



402 SAINT JOSEPH ST, STE 6
RAPID CITY, SD 57701

Regular Meeting Draft Agenda

MEETING LOCATION:

RAPID VALLEY SANITARY DISTRICT
4611 TEAK DR, RAPID CITY, SD
Tuesday, August 11, 2026 3PM

1. Pledge of Allegiance. (Chair)
2. Roll Call of Members (Admin)
3. Approval of Agenda (The board cannot take official action on any item not on the agenda) (Chair)
4. Conflict of interest disclosure. (Chair)
5. Approval of minutes from July 14, 2026 meeting. (Chair)
6. Treasurer's report (Treasurer--Stetler)
7. Approval: 2027 draft budget (Treasurer--Stetler)
8. Information Update: Mr. Frank Henderson President Green Valley Sanitation District on GVSD meeting of July 15, 2026. Possible motion to rescind \$125,000 allocation. (Mulally)
9. Funding request: 2nd vote on Resilient Headwaters and Holistic Riverscape Restoration Planning. \$35,000. Black Hills Watershed Collaborative. Lori Brown (Young)
10. Proposed scope-of-work for HDR to prepare protection plans for Rapid Creek 319 project segments 2 and 3. \$231,440. (Chair)
11. Approval: WDWDD Board request from HDR to submit a protection plan project for Rapid Creek 319 project segment 1, \$18,500. (Chair)
12. Discussion: Vacant Director positions with intent to fill by January 12, 2027. (Chair)
13. Discussion: SDAG opinion letter. (Chair)
14. Chair's comments.
15. Items from directors.
16. Items from admin.
17. Items from public.
18. Adjournment

AGENDA ITEM 1. Pledge of Allegiance. (Chair)

AGENDA ITEM 2. Roll Call of Members (Admin)

AGENDA ITEM 3. Approval of Agenda (The board cannot take official action on any item not on the agenda) (Chair)

AGENDA ITEM 4. Conflict of interest disclosure. (Admin)

Any directors with a conflict of interest for any agenda item will so state.

The WDWD bylaws were amended on 12 Feb 2019 to include defining conflict of interest disclosure as follows:

ARTICLE V – DISCLOSURE OF CONFLICT OF INTEREST

Any director who is present at a meeting at which is discussed any matter in which that director has, directly or indirectly, a private financial or property interest shall disclose such interest to the Board. Any such director shall refrain from advocating for or against the matter and shall disqualify himself/herself from voting on such matter. The Board may adopt a separate policy specifically, regarding ethical standards and practices.

AGENDA ITEM 5. Approval of minutes from July 14, 2026 meeting in blue. (chair)

Draft minutes for regular board meeting on July 14, 2026, 3 PM

An audio recording for this meeting is available at www.westdakotawater.com

CALL TO ORDER: The West Dakota Water Development District (WDWD) convened at 3:00 PM (Mountain Time).

AGENDA ITEM 1. Pledge of Allegiance. (Chair) 3:00 PM

AGENDA ITEM 2. Roll Call of Members. (Admin) 3:01 PM

Directors present: Ron Koth (Area 1), Dan Driscoll (Area 3), Scott McGregor (Area 4), Dan Mulally (Area 5), William Young (Area 6), Thomas Mack (Area 7), Mark Kline, (Area 8)

Directors absent:, Roy Boschee (Area 2), Craig Kjar (Area 9)

A quorum was declared. Administration present: Larry Stetler (Program Administrator)

Others in attendance (as per sign-in sheet): Barry Muxen (CWA, BHEC, Sierra Club), Lori Brown (BH Watershed Collaborative), Hans Stephanson (BH Watershed Collaborative), Chris Stover (BH Watershed Collaborative), Frank Henderson (Green Valley Sanitation), Kaleb Hedman (HDR), Cory Foreman (HDR), Bruce Meister, Eric Zimmer (BHACF)

AGENDA ITEM 3. Approval of Agenda (The board cannot take official action on any item not on the agenda) (Chair)

Motion 1 by Young seconded by Driscoll to approve agenda (with the following addition): Changes: reorder items 10 and 8. Mulally noted that director Young be listed as sponsor for Item 11.

Motion 1: carries unanimously on a voice vote 3:03 PM

AGENDA ITEM 4. Conflict of interest disclosure. (chair)

2 conflicts stated: Director Young expressed personal ties to people submitting proposal under Item 11. Director Kline expressed kinship with Frank Hendersdon, Item 8.

AGENDA ITEM 5. Approval of minutes from May 12, 2026 meeting. (chair)

Motion 2 by Driscoll second by McGregor to approve minutes from May 12, 2026.

Motion 2 carries unanimously on a voice vote. 3:05 PM

AGENDA ITEM 6. Treasurers Report (Stetler)

Motion 3 by McGregor seconded by Kline to accept the treasurers report.

Motion 3 carries unanimously on a voice vote.

3:10 PM

AGENDA ITEM 7. Executive Committee approval to transfer \$125,000 from BHCB PennCo Levy Money Market to Raymond James Savings Account.

AGENDA ITEM 8. Information Update: Frank Henderson President Green Valley Sanitation District on member poll results of sewer project support. (Mulally) Possible motion to rescind \$125,000 allocation.

Mr. Henderson stated that a Green Valley Sanitation District (GVSD) poll on member interest to continue forward progress on the building of a sewer system failed. 42% of members responded to the poll. He noted cost estimates for the sewer system have risen to ~\$20 million. Current expenditures by the District are ~\$800,000. A GVSD District meeting will be held on July 15 where the board of directors will vote, Henderson will vote no. He will return to the August 11, 2026 WDWDD regular meeting to report on the outcome of that meeting. No motion to rescind current funding allocation was made.

AGENDA ITEM 9. Approval: Insurance expenditures for Chubb (\$301) and SDPAA (\$1712) (Admin). Report from the Admin stated that a 'Loss Control' survey was conducted by Safety Benefits Inc. (SBI) on behalf of South Dakota Public Assurance Alliance (SDPAA). Completion of this meeting resulted in a document of Improvement Recommendation to WDWDD. Contents of the recommendation were read to the Directors which focused on our availability to 1 hour of legal advice on governmental processes, public meetings, etc. These documents are now posted in the WDWDD office. Chairman Mack signed the document which has been submitted to SBI whom will in turn, submit them to SDPAA. SDPAA will be submitting an invoice for the period August 24, 2026-August 23, 2027.

Motion 4 by Young seconded by Mulally to approve insurance expenditures to Chubb and SDPAA for the next year.

Motion 4 carries unanimously on a voice vote.

3:36 PM

AGENDA ITEM 10. 2027 draft budget (Stetler). The 2027 draft budget was presented by the Treasurer. Director Koth noted 4 current projects listed on page 9 (Star Village, LaCroix Golf Course, SDSMT, and Cornerstone Mission) that end on Dec. 31, 2026. Those 2027 carry-over values shown on the draft budget will be zeroed out, remaining funds to be expended during the remainder of 2026. Mulally noted a typo error on page 8 where the bottom yellow line should be corrected to '2027', not '2026'.

Motion 5 by McGregor seconded by Young to approve the 2027 draft budget and submit to official newspaper for publication for final approval during the Aug 11, 2026 meeting.

Substitute Motion 5A by Mulally seconded by Driscoll to not request 2027 value of \$283,277 and stay with 2026 allocation.

Substitute Motion 5A fails 4-3 on a roll-call vote. For: Driscoll, Mulally, Kline. Against: Koth, McGregor, Young, Mack.

Motion 5 carries, 1 No-Mulally

4:07 PM

AGENDA ITEM 11. Funding request: Resilient Headwaters and Holistic Riverscape Restoration Planning. \$35,000. Black Hills Watershed Collaborative. (Young) Presentation by Lori Brown. Discussion on the scope of the project and expected outcomes that will indicate potential areas to

receive further study/remediation. Eric Zimmer from Black Hills Area Community Foundation specified their management of the funds and their financial support for the project. A final proposal will be prepared that corrects the budget amount and has a completed signature page with names for the signers to be voted on at the August 11, 2026 meeting.

Motion 6 by Mulally seconded by Koth to approve the 1st vote for approval of requested funding (\$35,000) to Black Hills Watershed Collaborative, with the funds to be managed by Black Hills Area Community Foundation, a representative of whom will sign the final proposal.

Motion 6 carries unanimously on a voice vote.

4:21 PM

AGENDA ITEM 12. Review and approve scope-of-work for contracting HDR to initiate work on protection plans for Rapid Creek 319 project (Chair). Cory Foreman and Kaleb Hedman of HDR talked through the scope of work, reasons for the organization of the plan, and where changes could be made by WDWDD if needed.

Motion 7 by Young seconded by McGregor to approve the draft scope of work and initiation of the watershed protection plans by HDR in the amount of \$231,440. Motion was withdrawn after discussion of how to proceed.

The 319 committee will meet w/HDR for finalization of the draft proposal to be voted on during the August 11, 2026 WDWDD meeting. Potential date of the HDR meeting will be July 23, 2026.

