

**2014 ANNUAL REPORT**  
~~and~~  
**2015 STATE WATER PLAN**



*South Dakota*  
Board of  
Water and Natural Resources





**DEPARTMENT OF ENVIRONMENT  
and NATURAL RESOURCES**

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Governor Dennis Daugaard  
and Members of the Ninetieth  
Legislative Session

As required by state law, transmitted herewith is the 2014 Annual Report/2015 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).

In 2014, tribal and nontribal sponsors of the Mni Wiconi Rural Water System fully obligated their final allocations of federal funding to construction contracts, and the Perkins County Rural Water System utilized a Drinking Water State Revolving Fund award to construct the final component of its federally authorized project. In June 2014, the Board passed resolutions certifying completion of the West River/Lyman Jones component of Mni Wiconi Rural Water System and the Perkins County Rural Water System. The completion certification initiates the repayment of \$17.644 million in SWRMS loans to these systems. The Board has recommended removal of these projects from the State Water Resources Management System list.

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 \$69.6 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. These awards were a critical link in having environmental projects totaling more than \$123.2 million moving forward last year. The 2015 State Water Facilities Plan currently includes 64 projects with projected state funding needs of more than \$190 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,

Steven M. Pirner, P.E.  
Secretary



## **BOARD OF WATER AND NATURAL RESOURCES**

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**To  
Governor Dennis Daugaard  
and the  
Ninetieth Session, Legislative Assembly  
2015**

**2014 ANNUAL REPORT  
~~and~~  
2015 STATE WATER PLAN**

**Board of Water and Natural Resources**

January 2015





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# Preface

The purpose of this document is to fulfill the statutory requirements placed on the Board of Water and Natural Resources. These requirements are generally outlined as follows:

***SDCL 46A-2-2.*** *To prepare and submit to the Governor and Legislature a yearly progress report on the State Water Plan*

***SDCL 46A-1-10.*** *To make recommendations to the Governor and Legislature concerning projects for the State Water Resources Management System*

***SDCL 46A-1-14.*** *To make an annual report on all activities during the preceding year and funding recommendations necessary to implement the water plan*

This report consists of two principal sections – the 2014 Annual Report and the 2015 State Water Plan. The annual report provides progress reports on each funding program and other board activities during calendar year 2014.

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 2015 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 2016 appropriation levels are included in Appendix B.



# **2014 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 2014 activities, including a detailed account of Water and Environment Fund grant and loan awards.

In November 2013, the board placed 27 projects on the 2014 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 24 projects onto the plan.

The board awarded more than \$69.6 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. These awards resulted in more than \$123.2 million in total activity. The loan and grant funds helped provide South Dakotans with safe and dependable environmental infrastructure.

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## 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 2014, the board approved 21 loans totaling \$20.8 million (Table 1).

The base interest rates for the Clean Water SRF program were 2.25 percent for loans up to 10 years, 3.0 percent for up to 20 years, 3.25 percent for up to 30 years, and an interim financing rate of 2.0 percent for up to 3 years. The program's nonpoint source incentive rates are 1.25 percent for loans with a term of 10 years or less, 2.0 percent for loans with a term up to 20 years, and 2.25 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 are 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 2014 appropriations bills for the SRF programs 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 2014; 2) requiring that not less than 10 percent of the 2014

capitalization grant be utilized for “green” projects; 3) requiring that a portion of the capitalization grant be made available as additional subsidy; and 4) 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 wastewater rates of \$22 per month (based on 5,000 gallons usage or flat rate for wastewater) 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.

**Table 1 – 2014 Clean Water State Revolving Fund Loan Awards**

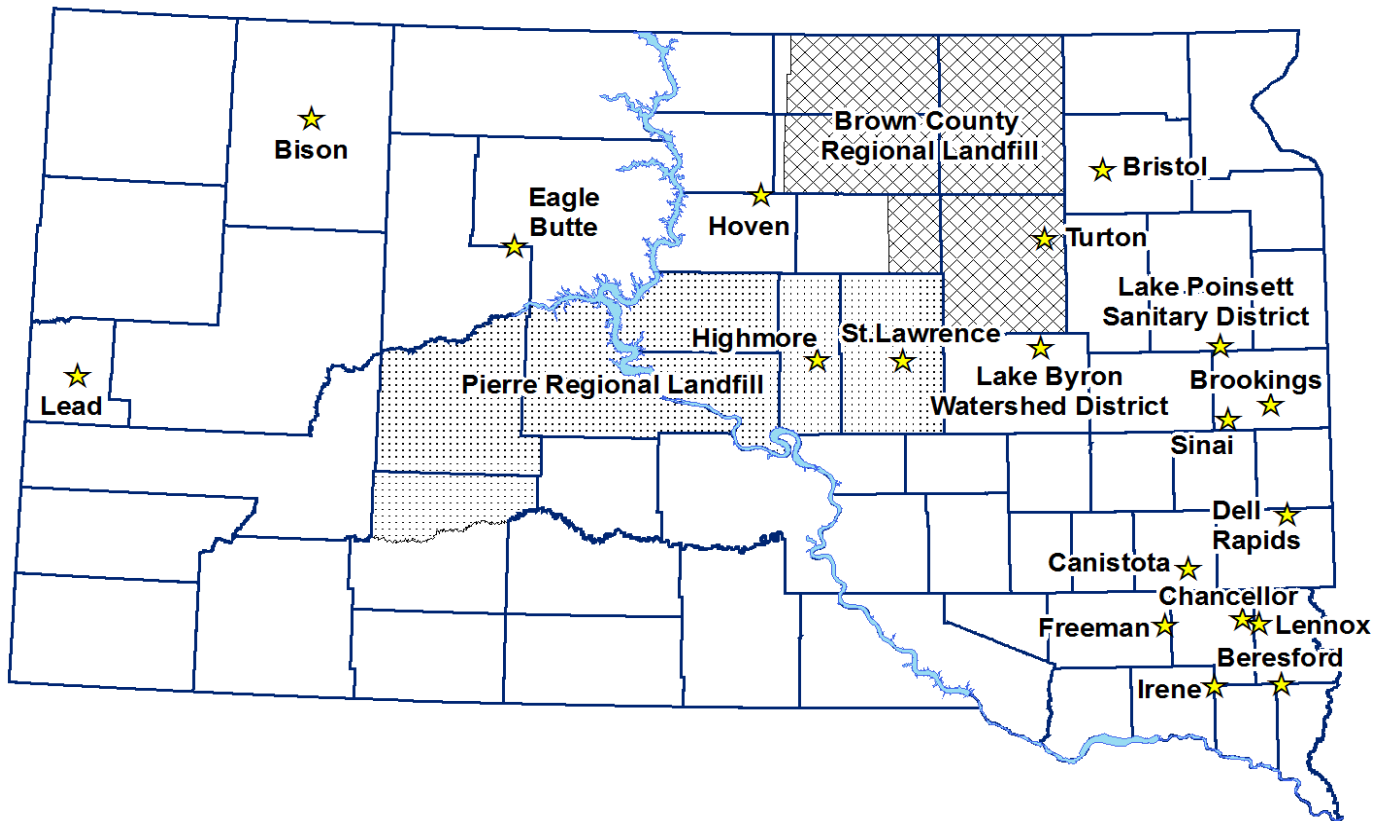
<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Beresford (CW-03)	SD Highway 46 Utility Improvements	\$605,000		3.25%	30
Bison (CW-02)	Wastewater Treatment–Sanitary Sewer Collection	\$419,000		3.25%	30
Bristol (CW-01)	Water, Wastewater & Storm Sewer Improvements	\$1,000,000		3.25%	30
Brookings (CW-09)	Division Avenue Storm Water Management	\$1,570,000		3.0%	20
Brown County (CW-01) *	Landfill Cell Construction	\$1,385,600		2.25%	10
Canistota (CW-03)	Utility Improvements	\$381,000		3.25%	30
Chancellor (CW-01)	Sanitary Sewer Improvements	\$574,000		3.25%	30
Dell Rapids (CW-07)	Wastewater Improvements 2013	\$1,200,000		3.0%	20
Eagle Butte (CW-02)	Wastewater System Improvements	\$2,410,000	\$436,500	3.25%	30
Freeman (CW-03)	Wastewater Treatment Facility Improvements	\$1,536,000		3.0%	20
Highmore (CW-02)	Highway 47 Utility Relocation Project	\$679,000		3.25%	30



<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Hoven (CW-01)	Highway 47 Sanitary Sewer Improvements	\$656,000		3.25%	30
Irene (CW-01)	Utility Improvements	\$656,000		3.25%	30
Lake Byron Watershed District (CW-01)	New Sanitary Sewer Collection and Treatment	\$1,843,000		3.25%	30
Lake Poinsett Sanitary District (CW-04)	Collection and Treatment System Expansion	\$1,917,000		3.25%	30
Lead (CW-08)	Sewer Separation	\$937,000		3.0%	20
Lennox (CW-05)	Storm and Sanitary Sewer Improvements	\$1,290,000		3.25%	30
Pierre (CW-06)	Regional Landfill – Cell #3 Construction	\$817,600		2.25%	10
Saint Lawrence (CW-01)	Lagoon Repairs	\$193,000		3.25%	30
Sinai (CW-01)	Total Retention Pond System	\$500,000	\$100,000	3.25%	30
Turton (CW-01)	Wastewater Improvements	\$262,000		3.25%	30
		<b>Total</b>	<b>\$20,831,200</b>	<b>\$536,500</b>	

\*Deobligated prior to December 31, 2014

**Map 1 – Clean Water State Revolving Fund Recipients**



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### **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 2014, 14 loans and one amendment were approved totaling more than \$26.8 million (Table 2).

The base interest rates for the Drinking Water SRF program were 2.25 percent for terms up to 10 years, 3.0 percent for up to 20 years, and an interim financing rate of 2.0 percent for up to 3 years.

Disadvantaged communities are eligible to extend the repayment period from 20 to 30 years and may receive an interest rate below the base rate. To qualify as disadvantaged, the water system's monthly residential water bill must be at least \$25 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 the community must be below the statewide median household income (MHI). Communities with a median household income less than the MHI but greater than 80 percent of the MHI are eligible for an extended 30-year term loan at

the base rate of 3.0 percent interest. Communities with a household income between 60 percent and 80 percent of the MHI are eligible for an extended 30-year term loan at 2.25 percent interest and a 10 year loan at 1.25 percent interest. An average household income less than 60 percent of the MHI is necessary to be eligible for an extended 30-year term loan at zero percent interest.

The federal fiscal year 2014 appropriations bills for the SRF programs 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 2014; 2) requiring that a portion of the 2014 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 \$25 per month (based on 5,000 gallons usage) are eligible to receive principal forgiveness. Other applicants are required to have residential water rates of \$55 per month (based on 7,000 gallons usage) to be eligible to receive principal forgiveness.

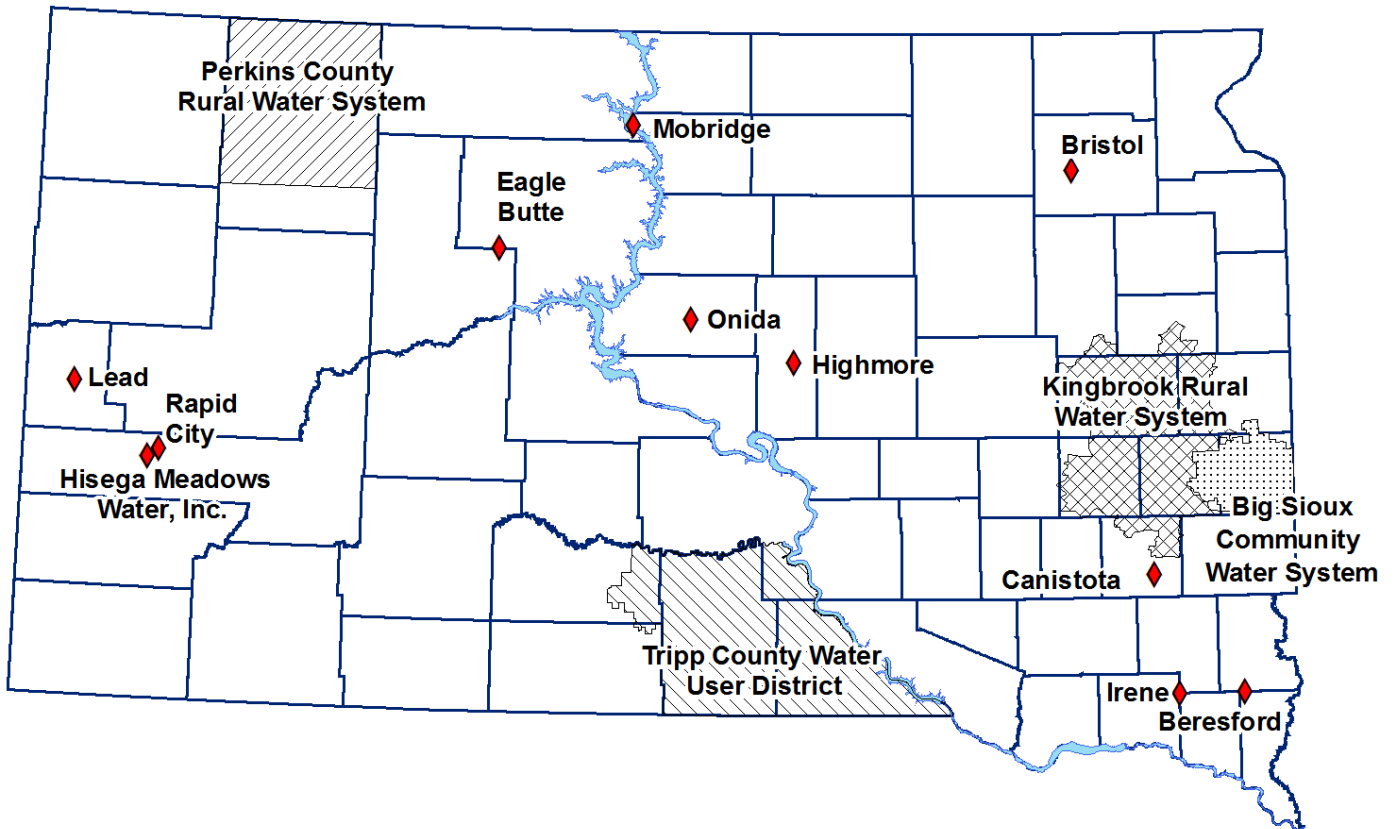
**Table 2 – 2014 Drinking Water State Revolving Fund Loans Awards**

