill appropriation was placed under agreement with the Department of Environment and Natural Resources. These funds will be used to cost share on a United States Geological Survey high resolution hydrographic mapping study in the Lower Big Sioux River Basin. Other entities contributing to the project include US Geological Survey (\$20,000), SD Department of Transportation (\$20,000), city of North Sioux City (\$3,333), Dakota Dunes Community Improvement District (\$3,333), and Union County (\$3,333). The primary goal of the project is

to determine more accurate flow routes for flood waters and runoff from heavy precipitation events. The area under study has a complex drainage pattern through a heavily developed area. The project will give state and local authorities a better understanding of potential impacts from severe drainage events in the area. In 2019, digital data sets were created for terrain and flow paths. Field verification of flow structures, such as culverts, will take place during 2020.

- In the spring of 2019 significant flooding occurred along the Big Sioux River corridor from Watertown to North Sioux City and Dakota Dunes. The recently completed Big Sioux River Flood Information System (BSRFIS) was used extensively during the March and April floods by local, state, and federal officials as a tool to predict areas that would be impacted by flood waters. Appropriate protection measures were implemented by county emergency managers and city officials based on the predictions of the BSRFIS. The cities of Watertown, Dell Rapids, Sioux Falls, North Sioux City, and Dakota Dunes, as well as the general public, all benefited from the information the BSRFIS was able to provide. Real time monitoring of flood events by state officials verified that the BSRFIS models were highly accurate.
- In March 2019, \$90,149.50 from the remaining funds of the 2017 Omnibus Bill appropriation was placed under agreement with the Department of Environment and Natural Resources. These funds were used to help fund the replacement of well pumps within the Statewide Ground Water Quality Monitoring Network. The five Water Development Districts with wells needing pumps located within their district provided the remaining \$26,931.75 needed to complete the funding. The current well pumps in the monitoring network were beyond their useful life and experiencing mechanical issues that were beyond normal repair. The lack of reliable operation made it difficult to ensure samples could be obtained as scheduled. The monitoring network provides a valuable resource for state and local entities when making decisions on current water quality conditions and trends in 25 of the state's vulnerable shallow aquifers.
- No activity occurred on the project in 2020

Lake Andes-Wagner/Marty II Irrigation Unit – 1975

- The 45,000-acre Lake Andes-Wagner Irrigation project and 3,000-acre Marty II Irrigation project are federally authorized Pick-Sloan Missouri Basin Units in Charles Mix County (Public Law 102-575). Estimated construction costs are \$175 million and \$24 million, respectively.
- In 1990, a plan of study was developed for a 5,000-acre research demonstration program to determine best management practices for irrigating glacial till soils containing selenium.
- The 1992 State Legislature authorized the construction of the Lake Andes-Wagner/Marty II
 project and provided a state loan cost share commitment of \$7 million. Both the state and
 federal project authorizations are contingent upon the successful completion of the 5,000acre research demonstration program.
- In 1995, Congress approved \$250,000 for the research program. State and federal agencies revised the 1990 plan of study to re-scope the demonstration program and identify the

specific issues and research components that are of national significance. A nine-year, \$11.3 million effort was projected.

- In 1999, the Bureau of Reclamation (BoR) received \$150,000 to prepare an environmental assessment for the demonstration program.
- The BoR completed the environmental assessment and issued a Finding of No Significant Impact for the demonstration program in 2000. Significant federal funding must be secured before the demonstration program can proceed.
- The Board of Water and Natural Resources placed \$15,000 in 2002 and \$50,000 in 2003 under agreement. The Lake Andes-Wagner Irrigation district continued to seek federal funding for the demonstration program.
- The 2009 Omnibus Bill appropriated \$35,000 for the Lake Andes-Wagner/Marty II research demonstration program. These funds were awarded to the project sponsor to continue its efforts to get this project moving forward.
- During 2010, the sponsor worked to assemble information and research data from multiple resources. Discussions with BoR continued regarding the possibility of funding and placing the project into the BoR's program proposal.
- The 2011 Omnibus Bill appropriated \$55,500 for the Lake Andes-Wagner/Marty II research demonstration program. However, these funds will not be awarded unless the federal government makes the decision to begin funding the project at levels that will ensure project completion in a reasonable timeframe.
- In June 2012, a portion of South Central Water Development District's future use permit reserving water from the Missouri River was transferred to the Lake Andes-Wagner Irrigation District. The District's transfer was for the reservation of 96,000 acre-feet of water annually from the Missouri River for future development including irrigation, municipal, stock watering, fire protection, industrial, and public recreation use. The seven-year review of this permit, as required by statute, was conducted in October 2013 before the Water Management Board, and the permit was allowed to remain in effect for 96,000 acre-feet annually, subject to the required fee being submitted. No activity occurred on the project in 2020.