Motion 8 by Koth seconded by Young to request HDR to submit an additional water quality evaluation proposal for Rapid Creek above Pactola Reservoir at the Aug 11, 2026 meeting. This new proposal will focus on Segment 1 and will be additional funds to the current proposal.

Motion 8 carries, Driscoll voted No

5:20 PM

AGENDA ITEM 13: Chair's comments. Have not heard from the AGs office regarding the submitted letter of inquiry regarding duties of Water Development Districts. Mack will contact the AGs office to learn of any updates.

AGENDA ITEM 14: Items from directors. Young noted that a Fly Fishers creek cleanup day will be held on the last Saturday of August after the Central States Fair and focus on the creek at the fairgrounds.

AGENDA ITEM 15: Items from admin. Loss Control report (discussed during Agenda Item 9. Chair signed the document. An updated 'Proposal Guidelines' and 'Example Proposal' documents were included in the packet for director consideration. The guidelines document was streamlined, some of the numerical list were combined, and they were arranged in a more logical order for proposal writers. The 'example' is shown as a more detailed guide of content expected under major headings. Admin will circulate the word documents to directors for modifications.

AGENDA ITEM 16: Items from public. None

AGENDA ITEM 17: Adjournment by Chairman Mack

5:42 PM

Respectfully submitted:

Larry D Stetler, Program Administrator

Craig Kjar, Secretary

AGENDA ITEM 6: Treasurer's Report (Stetler)

West Dakota Water Development District

Statement of Financial Position

As of August 3, 2026

	◇ Total
✓ Assets	
✓ Current Assets	
✓ Bank Accounts	
BHCB ASAP Transfers BOR Federal Grant Checking	100.00
BHCB BOR WaterSMART Grant - Match	6,618.28
BHC Business Savings	649.16
BHC Main Checking Account	12,582.17
BHC Savings-PennCo Levy Money Market	33,992.03
SD DANR 319	133,333.00
Total for Bank Accounts	\$187,274.64
✓ Other Current Assets	
Raymond James CD 57203	0.00
Raymond James Savings Account	952,729.44
Total for Other Current Assets	\$952,729.44
Total for Current Assets	\$1,140,004.08
Total for Assets	\$1,140,004.08
✧ Liabilities and Equity	\$1,140,004.08

West Dakota Water Development District

Activity YTD Comparison Jan1-July6 2026

July 6-August 3, 2026

	TOTAL	
	↓ Jul 6 - Aug 3 2026	Jan 1 - Aug 3 2026 (YTD)
✓ Revenue		
Grants	2,876.81	23,852.22
Pennington County Tax Levy	1,680.81	157,543.21
Total for Revenue	\$4,557.62	\$181,395.43
Cost of Goods Sold		
Gross Income	\$4,557.62	\$181,395.43

	↓ Jul 6 - Aug 3 2026	Jan 1 - Aug 3 2026 (YTD)
✓ Revenue		
Grants	2,876.81	23,852.22
Pennington County Tax Levy	1,680.81	157,543.21
Total for Revenue	\$4,557.62	\$181,395.43
Cost of Goods Sold		
Gross Income	\$4,557.62	\$181,395.43
✓ Expenditures		
✓ Non-Project Expenses		
Admin/Office Expenses		1,604.92
Computer/Software Related		448.86
Legal Fees		2,500.00
Professional Admin Services Con...	2,500.00	17,500.00
Rents	1,000.00	4,000.00
Director Stipend	700.00	3,100.00
Insurance Expense	301.00	676.00
Professional Services/Contracts	207.09	621.27
Director Travel/Mileage	46.86	229.36
Phone Expense	40.23	80.27
Total for Non-Project Expenses	\$4,795.18	\$30,760.68
✓ Project Expenses		
21-003 LaCroix Golf Course Eros...		3,225.60
22-006 Star Village Erosion Control		1,232.16
25_003_SDMX		4,951.66
25_004_CRNSTX		3,442.08
26-001-STVRCX		1,966.70
26_002_USGSX WSDHC 2026		3,000.00
26_003_EDAYX Earth Day		1,113.00
26_005_BARRSUP		24,805.00
24-004 BARRX Barr Water Mgmt...	4,378.70	36,304.75
Total for Project Expenses	\$4,378.70	\$80,040.95
Total for Expenditures	\$9,173.88	\$110,801.63
Net Operating Income (Period)	-\$4,616.26	\$70,593.80
✓ Other Revenue		
Interest Income		14,537.93
Total for Other Revenue		\$14,537.93
Other Expenditures		
Net Other Revenue		\$14,537.93
Net Revenue	-\$4,616.26	\$85,131.73

Figure 1. Treasurers Ledger Report

WDWDD Project Assistance Summary, projectSummaryWdwdd.xlsx, LD Stetler	8/3/2026			
Name	WDWDD Proj. number	Grant Amount	current paid amount	Balance remaining
2026 Projects				
Collaborative erosion control project Star Village w/Rapid City	26 001 STVRCX	\$ 15,000.00	\$ 325.00	\$ 14,675.00
2026 Western Dakota Hydrology Conf. (closed)	26 002 USGSX	\$ 3,000.00	\$ 3,000.00	\$ -
2026 Earth Day Expo	26 003 EDAYX	\$ 1,100.00	\$ 1,113.00	\$ (13.00)
Collaborative erosion control project LaCroix Golf Course	26 004 LCRX	\$ 2,000.00	\$ 1,962.57	\$ 37.43
Barr Water Management Option 1 Modeling (closed)	26 005 BARRSUP	\$ 25,000.00	\$ 24,805.00	\$ 195.00
2025 Projects				
2025 Western Dakota Hydrology Conf. (closed)	25 001 USGSX	\$2,000.00	\$2,000.00	\$0.00
2025 Earth Day Expo (closed)	25 002 EDAYX	\$1,000.00	\$1,000.00	\$0.00
Collaborative erosion control project SDSMT	25 003 SDMX	\$15,000.00	\$4,951.66	\$10,048.34
Collaborative erosion control project Cornerstone Mission	25 004 CRNSTX	\$5,000.00	\$3,457.08	\$1,542.92
2024 Projects				
2024 Western Dakota Hydrology Conf. (closed)	24 001 USGSX	\$2,000.00	2,000.00	\$0.00
GFP Invasive Species Boat Inspections (closed)	24 002 GFPXX	\$20,000.00	20,000.00	\$0.00
Barr manage through the finalization of the BOR grant (closed)	24 003 BARRX	\$7,500.00	7,399.00	\$0.00
Barr Water Management Modeling of Deerfield/Pactola-system	24 004 BARRX	\$254,615.00	235,188.44	\$19,426.56
USGS Stream Gauges 2024-2027	24 005 USGSX	\$35,685.00	12,065.00	\$23,620.00
WDRWS Grant for Matching SWRMS (closed)	24 006 WDRWS	\$25,000.00	25,000.00	\$0.00
EPA Section 319 DANR Watershed Improvement Project	24 007 DANRX	\$133,333.00	0.00	\$133,333.00
2023 Projects				
USGS Stream Gauges 2023 (closed)	23 001 USGSX	\$16,080.00	\$16,080.00	\$0.00
GFP Invasive Species Boat Inspections (closed)	23 002 GFPXX	\$20,000.00	\$20,000.00	\$0.00
Rotating Basins Rotation 2023 DANR (closed)	23 003 DANRX	\$26,500.00	\$26,500.00	\$0.00
2023 Western Dakota Hydrology Conf. (closed)	23 004 USGSX	\$2,000.00	\$2,000.00	\$0.00
WDRWS Grant for Matching SWRMS (closed)	23 005 WDRWS	\$25,000.00	\$25,000.00	\$0.00
Collaborative Project for Erosion Control Raider Park (closed)	23 006 RAIDE	\$15,000.00	\$8,693.70	\$0.00
Keystone Removal of Sediment Winter Street Bridge (closed)	23 007 KEYST	\$10,000.00	\$10,000.00	\$0.00
Barr BOR Grant Application Pactola/Deerfield Model (closed)	23 008 BARRX	\$8,538.00	\$8,538.00	\$0.00
Medicine Mountain Boy Scouts Water (closed)	23 009 BOYSC	\$25,000.00	\$25,000.00	\$0.00
WaterSmart BOR Pactola/Deerfield Study (closed)	23 010 BORXX	\$100,000.00	\$0.00	\$0.00
USGS Stream Gauges 2024 (closed)	23 011 USGSX	\$16,450.00	\$16,450.00	\$0.00
2022 Projects:				
USGS Stream Gauges 2022 (closed)	22 001 USGSX 21	\$15,760.00	\$15,760.00	\$0.00
Rotating Basins Rotation 2 DANR (closed)	22 002 DANRX	\$22,000.00	\$22,000.00	\$0.00
Rapid Creek Restoration Penn Conservation District (closed)	22 003 PCDXX	\$50,000.00	\$7,500.00	\$0.00
2022 Western Dakota Hydrology Conf. April. (closed)	22 004 USGSX	\$2,000.00	\$2,000.00	\$0.00
GFP Invasive Species Boat Inspections (closed)	22 005 GFPXX	\$20,000.00	\$20,000.00	\$0.00
Collaborative project for erosion control Star Village, RC (closed)	22 006 STRRC	\$15,000.00	\$15,000.00	\$0.00
Collaborative project for erosion control Star Village, Tzadik (closed)	22 007 STRTZ	\$9,000.00	\$5,306.96	\$0.00
2020/2021 Projects:				
2021 Western SD Hydrology Conf. (closed)	21 001 USGSX 21 AZ	\$1,000.00	\$1,000.00	\$0.00
GFP Invasive Species Boat Inspections (closed)	21 002 GFPXX 21 AO	\$10,000.00	\$10,000.00	\$0.00
Erosion Control Project at LaCroix Golf Course (closed)	21 003 RCXXX 21	\$12,000.00	\$12,000.00	\$0.00
Erosion Control of Exposed Soils N. of Star Village, Weger (closed)	21 004 STRWE 21	\$10,000.00	\$8,746.64	\$0.00
Erosion Control of Exposed Soils N. of Star Village, Tzadik (closed)	21 005 STRTZ 21	\$15,000.00	\$7,516.18	\$0.00
Repair of Living Lab SDSMT (closed)	21 006 SDSMT	\$5,000.00	\$4,336.52	\$0.00
Phase II TerraSite Inventory Impervious Areas in RC (closed)	21 007 TERRA	\$24,950.00	\$24,950.00	\$0.00
USGS Stream Gauges (closed)	20 001 USGSX 19 AZ	\$15,600.00	\$15,600.00	\$0.00
USGS Water Quality Monitoring of Canyon Lake (closed)	20 002 USGSX 19 AO	\$18,000.00	\$18,000.00	\$0.00
SDSMT Impervious Areas in RC (closed)	20 003 SDSMT 20 AO	\$24,871.00	\$20,965.57	\$0.00
Banner Next Steps for Missouri River Water (closed)	20 004 BANN 20 AZ	\$24,500.00	\$24,500.00	\$0.00
Revegetation Exposed Soils on SDSMT (closed)	20 005 SDSMT 20 AO	\$24,800.00	\$24,800.00	\$0.00
Trinity Eco Park Drainage Improvement (closed)	20 006 TRINI 20 AO	\$24,500.00	\$24,500.00	\$0.00
Town of Keystone (closed)	20 007 KEYSTO 20 AO	\$25,000.00	\$25,000.00	\$0.00
Green Valley Sanitary District (Interstate Engineering)	20 008 GVSDW 20 AO	\$125,000.00	\$0.00	\$125,000.00
Banner Missouri Water Needs Assessment task 1 (closed)	20 009 BANN 21 AO	\$79,030.00	\$79,030.00	\$0.00
USGS Stream Gauges 2020 (closed)	20 010 USGSX	\$15,600.00	\$15,600.00	\$0.00
TOTAL PROJECT OBLIGATIONS				\$ 327,865.25