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Beresford (DW-02)	SD Highway 46 Utility Improvements	\$745,000	\$375,000	3.0%	30
Big Sioux Community Water System (DW-02)	Water Meters	\$900,000		3.0%	15
Bristol (DW-02)	Water, Wastewater & Storm Sewer Improvements	\$1,979,000	\$1,514,000	3.0%	30
Canistota (DW-02)	Utility Improvements	\$1,095,000	\$616,000	3.0%	30
Eagle Butte (DW-04)	Water System Improvements	\$725,000	\$362,500	0%	30
Highmore (DW-01)	Highway 47 Utility Relocation	\$395,000		3.0%	30
Hisega Meadows Water, Inc. (DW-02)	Water System Improvements	\$273,000		3.0%	20
Irene (DW-02)	Utility Improvements	\$1,546,000	\$1,165,000	3.0%	30
Kingbrook Rural Water System (DW-05)	Water Service to Sinai	\$540,000		3.0%	20
Lead (DW-04)	Water Main Replacement	\$939,000		3.0%	20

<u>Sponsor</u>	<u>Description</u>	<u>Total Award</u>	<u>Principal Forgiveness</u>	<u>Interest Rate</u>	<u>Term</u>
Mobridge (DW-07)	Water Tower	\$400,000		2.25%	30
Onida (DW-01)	Water System Improvements	\$905,000	\$250,000	3.0%	20
Perkins County Rural Water System (DW-01) *	Highway 75 Booster Station	\$20,000	\$20,000	0%	0
Rapid City (DW-03)	East Rapid City Water Expansion	\$4,626,000	\$3,000,000	3.0%	20
Tripp County Water User District (DW-04)	Internal Improvements and Expansion	\$11,750,000		2.25%	30
<b>Total</b>		<b>\$26,838,000</b>	<b>\$7,302,500</b>		

\* Amendment to prior year Drinking Water SRF award.

### Map 2 – Drinking Water State Revolving Fund Recipients



## Consolidated Water Facilities Construction Program

The 2014 State Legislature appropriated \$12.0 million for the Consolidated Water Facilities Construction Program to provide grants and loans for water development projects on the State Water Facilities Plan. Additionally, prior year funding and reversions were available for award in 2014.

The board awarded 19 grants, 1 grant amendment and 7 loans totaling more than \$12.5 million (Table 3). The 2014 awards leveraged \$38.8 million in total project activities.

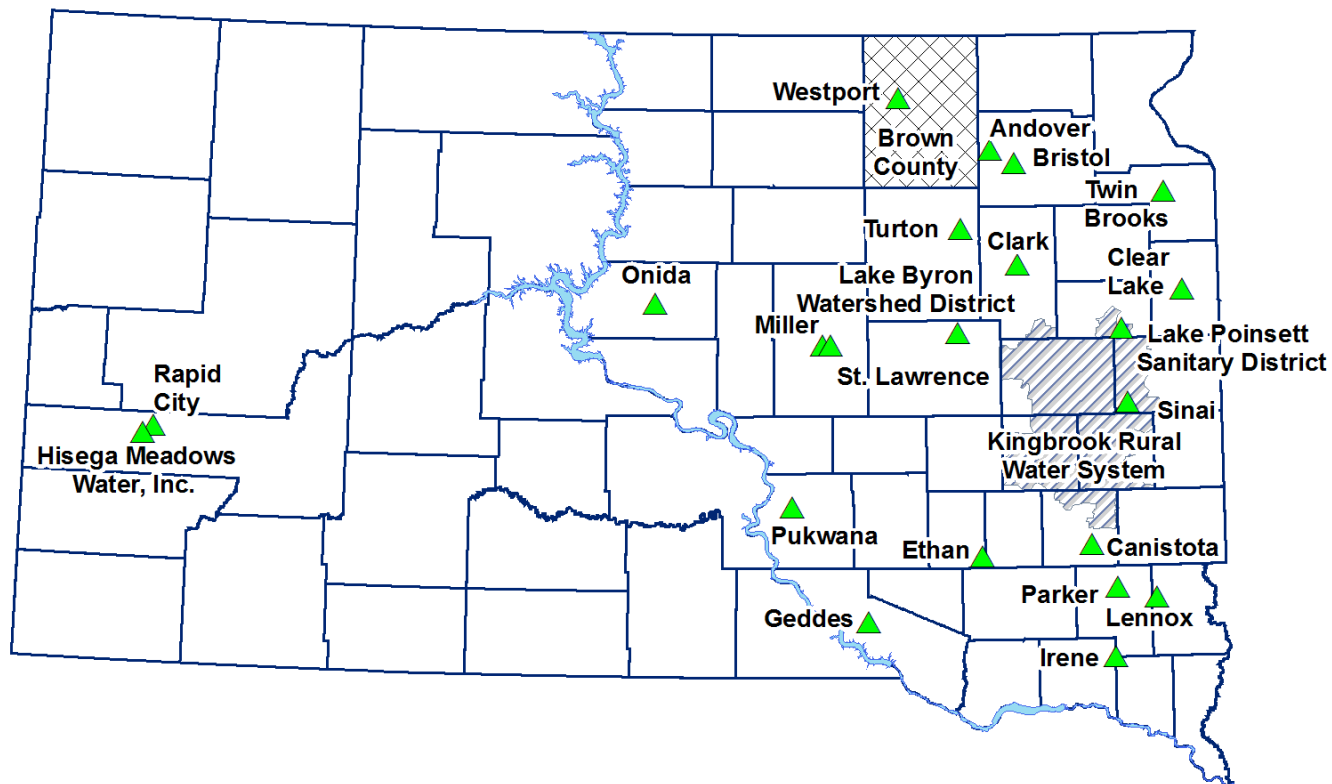
**Table 3 – 2014 Consolidated Awards**

<u>Sponsor</u>	<u>Description</u>	<u>Grant Amount</u>	<u>Loan Amount</u>	<u>Total Project</u>
Andover	Wastewater Treatment Facility Improvements	\$244,000	\$61,000	\$305,000
Bristol	Water, Wastewater & Storm Sewer Improvements	\$343,000		\$1,343,000
Brown County	Crow Creek Control Structure Replacement	\$120,000		\$300,000
Canistota	Utility Improvements	\$1,000,000		\$1,381,000
Clark	Total Retention Treatment Facility	\$1,000,000		\$4,940,000
Clear Lake	Sanitary Sewer Lines Improvements	\$700,000		\$3,200,000
Ethan	Water Meter Replacement	\$103,000	\$75,000	\$178,000
Geddes	Water Meter Replacement		\$151,000	\$151,000
Hisega Meadows Water, Inc.	Water System Improvements	\$273,000		\$546,000
Irene	Utility Improvements	\$1,000,000		\$1,913,500
Kingbrook Rural Water System	Water Service to Sinai	\$750,000		\$1,569,000
Lake Byron Watershed District	New Collection and Treatment System	\$500,000		\$3,694,000
Lake Poinsett Sanitary District	Collection and Treatment System Expansion	\$1,000,000		\$3,729,000
Lennox	Storm and Sanitary Sewer Improvements	\$1,000,000		\$2,590,000
Miller	Wastewater Improvements		\$242,000	\$242,041

<u>Sponsor</u>	<u>Description</u>	<u>Grant Amount</u>	<u>Loan Amount</u>	<u>Total Project</u>
Onida	Water System Improvements	\$900,000		\$2,305,000
Parker	Lift Station Force Main Replacement		\$100,000	\$100,000
Pukwana	Water Meter Replacement	\$130,000	\$97,000	\$227,000
Rapid City	East Rapid City Water Expansion	\$1,000,000		\$7,126,000
Saint Lawrence	Lagoon Repairs	\$180,000		\$373,000
Sinai	Total Retention Treatment Facility	\$1,000,000		\$1,500,000
Turton	Wastewater Improvements	\$334,000		\$596,000
Twin Brooks *	Connection to Grant Roberts Rural Water System	\$131,000		\$391,900
Westport	Water Meter Replacement		\$100,000	\$100,000
<b>Total</b>		<b>\$11,708,000</b>	<b>\$826,000</b>	<b>\$38,800,441</b>

\* Amendment to prior year Consolidated award.

**Map 3 – Consolidated Program Grant/Loan Recipients**



## State Revolving Fund Programs – Grant Assistance

In 2014, the board allocated additional funds under both the Clean Water and Drinking Water state revolving fund programs for planning, technical assistance, and construction activities. The board’s 2014 intended use plans approved the use of \$1,275,000 in Clean Water and Drinking Water funds for grants (Table 4).

**Table 4 – 2014 State Revolving Fund Grant Allocations**

<u>Activity</u>	<u>Source</u>	<u>Amount</u>
Water Quality Grants	Clean Water SRF Admin Surcharge	\$ 800,000
Small System Technical Assistance Grants	Drinking Water SRF Set-Aside	\$ 200,000
SRF Application Preparation and Administration	Clean Water SRF & Drinking Water SRF Admin Surcharge	\$ 200,000
Drinking Water Operator Certification Training	Drinking Water SRF Admin Surcharge	\$ 75,000
	<b>Total</b>	<b>\$ 1,275,000</b>

**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 storm water engineering study or rate analysis for systems serving populations of 2,500 or less. For engineering studies, participating systems are reimbursed 80 percent of the cost, up to \$10,000. For wastewater utility rate analysis reviews, participating systems are reimbursed 80 percent of the cost, up to \$1,600.

**Technical Assistance Grants:** Small Community Planning Grants are also available for the preparation of a drinking water engineering study or rate analysis for systems serving populations of 2,500 or less. Participating systems are reimbursed 80 percent of the cost, up to \$8,000 for engineering studies. For drinking water utility rate analysis reviews, participating systems are reimbursed 80 percent of the cost, up to \$1,600.

The board continued its technical assistance contract with the South Dakota Association of Rural Water Systems (Rural Water) in 2014. Rural Water provides assistance to small drinking water systems serving populations of 10,000 or less with compliance, permitting, and

operational issues. In 2014, 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.

In 2014, the board provided \$75,000 for operator certification training. These funds are used for operator certification training of drinking water system operators. During state fiscal year 2014, 459 operators were provided training.

Energy audits for water systems continued in 2014, using prior year Drinking Water SRF Local Assistance set aside funds. The systems being evaluated are larger water systems serving populations of more than 10,000. The audits assess the energy uses of each system, identified potential cost saving measures, and projected the estimated payback period of each cost saving measure. The department selected HDR Engineering, Inc. to conduct the audits.

The board continued to provide assistance to the state's six planning districts for preparation of applications and ongoing loan administration activities to include Davis-Bacon wage rate compliance. The planning districts all have joint powers agreements to receive up to \$7,500 per loan for application and loan administration duties and up to \$1,000 per loan for Davis-Bacon wage rate compliance. Starting January 1, 2015 for any new applications submitted by the planning districts the amounts will increase to \$9,000 for loan application and administration duties and \$1,100 for Davis-Bacon wage rate compliance. An additional \$279,800 was placed under agreement with the planning districts in 2014.

In 2014, East Dakota Water Development District (EDWDD) worked with the South Dakota Association of Rural Water Systems and the South Dakota Geological Survey to reassess and update existing well head protection areas previously delineated for public water supply well fields utilizing shallow aquifers. The study area includes the ten counties in the EDWDD, Marshall County, and Clay County. The project will collect current data on all functioning well fields, install observation wells as needed and collect current water table elevation information, update the well head protection area delineations to reflect current conditions, and promote the adoption/updating of local ground water protection ordinances by the individual counties.

During 2014, the board approved 27 Water Quality or Technical Assistance awards totaling over \$1.6 million (Table 5).