Lewis & Clark Regional Water System – 1989

- The Lewis & Clark Regional Water System is a bulk delivery system providing treated Missouri River water to communities and existing rural water systems in southeastern South Dakota, northwestern Iowa, and southwestern Minnesota. South Dakota membership includes eight communities and three rural water systems. Approximately 155,000 South Dakotans will receive water from Lewis & Clark.
- President Clinton signed Public Law 106-246 on July 13, 2000, authorizing the federal construction of the Lewis & Clark Regional Water System. The federal legislation also approved a federal appropriation of \$600,000 to continue project engineering and begin construction. The Board of Water and Natural Resources placed \$200,000 of state funding under agreement in 2000 to assist with these same project activities.

- Iowa and Minnesota sponsors provided funding support for project development in proportion to their service capacity needs. The Iowa and Minnesota State Legislatures authorized the project for construction and completed their cost share commitments.
- The South Dakota Legislature authorized Lewis & Clark's South Dakota project features (\$200 million) in 1993. In 2002, the state cost share commitment of \$18,585,540 in 1993 dollars was established for the Lewis & Clark Regional Water System.
- The 2002 Omnibus Bill appropriated \$750,000 for the project. These funds, combined with federal and other local sources, completed the federal environmental review, the final engineering report, and initiated construction. Lewis & Clark Regional Water System's final engineering report completed its initial required 90-day congressional review on September 8, 2002. The federal Office of Management and Budget (OMB) determined that Lewis & Clark could not submit its final engineering report to Congress until OMB had approved it. Lewis & Clark worked with OMB to get its final engineering report approved and resubmitted to Congress. Lewis & Clark held its groundbreaking on August 21, 2003.
- In 2005, Lewis & Clark agreed to provide Sioux Falls an additional 17 million gallons of water per day, bringing the total delivered capacity to 45 million gallons per day. Sioux Falls financed the cost of the additional capacity.
- In May 2007, Lewis & Clark elected to change the project's name from "Rural" to "Regional". The project will be doing business as the Lewis & Clark Regional Water System.
- In May 2008, Lewis & Clark began operating its first segment of pipeline a nine-mile emergency connection between Sioux Center and Hull, Iowa. Until Lewis & Clark water arrives, Lewis & Clark is purchasing water from Sioux Center and reselling it to Hull.
- Through June 30, 2008, the South Dakota Legislature had appropriated, and the Board of Water and Natural Resources had placed under agreement, \$19,275,000 toward South Dakota's cost share commitment.
- In July 2008, a \$20.8 million contract was awarded for the first phase of the water treatment plant, which included a three million-gallon underground reservoir, high capacity pumps, electrical building, and two standby generators. This infrastructure is separate from the main treatment plant building.
- In July 2008, work was completed on a \$5.5 million contract that included one mile of river bank stabilization southwest of Vermillion to protect Lewis & Clark's main well field from erosion, as well as two well houses, four valve vaults, and various piping. Utilizing a permanent easement, Lewis & Clark's main well field is located on land owned by the SD Department of Game, Fish & Parks (Frost Game Production Area).
- In September 2008, Lewis & Clark began operating its second segment of pipeline, a 12- mile emergency connection for Tea and Harrisburg. Until Lewis & Clark water arrived, Lewis & Clark purchased water from Sioux Falls and re-sold it to Tea and Harrisburg.
- The 2009 Omnibus Bill appropriated \$6.3 million for the engineering design, preconstruction activities, and construction.