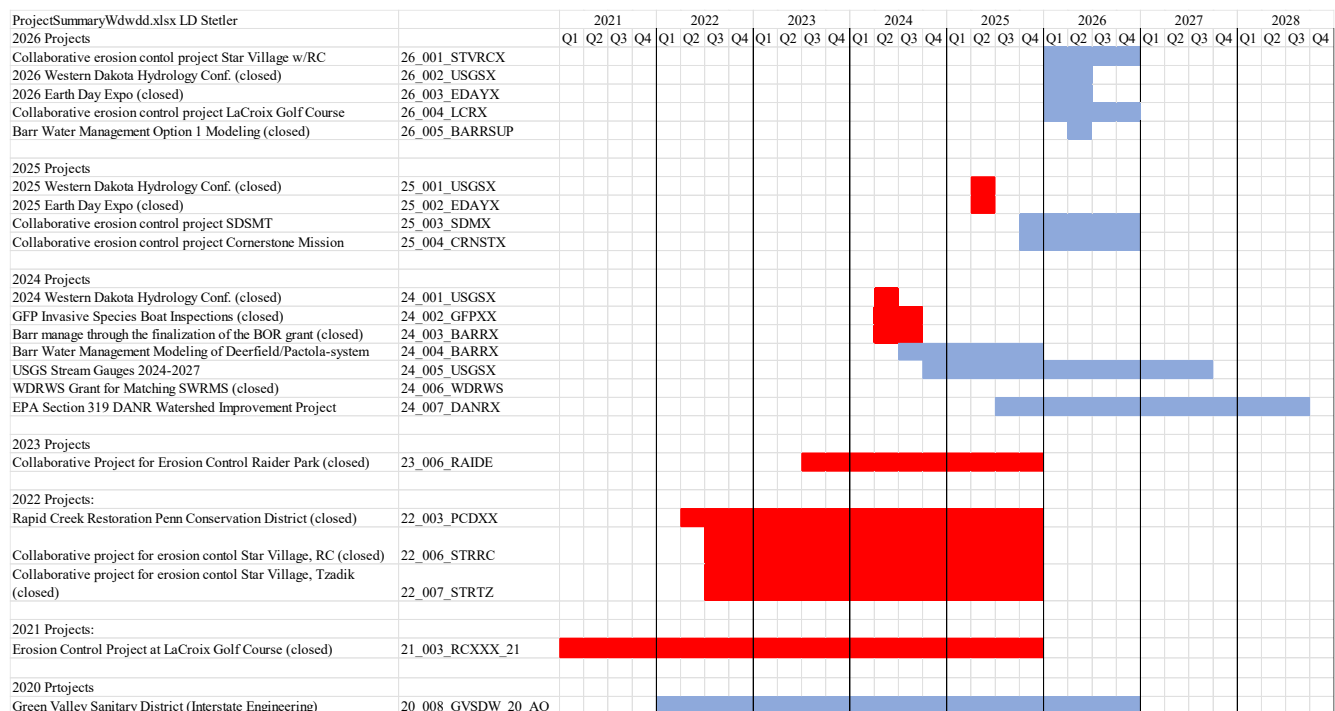


Figure 3. Project Timeline (Red = Closed).

AGENDA ITEM 7: Approval of 2027 draft budget presentation (Stetler, Treasurer)

West Dakota Water Development District - 2027 (WDWDD2027 Budget.xlsx)				
Proposed Means of Finance				
Revenue			2026	2027
Property Tax Levy Received YTD (2025 payable in 2026)			\$ 155,274.83	\$ 283,277.00
+ Interest (savings acct)			\$ 587.57	
Revenue received YTD			\$ 155,862.40	
Projected tax revenue for 2025, payable in 2026			\$274,359.00	
Funds on Hand (savings, checking, Levy, and CDs)			\$ 1,000,295.43	
+ Projected revenue not received for 2026			\$ 119,084.17	
Projected Funds end of 2026 (plus interest)			\$ 1,119,379.60	
- Project liabilities			\$ 278,518.17	
- non-disbursed Budgeted Admin Costs			\$ 41,996.02	
Projected Carry-over for 2027			\$ 798,865.41	
+ Projected 2027 Tax Revenue (2026 payable in 2027)			\$ 283,277.00	
+ Interest income estimate			\$ 30,000.00	
+ grants estimate			\$ 50,000.00	
Total 2026 projected revenue			\$ 363,277.00	
2027 Projected Funds Available			\$ 1,162,142.41	
			TOTAL 2027 NON-PROJECT EXPENDITURES BUDGET	
			\$ 66,188.00	
			TOTAL 2027 PROJECT BUDGET	
			\$ 292,571.95	
			TOTAL 2027 BUDGET	
			\$ 358,759.95	
			TOTAL PROJECTED REMAINING FUNDS AT END OF 2027	
			\$ 803,382.46	
			assuming current project liabilities	