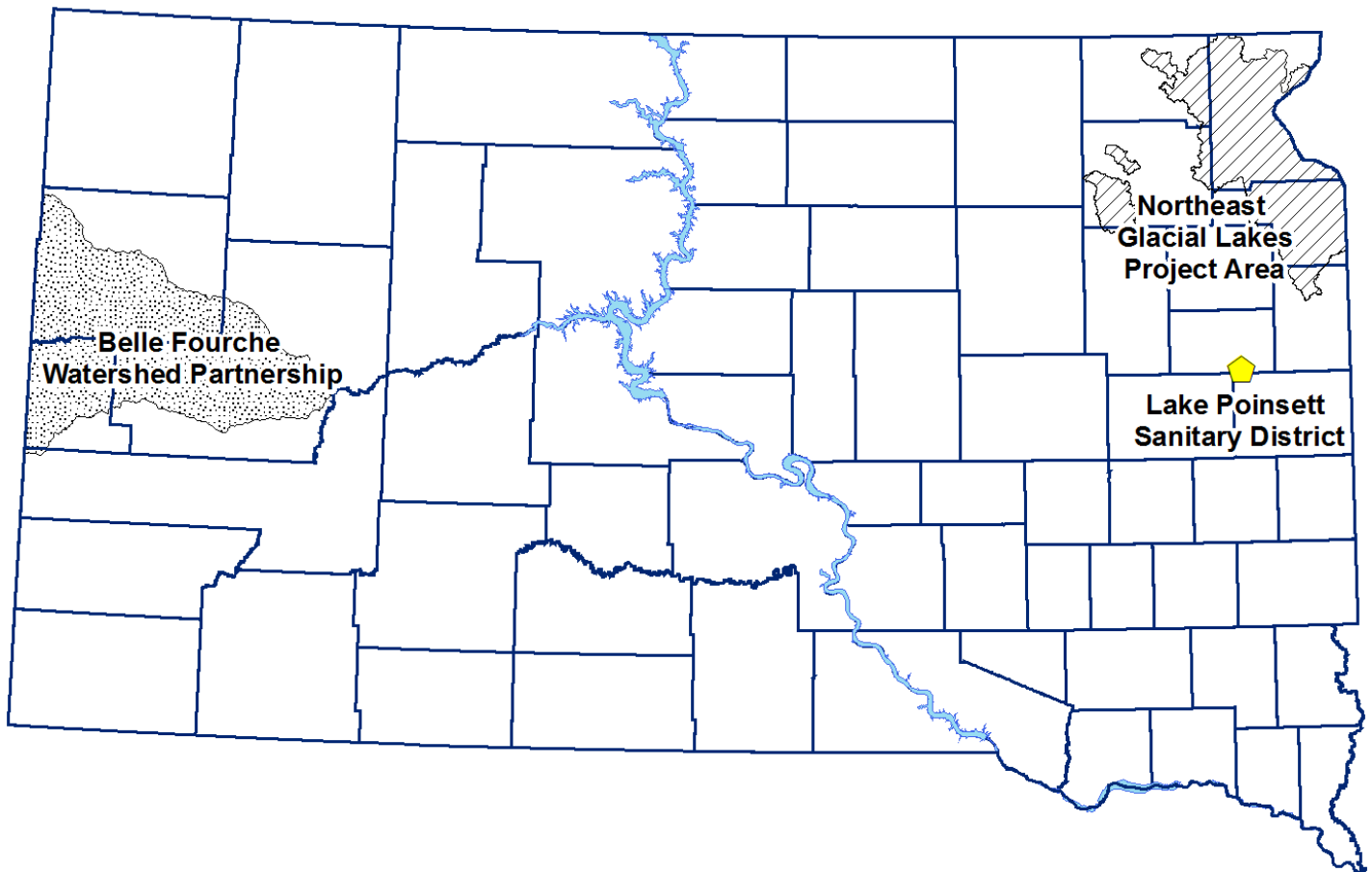


**Table 5 – 2014 State Revolving Fund Programs Grant Awards**  
*Watershed/Construction Grant Awards*

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Belle Fourche Watershed Partnership *	Belle Fourche River Watershed Project	\$63,000
Day Conservation District	Northeast Glacial Lakes Watershed Protection	\$115,000
Lake Poinsett Sanitary District	Collection and Treatment System Expansion	\$812,000
<b>Total</b>		<b>\$990,000</b>

\* Amendment to prior year Water Quality Construction award.

**Map 4 – Watershed/Construction Grant Recipients**



**Table 5 (continued)***Small Community Planning Grant Awards*

<u>Sponsor</u>	<u>Project</u>	<u>Grant Amount</u>
Avon	Water System Improvements Study	\$8,000
Britton	Water System Improvements Study	\$8,000
Cavour	Wastewater System Improvements Study	\$10,000
Ethan	Water System Improvements Study	\$8,000
Faith	Wastewater System Improvements Study	\$10,000
Florence	Wastewater System Improvements Study	\$10,000
Florence	Water System Improvements Study	\$8,000
Haakon County School District	Wastewater System Improvements Study	\$10,000
Hecla	Water System Study	\$8,000
Hosmer	Wastewater System Improvements Study	\$10,000
Raymond	Wastewater System Improvements Study	\$10,000
TC&G Water Association	Water System Study	\$8,000
Veblen	Wastewater System Improvements Study	\$10,000
Veblen	Water System Improvements Study	\$8,000
Wakonda	Water System Improvements Study	\$8,000
	<b>Total</b>	<b>\$134,000</b>

**Table 5 (continued)***Technical Assistance Awards*

<u>Sponsor</u>	<u>Project</u>	<u>Award</u>
Black Hills Council of Local Governments	Amendment to SRF Application and Administration and to Davis-Bacon Wage Rate Administration	\$33,800
Central South Dakota Enhancement District	Amendment to SRF Application and Administration and to Davis-Bacon Wage Rate Administration	\$13,800
Department of Environment and Natural Resources	Drinking Water Operator Certification Training	\$75,000
First District Association of Local Governments	Amendment to SRF Application and Administration and to Davis-Bacon Wage Rate Administration	\$28,800
Midwest Assistance Program	Small System Capacity Assessments	\$49,700
Northeast Council of Governments	Amendment to SRF Application and Administration and to Davis-Bacon Wage Rate Administration	\$54,800
Planning and Development District III	Amendment to SRF Application and Administration and to Davis-Bacon Wage Rate Administration	\$43,800
South Eastern Council of Governments	Amendment to SRF Application and Administration and to Davis-Bacon Wage Rate Administration	104,800
SD Association of Rural Water Systems *	Small System Technical Assistance	\$120,000
<b>Total</b>		<b>\$524,500</b>

\* Amendment to prior year Technical Assistance award.

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## **State Water Resources Management System**

On March 31, 2014, Governor Dugaard signed the 2015 Omnibus Bill (Senate Bill 87) which appropriated \$1,000,000 million for the Belle Fourche Irrigation Upgrade Project on the State Water Resources Management System (SWRMS) project list. On March 26, 2014, Governor Dugaard signed the Senate Bill 53 which appropriated \$1,000,000 million in general funds to the Lewis & Clark Regional Water System which is on the SWRMS project list. Information on individual SWRMS project accomplishments and activities is provided in the State Water Plan

section (pages 37-57). During the year, the board placed the 2014 appropriations under agreement (Table 6).

**Table 6 – 2014 State Water Resources Management System Awards**

<u>Project</u>	<u>Amount</u>	<u>Type</u>
Belle Fourche Irrigation Upgrade Project	\$ 500,000	Loan
Belle Fourche Irrigation Upgrade Project	\$ 500,000	Grant
Lewis & Clark Regional Water System	\$1,000,000	Reimbursable Grant
<b>Total</b>	<b>\$ 2,000,000</b>	

**Watershed Protection – EPA Section 319 Grants**

The South Dakota Watershed Protection Program is designed to assess nonpoint water pollution sources and to reduce or eliminate their impact on water quality throughout the state. Nonpoint source refers to the polluted run-off from urban, agriculture, and forest lands. The program provides technical and financial assistance to local watershed project sponsors in the planning and management of assessment and implementation projects. Additionally, the program administers state and federal grants, monitors the effectiveness of implementation projects, and funds information and education activities. Applications for Section 319 grants must be approved by the board prior to submission to EPA. In 2014, the board recommended that EPA award nearly \$1.9 million in federal fiscal year 2014 funding to watershed projects (Table 7).

**Table 7 - 2014 EPA Section 319 Grants**

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Total Project</u>
Belle Fourche Watershed Partnership	Belle Fourche Watershed	\$437,000	\$4,332,900
Day Conservation District	Northeast Glacial Lakes Watershed Protection	\$300,000	\$1,180,070
Discovery Center	Non-Point Source Information & Education	\$250,000	\$423,382
Randall Resource Conservation & Development	Lewis & Clark Watershed	\$900,000	\$3,069,160
<b>Total</b>		<b>\$ 1,887,000</b>	<b>\$ 9,005,512</b>

Throughout the year, the department works with EPA to reallocate deobligated prior year funds. Table 8 contains a list of grants that were awarded to existing project sponsors during the calendar year 2014.

**Table 8 - 2014 EPA Section 319 Grant Amendments**

<u>Sponsor</u>	<u>Project</u>	<u>Amount</u>	<u>Total Project</u>
Belle Fourche Watershed Partnership	Whitewood Creek-Bear Butte Creek Temp TMDL*	\$97,000	\$97,000
McCook Conservation District	Vermillion River Basin Watershed Project	\$100,000	\$1,077,697
Pennington County	Spring Creek Watershed Implementation	\$65,000	\$1,070,810
South Dakota Association of Conservation Districts	303(d) Watershed Planning & Assistance	\$40,000	\$3,102,517
<b>Total</b>		<b>\$ 422,081</b>	<b>\$ 5,777,671</b>

\*New grant award.

## **Solid Waste Management Program**

The 2014 State Legislature appropriated \$2,650,000 for the Solid Waste Management Program (SWMP) These appropriations, combined with reverted and unobligated prior year funding, resulted in more than \$3.29 million being available for grants and loans for recycling, waste tire, and solid waste disposal projects. The prior year funding included \$246,000 reserved for regional landfill upgrades.

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. A minimum of 50 percent of the SWMP funds appropriated is reserved for recycling activities.

The board awarded eight grants, one amendment, and three loans in 2014, totaling nearly \$2 million (Table 9). Of these awards, five were for recycling activities, five were for solid waste management activities, and one regional landfill appropriation activity. SWMP awards helped leverage nearly \$6.4 million in total project activities.

**Table 9 - 2014 Solid Waste Management and Regional Landfill Assistance Awards**

<i>Disposal</i>				
<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Brown County	Landfill Cell Construction		\$346,400	\$1,732,000
Custer - Fall River Solid Waste Management District	Regional Landfill - Cell #4 and #5 Construction	\$298,900	\$151,100	\$755,871
Lebanon	Rubble Site Closure		\$46,800	\$58,568
Pierre	Regional Landfill - Cell #3 Construction		\$354,400	\$1,772,000
<b>Total</b>		<b>\$ 298,900</b>	<b>\$ 898,700</b>	<b>\$ 4,318,439</b>

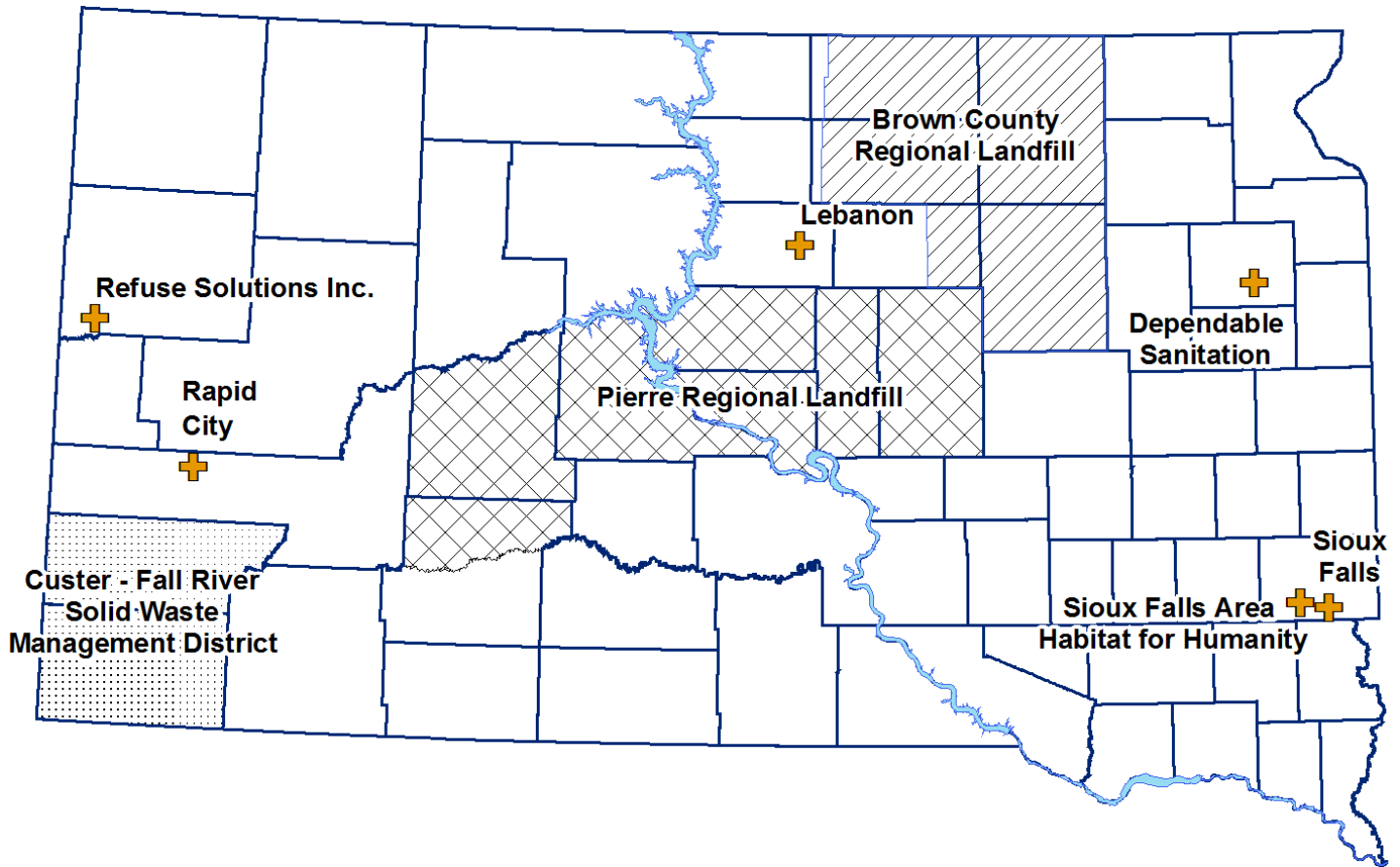
<i>Recycling</i>				
<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
Dependable Sanitation	Watertown Recycling Facility--Single Stream	\$290,000	\$50,000	\$340,000
Rapid City	Event Recycling Program		\$1,500	\$3,050
Refuse Solutions Inc. *	RSI Recycling Program	\$70,000		\$70,000
Sioux Falls Area Habitat for Humanity	ReStore Expansion		\$280,000	\$1,400,000
Sioux Falls	Park System Recycling Enhancements		\$10,000	\$20,600
<b>Total</b>		<b>\$ 360,000</b>	<b>\$ 341,500</b>	<b>\$ 1,983,650</b>

<i>Regional Landfill</i>				
<u>Sponsor</u>	<u>Description</u>	<u>Loan Amount</u>	<u>Grant Amount</u>	<u>Total Project</u>
South Dakota Department of Environment and Natural Resources **	Waste Tire and Solid Waste Cleanups		\$70,000	\$270,000
<b>Total</b>		<b>\$ 0</b>	<b>\$ 70,000</b>	<b>\$ 270,000</b>

\*Deobligated prior to December 31, 2014

\*\*Amendment to existing agreement.