- In April 2009, Lewis & Clark was approved to receive \$56.5 million from the Bureau of Reclamation as part of the American Recovery and Reinvestment Act.
- In May 2009, a \$64.1 million contract was awarded for Phase II of the water treatment plant. In July 2009, Phase II construction of the water treatment plant commenced.
- In July 2009, a \$5.04 million contract was awarded for the construction of the 85th Street Tower, which has a three million-gallon storage capacity, located in Sioux Falls.
- In August 2009, a \$9.5 million contract was awarded for the construction of two aboveground reservoirs to be built near Tea. These two reservoirs along with the 85th Street tower serve as Lewis & Clark's primary storage facilities.
- In September 2009, a \$3.7 million contract was awarded for the first segment of the "Minnesota Transmission Line." This segment is a five-mile pipeline constructed in South Dakota and serves Minnehaha Community Water Corporation, all Minnesota users, and Rock Rapids, Iowa.
- In September 2009, a \$2.8 million contract was awarded for construction of the Parker and Centerville service lines. These service lines included almost fourteen miles for the Parker service line and five miles for the Centerville service line.
- Lewis & Clark received \$10 million in federal funding in 2009 under the 2010 Energy and Water Appropriation bill.
- In November 2009, the last section of the treated water pipeline, which is the main trunk between the water treatment plant and the city of Sioux Falls, was completed.
- A contract for five new wells was awarded in April 2010 for \$6.8 million. The five new wells will provide Lewis & Clark with an estimated 10 million gallons a day of additional capacity. Including the six previously drilled wells, Lewis & Clark's total well capacity will be 28 million gallons per day.
- A \$4.2 million bid was awarded in May 2010 for the treated water pipeline segment 11. This five-mile segment connected Beresford to the main truck line. This is the first segment of the "lowa Transmission Line." Eventually this line will connect to Sioux Center, Hull, and Sheldon.
- In June 2010, the \$6.3 million approved by the 2010 Legislature was put under agreement. This completed the State's cost share commitment to the project.
- In October 2010, Lewis & Clark was awarded approximately \$3.5 million in reprogrammed American Recovery and Reinvestment Act funding through the Bureau of Reclamation.
- In October 2010, a \$7.55 million contract was awarded for the Minnesota segment 1 pipeline, which runs along the South Dakota Iowa border from just west of the Big Sioux River to a point six miles west of Rock Rapids.
- Lewis & Clark received \$1,996,000 in federal funding through the Bureau of Reclamation in FFY 2011. Lewis & Clark was also allocated an additional \$306,000 in funding for FFY 2011 in reprogrammed funds.

- In May 2011, Lewis & Clark awarded a \$1.6 million dollar contract for the pipeline commissioning. This contract provided for testing, disinfecting, and cleaning 85 miles of pipes from the water treatment plant near Vermillion to Sioux Falls.
- Lewis & Clark received \$5.5 million in federal funds for FY 2012. Lewis & Clark initiated operation of its water treatment plant and began to serve water to eleven of its twenty members in July 2012.
- The 20 members and three states have prepaid 100 percent of the nonfederal cost share. Because the prepayments made by the 20 members and three states, which total just under \$154 million, have been fully utilized, the schedule to connect the remaining nine members is entirely dependent upon future federal funding.
- In 2014, Lewis & Clark was provided \$22 million in advance federal funding from Minnesota. These funds were used to construct transmission lines to Luverne and Magnolia.
- In 2014, Lewis & Clark received a \$1 million reimbursable grant for advance federal funding from South Dakota. These funds were made available by the Joint Appropriations Committee in Senate Bill 53. These funds were used to acquire easements and pay for engineering costs for two of the five segments of the Madison service line.
- In 2015, Lewis & Clark was provided \$19 million in advance federal funding from Minnesota. These funds were used to connect the Lincoln Pipestone Rural Water System, construct a 4 million-gallon storage reservoir southwest of Luverne, install a booster station southeast of Luverne, acquire easements, and complete design for the pipeline between Adrian and Worthington.
- In 2015, Lewis & Clark received a \$7.7 million loan for advance federal funding from South Dakota. These funds were made available by Senate Bill 173. These funds were used to construct segments one and five of the Madison service line. Madison was the only South Dakota member system not yet connected; however, construction of segments 1 and 5 does not get a drop of water to Madison. In 2016, the agreement was amended to include engineering design and easement acquisition of segments 2 through 4 and was estimated to cost more than \$22 million for final construction.
- DENR worked with three regional water systems and the city of Madison to develop a wheeling option as an alternative to providing federal fund advances to construct the balance of the Madison service line. The wheeling option builds on the construction of segments 1 and 5. Segment 1 provides Minnehaha Community Water Corporation (MCWC) with its second Lewis & Clark connection a mile west of Crooks. That connection increases the delivery of Lewis & Clark water to MCWC to 1.1 million gallons per day and with \$1.8 million in wheeling upgrades, and frees up water from MCWC's water treatment plants to feed its Tower 3B near Colton. Tower 3B feeds water into a new 12-inch Big Sioux Community Water line going north and west to connect with Lewis & Clark's segment 5 to deliver 1 million gallons of water per day to Madison costing \$3 million to construct. The wheeling option saved the state more than \$17 million in federal fund advances.
- In 2015, Lewis & Clark delivered water to 12 of the 20 members.