Budget Data		3-Aug-26	
Expenditures	2026	2026	2027
Board of Directors	Budget	Disbursed to date	Proposed Budget
Salary/Per Diem	\$ 6,300.00	\$ 1,600.00	\$ 7,200.00
Travel	\$ 1,000.00	\$ 112.06	\$ 1,000.00
Total Director Expenses	\$ 7,300.00	\$ 1,712.06	\$ 8,200.00
Administration			
Insurance (SDPAA, Chubb, Western Surety)	\$ 2,388.00	\$ 375.00	\$ 2,388.00
Legal Notices	\$ 500.00	\$ -	\$ 500.00
Legal Services	\$ 5,000.00	\$ 2,500.00	\$ 5,000.00
Office Rent	\$ 6,000.00	\$ 3,000.00	\$ 6,000.00
Memberships,Conferences	\$ 6,000.00	\$ -	\$ 6,000.00
Admin (Furniture, Equipment, Office Supplies, travel, web site, phone, QB)	\$ 4,000.00	\$ 1,604.92	\$ 4,000.00
Total Administration Expenses	\$ 23,888.00	\$ 7,479.92	\$ 23,888.00
Contingency Fund			
Admin. Contingency Fund	\$ 5,000.00	\$ -	\$ 5,000.00
Professional Services Fees			
Administration contract (Stetler)	\$ 30,000.00	\$ 15,000.00	\$ 31,000.00
Total Expenditures (non-project)	\$ 66,188.00	\$ 24,191.98	\$ 68,088.00
Admin Unspent Budget to date	\$41,996.02		
Projects	2026 Budget	2026 disbursed project	Proposed Budget 2027
Collaborative erosion control project Star Village w/Rapid City	26_001_STVRCX \$ 15,000.00	\$ 325.00	\$ -
2026 Western Dakota Hydrology Conf. (closed)	26_002_USGSX \$ 3,000.00	\$ 3,000.00	\$ 3,000.00
2026 Earth Day Expo (closed)	26_003_EDAYX \$ 1,100.00	\$ 1,113.00	\$ 1,100.00
Collaborative erosion control project LaCroix Golf Course	26_004_LCRX \$ 2,000.00	\$ 1,962.57	\$ -
Barr Water Management Option 1 Modeling (closed)	26_005_BARRSUP \$ 25,000.00	\$ 24,805.00	\$ -
Collaborative erosion control project SDSMT	25_003_SDMX \$ 15,000.00	\$ 4,951.66	\$ -
Collaborative erosion control project Cornerstone Mission	25_004_CRNSTX \$ 5,000.00	\$ 3,457.08	\$ -
Barr Water Management Modeling of Deerfield/Pactola-system	24_004_BARRX \$ 50,000.00	\$ 31,926.05	\$ 18,073.95
USGS Stream Gauges 2024-2027	24_005_USGSX \$ 11,985.00	\$ 11,875.00	\$ 12,065.00
EPA Section 319 DANR Watershed Improvement Project	24_007_DANRX \$ 50,000.00	\$ -	\$ 133,333.00
Green Valley Sanitary District (Interstate Engineering)	20_008_GVSDW_20 \$ 125,000.00	\$ -	\$ 125,000.00
Total 2027 Proposed Budget			\$ 292,571.95
Total Projects	\$ 303,085.00	\$ 83,415.36	\$ 292,571.95
		Total 2027 budget	\$ 360,659.95

Affidavit of Publication

State of South Dakota)

)ss.

County of Pennington)

Jerry Lee Lenander of said county, being duly sworn, on oath says that he is publisher of the Hill City Prevalier News, a weekly newspaper printed and published in Hill City, said County of Pennington, and has full and personal knowledge of all the facts herein stated; that said newspaper is a legal newspaper and has a bona-fide circulation of at least two hundred copies weekly, and has been published within said county for fifty-two successive weeks next prior to the publication of the notice herein, mentioned, and was and is printed wholly or in part in an office maintained at said place of publication: that the

West Dakota Water
Development District
Chart

a printed copy of which, taken from the paper in which the same was published, is attached to this sheet, and is made a part of this Affidavit, was published in said newspaper at least once each week for one successive week(s), on which said newspaper was regularly published, to wit:

July 29, 2026; _____; _____;
_____; _____; _____;
_____; _____; _____;

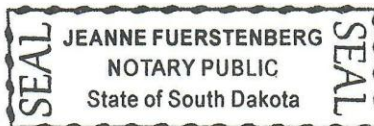
the full amount of the fees for the publication of the annexed notice is \$ 30.06.

Subscribed and sworn to me before this 29th

of July, 2026;

Jeanne Fuerstenberg
NOTARY PUBLIC

MY COMMISSION EXPIRES: NOV 30 2027



WEST DAKOTA WATER DEVELOPMENT DISTRICT

NOTICE OF PUBLIC HEARING TO ADOPT FY 2027 BUDGET

A public hearing will be held at the Rapid Valley Sanitary District office, 4611 Teak Drive, Rapid City, SD on Tuesday, 11 August, 2026, 3 PM, MDT to consider the proposed West Dakota Water Development District budget for Fiscal Year 2027, beginning January 1, 2027.

PRELIMINARY FY 2027 BUDGET

MEANS OF FINANCE	
Tax Revenue	\$283,277
Interest	\$30,000
TOTAL FY 2027 MEANS OF FINANCE	\$313,277
NON-PROJECT EXPENDITURES	
Board of Directors	\$8,200
Administration	\$23,888
Admin. Contingency Fund	\$5,000
Professional Services	\$31,000
TOTAL FY 2026 NON-PROJECT EXPENDITURES	\$68,088
PROJECT EXPENDITURES	
Earth Day	\$1,100
Green Valley Sanitary District	\$125,000
Western Dakota Hydrology Conference	\$3,000
Barr Water Management Modeling - Deerfield/Pactol	\$18,074
USGS Stream Gauges 2024-2027	\$12,065
EPA/SDDANR Section 319 Watershed Improvement Project	\$133,333
TOTAL FY 2027 PROJECTS	\$291,572
TOTAL FY 2027 BUDGET	\$360,660

The purpose of holding this hearing is to provide the public an opportunity to contribute to, and comment on, the Water Development District's proposed operating budget for Fiscal Year 2027.

The West Dakota Water Development District promotes the conservation, development, and proper management of district water resources according to district priorities; supports water quality and supply projects through technical, organizational and financial assistance to prospective and existing project sponsors; and through other appropriate actions supports the purposes of South Dakota Codified Law chapters 34A-2, 34A-3A, 34A-6, 34A-9, chapters 46A-3A to 46A-3E, inclusive, and chapters 46A-1 and 46A.

Persons interested in presenting data, opinions, and arguments for and against the proposed budget may appear, either in person or by representative, at the hearing, and be heard and given an opportunity for a full and complete discussion of all items in the budget.

Published once at the total approximate cost of \$30.06 and may be viewed free of charge at www.sdpublicnotices.com.

7/29

2026 Tax Levy Request
Due By: 10/01/2026

West Dakota Water District
Thomas Mack
314 E Tallent St
Rapid City SD 57701

Daytime Phone #: (605) 850-3677

District Email: wd added0@outlook.com

Check box or boxes below to levy maximums allowable:

☐ Estimated max tax dollars available: \$283,277

☐ Opt Out Dollars available: \$0

Opt Out Expires in:

OR

Write in specific dollar amounts below if different than above:

General Fund: \$

Other Fund: \$

Impose New Tax: \$

Opt Out Tax \$'s: \$

New Opt Out: \$

Total: \$

Appove Date:

Appove Date:

West Dakota Water District - D

Signature

Date

AGENDA ITEM 8: Information Update: Mr. Frank Henderson President Green Valley Sanitation District on GVSD meeting of July 15, 2026. Possible motion to rescind \$125,000 allocation. (Mulally)

AGENDA ITEM 9: Funding request: Resilient Headwaters and Holistic Riverscape Restoration Planning. \$35,000. Black Hills Watershed Collaborative. Lori Brown (Young)

1) Problem or Opportunity Statement:

The Upper Rapid Creek Watershed is a vital ecological, cultural, and economic engine for the Black Hills region. It supplies municipal drinking water to Rapid City and Ellsworth Air Force Base. This watershed has experienced significant hydrologic modification and channelization over the decades, and continues to face land-use and development pressure. These alterations have disrupted the natural fluvial processes that once sustained the creek's ecological function. The US Forest Service now considers 100% of the watershed "functioning at risk".

Despite the compounding stressors that threaten Rapid Creek, this watershed represents a significant opportunity to improve water conservation, water quality, and the beneficial use of water resources. Process-based restoration (PBR) offers a proven, low-tech framework for recovering natural stream function by addressing the root causes of degradation rather than treating symptoms with costly engineered solutions. However, before any restoration work can be responsibly designed or implemented, a rigorous assessment is needed to characterize current stream conditions, identify limiting factors, evaluate the reach's recovery potential, and prioritize intervention sites.

The Black Hills Watershed Collaborative proposes to conduct a process-based restoration assessment of Upper Rapid Creek to fill this critical knowledge gap. This assessment will provide the scientific and technical foundation necessary to guide future restoration investments, protect downstream water quality and supply, and ensure that the limited conservation dollars available are directed toward actions most likely to produce lasting, self-sustaining improvements to this valued watershed resource.

2) Objective of Project

Traditional restoration practices typically focus on a Rosgen style "form-based" approach. This type of restoration can be cost-prohibitive, difficult to scale and often does not include biology as a process-driver. This type of restoration may be appropriate in certain situations but is not an effective tool for large-scale headwater restoration projects.

The objective of this project is to conduct a Process-Based Restoration assessment to evaluate: 1) current stream and riparian conditions, 2) identify causality of degradation, 3) examine reach specific process-drivers, and 4) determine the reach's restoration potential. The assessment will produce a prioritized, reach-specific restoration framework that identifies candidate reaches for investment, and identify appropriate low-tech intervention strategies to guide future restoration efforts that improve water quality, floodplain connectivity, and aquatic habitat within the WDWDD service area.

Three core documents will be produced: 1) a written assessment report documenting findings, methods, and restoration recommendations; 2) a prioritized reach map and associated GIS products identifying candidate restoration sites and intervention types; and 3) conceptual restoration design recommendations providing implementation sequencing and estimated scope for future project phases. Approximately 300 miles of perennial and intermittent stream reaches will be included in the assessment. See attachment 1 for a map of geographic scope and list of basins.