## Map 5 - Solid Waste Management Program Grant/Loan Recipients



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### Brownfields Revitalization and Economic Development Program

The 2003 South Dakota Legislature followed the federal Brownfields Act and established a state Brownfields Revitalization and Economic Development Program within the Department of Environment and Natural Resources (the department). The purpose of 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 2003 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 law to \$200,000 for Assessment and \$200,000 for Clean Up. 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 2014. The Brownfields process is an extremely useful tool to help assess and clean up contaminated lands statewide and move economic development projects forward that are a high local priority.

**Table 10 - 2014 Brownfields Assessment and Cleanup Projects**

<u>Applicant</u>	<u>Site Name and Location</u>	<u>Activity</u>	<u>Land After Clean Up</u>	<u>Amount*</u>
Pierre	City Well VOC Impact	Assessment & Cleanup	Public	\$ 347,987
Harding County	Harding County Airport	Assessment & Cleanup	Public	\$31,528
Howard	Behm's Service and Utility Project	Assessment & Cleanup	Commercial	\$153,542
Grow Spink-Redfield	Former Railroad Property	Assessment	Commercial	\$27,577
Stanley County School	Ft. Pierre Elementary School	Assessment & Cleanup	Public School	\$19,070
Parkston	Former Vern's Body Shop	Assessment	Commercial	\$24,340
Mitchell	Former VFW	Assessment	Commercial	\$2,168
Sturgis Economic Development	Former Edwards property	Assessment & Cleanup	Commercial	\$ 48,521
Mitchell	Former Garden of Eden Building	Assessment	Commercial	\$2,089
Presho	Former Willis Vet Supply	Assessment	Commercial	\$19,466
Hope Lutheran Church -Huron	Former James Valley Packing	Assessment	Church	\$20,013



<u>Applicant</u>	<u>Site Name and Location</u>	<u>Activity</u>	<u>Land After Clean Up</u>	<u>Amount*</u>
Volga Christian School Society	Christian School	Cleanup	Private School	\$11,955
YMCA	Sioux Falls YMCA	Assessment & Cleanup	Commercial	\$65,787
Miller	Utility Project	Assessment & Cleanup	Public	-\$0
Sturgis Economic Development	Former Primary School	Assessment	Commercial	-\$0
Coleman	Utility Project	Assessment & Cleanup	Public	-\$0
Baltic	Former Baltic Service	Assessment & Cleanup	Commercial	-\$0
Jerkin's Living Center	Former St. Martin's Church	Cleanup	Health Care /Commercial	-\$0
Kadoka School District	Former Ponderosa Campground	Assessment	Public School	-\$0
			<b>Total</b>	<b>\$ 774,043</b>

\* Accumulative costs as of September 30, 2014

## 2014 State Water Development Legislation

On March 31, 2014, Governor Dugaard signed Senate Bill 87, the Omnibus Water Funding Bill. The 2014 Omnibus Bill contained the following appropriations:

### Appropriations from the Water and Environment Fund

- Consolidated Water Facilities Construction Program – \$12,000,000 to provide grants and loans for community drinking water, wastewater, and watershed improvement projects;
- Belle Fourche Irrigation District – \$500,000 grant and a \$500,000 loan for engineering design, preconstruction, and construction of the facilities associated with Belle Fourche irrigation upgrade project;
- Solid Waste Management Program – \$2,650,000 to provide grants and low interest loans for recycling, solid waste disposal, and waste tire projects.

### **Appropriations from WEF Subfunds and Other Sources**

- Section 4 of the bill appropriated \$800,000 from the Clean Water State Revolving Fund program subfund for the purpose of providing water quality grants;
- Section 5 of the bill appropriated \$100,000 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 \$100,000 from the Drinking Water State Revolving Fund program subfund for the preparation of loan applications and administration of loans; and
- Section 7 of the bill appropriated \$200,000 from the Drinking Water State Revolving Fund program subfund for small system technical assistance grants.

# **2015 State Water Plan**



# 2015 State Water Plan

## Overview

The 1972 State Legislature established the State Water Plan to ensure the optimum overall benefits of the state's water resources for the general health, welfare, safety, and economic well-being of the people of South Dakota through the conservation, development, management, and use of those resources. The Legislature placed the responsibility for this plan with the Board of Water and Natural Resources (the 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 accomplished by the State Legislature.

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## 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 2014, the board considered 34 applications requesting placement on the State Water Plan. The board placed 33 projects on the Facilities Plan, bringing the total number of projects on the 2015 State Water Facilities Plan to 197 (Table 11 and Table 12).

The projects in Table 11 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 12 have not received funding as of December 31, 2014. Projects placed on the plan in November 2013 or that were amended onto the plan during calendar year 2014 remain on the Facilities Plan through December 2015. The 33 projects placed on the plan in November remain on the Facilities Plan through December 2016.

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

**Table 11 - 2015 State Water Facilities Plan Funded Projects**

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Aberdeen	Raw Water Intake Replacement	\$1,040,000	\$1,040,000
Alpena	Wastewater Treatment Facility Upgrade and Expansion	\$1,465,000	\$1,465,000
Andover	Wastewater Treatment Facility Improvements	\$768,700	\$768,700
Astoria	Wastewater Treatment System Improvements	\$603,700	\$603,700
Bear Butte Valley Water, Inc	Regional Water System	\$1,265,000	\$7,000,000
Beresford	SD Highway 46 Utility Improvements	\$605,000	\$605,000
Beresford	SD Highway 46 Utility Improvements	\$745,000	\$745,000
Big Sioux Community Water System	Water Meters	\$900,000	\$900,000
Bison	Wastewater Treatment & Sanitary Sewer Collection	\$419,000	\$419,000
Bonesteel	Wastewater Treatment and Collection Improvements	\$588,000	\$588,000
Bonesteel	Water Infrastructure Upgrades	\$2,043,000	\$2,043,000
Box Elder	Ghere Reservoir and Well	\$3,562,950	\$3,562,950
Brant Lake Sanitary District	Wastewater Collection and Treatment System	\$1,700,000	\$1,700,000
Brentford	Wastewater Treatment and Collection Improvements	\$968,000	\$968,000
Brentford	Water Meter Replacement	\$33,000	\$78,000
Bristol	Wastewater and Storm Sewer Improvements	\$1,343,000	\$1,343,000

<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>Amount Funded</u></b>	<b><u>Total Project</u></b>
Bristol	Water Improvements	\$1,979,000	\$1,979,000
Britton	Wastewater Collection Improvements	\$4,000,000	\$4,000,000
Brookings	Wastewater Pretreatment Facility	\$1,000,000	\$5,537,000
Brookings	Wastewater Treatment System Improvements	\$30,600,000	\$30,600,000
Brookings	Division Avenue Storm Water Management	\$1,570,000	\$1,570,000
Brown County	Crow Creek Control Structure Replacement	\$120,000	\$300,000
Canistota	Wastewater Utility Improvements	\$1,381,000	\$1,381,000
Canistota	Water Utility Improvements	\$1,095,000	\$1,095,000
Canton	Beaver Creek Sewer Lift Station Improvements	\$732,000	\$732,000
Centerville	Sanitary Sewer Lining	\$435,471	\$435,471
Chancellor	Sanitary Sewer Improvements	\$574,000	\$574,000
Clark	Total Retention Wastewater Treatment Construction	\$1,000,000	\$4,940,000
Clear Lake	Sanitary Sewer Lines Improvements	\$700,000	\$3,200,000
Colman	Water Meter Replacement	\$182,000	\$182,000
Colman	Phase 1 Sewer Replacement	\$1,574,248	\$1,574,248
Colman	Phase 1 Water Main Replacement	\$439,008	\$439,008
Colman	Phase 2 Sewer Line Replacement	\$1,800,000	\$1,800,000
Colman	Phase 2 & 3 Water Main and Tower Replacement	\$1,600,000	\$1,600,000
Colonial Pine Hills Sanitary District	Microfiltration System Installation	\$705,000	\$705,000
Colton	Water Meter Replacement	\$210,740	\$210,740
Day Conservation District	Northeast Glacial Lakes Implementation	\$115,000	\$1,585,420

<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>Amount Funded</u></b>	<b><u>Total Project</u></b>
Dell Rapids	2012 Wastewater Improvements	\$987,000	\$987,000
Dell Rapids	2012 Water Improvements	\$897,000	\$897,000
Dell Rapids	2013 Wastewater Improvements	\$1,200,000	\$1,200,000
Doland	Line Replacement and New Water Tank	\$1,762,200	\$1,762,200
Dupree	Wastewater Treatment and Lift Station Improvements	\$450,000	\$450,000
Eagle Butte	Wastewater Treatment and Collection Improvements	\$433,500	\$541,875
Eagle Butte	Water Meter Replacement	\$593,000	\$593,000
Eagle Butte	Water Distribution System Improvements	\$1,244,000	\$1,244,000
Eagle Butte	Willow Street Water System Improvements	\$490,000	\$490,000
Eagle Butte	Water Distribution System Improvements	\$725,000	\$725,000
Eagle Butte	Sanitary and Storm Sewer	\$2,410,000	\$2,910,000
Elkton	Wastewater Treatment Lagoons Improvements	\$510,000	\$510,000
Ellsworth Development Authority	Regional Wastewater Treatment Facility	\$24,281,000	\$24,281,000
Ethan	Wastewater Discharge Relocation	\$1,050,000	\$1,100,000
Ethan	Water Meter	\$178,000	\$178,000
Eureka	Highway 10 Sewer Replacement and Treatment Upgrades	\$1,494,000	\$1,494,000
Faulkton	Sanitary/Storm Separation and Access Road	\$902,000	\$902,000
Freeman	Wastewater Treatment Facility Improvements	\$1,000,000	\$1,536,000
Geddes	Water Meter Replacement	\$151,000	\$151,000
Grant-Roberts Rural Water System	Milbank Service Area Improvements	\$4,500,000	\$4,500,000



<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>Amount Funded</u></b>	<b><u>Total Project</u></b>
Gregory	Wastewater Collection System Improvements	\$259,000	\$259,000
Harrisburg	Colombia Basin Sanitary/Storm Sewer	\$3,219,100	\$3,219,100
Harrisburg	Wastewater Regionalization Development Charge	\$3,177,000	\$3,677,000
Highmore	Highway 47 Wastewater Utility Relocation	\$679,000	\$679,000
Highmore	Highway 47 Water Utility Relocation	\$395,000	\$395,000
Hisega Meadows Water, Inc.	Acquisition of and Improvements to Water System	\$1,033,500	\$1,033,500
Hoven	Highway 47 Sanitary Sewer Replacement	\$656,000	\$656,000
Hoven	Water Meters and Water Lines	\$750,000	\$750,000
Irene	Wastewater Improvements	\$1,656,000	\$1,913,500
Irene	Water Improvements	\$1,546,000	\$1,546,000
James River Water Development District	Lower James River Water Implementation	\$75,000	\$1,733,091
Kingbrook Rural Water System	Water Service to Sinai	\$1,290,000	\$1,569,000
Lake Byron Watershed District	New Collection and Treatment System	\$2,343,000	\$3,694,000
Lake Poinsett Sanitary District	Wastewater Collection and Treatment Expansion	\$3,729,000	\$3,729,000
Langford	Wastewater Improvements	\$400,000	\$1,320,160
Lead	Sewer Separation and Replacement	\$937,000	\$937,000
Lead	Water Replacement	\$939,000	\$939,000
Lennox	4th Avenue Water Main Replacement and Meter Upgrades	\$712,431	\$712,431
Lennox	Storm and Sanitary Sewer Improvements	\$2,290,000	\$2,590,000