- In January 2016, the first of several contracts for the wheeling option to provide water to Madison was awarded. The contract was awarded by MCWC, and construction of the additional lines to free capacity elsewhere within MCWC's distribution system was completed in the fall of 2016. This work was funded partially by a \$900,000 Consolidated grant.
- In May and July of 2016, the Big Sioux Community Water System awarded bids for its portion of the Madison wheeling option. The work included construction of a new water distribution line to connect MCWC to a new Lewis & Clark line east of Madison and a new pump station to provide the pressure needed to move the water. Construction was completed early 2017. This work was funded by a \$2,000,000 Consolidated grant and a \$1,014,000 Drinking Water SRF loan.
- In April 2016, Lewis & Clark awarded the contract for construction of the Madison meter building and Crooks meter building/pump station. These buildings supply metering and pressure for water to get to Madison. Construction was completed in late 2016.
- In June 2016, the final bids for the Madison wheeling project were awarded by Lewis & Clark for construction of segments 1 and 5 of the Lewis & Clark lines and connections to Minnehaha CWC and Big Sioux CWS. Construction of this work was completed early 2017.
- In 2016, Lewis & Clark delivered water to 13 of the 20 members, with Luverne being connected in March 2016. Water demand has increased and the treatment plant is now staffed 24 hours per day 7 days a week.
- From 2015 through 2017, Lewis & Clark had been provided \$44.5 million in advance federal funding from Minnesota. This federal funding advance allowed all the Lewis & Clark members in Minnesota to be connected and begin receiving water.
- In May 2017, Lewis & Clark received \$2.25 million in advance federal funding from Iowa. These funds were used to pay for engineering services and easement acquisition for the pipeline and meter building to Sioux Center. The bill passed by Iowa's legislature also committed \$4.75 million for use in fiscal year 2018.
- In 2017, Lewis & Clark delivered water to 14 of the 20 members, with Lincoln Pipestone Rural Water System being connected in November 2017.
- In May 2017, the joint projects of Lewis & Clark, Big Sioux CWS, Minnehaha CWC, and the city of Madison were fully completed. With the completion of the projects, Madison now has access to 1 million gallons of water per day from a regional system supplier. All South Dakota members of Lewis and Clark are now directly or indirectly connected to the system.
- In May 2018, Lewis & Clark received \$4.75 million in advance federal funding from Iowa. These funds, along with a \$2.25 million advance last year from Iowa will be used to construct pipeline starting at Sioux Center and going approximately 6 miles west towards the Big Sioux River.
- In June 2018, Lewis & Clark awarded a contract for the purchase of an emergency generator for the Tea Pump Station. Without this generator 93 percent of the water produced by the system cannot be delivered to its customers if power is lost. A portion of the remaining funds

from the \$7.7 million federal fund advance from South Dakota in 2015 were used for the procurement of this generator.

- After 2018, Lewis & Clark was able to provide 16 of its 20 members with access to their full allocation of water with Worthington anticipated to be connected in early December 2018. The Lewis & Clark system construction was estimated to be 75 percent complete and anticipated being at 80 percent complete with the construction planned for 2019 and 2020.
- Through FY 2017, the federal government has appropriated \$249.15 million for the project. Recent federal funding levels include \$14.875 million in FY 2018; however, only \$100,000 was included for FY 2019 in the proposed White House budget.
- In May 2019, Lewis & Clark was able to fully connect to Worthington, MN and provide a second connection to Lincoln Pipestone Rural Water System. Of the 20 full members of Lewis & Clark, 16 systems are now able to access their full allocation water.
- In 2019, the Lewis & Clark system is 82 percent complete with construction currently underway between Beresford and Sioux Center, IA. Connection to Hull and Sioux Center, IA is anticipated in 2022, and will provide 18 of its 20 members with access to water.
- Through FY 2018, the federal government has appropriated \$264.025 million for the project. Recent federal funding levels include \$14.9 million in FY 2019; however, only \$100,000 was included for FY 2020 in the proposed White House budget. The House proposed budget is a total of \$136.028 million, but the Senate has yet to take up and approve a final budget number. The remaining federal cost share to provide is currently \$180 million, which is indexed annually for inflation.
- In 2020, bids were opened, and contracts awarded for construction of a 2.5-million-gallon elevated water storage tower in Union County near Beresford which will allow Lewis & Clark to provided water to Hull and Sioux Center, Iowa when completed in 2023, and eventually Sheldon, Iowa as well. Work continues on the nearly 34-mile long pipeline segment from Beresford to Sioux Center which will also connect Hull. The pipeline is scheduled for completion in late 2021.
- In 2020, a contract was also awarded for the construction of a 16-million gallon per day (MGD) radial collector well at the site of the existing wellfield. When completed in the spring of 2022 will bring the total well production capacity to approximately 49 MGD when combined with the existing vertical well capacity.
- Through FY 2019, the federal government has appropriated \$278.925 million for the project. Recent federal funding levels include \$18.0 million in FY 2020; however, only \$100,000 was included for FY 2021 in the proposed White House budget. The House proposed budget is a total of \$115.787 million, but the Senate has yet to take up and approve a final budget amount. The remaining federal cost share to provide is currently \$166.8 million, which is indexed annually for inflation.
- Lewis & Clark's current buildout capacity is 45 MGD, but the system has been designed so it can be expanded to 60 MGD in the future. The most recent estimated cost for this expansion is \$85 million in today's dollars. The members who voluntarily participate in this