3) Recognition of WDWDD for this gift

The WDWDD logo will be included on the website as a formal partner and will receive recognition on social media. Name and logo will be included at all public meetings and on developed print materials and associated reports. Additional recognition can be added at the request of the board.

4) Expected Outcomes

Process Based Restoration is rooted in a physics-based approach, and is not limited to how we design projects, it is how we think about stream systems. Much of our historic understanding of stream systems emphasized the relationship between the amount of stream flow, the slope of the channel, and the amount and size of sediment (Lane 1955); biology was not included in this equation. Biology is often described as an outcome of physical processes, rather than a co-equal driver.

This PBR assessment will treat geology, hydrology, and biology as co-equal process-drivers, and will be based on the understanding that a stream may be dominated by any of these three drivers depending upon landscape setting and geographic location. This multifaceted perspective integrates biological processes, and allows for a deeper understanding of dynamic stream systems and the potential outcomes from restoration actions. This assessment provides for a clearer understanding of the relationship between process-drivers and allows for the selection of restoration strategies that address both adverse impacts from past disturbance, and increased resilience to future disturbances.

Relevance to restoration outcomes: Ecological recovery requires some degree of biological uplift and re-establishment of a healthy and functional ecosystem. The rate at which restoration happens depends on biological recolonization compared to the frequency of physical or biological disturbance.

This assessment provides a framework in which restoration trajectories can be evaluated in a way that is not limited to a linear outcome. In restoration many outcomes are possible, but some are *more probable* than others due to the relative influence of geology, hydrology, and biology. Basing a watershed restoration plan on a foundation of understanding of those drivers helps practitioners develop realistic expectations for restoration success and appropriately evaluate progress towards project goals through time, while also allowing for the incorporation of future disturbances. With this foundation assessment we can better evaluate the relative influence of the process-drivers for a given landscape setting and the impacts of specific management interventions.

The assessment “Scope of Work” will include the following analysis:

- **Physical and Biological Setting Characterization:** Desktop review of available GIS data, aerial imagery, LiDAR, and existing reports to document the physical and biological context of Upper Rapid Creek, including watershed characteristics, flow regime, and relevant aquatic species. This establishes the foundation for reach classification and informs restoration priorities relative to water quality and aquatic habitat values.

Valley Bottom and Channel Geometry / Longitudinal Profile Analysis: Field survey and desktop analysis will characterize channel shape, cross-sectional geometry, bed slope, degree of incision, and channel-floodplain connectivity across the assessment area. Longitudinal profiles derived from LiDAR and NHD data will be used to identify slope breaks, areas of hydrologic modification, and reaches with elevated restoration potential. This establishes the geomorphic baseline necessary to distinguish between degraded and reference-condition reaches.

Reach Classification: Assessment findings will be synthesized into a spatially explicit reach classification that describes distinct reach types based on valley confinement, channel gradient, substrate, and vegetation community. For each reach type, intact and degraded condition variants will be described, establishing expectations for properly functioning riverscapes and identifying key indicators of condition for each type.

Condition Assessment: A combination of remote and field-based surveys will be used to assess riverscape condition across the assessment area. Key indicators including channel planform, incision and channel-floodplain connectivity, geomorphic unit diversity, riparian vegetation extent and composition, and low-tech restoration suitability will be evaluated by reach type. Drone-derived orthomosaics will be used where feasible to map inundation extents, instream structures, and riparian areas to validate remote assessments.

Hydrology and Flow Regime Analysis: Available streamflow records and hydrologic data will be reviewed to characterize the natural flow regime, with particular attention to alterations associated with upstream impoundments, diversions, and channelization. This analysis will identify where altered hydrology is a primary driver of channel degradation and will inform the feasibility and expected response of restoration interventions.

- **Riparian Vegetation Condition Assessment:** Field and remote assessment of the riparian corridor will document canopy cover, species composition, invasive species encroachment, and the extent of riparian areas relative to valley bottom width. Changes in riparian community structure will be evaluated as both an indicator of condition and a constraint on restoration trajectory.
- **Prioritization Framework and Restoration Recommendations:** Reach condition, recovery potential, site accessibility, land use context, and natural recovery trajectory will be integrated into a prioritization framework to identify candidate restoration reaches. The framework will evaluate factors including current condition, proximity to high-quality reference reaches, infrastructure conflicts, and the level of effort required to achieve target conditions. Priority reaches will be assigned recommended restoration approaches scaled to their reach type and limiting factors.

5) Project timeline

- Aug 2026: Contract signed with Anabran Solutions (Contractor)
- December 2026: Intermediate results provided by contractor
- Spring 2027: Field validation and site visits with contractor
- Aug 31 2027: Final deliverables from contractor

6) Significant project milestones and associated deliverables

Associated deliverables: This assessment will directly be used in US Forest Service and SDGFP 2027 project planning and implementation. It will serve as a foundation document for stream restoration planning for conservation partners for the next five to seven years. This assessment overlaps with stream reaches that are currently permitted under NEPA, and through USACE for restoration activities. USFS has a target of six miles of stream restoration to be completed in the assessment geography in 2027. The assessment also aligns with DANR watershed protection planning for Rapid Creek and will be used as a planning document for the development of 319 project funding.

7) Overall Budget

See Attachment 2 for a detailed budget. Total project amount: \$70,000. Funding request: \$35,000

8) Project Partners and contributions cash and in-kind

Project Partners and contributions: See Attachment 2 for detailed budget

- a) Black Hills Area Community Foundation: \$35,000 cash
- b) US Forest Service, in-kind labor: USFS will commit 160 hours of staff time. Staff will work directly with the contractor, work will include supporting the analysis of LiDAR data, and providing riparian condition data and analysis. USFS cannot make financial contributions at this time due to current administration policies. They remain committed to the objectives and will be providing technical expertise.
- c) South Dakota Dept. of Ag and Natural Resources: Implementation partner
- d) South Dakota Game Fish and Parks, in-kind labor and materials: GFP has committed \$8,000 for monitoring equipment intended to directly inform assessment and support field validation of outcomes

9) Billing method and schedule

Quarterly payment requested. Invoices will include a performance report, detailed expenses and other significant updates as needed. The Black Hills Area Community Foundation will provide administrative support for all financial management and reporting needs.

10) Final project deliverable

BHWC will provide a final presentation to the board. All data, analysis, and complete assessment reports will be shared with WDWDD and made available to any other public entities, including universities, government agencies, etc.