<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>Amount Funded</u></b>	<b><u>Total Project</u></b>
Letcher	Collection System Replacement and Lagoon Riprap	\$775,000	\$775,000
Lincoln County	Spring Creek Drainage	\$100,000	\$1,997,000
Mansfield Water Users Association	Individual Hookups to WEB Water	\$125,000	\$160,000
McCook Conservation District	Vermillion River Basin Watershed	\$83,000	\$1,077,697
McLaughlin	Water System Improvements	\$4,151,050	\$4,151,050
McLaughlin	Wastewater System Improvements	\$1,145,675	\$1,145,675
Menno	Wastewater Collection System Improvements	\$1,230,000	\$1,230,000
Miller	Wastewater Improvements	\$242,000	\$242,041
Mobridge	Water Tower Replacement	\$1,612,000	\$1,612,000
Newell	Water Meter Replacement	\$266,250	\$266,250
Oacoma	Relocation of Cedar Shores Wastewater Main	\$100,000	\$525,660
Onida	Water System Improvements	\$1,805,000	\$2,305,000
Parker	Lift Station Force Main Replacement	\$395,000	\$395,000
Parker	Water Distribution Improvements	\$241,000	\$1,303,900
Philip	Wood and Walden Avenue Sanitary and Storm Sewer	\$1,823,300	\$1,823,300
Pierre	Lincoln Avenue Storm Sewer	\$210,000	\$1,118,000
Pierre	Regional Landfill-Cell #3 Construction	\$817,600	\$817,600
Plankinton	Comprehensive Water Utility Upgrades	\$1,765,000	\$1,765,000
Powder House Pass Community Improvement District	Wastewater Treatment and Collection System Construction	\$2,575,218	\$2,575,218
Prairie Meadows Sanitary District	Wastewater Collection System Rehabilitation	\$1,388,000	\$1,388,000

<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>Amount Funded</u></b>	<b><u>Total Project</u></b>
Pukwana	Water Meter	\$227,000	\$227,000
Randall Resource Conservation and Development	Lewis and Clark Implementation	\$91,600	\$4,724,185
Rapid City	Water Utility System Enhancements	\$6,637,590	\$6,637,590
Rapid City	East Rapid City Water Expansion	\$5,626,000	\$7,126,000
Rapid Valley Sanitary District	High Level Water Storage Tank	\$500,000	\$500,000
Redfield	Shar-Wynn Estates Sanitary and Storm Sewer Improvements	\$884,000	\$884,000
Saint Lawrence	Lagoon Repairs	\$373,000	\$373,000
Sinai	Total Retention Treatment Facility	\$1,500,000	\$1,500,000
Sioux Falls	Sioux River South Interceptor Phase 1	\$14,711,614	\$14,711,614
Sioux Falls	Sioux River South Interceptor Phase 2	\$12,464,000	\$12,464,000
Sioux Falls	East Side Sanitary Sewer System Improvements	\$20,108,000	\$21,608,000
Sioux Falls	Central Main, Dakota Ave. and Sliplining	\$24,589,400	\$24,589,400
Spearfish	West Zone Water Tank and Main	\$3,254,000	\$3,254,000
Stickney	Wastewater System Improvements	\$500,000	\$2,304,000
Summerset	Castlewood Drainage Improvements	\$79,000	\$79,000
Summerset	Sludge Treatment	\$257,948	\$600,000
Tabor	Distribution System Improvements	\$1,530,000	\$1,530,000
Trail West Sanitary District	Acquisition and System Upgrades of Trail West Water Company	\$1,838,640	\$1,838,640
Tri-County Water Association	Elevated Water Storage Tank	\$200,000	\$200,000
Tripp County Water User District	Internal Improvements and Expansion	\$11,750,000	\$11,750,000
Turton	Wastewater Improvements	\$596,000	\$596,000

<u>Sponsor</u>	<u>Project Description</u>	<u>Amount Funded</u>	<u>Total Project</u>
Twin Brooks	Connection to Grant Roberts Rural Water System	\$262,900	\$391,900
Vermillion	Landfill Expansion	\$1,639,000	\$1,639,000
Vermillion	Water Tower	\$1,532,000	\$1,532,000
Wakonda	Lift Station Replacement and Video Inspection	\$529,000	\$529,000
Wall Lake Sanitary District	Lagoon Expansion and Improvements	\$240,825	\$425,825
Warner	Wastewater Treatment Facility Expansion and Lift Station Improvements	\$1,826,760	\$1,826,760
Watertown	Wastewater Treatment Facility Headworks, Lift Station and Sewer Rehab	\$16,446,000	\$16,446,000
Waubay	Lift Station and Collection System Improvements	\$821,000	\$821,000
Westport	Water Meter	\$100,000	\$100,000
White Lake	Main Street Wastewater Utility Upgrades	\$371,000	\$371,000
White Lake	Main Street Water Utility Upgrades	\$362,000	\$362,000
Winner	Chlorine Building Replacement	\$450,000	\$450,000
Woodland Hills Sanitary District	Water System Improvements	\$780,000	\$780,000
Worthing	2012 Wastewater Utility Improvements	\$509,832	\$509,832
Worthing	2012 Water Utility Improvements	\$301,227	\$301,227
Yale	Wastewater Treatment Facility Expansion	\$1,499,300	\$1,499,300
Yankton	East Highway 50 Lift Station	\$3,700,000	\$3,700,000
<b>Total</b>		<b>\$301,144,277</b>	<b>\$341,927,758</b>

**Table 12 - 2015 State Water Facilities Plan Unfunded Projects**

<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>On Plan Through</u></b>	<b><u>Projected State Funding</u></b>	<b><u>Total Project</u></b>
Alcester	Drinking Water Main Improvements	2015	\$1,478,000	\$1,478,000
Alcester	Wastewater Collection System Improvements	2015	\$750,000	\$750,000
Avon	Water Meter Replacement	2016	\$469,860	\$469,860
Big Sioux Community Water System, Inc.	Connection to Minnehaha Community Water Corporation and City of Madison	2016	\$2,972,700	\$2,972,700
Brandon	2014 Drinking Water System Improvements	2015	\$15,811,000	\$15,811,000
Brandon	2014 Sanitary Sewer System Improvements	2015	\$23,123,000	\$23,123,000
Bridgewater	Main Street Water Distribution Improvements	2016	\$218,900	\$218,900
Buffalo	Water system Improvements	2016	\$1,409,000	\$1,409,000
Canton	Well Replacement	2016	\$1,741,000	\$1,741,000
Canyon Springs Sanitary-Water District	Water System Improvements	2015	\$1,093,000	\$1,093,000
Cavour	Wastewater Improvements	2016	\$500,000	\$2,390,000
Charles Mix County Lake Restoration	Lake Improvements	2016	\$2,321,000	\$2,321,000
Colonial Pine Hills Sanitary District	Pinewood Drive Water System Improvements	2015	\$494,000	\$494,000
Conde	Water System Improvements	2016	\$3,442,785	\$3,442,785
Dakota Dunes Community Improvement District	Clear Well Expansion	2015	\$1,600,000	\$1,600,000
Edgemont	Water System Upgrades	2016	\$5,098,000	\$5,098,000
Elk Point	Lagoon Cell Number 3 Rehabilitation	2016	\$500,000	\$500,000

<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>On Plan Through</u></b>	<b><u>Projected State Funding</u></b>	<b><u>Total Project</u></b>
Elk Point	Rose Street Sanitary Sewer Reconstruction	2016	\$1,750,000	\$1,750,000
Elk Point	Rose Street Water Distribution Improvements	2016	\$1,750,000	\$1,750,000
Emery	Water and Wastewater City Wide Replacement	2015	\$5,065,000	\$5,065,113
Faulkton	Wastewater System Improvements	2016	\$3,670,000	\$7,841,000
Flandreau	Wastewater System Improvements	2015	\$3,820,000	\$10,320,000
Flandreau	Water System Improvements	2015	\$3,560,000	\$13,060,000
Hartford	Wastewater Extension	2015	\$380,000	\$380,000
Hartford	2014 Water Main Extension	2016	\$711,200	\$711,200
Hosmer	Wastewater Improvements	2016	\$4,122,000	\$4,122,000
Hot Springs	Water System Supply and Storage	2015	\$3,850,000	\$3,850,000
Howard	Wastewater Televising and Lagoon Expansion	2015	\$1,427,000	\$1,427,000
Humboldt	Water Meter Replacement	2016	\$240,000	\$240,000
Humboldt	Wastewater Collection and Treatment Improvements	2016	\$4,066,000	\$4,066,000
Ipswich	Wastewater Improvements	2015	\$3,475,000	\$7,450,000
Kennebec	Wastewater Collection and Treatment Improvements	2015	\$1,134,500	\$1,134,500
Kranzburg	Water System Upgrades	2015	\$1,311,000	\$1,311,000
Lake Norden	Wastewater Collection System Improvements	2016	\$510,000	\$510,000
Lead-Deadwood Sanitary District	Peake Ditch Pipeline Rehabilitation	2016	\$1,061,000	\$1,061,000
Lennox	Storm Sewer and Sanitary Sewer Improvements	2016	\$2,251,666	\$2,251,666

<b><u>Sponsor</u></b>	<b><u>Project Description</u></b>	<b><u>On Plan Through</u></b>	<b><u>Projected State Funding</u></b>	<b><u>Total Project</u></b>
Lesterville	Water Meter Replacement	2016	\$53,000	\$53,000
Mid-Dakota Rural Water System	Meter Replacement	2015	\$2,700,000	\$2,700,000
Miller	Wastewater Collection and Treatment System Improvements	2015	\$5,000,000	\$5,111,369
Miller	Water System Improvements	2015	\$6,318,460	\$6,318,460
Miller	Storm Sewer Improvements	2016	\$1,000,000	\$12,058,000
Mina Lake Sanitary District	Wastewater Improvements	2016	\$500,000	\$2,624,000
Minnehaha Community Water Corporation	Connection to Big Sioux Community Water System to Provide Water to the City of Madison	2016	\$1,800,000	\$1,800,000
Mobridge	Wastewater Improvements	2015	\$1,872,550	\$1,872,550
New Underwood	Water Distribution System Upgrades	2015	\$282,700	\$282,700
Northville	Elm Street Storm Sewer Improvements	2015	\$137,000	\$137,000
Pickstown	Wastewater Treatment System Improvements	2016	\$405,000	\$405,000
Piedmont	Central Wastewater System	2015	\$4,500,000	\$4,500,000
Piedmont	Water Tower and Well	2015	\$2,200,000	\$2,200,000
Plankinton	Meter Replacement	2015	\$196,000	\$196,000
Platte	Wastewater Treatment Improvements	2016	\$2,537,700	\$2,537,700
Quinn	Municipal Sanitary Sewer System	2015	\$1,474,942	\$1,474,942
Rapid City	Canyon Lake Sediment Removal	2015	\$103,000	\$363,000

<u>Sponsor</u>	<u>Project Description</u>	<u>On Plan Through</u>	<u>Projected State Funding</u>	<u>Total Project</u>
Rapid City	Trickling Filter Pump Station Improvements	2015	\$6,000,000	\$8,930,000
Sioux Falls	Brandon Road Lift Station Parallel Force Main	2015	\$11,400,000	\$11,400,000
Sioux Falls	Water Reclamation Outfall Sewer Replacement	2015	\$18,533,000	\$18,533,000
Sioux Rural Water System	2015 Water System Improvements	2016	\$4,730,000	\$5,045,000
South Shore	Water System Improvements	2015	\$500,000	\$2,400,000
Stickney	Water System Improvements	2015	\$2,965,520	\$2,965,520
Tyndall	Water Distribution and Storage Upgrades	2016	\$4,700,000	\$4,702,140
Volga	Lift Station Construction	2016	\$619,200	\$619,200
Waubay	Wastewater Treatment Facility Improvements	2016	\$1,779,629	\$2,195,449
Wessington Springs	Meter Replacement	2015	\$530,000	\$530,000
Wessington Springs	Infrastructure Improvements	2016	\$352,000	\$352,000
		<b>Total</b>	<b>\$ 190,366,312</b>	<b>\$ 235,518,754</b>

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## 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 13) 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 June 2014 the Board of Water and Natural Resources passed resolutions certifying completion of the West River/Lyman Jones component of the Mni Wiconi Rural Water System (#2014-79) and the Perkins County Rural Water Systems (#2014-80). Copies of the resolutions



are provided in Appendix B. The certification of completion served to put the SWRMS loans for these systems into repayment.

The current SWRMS list is shown in Table 13:

**Table 13 – State Water Resources Management System Projects**

<u>Project</u>	<u>Description</u>
Belle Fourche Irrigation	Upgrade Project
Big Sioux Flood Control Study	Watertown Flood Control
Black Hills Hydrology and Water Management Study	Black Hills Water Resources
CENDAK Irrigation Project	Irrigation Project - Central SD
Gregory County Pumped Storage Site	Multi-Purpose Water Utilization
Lake Andes-Wagner/Marty II Irrigation Unit	Irrigation - Charles Mix County
Lewis & Clark Rural Water System	Bulk Water System - Southeastern SD
Mni Wiconi Rural Water System	Rural Water System - Western SD
Perkins County Rural Water System	Rural Water System - Northwest SD
Sioux Falls Flood Control Project	Increased Flood Protection
Southern Black Hills Water System	Rural Water System - Southern Hills
Vermillion Basin Flood Control Project	Flood Control on Vermillion River

### **SWRMS Project Status**

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

#### **Belle Fourche Irrigation Upgrade Project - 2012**

- The 2012 Omnibus Bill added the Belle Fourche Irrigation Upgrade project to the SWRMS list. The project is 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, and 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 of grant and \$2,500,000 of loan assistance, to provide funding for the Belle Fourche Irrigation District Upgrade Project.
- The appropriations for 2012 included \$1,250,000 grant and a \$1,250,000 loan for engineering design, preconstruction, and construction of the facilities associated with Belle Fourche irrigation upgrade project.
- During the calendar year 2012 and 2013 engineering design of siphons and the canal gatehouse was ongoing.
- The appropriations for 2013 included \$750,000 grant and a \$750,000 loan for engineering design, preconstruction, and construction of the facilities associated with Belle Fourche irrigation upgrade project.
- Bids were opened and awarded for the Indian Creek and Horse Creek siphons in 2013, and construction started in October of 2013 and is ongoing.
- The appropriations for 2014 included \$500,000 grant and a \$500,000 loan for engineering design, preconstruction, and construction of the facilities associated with Belle Fourche irrigation upgrade project. This completes the state cost share commitment to the upgrade project.
- In May 2014, bids were opened for dredging of the reservoir intake structure which is scheduled to start in the fall of 2014.
- The canal gate house construction is anticipated to begin in 2015.