expansion are required to cover 100 percent of their proportional share of the cost. The expansion is not anticipated to happen for another 8 to 10 years.

Sioux Falls Flood Control Project – 1989

- In 1961, the Corps of Engineers completed a channelization, levee, and diversion system to provide 100-year flood protection on the Big Sioux River and Skunk Creek.
- Because of subsequent flooding events on the Big Sioux River and Skunk Creek, the Corps of Engineers reanalyzed the flood criteria in the early 1980s and determined that the 1 percent chance of flood occurrence was greater than previously established. The Corps then recommended that the levee system be upgraded so that it would continue to provide Sioux Falls with 100-year flood protection on the Big Sioux River and Skunk Creek. Project upgrades included constructing a dam on the Big Sioux River just above the confluence of Skunk Creek as well as raising the levees along the Big Sioux River from Skunk Creek to Interstate 229, raising the levees along Skunk Creek from Marion Road to the Big Sioux River, raising the levees above and along the diversion channel, modifying the spillway chute, replacing the stilling basin, and modifying some bridges.
- The 1992 State Legislature authorized project construction and a state cost share commitment of \$4.55 million. Federal authorization was completed as part of the 1996 Water Resources Development Act on October 12, 1996 (Public Law 104-303). The Act authorizes a \$34.6 million construction project under the Corps of Engineers.
- In 1999, a \$2.2 million federal appropriation was provided to the Corps of Engineers. A Project Cooperation Agreement between the Department of the Army and the city of Sioux Falls for final design work was executed.
- Construction of Phase 1A of the Big Sioux River/Skunk Creek Flood Control Project was completed in 2001 and addressed the spillway and stilling basin area at the outfall of the diversion channel. Later that year bids were accepted on Phase 1B of the project addressing the levees adjacent to Morrell's downstream to Cliff Avenue.
- Sioux Falls continued to work with the Corps of Engineers on final design and construction of the project from 2001 to 2007. Sioux Falls continued to secure required easements and properties for the project.
- Construction of Phase 2A of the project continued in 2007. Phase 2A work included improvements to the levees on the Big Sioux River from 49th Street to Interstate 229.
- Phase 2B of the project was completed in 2008. This work included the levee and associated structures on the east side of the Big Sioux River from 41st Street to 49th Street. The city advanced sufficient funds to the US Army Corps of Engineers to complete Phase 2 work in the next two years. This was an ambitious schedule, but reduced the high cost of flood insurance for many properties now being placed in Flood Zone A of the National Flood Insurance Program.
- Phase 2C raised two miles of existing levees approximately two to five feet in order to provide 100-year flood protection along the Big Sioux River within the city of Sioux Falls. In October

2009, the Corps of Engineers accepted proposals for this phase of the project. Phase 2C of the Sioux Falls Flood Control project was awarded in February 2011 for approximately \$12 million. The project was completed by the end of calendar year 2011.