11) Intellectual property rights

a) NA

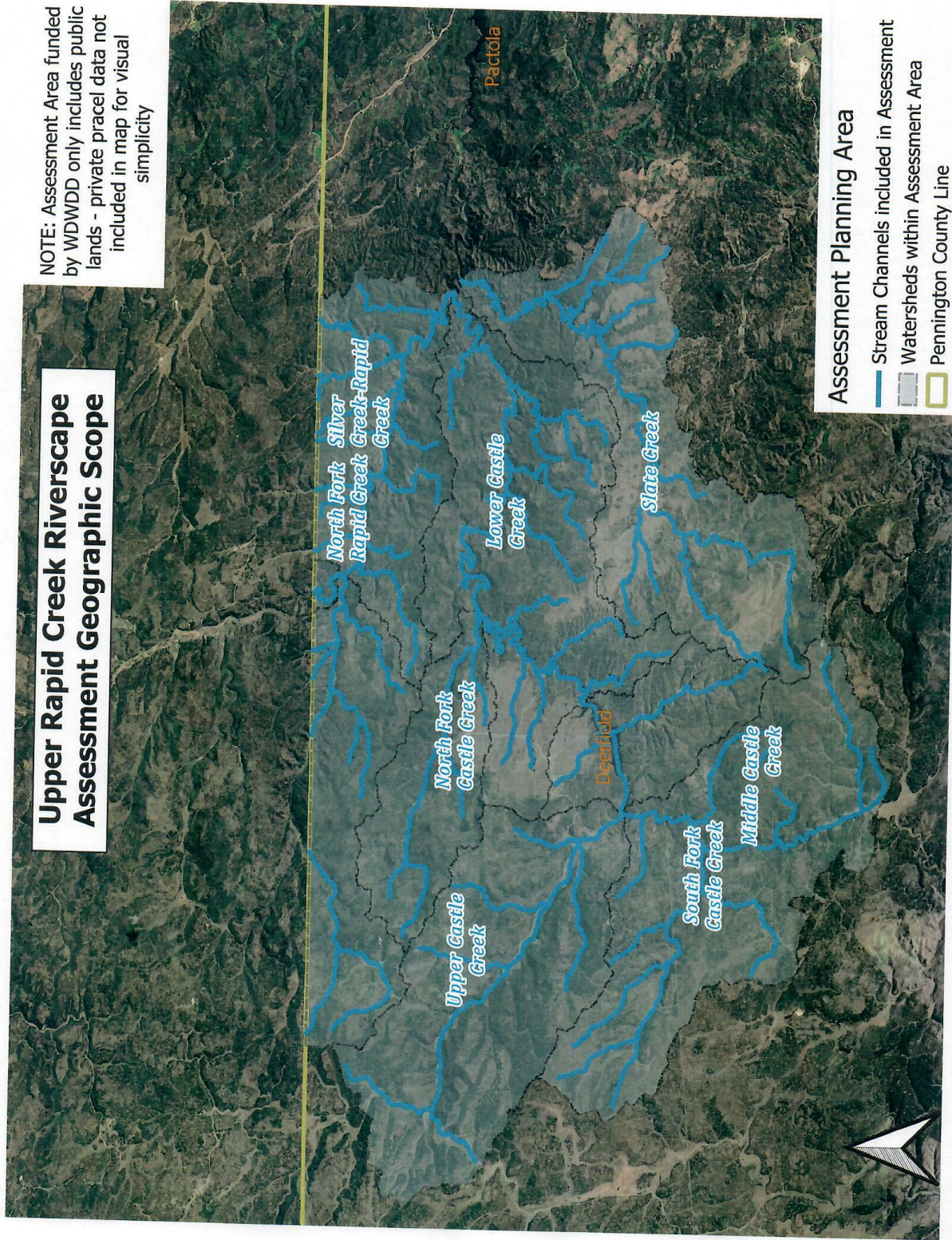
12) Signature page - Attachment 3

Attachments

- Attachment 1: Map of Geographic Scope of Work
- Attachment 2: Budget
- Attachment 3: Signature Page
- Attachment 4: Willow Creek Restoration Assessment, provided as example of final product

Upper Rapid Creek Riverscape Assessment Geographic Scope

NOTE: Assessment Area funded by WDWD only includes public lands - private parcel data not included in map for visual simplicity



Upper Rapid Creek Assessment: Detailed Budget

See below for Budget Justification, cash and in-kind contributions and specific WDWDD funding request

Project Period: Aug 2026 - July 2027

Project total budget: \$70,000

Funding request from WDWDD: \$35,000 (50% of total budget)

Category: Labor	Total cost	Cash	WDWDD ask
Principal Ecologist / Senior Scientist 250 hrs @ \$142/hr - Watershed assessment, reach classification, project oversight	\$35,500	\$16,430	\$19,070
Project Manager 50 hrs @ \$134/hr - Contract management, tracking, reporting	\$6,700	\$3,082	\$3,618
GIS / Geospatial Analyst 137 hrs @ \$100/hr Reach mapping, spatial data products	\$13,700	\$6,302	\$7,398
Field Technician / Restoration Specialist 100 hrs @ \$91/hr - Field surveys, site visits	\$9,100	\$4,186	\$4,914
Operational/overhead	\$5,000	\$5,000	
Total	\$70,000	\$35,000	\$35,000

- 1) Labor rates reflect preferred contractor: Anabran Solutions 2026 standard rates. All labor charged to this project is specific to Rapid Creek watershed restoration planning deliverables.
- 2) Budget figures are estimates subject to adjustment upon execution of a formal contract.

Budget Justification

Labor - all labor provided via contractual services with Anabran Solutions

Principal Ecologist / Senior Scientist

The Principal Ecologist will provide technical leadership for the watershed assessment, reach classification, and restoration planning. Hours budgeted at \$175/hour, reflecting the senior-level expertise required to lead a multi-reach geomorphic and ecological assessment of this complexity. This individual will oversee all field reconnaissance, lead the condition assessment methodology, and ensure the scientific rigor of all deliverables.

Project Manager

The Project Manager is responsible for scheduling and coordination across internal teams and with partner agencies, scope of work includes contract compliance, invoicing, and on time delivery of all project milestones.

GIS / Geospatial Analyst

The GIS Analyst will develop and maintain all spatial data products, including drainage network delineation, reach classification layers, condition mapping, beaver habitat inventory, and the restoration prioritization map.

Field Technician / Restoration Specialist

The Field Technician will support all field validation activities including reach condition surveys, photo documentation, drone flights, and GPS data collection.

Operational/Overhead

The Black Hills Watershed Collaborative as the project sponsor will be responsible for contract management, tracking deliverables, invoicing, and effective communications. \$5,000 in cash will be provided for the additional labor cost related directly to the project deliverables.

Attachment 3: Signature Page

By signing below, the parties agree to the scope, budget, and deliverables outlined in this proposal, subject to execution of a formal contract upon WDWDD Board approval.

Applicant	
Signature:	
Name:	Chris Huber
Title:	Black Hills Area Community Foundation, President and CEO
Date:	

WDWDD Official	
Signature:	
Name:	
Title:	
Date:	

AGENDA ITEM 10: Review and approve scope-of-work for contracting HDR to initiate work on protection plans for Rapid Creek 319 project. Cory Foreman (Chair)



July 23, 2026

Dear Larry Stetler,

On behalf of HDR Engineering, Inc., we are pleased to submit the draft project fee for the Rapid Creek Watershed Protection Plan Project, as presented below for consideration by the West Dakota Water Development District Board at its July 14, 2026 meeting. We are proposing a Time and Materials Not to Exceed \$231,440 to cover the three tasks outlined in the previously-submitted draft Scope of Work. The proposed tasks and associated fee are outlined below. We anticipate this project to be complete by July 31st, 2028.

Rapid Creek Watershed Protection Plan Project	
<i>Task 1: Watershed Assessment</i>	\$78,560.00
<i>Task 2: Build Partnerships & Goal Setting</i>	\$62,440.00
<i>Task 3: Plan Development</i>	\$90,440.00
Total	\$231,440.00

HDR appreciates the opportunity to support the district's efforts to protect and enhance water resources within the Rapid Creek watershed. We look forward to discussing the fee, to verify our project assumptions align with the Board's expectations, prior to authorization.

Sincerely,
HDR Engineering, Inc.

Cory Foreman, P.E. (SD)
Dakotas/Wyoming Area Water Resources Section Manager
Associate Vice President

Jason Kjenstad, P.E. (SD)
Dakotas/Wyoming Area Manager
Senior Vice President

**SHORT FORM AGREEMENT BETWEEN OWNER AND
HDR ENGINEERING, INC. FOR PROFESSIONAL SERVICES
AGREEMENT NUMBER _____**

THIS AGREEMENT is made as of this _____ day of _____, 2026, between West Dakota Water Development District Board ("OWNER") and HDR ENGINEERING, INC., ("ENGINEER" or "CONSULTANT") for services in connection with the project known as Rapid Creek Watershed Protection Plan ("Project");

WHEREAS, OWNER desires to engage ENGINEER to provide professional engineering, consulting and related services ("Services") in connection with the Project; and

WHEREAS, ENGINEER desires to render these Services as described in SECTION I, Scope of Services.

NOW, THEREFORE, OWNER and ENGINEER in consideration of the mutual covenants contained herein, agree as follows:

SECTION I. SCOPE OF SERVICES

ENGINEER will provide Services for the Project, which consist of the Scope of Services as outlined on the attached Exhibit A.

SECTION II. TERMS AND CONDITIONS OF ENGINEERING SERVICES

The HDR Engineering, Inc. Terms and Conditions, which are attached hereto in Exhibit B, are incorporated into this Agreement by this reference as if fully set forth herein.

SECTION III. RESPONSIBILITIES OF OWNER

The OWNER shall provide the information set forth in paragraph 6 of the attached "HDR Engineering, Inc. Terms and Conditions for Professional Services."

SECTION IV. COMPENSATION

Compensation for ENGINEER'S services under this Agreement shall be on the basis of

Time and Materials, with a not-to-exceed limit of \$231,440.00. Time and Materials shall mean an hourly rate to be paid as total compensation for each hour an employee works on the project, plus Reimbursable Expenses. Hourly Rates are outlined in the "HDR Engineering 2026 Hourly Billing Rates" attached. Rates are subject to change in January of each year

Compensation terms are defined as follows:

Reimbursable Expense shall mean the actual expenses incurred directly or indirectly in connection with the Project for transportation travel, subconsultants, subcontractors, technology charges, telephone, telex, shipping and express, and other incurred expense. ENGINEER will add ten percent (10%) to invoices received by ENGINEER from subconsultants and subcontractors to cover administrative expenses and vicarious liability.

SECTION V. PERIOD OF SERVICE

Upon receipt of written authorization to proceed, ENGINEER shall perform the services described in Exhibit A within a reasonable period of time.

Unless otherwise stated in this Agreement, the rates of compensation for ENGINEER'S services have been agreed to in anticipation of the orderly and continuous progress of the project through completion. If any specified dates for the completion of ENGINEER'S services are exceeded through no fault of the ENGINEER, the time for performance of those services shall be automatically extended for a period which may be reasonably required for their completion and all rates, measures and amounts of ENGINEER'S compensation shall be equitably adjusted.