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

- The Corps of Engineers completed a reconnaissance report titled “Flood Control for Watertown and Vicinity.” The study concluded the best alternative for flood protection for Watertown, Lake Kampeska, and Pelican Lake is a \$16 million dry dam on the Big Sioux River at the Mahoney Creek site.
- The Corps of Engineers, in cooperation with Watertown, East Dakota Water Development District, Codington County, Lake Kampeska Water Project District, and the Department of Environment and Natural Resources, initiated a feasibility study in 1988. State appropriations of \$150,000 were provided to help meet the nonfederal cost share.
- The final draft feasibility report was distributed in June 1994, for public review and comment. A public hearing in July 1994 in Watertown presented findings of the report and

gathered comments. City and county elections were held, and residents voted against further local participation in the project.

- The project regained momentum after severe spring flooding in 1997 forced 5,000 residents from their homes. The Watertown City Council scheduled an election in February 1998, calling for a citywide vote on the proposed Mahoney Creek Dam. The record turnout of voters again rejected the proposed dam.
- In June 2001, the residents of Watertown called for a citywide vote on the proposed Mahoney Creek Dam project. The voters approved the project. City officials 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. 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 stakeholders 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.
- U.S. Army Corps of Engineers have 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, and the total project cost is estimated at \$40 million dollars. No activity occurred on the project in 2014.

### **Black Hills Hydrology and Water Management Study – 1982**

- The hydrology study compiled water resource data to assess the quantity, quality, and distribution of surface and ground water resources in the Black Hills area. These resources

have been stressed by increasing population, periodic drought, and developments related to expansion of mineral, timber, agricultural, recreational, municipal and urban needs. The U.S. Geological Survey provided \$3.4 million from Federal Fiscal Years 1988 through 2001 to establish the hydrologic monitoring system, collect the data, and complete data analysis.

- The hydrology study entered Phase II in Federal Fiscal Year 1997 and was completed in 2002. The study emphasis during Phase I was data collection. The emphasis shifted to analytical activities and publication of maps and reports during Phase II.
- The hydrology study produced 31 technical reports including a lay reader summary, a comprehensive report on the hydrology of the Black Hills area, and a comprehensive lay reader atlas of water resources in the Black Hills area.
- The water management study 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 to have the remaining \$50,000 of SFY 2006 Black Hills Water Management Study funding placed under agreement with the district to conduct a regional water study in the Lead, Deadwood, and

Central City area. The funding was awarded in January 2007, and the sanitary district selected an engineer in June 2007. The 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. No activity occurred on the project in 2014.

#### **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 2014.

#### **Gregory County Pumped Storage Project – 1981**

- Hydroelectric Component – The Gregory County Pumped Storage Project is a peak generation hydroelectric facility in northern Gregory County. In 1988, the Federal Energy Regulatory Commission (FERC) issued a preliminary permit for development of the project. The state's preliminary permit expired August 1991.
- Water Supply Component – The project has the potential to provide water for irrigation and municipal, rural, and industrial purposes using the hydroelectric project's upper bay as a water supply source. The Bureau of Reclamation completed a *Special Report on the Gregory Unit of the Pick-Sloan Missouri Basin Program, South Dakota* in 1992.
- The Water Resources Development Act of 1986 (Public Law 99-662) authorized the construction of a \$1.3 billion hydroelectric pumped storage facility by the Corps of

Engineers. The Act also authorized up to \$100 million for construction of the associated Gregory Unit of the Pick-Sloan Missouri Basin Program.

- On June 20, 2001, Dakota Pumped Storage, LLC, a Minnesota corporation, filed a FERC Preliminary Permit application for a pumped storage hydroelectric facility in Gregory County. On September 25, 2001, South Dakota filed a Motion to Intervene and a Notice of Intent to File Competing Application for Preliminary Permit by the State of South Dakota. An Application for Preliminary Permit for the Gregory County Pumped Storage Hydroelectric Facility in Gregory County, South Dakota was filed with FERC by the South Dakota Conservancy District on October 12, 2001.
- The FERC issued a 3-year Preliminary Permit to the South Dakota Conservancy District on August 12, 2002. FERC denied the application by Dakota Pumped Storage, LLC.
- The 2002 Omnibus Bill appropriated \$100,000 to the South Dakota Department of Environment and Natural Resources to complete preliminary permit and full permit application to FERC. The department solicited Requests for Proposals from firms interested in providing the research to support the FERC permit. Four proposals were received. Black & Veatch was selected.
- The 2004 Black & Veatch study determined it did not appear to be cost effective to pursue the pumped storage project at this time. These findings were presented to the Board of Water and Natural Resources in June 2004. The FERC permit expired in 2005.
- In 2010, South Dakota Energy, L.L.C. submitted a preliminary permit application 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, FERC issued an Order Issuing Preliminary Permit and Granting Priority to File License Application for the project.
- In 2013, both Missouri River Energy Services and the Western Minnesota Municipal Power Agency submitted preliminary permit applications to FERC to study the feasibility of the Gregory County Pump Storage Project.
- On December 19, 2013, FERC issued an order issuing a Preliminary Permit and Granting Priority to File License Application for the project to Western Minnesota Municipal Power Agency.

#### **Lake Andes-Wagner/Marty II Irrigation Unit – 1975**

- The 45,000-acre Lake Andes-Wagner Irrigation project and 3,000-acre Marty II Irrigation project are federally authorized Pick-Sloan Missouri Basin Units in Charles Mix County (Public Law 102-575). Estimated construction costs are \$175 million and \$24 million, respectively.

- In 1990, a plan of study was developed for a 5,000-acre research demonstration program to determine best management practices for irrigating glacial till soils containing selenium.
- The 1992 State Legislature authorized the construction of the Lake Andes-Wagner/Marty II project and provided a state loan cost share commitment of \$7 million. Both the state and federal project authorizations are contingent upon the successful completion of the 5,000-acre research demonstration program.
- In 1995, Congress approved \$250,000 for the research program. State and federal agencies revised the 1990 plan of study to re-scope the demonstration program and identify the specific issues and research components that are of national significance. A nine-year, \$11.3 million effort was projected.
- In 1999, the Bureau of Reclamation (BoR) received \$150,000 to prepare an environmental assessment for the demonstration program.
- The BoR completed the environmental assessment and issued a Finding of No Significant Impact for the demonstration program in 2000. Significant federal funding must be secured before the demonstration program can proceed.
- Since 2002, \$15,000 appropriated in 2002 and \$50,000 appropriated in 2003 has been placed under agreement by the Board of Water and Natural Resources. The Lake Andes-Wagner Irrigation district continued to seek federal funding for the demonstration program. No significant activity occurred on the project in 2008.
- The 2009 Omnibus Bill appropriated \$35,000 for the Lake Andes-Wagner/Marty II research demonstration program. These funds have been 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 possibly 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 Irrigation 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 2014.

### **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 and 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. Iowa and Minnesota state legislatures authorized the project for construction and completed their cost share commitments.
- South Dakota Legislature authorized Lewis and Clark's South Dakota project features (\$200 million) in 1993. In 2002, the state cost share commitment of \$18,585,540 in 1993 dollars was established for the Lewis & 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.
- Lewis & Clark agreed in 2005 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 will finance 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.



- Through June 30, 2008, 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 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.
- In July 2008, a \$20.8 million contract was awarded for the first phase of the water treatment plant, which includes 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 arrives, Lewis & Clark is purchasing water from Sioux Falls and reselling 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 85<sup>th</sup> Street Tower, which has a three million gallon storage capacity, located in Sioux Falls. The tower will be one of three storage reservoirs for Lewis & Clark. This tower is one of only 15 in the nation at this capacity.
- In August 2009, a \$9.5 million dollar contract was awarded for the construction of two above ground reservoirs to be built near Tea. These two reservoirs along with the 85<sup>th</sup> Street tower serves 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 to be 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 the construction of the Parker and Centerville service lines. These service lines include 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.
- In June 2010, the \$6.3M approved by the 2010 Legislature was put under agreement. This completed the State's cost share commitment to the project.
- 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 "Iowa Transmission Line." Eventually this line will connect to Sioux Center, Hull and Sheldon.
- In October 2010, Lewis & Clark was awarded approximately \$3.5 million in reprogrammed American Recovery & Reinvestment Act funding through the Bureau of Reclamation.
- In October 2010, a \$7.55 million contract was awarded for the Minnesota – Segment 1, 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 3 states have prepaid 100 percent of the nonfederal cost share. Because the prepayments made by the 20 members and three States, which totals just under \$154 million, have been fully utilized, the schedule to connect the remaining nine members is entirely dependent upon future federal funding.
- The line from Sioux Falls to Madison is the last component of construction in South Dakota. Lewis & Clark has prioritized the construction of its Iowa and Minnesota distribution systems prior to the bidding and constructing of the Madison line. Madison is currently the second to last member scheduled to be connected, with Sibley, Iowa, being last.
- In 2014 Lewis & Clark was provided \$22 million in advance federal funding from Minnesota. These funds will be 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 will be used to acquire easements and pay for engineering costs for two of the five segments of the Madison service line.
- In 2014 Lewis & Clark delivered water to 11 of the 20 members. The system provided an average of 9 million gallons per day to the connected members and a peak day production of 19.6 million gallons. Water demand has increased by 20 percent from 2013 production numbers.
- Lewis & Clark is 65% complete. Through FY13 the federal government has appropriated \$212 million to the project. Recent federal funding levels include \$8.35 million in FY14 and \$2.4 million proposed for FY15.

#### **Mni Wiconi Rural Water System – 1989**

- Public Law 100-516, as amended in 1994, authorized a \$263 million federal project to provide high quality Missouri River water to 50,000 western South Dakota citizens in a 10-county area extending south and west of Fort Pierre through the Pine Ridge Indian Reservation.
- The Oglala Water Supply System component encompasses the distribution facilities on the Pine Ridge Indian Reservation and the off-reservation core system facilities including the Missouri River intake and water treatment plant. The Rosebud and Lower Brule components include the delivery and distribution facilities associated with service to their respective reservations. About \$200 million of the project costs are allocated to the tribal

systems as non-reimbursable federal costs. Operation and maintenance for the tribal systems are a federal trust responsibility.

- West River/Lyman-Jones Rural Water System, Inc. (WR/LJ) is the non-Indian distribution component. The cost share for construction is 80 percent federal and 20 percent nonfederal. WR/LJ is responsible for its operation and maintenance costs.
- The 1992 State Legislature authorized the construction of the Mni Wiconi project. In 1995, the state authorization was amended to reflect the \$263 million project and a state cost share commitment of \$12.9 million.
- WR/LJ initiated construction of advanced features in 1993. These features were distribution systems that had access to interim ground water supplies. In June 1993, the Oglala Sioux Water Supply System also initiated construction of advanced features in the White Clay and Wakpamni districts of the Pine Ridge Reservation.
- In July 1996, the Oglala Sioux Water Supply System, along with WR/LJ, Rosebud, and Lower Brule rural water systems, held Mni Wiconi core facilities groundbreaking ceremonies at Echo Point near Ft. Pierre.
- In 1997, the Oglala Sioux Water Supply System awarded a \$16.4 million contract for the construction of the water treatment plant near Ft. Pierre. Construction activities began in 1997 and were completed in 2002.
- In 2001, the state appropriated a \$1.7 million loan for continued construction of the Mni Wiconi Rural Water System. This appropriation completed the state's cost share commitment to the project.
- WR/LJ secured an \$8.0 million Drinking Water State Revolving Fund Program loan in 2006, to advance construction of the North Core Pipeline. Construction on the first phase was completed in 2007, conveying water from the water treatment plant near Ft. Pierre to Hayes. This first phase of the North Core Pipeline hooked up over 100 rural residences along the way.
- In the fall of 2008, WR/LJ bid its last major distribution area to serve the Powell area project. Construction of the Powell area project was completed in 2009.
- In August 2008, the Oglala Sioux Water Supply System celebrated the delivery of Missouri River water to the Pine Ridge Indian Reservation with its 24-inch South Core Pipeline providing service to users in the Wanblee area.