- In December 2009, the city issued \$27 million in taxable revenue bonds; \$17 million of the total was advanced to the Corps of Engineers for levee and dam construction. The balance was to pay for the 41st Street Bridge project.
- As part of the 2010 Energy and Water Appropriation bill, \$1.84 million was appropriated to the Corps of Engineers for the Sioux Falls Flood Control Project.
- In March 2010, the city of Sioux Falls reconstructed the existing 41st Street bridge in order to raise the levee system. The project was substantially completed in September 2010.
- The 2011 Omnibus Bill appropriated \$3.31 million for project design and construction.
- Phase 3 was awarded at \$8.8 million, and work began above the diversion dam and on the diversion channel where the levees were raised two to four feet. Phase 3 was completed by the end of calendar year 2012 and is the final phase of construction.
- The Corps of Engineers has prepared documents for certification of the remaining uncertified levees within the city. Once these documents are complete, FEMA has started the process of revisiting the flood insurance rate maps within the city limits. Upon completion of the new rate maps, the Sioux Falls Flood Control Project will be complete.
- In 2013, the project reached substantial completion. The new levee system building was built, and all of the gates and posts for the closure structures were received. Testing of the controls for the dam was conducted, and the operation of the gates was successfully completed. The Corps of Engineers awarded and completed a project to replace a deficient drainage structure through the levee next to the Sioux Falls zoo.
- In 2015, the major work on the levee system was completed; the Corps of Engineers submitted the application to FEMA for a physical map revision. The FEMA review and eventual issuing of new flood insurance rate maps should result in 1,500 properties in Sioux Falls being taken out of the floodplain.
- In 2016, the \$2,036,375 in grant funds appropriated by the 2016 legislature was placed under agreement with the city of Sioux Falls. This funding provides the final portion of the state's cost share commitment to provide half of the nonfederal cost share to the city, and all necessary work has been completed.
- In 2020, Sioux Falls continued to work with the Corps of Engineers to complete property appraisals for city-owned land that was not previously appraised. Once this work is completed and accepted by the Corps, the city will be able to submit final reimbursement for the state's cost share commitment.

Southern Black Hills Water System – 2006

• The 2006 Omnibus Bill amended the State Water Resources Management System to add the Southern Black Hills Water System to the list of preferred, priority objectives for South Dakota. The bill also provided an initial appropriation of \$125,000 to allow the Southern Black

Hills Water System to continue activities begun under the Black Hills Hydrology and Water Management Study.

- The project objective was to construct a rural regional water system capable of delivering quality drinking water to rural residents and area communities in Custer, western Fall River, and southern Pennington counties. Communities involved include Custer, Edgemont, Hermosa, Hill City, Hot Springs, Keystone, and Pringle.
- Project sponsors worked with representatives from the Department of Agriculture Rural Development Program to secure funding for the construction of the North Hot Springs service area. In 2007, negotiations with the city of Hot Springs for a permanent water source failed to produce a contract.
- Local support continued to be strong for the project with area-wide rural signups near 500 individual homes. Additionally, strong interest continued to be expressed by the Custer State Park, the Mount Rushmore National Park, the Crazy Horse Foundation, and the various area communities for water service from the system.
- In 2009, Southern Black Hills Water System secured an initial water source and received a water permit for a future well site. Southern Black Hills Water Systems secured easements for construction of pipeline and a storage reservoir.
- In 2009, Southern Black Hills Water System secured funding through Department of Agriculture Rural Development Program for Phase I construction.
- The 2010 Omnibus Bill appropriated \$350,000 for the engineering design, preconstruction activities, and construction. The Bill also established the state cost share commitment at \$12 million.
- In 2010, Southern Black Hills opened bids and awarded three contracts for Phase I of the project. Phase I consisted of a water treatment plant, an underground reservoir, and approximately 30 miles of distribution pipeline. Southern Black Hills received more than \$4.5 million in Rural Development loan and grant funding to assist with Phase I.
- The 2011 Omnibus Bill appropriated \$2,000,000 for the engineering design, preconstruction activities, and construction. These funds were awarded to the project sponsor to continue Phase I construction, Phase II engineering design and preconstruction, and the Cascade Area engineering design and preconstruction.
- In September 2011, a portion of Phase I was completed and approximately 200 customers received water.
- The 2012 Omnibus Bill appropriated \$4,000,000 for the engineering design, preconstruction activities, and construction. These funds were awarded to the project sponsor to continue Phase I construction, Phase II engineering design and preconstruction, and the Cascade Area engineering design and preconstruction.
- Final plans and specifications for Phase II of the project were completed in 2012. Phase II serves approximately 230 customers, consists of 72 miles of pipes, a booster station, and a water storage tank.