SECTION VI. SPECIAL PROVISIONS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

West Dakota Water Development District
Board

"OWNER"

BY: _____

NAME: _____

TITLE: _____

ADDRESS: _____

HDR ENGINEERING, INC.
"ENGINEER"

BY: _____

NAME: _____

TITLE: _____

ADDRESS: _____



**West Dakota Water Development District
Rapid Creek Watershed Protection Plan Project
Rapid City, SD**

ENGINEERING PROPOSAL

1. PROJECT BACKGROUND AND PURPOSE

The Rapid Creek Watershed Project Segment 1 is a three-year watershed protection and implementation effort focused on improving and protecting water quality in the Rapid Creek watershed in the Black Hills of South Dakota. Rapid Creek supports important recreational, fisheries, domestic water supply, agricultural, and ecological uses. Portions of Rapid Creek are fully supporting designated beneficial uses, while downstream segments are impaired for pollutants including *E. coli* bacteria and total suspended solids.

The purpose of this scope of work is to define the watershed protection planning activities for Rapid Creek Segments 2 and 3. The work will identify existing conditions, potential threats to water quality and beneficial uses, priority protection needs, stakeholder coordination requirements, and recommended actions to guide future watershed protection efforts.

2. PROJECT GOALS AND OBJECTIVES

The overall goal of the watershed protection planning effort is to develop practical, stakeholder-informed plans that protect high-quality waters, address existing and potential sources of pollution, and guide future implementation priorities within Rapid Creek Segments 2 and 3.

Specific objectives include:

- Develop a protection plan for Rapid Creek Segment 2, extending from Pactola Reservoir to Canyon Lake.
- Develop a protection plan for Rapid Creek Segment 3, extending from Canyon Lake through Rapid City.
- Evaluate water quality concerns, hydromodification, streambank erosion, adjacent land use, urban runoff, recreational use, fisheries considerations, and other potential watershed stressors.
- Identify priority areas and recommended actions to protect beneficial uses and guide future implementation efforts.
- Coordinate with project partners, agencies, landowners, and stakeholders during development of the protection plans.



3. SCOPE OF SERVICES

TASK 1 – WATERSHED ASSESSMENT FOR RAPID CREEK SEGMENTS 2 AND 3

Subtask 1.1. Assess the Watershed: A watershed characterization will be completed for the Rapid Creek watershed area encompassing Segment 2, from Pactola Reservoir to Canyon Lake, and Segment 3, from Canyon Lake through Rapid City. The assessment will describe current watershed conditions, summarize available water quality and watershed data, identify potential threats and stressors, and establish the technical foundation for two separate watershed protection plans. Segment 2 will be evaluated with a focus on maintaining existing beneficial uses and protecting high-quality water, fisheries, recreation, and domestic water supply uses. Segment 3 will be evaluated with a focus on existing impairment concerns, including *E. coli*, urban runoff, stormwater influences, streambank condition, public recreation, and other watershed stressors.

This assessment will differ from a traditional impaired-water watershed assessment because development of a watershed model is not currently anticipated or needed for this phase. The work will emphasize collecting, organizing, and summarizing available GIS spatial data, hydrologic and water quality data, land use information, stream condition information, fisheries and instream habitat information, stormwater and infrastructure information, and other available data needed to characterize existing conditions and inform future protection activities.

Subtask 1.1 Outline:

1. Literature review of available Rapid Creek watershed studies, water quality reports, TMDL or assessment information, previous planning documents, municipal stormwater information, and relevant state and federal watershed information.
2. Spatial data compilation and GIS review, including lidar/topography, soils, land use/land cover, ownership, infrastructure, stormwater infrastructure, outfalls, parks and recreation areas, floodplain, riparian corridor, and other available spatial datasets.
3. Hydrologic and water quality data review using available stream gage, monitoring station, municipal, and agency datasets to summarize flow conditions, water quality trends, impairment considerations, and key protection needs across Segments 2 and 3.
4. Review of stream condition, hydromodification, floodplain connectivity, streambank erosion, recreational access, fisheries, aquatic habitat, and other physical watershed conditions relevant to the two segments.



5. Identification of potential pollutant sources, watershed stressors, protection needs, and priority areas that should be evaluated further during stakeholder engagement and plan development.
6. Development of an initial stakeholder and partner list for Segment 2 and Segment 3 to support targeted engagement and plan review.

Assumptions:

- Water quality analysis above Pactola Reservoir will not be completed as part of this assessment. Water quality analysis above Pactola Reservoir can be included as an optional item in addition to this scope and fee if desired. For the purposes of the Rapid Creek Watershed Protection Plan, Rapid Creek below Pactola will serve as the upstream boundary condition in terms of discharge and water quality.
- Three sets of watershed figures will be created as part of this project -one above Pactola Reservoir, one below Pactola Reservoir to Canyon Lake, and one downstream of Canyon Lake to the Water Reclamation Facility discharge.
- Literature review will include a review of and summaries of up to 10 past watershed evaluations or hydrologic research documents.
- Available agency, municipal, and public datasets will be used to characterize the watershed areas associated with Segments 2 and 3; new water quality sampling, watershed modeling, engineering design, or BMP implementation are not included.
- Existing monitoring locations and available data will be used to summarize hydrologic and water quality conditions.
- The assessment will provide a shared technical foundation for both watershed protection plans while recognizing that each segment has different water quality conditions, stakeholders, and implementation needs.

Deliverables:

- Watershed Characterization technical report summarizing key findings from data gathering and analysis for Rapid Creek Segments 2 and 3.
- Initial stakeholder and partner list organized by segment.
- Summary of watershed stressors, potential pollutant sources, protection needs, and priority areas to inform stakeholder engagement and plan development.
- Monthly invoicing and progress updates provided via email.

TASK 2 – STAKEHOLDER ENGAGEMENT AND GOAL SETTING

Subtask 2.1A. Build Partnerships for Segment 2: Stakeholder engagement and buy-in will be critical to developing a practical watershed protection plan for Rapid Creek Segment 2, extending from Pactola Reservoir to Canyon Lake. Engagement will build from the



watershed assessment and will focus on protection priorities, existing beneficial uses, fisheries and recreation considerations, domestic water supply considerations, and stakeholder-supported actions needed to maintain high-quality water conditions.

1. Develop watershed fact sheet materials summarizing Segment 2 watershed assessment findings, existing conditions, segment-specific concerns, and protection opportunities.
2. Develop an ArcGIS Online-based comment map or project information page, if appropriate, to support Segment 2 stakeholder review and comment.
3. Facilitate coordination with Segment 2 stakeholders, including West Dakota Water Development District, South Dakota Department of Agriculture and Natural Resources, South Dakota Department of Game, Fish and Parks, City of Rapid City, Black Hills Fly Fishermen, and U.S. Forest Service.
4. Hold Segment 2 stakeholder coordination meetings or workshops to review assessment findings, discuss protection goals, identify priority actions, and build support for future watershed management activities.

Subtask 2.1B. Build Partnerships for Segment 3: Stakeholder engagement and buy-in will be critical to developing a practical watershed protection and implementation plan for Rapid Creek Segment 3, extending from Canyon Lake through Rapid City. Engagement will build from the watershed assessment and will focus on urban watershed concerns, bacteria impairment, stormwater influences, stream condition, public recreation, fisheries considerations, and feasible implementation opportunities.

1. Develop watershed fact sheet materials summarizing Segment 3 watershed assessment findings, existing conditions, segment-specific concerns, impairment considerations, and protection or implementation opportunities.
2. Develop an ArcGIS Online-based comment map or project information page, if appropriate, to support Segment 3 stakeholder review and comment.
3. Facilitate coordination with Segment 3 stakeholders, including West Dakota Water Development District, South Dakota Department of Agriculture and Natural Resources, City of Rapid City, South Dakota Department of Game, Fish and Parks, Black Hills Fly Fishermen, Trout Unlimited, and Rapid Valley Sanitation District.
4. Hold Segment 3 stakeholder coordination meetings or workshops to review assessment findings, discuss protection and implementation goals, identify priority actions, and build support for future watershed management activities.

Subtask 2.2A. Set Water Quality and Protection Goals for Segment 2: Based on stakeholder input and review of current water quality standards, monitoring data, and watershed conditions, goals will be established for Rapid Creek Segment 2. Segment 2



goals will focus on maintaining existing water quality, protecting beneficial uses, identifying acceptable thresholds for change, and outlining procedures to recognize harmful trends before impairment occurs.

Subtask 2.2B. Set Water Quality, Protection, and Implementation Goals for Segment 3:

Based on stakeholder input and review of current water quality standards, impairment information, monitoring data, and watershed conditions, goals will be established for Rapid Creek Segment 3. Segment 3 goals will focus on reducing bacteria loading, addressing relevant pollutants and watershed stressors, improving stream condition where feasible, protecting recreational and fisheries uses, and identifying measurable indicators that can be used to evaluate progress over time.

Assumptions:

- Documentation of subtask 2.2A and 2.2B will be in the form of meeting minutes and summary notes. The complete process will be completed in Task 3 as part of the final watershed protection plan reports.
- One, 4 hour, workshop will be held for each segment
- Up to 3 meetings will be held with each stakeholder group for each segment.

Deliverables:

- Watershed fact sheets for Rapid Creek Segment 2 and Segment 3 summarizing assessment findings, existing conditions, segment-specific concerns, and protection or implementation opportunities.
- Meeting minutes from Segment 2 and Segment 3 stakeholder coordination meetings or workshops.
- PDF's of powerpoint presentations used in each workshop.