- In 2008, the Rosebud Sioux Water Supply System installed a second 12-inch pipeline from White River to Highway 18. Completion of this project provided the Rosebud system with its full design capacity of Missouri River water delivery to Todd County.
- The federally authorized Lower Brule Sioux Water Supply System component of the Mni Wiconi system was completed in 2008.
- In October 2009, the Federal Fiscal Year 2010 Energy and Water Appropriation bill was signed. The bill appropriated \$22 million for the continued construction of the Mni Wiconi project.
- The Bureau of Reclamation, as part of the American Recovery and Reinvestment Act in 2009, approved \$10 million for the rehabilitation of Indian education water systems on Pine Ridge Indian Reservation. The Mni Wiconi system was also allocated \$10.2 million for operation and maintenance, including the operation of the treatment plant located in Fort Pierre.
- WR/LJ worked out an agreement with the City of Ft. Pierre to sell the City water for a period of three years. WR/LJ already had a connection to the City, but it was sized for only temporary and emergency purposes. WR/LJ upsized the connection and installed a large automatic control valve. On February 8, 2010, rural water was turned on to City of Fort Pierre.
- Bids for the Cedar Community Project were opened in July. The Cedar Project is located between the communities of Quinn, Cottonwood, and Cactus Flat, and borders the north side of the Badlands National Park. It will consist of approximately 40 miles of new pipeline and will serve 38 user connections. This project was complete by the end of the calendar year 2011.
- The Mni Wiconi system received \$16,270,000 for construction and \$10,060,000 for operation and maintenance in FFY 2011 appropriations.
- In 2011, contracts of nearly \$1 million were awarded for the Bad River Area Project. This will provide construction in Haakon and Jackson counties. This project was complete by the end of the calendar year 2011.
- The Mni Wiconi system was allocated in FFY 2012 \$16,075,000 for construction and \$9,937,000 for operation and maintenance.
- A contract was awarded to Carstensen Contracting to upgrade the Automatic Meter Reading equipment to satellite. The contract was in the amount of almost \$2.1 million. This project was completed in the spring of 2012.

- MicroComm was awarded a contract in the amount of \$324,000 to update the Supervisory Control and Data Acquisition system throughout the water distribution system. This contract was completed in 2012.
- The President's FFY 2013 budget included \$23 million for construction of the Mni Wiconi system. This completed the federal authorized ceiling for this project. WR/LJ was allocated \$2.2 million to reach its authorized ceiling. Projects to be completed in FFY 2013 included Elbon Service area and chlorination treatment equipment at Badlands National Park pump station.
- WR/LJ will initiate construction of its last pipeline project associated with the federally authorized project by the end of 2013. The Elbon project consists of two booster stations and pipeline north of Phillip to the service area near Elbon. Construction to be completed by June 30, 2014.
- Final federal funds allocated to WR/LJ were \$90.275 million. With Bureau of Reclamation costs, total final federal funding ceiling, including the system contribution, is \$91.3 million.
- In June 2014 the Board of Water and Natural Resources passed resolution #2014-79 (Appendix B) certifying completion of the WR/LJ component of the Mni Wiconi Rural Water System. This action served to put the SWRMS loans into repayment. On July 1, 2014 WR/LJ submitted a single payment for the full \$12.5 million in SWRMS loans to complete repayment.

#### **Perkins County Rural Water System – 2004**

- The Perkins County RWS provides quality drinking water to the communities of Lemmon, Bison, and Lodgepole. Additionally, the system provides 185 rural users with domestic and livestock water. The project was originally placed on the State Water Resources Management System list in 1993.
- The State Legislature provided \$50,000 per year in 1993 and 1994 to assist the project with its initial feasibility study and federal authorization. In 1994, a feasibility study was completed and identified hooking up to the Southwest Pipeline Project in North Dakota as the preferred alternative. The Perkins County Rural Water System signed a water service agreement with the North Dakota State Water Commission in May 1996.
- The 1996 State Legislature authorized the construction of the Perkins County RWS project and approved a state cost share commitment of \$1.0 million. The 1996 Legislature also appropriated \$450,000 of the \$1.0 million commitment. In 1997, the state Legislature appropriated the remaining \$550,000 for the Perkins County project providing the cost share required by North Dakota to bring water service to the Perkins County area. Perkins County RWS provided \$898,478 of these funds to the North Dakota State Water

Commission to make water available at the border. The project was removed in 2000 when the original \$1.0 million state cost share commitment was provided and expended.

- President Clinton signed Public Law 106-136 on December 7, 1999. The federal authorization for construction of the rural water system was originally introduced on August 2, 1996. The legislation provided a 75 percent federal cost share. Federal legislation was reintroduced in 1999. On August 4, 1999, the House Committee on Resources conducted a hearing and amended the authorization. The amended bill passed the House by unanimous consent on October 26, 1999. The bill was sent to the Senate and on November 22, 1999, also passed by unanimous consent.
- In November 2003, the Board of Water and Natural Resources recommended the return of the Perkins County Rural Water System to the State Water Resources Management System list and recommended revising the state cost share commitment to the project to \$2.5 million in grant and \$4.5 million in loan funding. In 2004, the Perkins County Rural Water System was placed on the SWRMS list, and the state cost share commitment of \$2.5 million in grant and \$4.5 million in loan funding was approved by the Legislature.
- Project sponsors held an official groundbreaking on May 1, 2004, in Hettinger, North Dakota. The project began its South Dakota construction with the Lodgepole area distribution system. Construction activities included distribution lines to provide water to nearly 100 sites, and the construction of the system's main booster pump station near the North Dakota border.
- Construction was initiated on the main transmission pipelines toward Lemmon and Bison in 2005. Lemmon began receiving water from the Perkins County Rural Water System in September 2005, and Bison in 2006. Rural distribution from the main transmission pipelines continued in 2006 with service being provided in the Lemmon and Shadehill service areas.
- The Perkins County Rural Water System continued to rely heavily on the state funding in 2007, receiving a total of \$2.0 million in state assistance consisting of \$1.5 million in grant and \$500,000 in loan. Federal funding received in 2007 totaled \$358,000. This state and federal funding allowed Perkins County to award its fourth distribution system contract.
- Perkins County Rural Water System received \$500,000 in state funding in 2008 consisting of a \$356,000 loan and \$144,000 grant. These awards fulfilled the state's cost share commitment to Perkins County.
- Federal funding received in 2008 totaled \$3.0 million. A distribution system contract was awarded in August 2008 for 41 miles of pipeline to serve approximately 45 residential and pasture taps. Additionally in 2008, a 330,000-gallon water storage tank was built at the

pump house. It spreads out the water usage so that water from Southwest Water Authority can be used more efficiently.

- Perkins County Rural Water System received approximately \$2.3 million in federal funding in 2009 and received approximately \$4.5 million under the federal American Recovery and Reinvestment Act. The funding was partitioned between two phases, Phase VI, with \$1.0 million in funding, and Phase VII, with \$3.5 million in funding. The contract for Phase VI was awarded in August 2009 for 79 miles of pipeline to serve approximately 68 residential and pasture taps. This section of the distribution system was completed in April 2010. Advertisement for bids on Phase VII was completed by the end of year 2009. Phase VII included 168 miles of pipeline and serves approximately 100 residential and pasture taps.
- During the months of April through June 2009, Perkins County Rural Water System conducted a study for an alternative water supply and water treatment plant utilizing the Shadehill Reservoir as a water source. Perkins County Rural Water System has a contract to receive 400 gallons per minute from Southwest Water Authority and the demand is projected to exceed the contracted amount.
- As part of the 2010 Energy and Water Appropriation bill, Perkins County Rural Water System was approved for \$1 million in funding. In 2010, Perkins County Rural Water System was awarded \$3.2 million reprogrammed American Recovery & Reinvestment Act funding through the Bureau of Reclamation (BoR).
- A \$3.2 million contract was awarded in February 2010 for Phase VII.
- A value engineering study, in conjunction with BoR, was completed in May 2011 for an alternative water supply and water treatment plant.
- Perkins County awarded a \$1.4 million contract in August 2011 for Phase VIII. This phase was completed the end of calendar year 2012.
- The authorized federal funding ceiling for the Perkins County Rural Water System was reached with the FFY 2011 appropriation.
- The Board of Water and Natural Resources awarded a Drinking Water State Revolving Fund loan in the amount of \$131,000 with 100 percent principal forgiveness to Perkins County in June 2012. The award was for a booster station located along Highway 75. In March 2014 the loan was amended to include an additional \$20,000 with 100 percent principal forgiveness to allow Perkins County to install a SCADA system on the booster station.
- In the fall of 2013 construction was started on the Highway 75 booster station project. This is the last component of the federally authorized project and was completed in July 2014.



- In June 2014 the Board of Water and Natural Resources passed resolution #2014-80 (Appendix B) certifying certified completion of the Perkins County Rural Water System. This action served to put the SWRMS loans into repayment. Perkins County will pay interest only for the first five years starting in 2015 and will make full principal and interest payments beginning in 2020 for the term of the loan.

### **Sioux Falls Flood Control Project – 1989**

- In 1961, the Corps of Engineers completed a channelization, levee, and diversion system to provide 100 year flood protection on the Big Sioux River and on Skunk Creek.
- Because of subsequent flooding events on the Big Sioux River and Skunk Creek, the Corps of Engineers reanalyzed the flood criteria in the early 1980s and determined that the 1 percent chance flood occurrence was greater than previously established. The Corps then recommended that the levee system be upgraded so that it would continue to provide Sioux Falls with 100-year flood protection on the Big Sioux River and Skunk Creek. Project upgrades 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 levies 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. State assistance totals \$2.9 million to date. 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 49<sup>th</sup> 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 the flood zone A of the National Flood Insurance Program.
- Phase 2C raised about 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 was advanced to the Corps of Engineers for levy and dam construction. The balance was to pay for the 41<sup>st</sup> 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. This appropriation completed the state's cost share commitment to this project.
- 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 about 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 is in the process of preparing documents for the certification of the remaining uncertified levees within the city. Once these documents are complete, FEMA will begin 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 has awarded and is completing a new project to replace a deficient drainage structure through the levee next to the Sioux Falls zoo.
- The major work on the levee system has been completed; the Corps of Engineers has 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 approximately 1,500 properties in Sioux Falls being taken out of the floodplain.

### **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 is to construct a rural regional water system capable of delivering quality drinking water to rural residents and area communities in Custer, western Fall River, and southern Pennington counties. Communities involved include Custer, Edgemont, Hermosa, Hill City, Hot Springs, Keystone, and Pringle.
- Project sponsors continued to work with representatives from the Department of Agriculture, Rural Development Program to secure funding for the construction of the North Hot Springs service area. In 2007, negotiations with the city of Hot Springs for a permanent water source failed to produce a contract.
- Local support continues to be strong for the project with area-wide rural signups near 500 individual homes. Additionally, strong interest continues to be expressed by the Custer State Park, the Mount Rushmore National Park, the Crazy Horse Foundation, and the various area communities for water service from the system.
- 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 2010 Omnibus bill 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 consists 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 have been awarded to the project sponsor to continue their efforts for Phase I construction, Phase II engineering design and preconstruction, and Cascade engineering design and preconstruction.
- In September 2011, 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 their efforts for Phase I construction, Phase II engineering design and preconstruction, and Cascade engineering design and preconstruction.
- Final plans and specifications for Phase II of the project were completed in 2012. Phase II will serve approximately 230 customers, consist 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 have been awarded to the project sponsor to continue their efforts for Phase II engineering design, preconstruction and construction, and Cascade engineering design and preconstruction.
- In May 2013, bids were opened for the Phase II Distribution project and the Junction Storage Tank. These bids were awarded in June of 2013 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 original portions of these projects are scheduled for completion in the fall of 2014. The Phase II Distribution project added with the addition of the Red Canyon sub-development to the project. This portion of the project is scheduled for completion in the spring of 2015.

#### **Vermillion Basin Flood Control Project – 1987**

- The project objective is to address the severe flooding problems in the Vermillion River Basin. The basin covers 2,697 square miles in parts of 14 counties and is about 150 miles long with an average width of about 20 miles.

- In 1993, the Corps of Engineers completed The *Vermillion Basin Flood Control Reconnaissance Report* but failed to identify a feasible federal project. The project sponsors re-evaluated project alternatives for nonfederal development. Local project sponsors submitted a pre-application notification for a Federal Emergency Management Agency (FEMA) Hazard Mitigation grant for a *Feasibility Study of Flood Control Alternatives* for the basin. In 1994, more than 70 technical experts met to develop a multi-objective plan to reduce flooding impacts in the Vermillion River Basin. The National Park Service compiled the group's issues and suggestions and formulated the multi-objective plan.
- The Vermillion River Watershed Authority was incorporated in December 1997 and is comprised of representatives from the Clay, Miner, Turner, McCook, and Lake county commissions.
- The Vermillion River Watershed Authority proposed to use FEMA Hazard Mitigation grant funds to widen the channel at the outlet of Lake Thompson and construct a control structure to retain the natural outlet elevation, channel maintenance along 19 miles of the Vermillion River and its tributaries, and wetland restoration and development throughout the basin. The cost benefit ratio for the outlet of Lake Thompson was found to be in error. The ratio was actually less than one; consequently, all FEMA Hazard Mitigation funds were withdrawn. The Authority has withdrawn its request to set the outlet elevation on Lake Thompson and has moved to dissolve after financial records are completed. No activity occurred on the project in 2014.



## Recommendations to the Governor and State Legislature

In November 2014, the board conducted a public meeting on the State Water Resources Management System (SWRMS) projects. The board adopted Resolution #2014-110 recommending the Mni Wiconi Rural Water System and Perkins County Rural Water System projects be removed from the SWRMS list and to expand the Black Hills Hydrology and Water Management Study designation to provide for statewide Hydrology and Water Management Studies to manage and protect state water resources. The Board recommended that all other projects be retained on the SWRMS list. The board also adopted Resolution #2014-111 providing its recommendations to the Governor and the Legislature for the Water and Environment Fund (WEF) and WEF subfunds fiscal year 2016 appropriation levels. A summary of the board's recommendations are summarized below. Full resolutions are in Appendix B.