- Southern Black Hills was issued a Forest Service Special Use Permit in September 2012. This allows construction and installation of the water transmission pipeline associated with Phase II to cross 2.7 miles of National Forest System lands in the Black Hills National Forest.
- The 2013 Omnibus Bill appropriated \$3,800,000 for the engineering design, preconstruction activities, and construction. These funds were awarded to the project sponsor to continue Phase II engineering design, preconstruction and construction, and the Cascade Area engineering design and preconstruction.
- In May 2013, bids were opened for the Phase II distribution project and the Junction storage tank with construction on both projects starting in September 2013.
- Construction continued in 2014 for both the Phase II distribution project and the Junction storage tank. The Phase II distribution project added the Red Canyon sub-development to the project. This portion of the project was completed in August of 2015.
- In 2016, Southern Black Hills continued efforts to acquire wells and provide regional water to the town of Hermosa and surrounding developments. In 2017, Hermosa decided not to connect to Southern Black Hills. Discussions of providing water in the Cascade Road area south of Hot Springs have been conducted with local residents to gauge interest levels in a potential project.
- In August 2016, Southern Black Hills Water System purchased Spring Creek Acres (aka Heartland Country Ranchettes) water system for \$125,480. Spring Creek Acres is located approximately 4 miles north and 2 miles east of Hermosa, SD. The system is comprised of a 100 gpm Inyan Kara aquifer well with 62 current users and the potential for 26 additional users in the development. SCADA system upgrades have been made along with installation of a temporary generator at the well house.
- In September 2016, Southern Black Hills Water System purchased the Paramount Point Subdivision water system for \$25,580. The Paramount Point Subdivision is located approximately 1 mile north and ½ mile west of Hermosa, SD. The system is comprised of a 50 gpm Inyan Kara aquifer well with 12 current users and the potential for 12 additional users in the development. The current distribution system was replaced to increase system pressure and better serve the customers. Bids were opened in June 2017 with a low bid of \$170,965, with the work to be completed during 2017. The system holds a water right for up to 150, gpm and Southern Black Hills Water System plans to drill an additional well to increase the capacity. There is the potential to connect the Spring Creek Acres and Paramount Point Systems to serve additional users and provide a redundant source of water.
- In January 2017, Southern Black Hills opened bids for the purchase of back-up generators at all well sites and the treatment plant. These generators will ensure water supply for the users of the system in the event of a power outage. The bid amount for the generators was \$151,032, with the work planned to be completed during 2017.
- In July 2017, Southern Black Hills drilled a monitoring well near their existing treatment plant. This well will help to assess current drawdown levels of the groundwater from the existing water production well to provide factual evidence of actual aquifer drawdown if additional

water supply is needed. The new monitoring well has the potential to be used as a water production well in the future if approved.

- In September 2017, Southern Black Hills Water System purchased the Rushmore Ranch water system for \$80,567. Rushmore Ranch is located just north of SD Hwy 40 approximately halfway between Hermosa and Keystone, SD. The system is comprised of a 150 gpm Madison aquifer well with 52 current users with the distribution system in place for 36 additional homes in an adjacent development. The location of this system is near several other small developments near SD Hwy 40 and there is the potential for additional connections.
- In 2018, Southern Black Hills Water System continued to connect and solicit potential new users. Letters were sent to potential customers along SD Hwys 36 and 40 west of Hermosa in the area around Rushmore Ranch and on SD Hwy 79 north of Hermosa to Spring Creek Acres. The System also constructed a new well in the Paramount Point subdivision and the increased supply will allow them to interconnect systems and serve some of the potential new customers in the areas listed. An additional 10 new users were connected during the year in the areas of Phase 1 and 2 original system construction.
- In 2018, a four day pump test was conducted on the well near the treatment plant known as the Casey Well. Utilizing the monitoring well drilled in 2017 drawdown levels within the aquifer were able to be determined and provide factual evidence for a water right permit application. Southern Black Hills applied for a 300 gallon per minute water right at the Casey Well site and in July 2018 was approved.
- In 2019, Southern Black Hills fully drew the last of the \$12.0 million grant from the State Water Resources Management System funding allocation. Funds were used to install new lines to users on Phase 1 and 2, purchase needed materials to ensure system reliability, and install a well house at the Casey well site.
- In November 2019, the Board of Water and Natural Resources passed resolution #2019-81 (Appendix B) recommending the removal of the Southern Black Hills Water System project from the State Water Resources Management System list. This will allow Southern Black Hills to utilize the board's standard State Water Facilities Plan funding process and receive funds through other programs overseen by the board in future years.
- The 2020 Omnibus Bill (Senate Bill 1035) provided for the removal of the Southern Black Hills Water System project from the State Water Resources Management System list. The bill was signed on March 27, 2020, and the project was removed from the SWRMS list.

