

State Water Plan Application

Applicant: Deer Mountain Sanitary District Address: P.O. Box 195 Lead, SD 57754 Phone Number: (605) 591-9821	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,125,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,125,000</td> </tr> </table>	Proposed Funding Package		Projected State Funding	\$2,125,000	Local Cash	_____	Other:	_____	Other:	_____	TOTAL	\$2,125,000
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Project Title: New Public Water System

Description: (Include present monthly utility rate.)

Deer Mountain Sanitary District (DMSD), located near Lead, SD, is proposing to construct a new public water system to service approximately 125 users. The project will include the following improvements: 1) New water treatment building & equipment; 2) New 110,000 gallon reservoir; 3) Water meters; 4) Distribution system; and, 5) North booster station.

This area is currently serviced by a private water system, which is over 40 years old and in need of the same improvements included in the new water system design. The existing water system is currently for sale, along with other property and assets, but the current owners (Milan Investment Group) and DMSD have been unable to negotiate a sale. DMSD would like to provide users with a reliable and safe drinking water supply for residents and, therefore, is proposing to construct and operate their own independent water system.

DMSD does not currently operate a water system so there is no present monthly utility rate. Users of the existing private water system are currently being charged a flat rate of approx. \$125 per month by Milan Investment Group.

The Applicant Certifies That:

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

Osborne Enderby, President <hr style="border: 0; border-top: 1px solid black;"/> Name & Title of Authorized Signatory (Typed)	<hr style="border: 0; border-top: 1px solid black;"/> Signature	<hr style="border: 0; border-top: 1px solid black;"/> Date 11/11/2019
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Professional Consultants

Application Prepared By: Black Hills Council of Local Governments

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State Water Plan Application Information

Infrastructure projects requesting placement on the State Water Facilities Plan must provide a completed preliminary engineering report with this application and should be ready for construction within two years. Additionally, for drinking water projects complete the Drinking Water Project Eligibility and Priority Point Self-Assessment sections.

Watershed projects requesting placement on the State Water Facilities Plan must provide a completed watershed assessment report with this application and should be ready for implementation within two years.

Projects that are large, costly water projects that are requesting significant state cost share participation may be recommended for placement on the State Water Resources Management System. These projects are necessary for the needs and general welfare of the people of South Dakota.

Drinking Water Project Eligibility and Priority Point Self-Assessment

Eligibility Assessment

YES NO

1. Is the project intended mainly for fire protection? YES NO
2. Is the project primarily intended to serve future growth? YES NO
- Note: Providing service to existing homes or businesses not currently served is not considered future growth.
- Note: If the answer to either question is "YES" the project may not be eligible for an SRF loan. Contact the department for more information.

Priority Point Assessment

1. If the water system has experienced either situation described below in the past three years, will this project correct the deficiency? If so, indicate which situation applies. YES NO
- A. Occurrences of nitrates, fecal coliform, or E. coli bacteria that have exceeded the allowable limits as defined in ARSD 74:04:12. YES NO
- B. Occurrences of chronic primary drinking water contaminants that have exceeded the allowable limits as defined in ARSD 74:04:12 or the system is in violation of a treatment technique. YES NO
2. Please provide the monthly user rate expected as a result of this project (based on 5,000 gallons for municipalities and sanitary districts and 7,000 gallons for other systems). Tbd
3. If the project will consolidate facilities, indicate which of the following best describes the project: YES NO
- A. One or more community water systems will consolidate with another community water system and the consolidation is cost effective. YES NO
- B. A community water system will receive water from another community water system but will continue to operate its water system in some capacity. YES NO
4. If the water system has experienced occurrences of secondary drinking water contaminants that have exceeded the guidelines in the past three years, will this project address the suspected cause of these occurrences? If so, indicate all contaminants that exceeded the maximum contaminant level below. YES NO
- | | | |
|-------------------------------------|--------------------------|--------------------------|
| Chloride.....250 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Color.....15 color units | <input type="checkbox"/> | <input type="checkbox"/> |
| Fluoride.....2.0 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Foaming Agents.....0.5 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Iron.....0.3 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Manganese.....0.05 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Odor.....3 threshold odor number | <input type="checkbox"/> | <input type="checkbox"/> |
| pH.....range: 6.5 to 8.5 | <input type="checkbox"/> | <input type="checkbox"/> |
| Silver.....0.1 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Sulfate.....250 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Total Dissolved Solids.....500 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |
| Zinc.....5 mg/L | <input type="checkbox"/> | <input type="checkbox"/> |

Priority Point Assessment Continued

	YES	NO
5. In the past three years has the water system experienced occurrences of total coliform that have exceeded the allowable limits and will this project address the suspected cause of these occurrences?	<input type="checkbox"/>	<input type="checkbox"/>
6. The project is a rehabilitation of contaminated drinking water sources or development of new sources to replace contaminated sources.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. The project is needed to develop sources due to inadequate supply.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. If water meters are being installed:		
A. The meters are being installed on services that were previously unmetered.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. The meters are replacing existing meters.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. If the project is replacing transmission lines indicate all that apply:		
A. Remove lead piping.	<input type="checkbox"/>	<input type="checkbox"/>
B. Decrease water loss volume by 10% or more.	<input type="checkbox"/>	<input type="checkbox"/>
C. Loop lines to improve water quality.	<input type="checkbox"/>	<input type="checkbox"/>
D. Lines are 50 years old or older.	<input type="checkbox"/>	<input type="checkbox"/>
10. The project will construct storage for a system with capacity less than an average day's demand or is needed to address low pressure problems. Low pressure is defined as less than 20 pounds per square inch.	<input type="checkbox"/>	<input type="checkbox"/>
11. The project will construct, upgrade, or replace a water treatment plant or its components to assure compliance with upcoming or existing regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. For a project sponsored by a community or sanitary district, provide the population of the community as reported in the 2010 census. For regional systems, please provide the population of the area, based on the 2010 census, to benefit from the project.		Approx. 62

Additional Comments:

The proposed project to construct a new public water system is very similar in nature to alternative 4.3 (Public Ownership - System-Wide Improvements) in the DMSD Water System Study, with the exception of not acquiring the private water system from Milan Investment Club and making improvements to the existing, aging distribution infrastructure. Instead, new water distribution piping would be installed, along with all of the other same improvements listed in the cost estimate for this alternative. The project engineer, Dustin Dale, has verified that the cost to install new distribution piping will be approximately the same as upgrading all the old and, therefore, the cost estimate of \$2,125,000 for this alternative is still valid for the proposed project to construct a new public water system.

Alternatives 4.3 and 4.4 (Regionalization) in the Water System Study involve the purchase of either the existing water system from Milan Investment Club or already treated water from Power House Pass, respectively. While DMSD has attempted to pursue both of these alternatives, they have been unable to negotiate fair agreements for either at this time. However, DMSD has indicated these are both still viable alternatives that may be pursued further depending on future circumstances, but, at this time, DMSD intends to proceed with constructing a new public water system with the support of the local water users.