**Table 14 – Board of Water and Natural Resources Funding Recommendations**

<b>WATER AND ENVIRONMENT FUND (WEF)</b>	
SWRMS	
Lewis and Clark Rural Water System	\$7,700,000
Hydrology and Water Management Studies	\$250,000
Consolidated Water Facilities Construction Program	\$ 16,500,000
Solid Waste Management Program	\$ 1,300,000
Regional Landfill Assistance	\$ 1,000,000
<b>WEF SUBFUNDS</b>	
Clean Water State Revolving Fund (SRF) Admin Surcharge Fees	
Water Quality Grants	\$ 1,000,000
SRF Application and Administration Assistance	150,000
Drinking Water SRF Set-Asides and Admin Surcharge Fees	
SRF Application and Administration Assistance	150,000
Very Small System Compliance Loan Fund	250,000
Local and Small System Technical Assistance	200,000
WEF Subfund Total	\$ 1,750,000
<b>Total</b>	<b>\$ 28,500,000</b>





# **Appendix A**

## **Water and Environment Fund Special Condition Statement**



**WATER AND ENVIRONMENT FUND**  
**Special Condition Statement**  
**As of 7-1-14**

<b>Cash Balance from MSA 6-30-2014</b>		<b>22,349,317</b>
<b>Projected SFY 2015 Revenues</b>		
Capital Construction Fund	11,250,000	
Contractors' Excise Tax	250,000	
Investment Interest (Earned '14 deposited '15)	187,516	
Loan Principal & Interest Payments (Water)	12,592,300	
Loan Principal & Interest Payments (Solid Waste)	807,200	
Solid Waste Fees	<u>1,675,000</u>	
		<b>26,762,016</b>
<b>Projected Fund Balance Available for Expenditure</b>		<b>49,111,333</b>
<b>FY2015 Transfer (Per SDCL 1-40-32)</b>		
Environment & Natural Resources Fee Fund	<u>(378,712)</u>	
		<b>(378,712)</b>
<b>Obligations (Signed contract by 7/1/14)</b>		
Consolidated	(20,418,236)	
Solid Waste & RLA Grants/Loans	(1,985,107)	
<b>SWRMS Grants/Loans - Major Projects</b>		
Southern Black Hills Water System	(5,285,439)	
Belle Fourche Irrigation District	<u>(3,342,108)</u>	
		<b>(31,030,890)</b>
<b>Project Expenditures Authorized by the Legislature - No agreement signed</b>		
<b>SWRMS Grants/Loans - Major Projects</b>		
LA-Wagner	(55,500)	
<b>Project Authority Reversions</b>		
	<u>-</u>	
		<b>(55,500)</b>
<b>Program Expenditures Authorized by the Legislature - No agreement signed</b>		
Consolidated Program Available Authority	(2,227,642)	
SWMP/RLA Available Authority	<u>(2,547,395)</u>	
		<b>(4,775,037)</b>
<b>Surplus/(Deficit) Funds Available (as of 6/30/15)</b>		<b><u>12,871,195</u></b>



# **Appendix B**

## **Board of Water and Natural Resources Resolutions**



STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION NO. 2014-79

CERTIFYING COMPLETION OF THE WEST RIVER/LYMAN-JONES COMPONENT OF THE MNI WICONI RURAL WATER SYSTEM AND DESIGNATING THE SECRETARY OF ENVIRONMENT AND NATURAL RESOURCES TO ACT ON ITS BEHALF.

WHEREAS, the Mni Wiconi Rural Water System, (Mni Wiconi) is a rural domestic and municipal water system which provides high quality Missouri River water to the Pine Ridge, Lower Brule and Rosebud Indian Reservations, and to the counties of Stanley, Haakon, Lyman, Jones, Jackson, Mellette, and Pennington, and the West River and Lyman-Jones service areas are components of Mni Wiconi; and

WHEREAS, the Board has determined that West River/Lyman-Jones Rural Water System, Inc., is an entity qualified to receive a loan; that the project it is sponsoring is an eligible water resources project as defined by SDCL 46A-2-4; and that the Project is included in the State Water Resources Management System under the title "Mni Wiconi Rural Water System;" and

WHEREAS, the South Dakota Legislature has authorized the Board to provide loans in an amount not to exceed \$12,901,800 from the Water and Environment Fund to project sponsors to be used for the West River and Lyman-Jones components of the Mni Wiconi Rural Water System to provide the nonfederal matching requirements as enumerated in P.L. 100-516 (the "Project"), such loans to be made if future appropriations are made by the Legislature as set forth in SDCL 46A-1-13.4; and

WHEREAS, West River Rural Water System, Inc. consolidated with Lyman-Jones Water Development, Inc. to form West River/Lyman-Jones Rural Water System, Inc., pursuant to a plan of consolidation effective July 1, 1994, whereby the West River/Lyman-Jones Rural Water System, Inc. as a nonprofit corporation assumed all of the liabilities, contractual obligations, and rights of West River Rural Water System, Inc. and Lyman-Jones Water Development, Inc.; and

WHEREAS, the South Dakota Legislature further provided that the loans to the local project sponsor could be increased or decreased by such amount as may be justified by reason of ordinary fluctuations in development costs incurred after January 12, 2001, as indicated by engineering costs indices applicable for the type of construction involved; and

WHEREAS, the Board and West River/Lyman-Jones Rural Water Systems, Inc., have previously made and entered into various grant agreements, have converted grants to loans, and have entered into loan agreements to provide for the engineering design, preconstruction planning, and construction activities of the West River and Lyman-Jones components of Mni Wiconi, including the Water and Environment Fund Construction Loan Agreement dated the 28th of May, 1997, and that the total amount of such loans to date is \$12,500,000; and

WHEREAS, SDCL 46A-1-13.4 provides that no interest shall accrue on the loan until the Board of Water and Natural Resources certifies completion of construction of the Project as authorized; and

WHEREAS, the authorized federal funding ceiling for the Project System was reached with the FFY 2013 appropriation and construction of the last portion of the federally authorized project

consisting of two booster stations and pipeline north of Phillip to the service area near Elbon will be completed in 2014.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. That the Board hereby certifies that construction of the West River/Lyman-Jones component of the Mni Wiconi Rural Water System as authorized is complete effective July 1, 2014, and that the initial loan repayment as described in the Loan Agreement shall be due and payable one year following the date of this Resolution as set forth in the Loan Agreement.
2. That the Secretary, Department of Environment and Natural Resources, is hereby designated as a representative of this Board to do all things on its behalf allowable under the Loan Agreement described herein, including doing those acts necessary to effectuate this certification of project completion and is empowered to delegate such authority in writing to those persons deemed appropriate.

Dated the 26<sup>th</sup> day of June, 2014

(SEAL)

BY:           /s/ Brad Johnson            
Chairman, Board of Water and  
Natural Resources

ATTEST:

          /s/ Todd Bernhard            
Secretary, Board of Water and  
Natural Resources



STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION NO. 2014-80

CERTIFYING COMPLETION OF THE PERKINS COUNTY RURAL WATER SYSTEM AND DESIGNATING THE SECRETARY OF ENVIRONMENT AND NATURAL RESOURCES TO ACT ON ITS BEHALF.

WHEREAS, the Perkins County Rural Water System is a municipal, rural, and industrial water system which will provide high quality Missouri River water to the communities of Lemmon and Bison and rural users in Perkins County, South Dakota. The Board has determined that Perkins County Rural Water System, Inc. is an entity qualified to receive a loan; that the Project it is sponsoring is an eligible water resources project as defined by SDCL 46A-2-4; and that the Project is included in the State Water Resources Management System under the title "Perkins County Rural Water System;" and

WHEREAS, SDCL 46A-1-94 provided legislative authorization of the Perkins County Rural Water System as generally described in the Final Engineering Report dated January, 2003, and authorized loans and grants to provide for a portion of the nonfederal matching requirements for the project; and

WHEREAS, the South Dakota Legislature authorized the Board to provide loans in an amount not to exceed \$4,500,000 from the Water and Environment Fund to the local project sponsor to be used for the construction of the Perkins County Rural Water System to provide the nonfederal matching requirements as enumerated in P.L. 106-136 (the "Project"), such loans to be made if future appropriations are made by the Legislature as set forth in SDCL 46A-1-94; and

WHEREAS, the South Dakota Legislature further provided that the loans to the local project sponsor could be increased or decreased by such amount as may be justified by reason of ordinary fluctuations in development costs incurred after January 12, 2001, as indicated by engineering cost indices applicable for the type of construction involved; and

WHEREAS, the indexing on the loan portion of the state cost share for the Perkins County Rural Water System was determined to be six hundred forty-four thousand dollars (\$644,000) thereby increasing the total loan for the project to five million one hundred forty-four thousand dollars (\$5,144,000); and

WHEREAS, the Board made and entered into a certain SOUTH DAKOTA WATER AND ENVIRONMENT FUND LOAN AGREEMENT dated the 25<sup>th</sup> day of June, 2004, as amended by the First Amendment to Loan Agreement dated April 4, 2007, the Second Amendment to Loan Agreement dated April 10, 2008, and the Third Amendment to Loan Agreement dated April 11, 2013 (collectively the "Loan Agreement") for a total loan amount for the project of five million one hundred forty-four thousand dollars (\$5,144,000); and

WHEREAS, SDCL 46A-1-94 provides that no interest shall accrue on the loan until the Board of Water and Natural Resources certifies completion of construction of the Project as authorized; and

WHEREAS, the authorized federal funding ceiling for the Project System was reached with the federal fiscal year 2011 appropriation, and the Highway 75 booster station project funded by a 100 percent principal forgiveness drinking water state revolving loan to Perkins County is the last component of the federally authorized project and was completed in June 2014.



STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION NO. 2014-110

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

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

WHEREAS, SDCL 46A-1-2.1 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 onto the State Water Resources Management System component of the State Water Plan; and

WHEREAS, the Board has by duly adopted resolutions certified the completion of the West River/Lyman-Jones component of the Mni Wiconi Rural Water System and the Perkins County Rural Water System.

NOW THEREFORE BE IT RESOLVED, that the Board recommends to the Governor and the State Legislature that Mni Wiconi Rural Water System and Perkins County Rural Water System be removed from the State Water Resources Management System; and

IT IS FURTHER RESOLVED, that the Board recommends that the Black Hills Hydrology and Water Management Study designation be amended to Hydrology and Water Management Studies to manage and protect state water resources; and

IT IS FURTHER RESOLVED, that the Board recommends that the remaining water resource projects on the State Water Resources Management System be retained as preferred, priority objectives of the State.

Dated this 6<sup>th</sup> day of November, 2014.

BY:                   /s/ Brad Johnson                    
Chairman, Board of Water and  
Natural Resources

(SEAL)

ATTEST:

BY:                   /s/ Todd Bernhard                    
Secretary, Board of Water and  
Natural Resources



STATE OF SOUTH DAKOTA  
BOARD OF WATER AND NATURAL RESOURCES  
RESOLUTION NO. 2014-111

PROVIDING TO THE SOUTH DAKOTA LEGISLATURE AND GOVERNOR, THE BOARD OF WATER AND NATURAL RESOURCES' RECOMMENDATIONS FOR WATER AND ENVIRONMENT FUND FISCAL YEAR 2016 APPROPRIATION LEVELS.

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

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

WHEREAS, pursuant to the authority provided in SDCL 46A-1-10, 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, waste tire, and regional landfill projects that may require funding from dedicated fees deposited in the Water and Environment Fund; and

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

WHEREAS, the Board conducted a public hearing and adopted an Intended Use Plan that includes projects that require funding from the Clean Water State Revolving Fund Administrative Surcharge fees, Drinking Water State Revolving Fund Set-Asides, and Drinking Water State Revolving Fund Administrative Surcharge fees deposited in Water and Environment Fund Subfunds; and

WHEREAS, the Board conducted a public meeting on November 6, 2014, 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 2016 appropriation level of seven million seven hundred thousand dollars (\$7,700,000) to provide a no-interest loan to local project sponsors as an advance on federal funds for the construction of facilities included in the Lewis and Clark Rural Water System on the State Water Resources Management System; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature a Water and Environment Fund fiscal year 2016 appropriation level of two hundred fifty thousand dollars (\$250,000) to provide grants to state and local project sponsors for hydrology and water management studies on the State Water Resources Management System to manage and protect the state's surface water and groundwater resources for future generations; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature a Water and Environment Fund fiscal year 2016 appropriation level of sixteen million five hundred thousand dollars (\$16,500,000) for the Consolidated Water Facilities Construction Program; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature that in accordance with § 46A-1-64, up to four million dollars (\$4,000,000), in Consolidated Water Facilities Construction Program funding be authorized to the city of Clark, for the design and construction of a waste water treatment facility, a sanitary sewer interceptor and sewer main; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature that in accordance with § 46A-1-64, up to three million dollars (\$3,000,000), in Consolidated Water Facilities Construction Program funding be authorized to the Big Sioux Community Water System, for the design and construction of water lines and a pump station to interconnect with the city of Madison and the Minnehaha Community Water Corporation; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature that in accordance with § 46A-1-64, up to one million eight hundred thousand dollars (\$1,800,000), in Consolidated Water Facilities Construction Program funding be authorized to the Minnehaha Community Water Corporation for the design and construction of water lines to provide capacity to interconnect with the Big Sioux Community Water System and city of Madison; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature that § 46A-1-64 be amended to increase the Board's authority award up to two million dollars in Consolidated Water Facilities Construction Program funding to any project without specific authorization of the Legislature; and

IT IS FURTHER RESOLVED, that the Board recommends to the Governor and the State Legislature the Water and Environment Fund fiscal year 2016 appropriation level of one million three hundred thousand dollars (\$1,300,000) for the Solid Waste Management Program; and







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