Vermillion Basin Flood Control Project – 1987

- The project objective is to address the severe flooding problems in the Vermillion River Basin. The basin covers 2,697 square miles in parts of 14 counties and is about 150 miles long with an average width of about 20 miles.
- In 1993, the Corps of Engineers completed The Vermillion Basin Flood Control Reconnaissance Report but failed to identify a feasible federal project. The project sponsors re-evaluated project alternatives for nonfederal development. Local project sponsors submitted a pre-application notification for a Federal Emergency Management Agency (FEMA) Hazard

Mitigation grant for a *Feasibility Study of Flood Control Alternatives* for the basin. In 1994, more than 70 technical experts met to develop a multi-objective plan to reduce flooding impacts in the Vermillion River Basin. The National Park Service compiled the group's issues and suggestions and formulated the multi-objective plan.

The Vermillion River Watershed Authority was incorporated in December 1997 and is comprised of representatives from the Clay, Miner, Turner, McCook, and Lake county commissions. The Authority proposed to use FEMA Hazard Mitigation grant funds to widen the channel at the outlet of Lake Thompson and construct a control structure to retain the natural outlet elevation, channel maintenance along 19 miles of the Vermillion River and its tributaries, and wetland restoration and development throughout the basin. The cost benefit ratio for the outlet of Lake Thompson was found to be in error. The ratio was actually less than one; consequently, all FEMA Hazard Mitigation funds were withdrawn. The Authority withdrew its request to set the outlet elevation on Lake Thompson and moved to dissolve after financial records are completed. No activity occurred on the project in 2020.

Recommendations to the Governor and State Legislature

In November 2020, the board conducted a public meeting on the State Water Resources Management System (SWRMS) projects. The board adopted Resolution #2020-XX recommending that all current projects be retained on the SWRMS list. The board also adopted Resolution #2020-XX providing its recommendations to the Governor and the Legislature for the Water and Environment Fund (WEF) and WEF subfunds fiscal year 2022 appropriation levels. A summary of the board's recommendations are below. Full resolutions are in Appendix B.

Table 13 – Board of Water and Natural Resources Funding Recommendations
Appendix A

Water and Environment Fund Special Condition Statement

WATER AND ENVIRONMENT FUND Special Condition Statement As of 6/30/2020

Cash Balance as of 6/30/2020		28,247,310
Projected SFY 2021 Revenues		
Capital Construction Fund	9,650,000	
Contractors' Excise Tax	-	
Investment Interest (Earned '20 deposited '21)	634,095	
Loan Principal & Interest Payments (Water)	570,000	
Loan Principal & Interest Payments (Solid Waste)	695,000	
Solid Waste Fees	1,800,000	
	·	13,349,095
FY2021 Transfer (Per SDCL 1-40-32)		
Environment & Natural Resources Fee Fund	(600,000)	
		(600,000)
Board of Water and Natural Resources Commitments as of 6/30/2020		
Consolidated Water Facilities Construction Program	(32,711,385)	
Solid Waste Management Program	(2,512,629)	
SWRMS Grants/Loans - Major Projects		
DENR - Ground Water Monitoring Pump Replacement	-	
DENR - Big Sioux River Flood Information System	(10,000)	
Lewis & Clark Regional Water System	(1,220,240)	
Sioux Falls Flood Control	(911,375)	
Watertown Big Sioux Flood Control Study	(225,125)	
		(37,590,753)
Remaining Special Appropriation Authority as of 6/30/2020		
Consolidated Water Facilities Construction Program	(1,126,135)	
Solid Waste Management Program	(2,414,132)	
SWRMS Grants/Loans - Major Projects		
Hydrology and Water Management Studies	(3,448)	
		(3,543,715)
Projected Surplus/(Shortfall) for preparation of 2021 Omnibus Bill		(138,063)

Appendix B

Board of Water and Natural Resources Resolutions

2021 State Water Plan

STATE OF SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES RESOLUTION NO. 2020-XX

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

STATE OF SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES RESOLUTION NO. 2020-XX

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR, THE BOARD OF WATER AND NATURAL RESOURCES' RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2021 APPROPRIATION LEVELS.

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