TASK 3 – WATERSHED PROTECTION PLAN DEVELOPMENT

Subtask 3.1. Prepare a Segment 2 Watershed Protection Plan: Building on the watershed assessment and Segment 2 stakeholder input, a separate watershed protection plan will be prepared for Rapid Creek Segment 2. The plan will identify potential future risks, protection strategies, priority areas, and implementation actions to maintain water quality and beneficial uses between Pactola Reservoir and Canyon Lake. The plan will incorporate applicable watershed planning elements, including identification of potential causes and sources of future impairment, recommended management measures, implementation priorities, milestones, information and education needs, and monitoring considerations.



Subtask 3.2. Prepare a Segment 3 Watershed Protection and Implementation Plan:

Building on the watershed assessment and Segment 3 stakeholder input, a separate watershed protection and implementation plan will be prepared for Rapid Creek Segment 3. The plan will identify likely causes and sources of impairment, recommended management measures, technical and financial assistance needs, information and education activities, implementation schedule, milestones, evaluation criteria, and monitoring considerations. The plan will be structured to guide future activities that reduce pollutant sources, improve stream condition, and protect designated uses from Canyon Lake through Rapid City.

Assumptions:

- Summary of existing watershed, water quality, land use, fisheries, recreation, hydromodification, and stream condition information relevant to each segment.
- Identification of potential pollutant sources, watershed stressors, and priority protection needs.
- Recommended protection actions and future implementation priorities for each segment.
- Stakeholder coordination documentation specific to the Segment 2 and Segment 3 protection plan partner groups.

Deliverables:

- Watershed protection plan for Rapid Creek Segment 2.
- Watershed protection plan for Rapid Creek Segment 3.

5. SCHEDULE

Protection planning work shall be completed during the project period from August 1, 2026, through August 31, 2028. The schedule shall include data review, stakeholder coordination, identification of priority concerns, development of draft protection plan materials, partner review, and preparation of final Segment 2 and Segment 3 protection plans.

6. PERMITTING AND COMPLIANCE

Permitting is not anticipated as part of the watershed protection planning scope. However, the protection plans may identify future implementation actions that could require permits or regulatory review, including water rights, local approvals, Section 401 water quality certification, Section 404 permits, stormwater construction permits, threatened and endangered species review, and historic or cultural resources review.

HDR Engineering, Inc. Terms and Conditions for Professional Services

1. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting and related services performed or furnished by ENGINEER and its employees under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under the same or similar circumstances at the same time and in the same locality. ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER's services.

2. INSURANCE/INDEMNITY

ENGINEER agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$250,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which ENGINEER is legally liable. If flying an Unmanned Aerial System (UAS or drone), ENGINEER will procure and maintain aircraft unmanned aerial systems insurance of \$1,000,000 per occurrence. OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. ENGINEER agrees to indemnify OWNER for third party personal injury and property damage claims to the extent caused by ENGINEER's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract. The employees of both parties are intended third party beneficiaries of this waiver of consequential damages.

3. OPINIONS OF PROBABLE COST

Any opinions of probable project cost or probable construction cost provided by ENGINEER are made on the basis of information available to ENGINEER and on the basis of ENGINEER's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or market conditions, ENGINEER does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost ENGINEER prepares.

4. CONSTRUCTION PROCEDURES

ENGINEER's observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. ENGINEER shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. ENGINEER shall not be responsible for the acts or omissions of the contractor or other parties on the project. ENGINEER shall be

entitled to review all construction contract documents and to require that no provisions extend the duties or liabilities of ENGINEER beyond those set forth in this Agreement. OWNER agrees to include ENGINEER as an indemnified party in OWNER's construction contracts for the work, which shall protect ENGINEER to the same degree as OWNER. Further, OWNER agrees that ENGINEER shall be listed as an additional insured under the construction contractor's liability insurance policies.

5. CONTROLLING LAW

This Agreement is to be governed by the law of the state where ENGINEER's services are performed.

6. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are deemed necessary by ENGINEER. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional engineering and related services hereunder, it is understood by OWNER that ENGINEER is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by ENGINEER, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by ENGINEER.

7. SUCCESSORS, ASSIGNS AND BENEFICIARIES

OWNER and ENGINEER, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor ENGINEER will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other. No third party beneficiaries are intended under this Agreement.

8. RE-USE OF DOCUMENTS

All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by ENGINEER pursuant to this Agreement, are instruments of service with respect to the project. ENGINEER retains ownership of all such documents. OWNER may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by OWNER or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER will defend, indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses, including attorney's fees,

arising or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

9. TERMINATION OF AGREEMENT

OWNER or ENGINEER may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs ENGINEER incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

10. SEVERABILITY

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

11. INVOICES

ENGINEER will submit monthly invoices for services rendered and OWNER will make payments to ENGINEER within thirty (30) days of OWNER's receipt of ENGINEER's invoice.

ENGINEER will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in ENGINEER's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify ENGINEER of the dispute and request clarification and/or correction. After any dispute has been settled, ENGINEER will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for ENGINEER. ENGINEER retains the right to assess OWNER interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date OWNER receives ENGINEER's invoice. In the event undisputed portions of ENGINEER's invoices are not paid when due, ENGINEER also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

12. CHANGES

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by ENGINEER are estimates to perform the services required to complete the project as ENGINEER understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. ENGINEER will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance

of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

13. CONTROLLING AGREEMENT

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

14. EQUAL EMPLOYMENT AND NONDISCRIMINATION

In connection with the services under this Agreement, ENGINEER agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

15. HAZARDOUS MATERIALS

OWNER represents to ENGINEER that, to the best of its knowledge, no hazardous materials are present at the project site. However, in the event hazardous materials are known to be present, OWNER represents that to the best of its knowledge it has disclosed to ENGINEER the existence of all such hazardous materials, including but not limited to asbestos, PCB's, petroleum, hazardous waste, or radioactive material located at or near the project site, including type, quantity and location of such hazardous materials. It is acknowledged by both parties that ENGINEER's scope of services do not include services related in any way to hazardous materials. In the event ENGINEER or any other party encounters undisclosed hazardous materials, ENGINEER shall have the obligation to notify OWNER and, to the extent required by law or regulation, the appropriate governmental officials, and ENGINEER may, at its option and without liability for delay, consequential or any other damages to OWNER, suspend performance of services on that portion of the project affected by hazardous materials until OWNER: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the hazardous materials; and (ii) warrants that the project site is in full compliance with all applicable laws and regulations. OWNER acknowledges that ENGINEER is performing professional services for OWNER and that ENGINEER is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous materials, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the project site in connection with ENGINEER's services under this Agreement. If ENGINEER's services hereunder cannot be performed because of the existence of hazardous materials, ENGINEER shall be entitled to terminate this Agreement for cause on 30 days written notice. To the fullest extent permitted by law, OWNER shall indemnify and hold harmless ENGINEER, its officers, directors, partners, employees, and subconsultants from and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from hazardous materials, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this paragraph shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's sole negligence or willful misconduct.

16. EXECUTION

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between ENGINEER and

OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

17. ALLOCATION OF RISK

OWNER AND ENGINEER HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING ENGINEER'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF ENGINEER (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE LESSER OF \$1,000,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF ENGINEER'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. ENGINEER'S AND SUBCONSULTANTS' EMPLOYEES ARE INTENDED THIRD PARTY BENEFICIARIES OF THIS ALLOCATION OF RISK.

18. LITIGATION SUPPORT

In the event ENGINEER is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which ENGINEER is not a party, OWNER shall reimburse ENGINEER for reasonable costs in responding and compensate ENGINEER at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

19. NO THIRD PARTY BENEFICIARIES

Except as otherwise provided in this Agreement, no third party beneficiaries are intended under this Agreement. In the event a reliance letter or certification is required under the scope of services, the parties agree to use a form that is mutually acceptable to both parties.

20. UTILITY LOCATION

If underground sampling/testing is to be performed, a local utility locating service shall be contacted to make arrangements for all utilities to determine the location of underground utilities. In addition, OWNER shall notify ENGINEER of the presence and location of any underground utilities located on the OWNER's property which are not the responsibility of private/public utilities. ENGINEER shall take reasonable precautions to avoid damaging underground utilities that are properly marked. The OWNER agrees to waive any claim against ENGINEER and will indemnify and hold ENGINEER harmless from any claim of liability, injury or loss caused by or allegedly caused by ENGINEER's damaging of underground utilities that are not properly marked or are not called to ENGINEER's attention prior to beginning the underground sampling/testing.

21. UNMANNED AERIAL SYSTEMS

If operating UAS, ENGINEER will obtain all permits or exemptions required by law to operate any UAS included in the services. ENGINEER's operators have completed the training, certifications and licensure as required by the applicable jurisdiction in which the UAS will be operated. OWNER will obtain any necessary permissions for ENGINEER to operate over private property, and assist, as necessary, with all other necessary permissions for operations.

22. OPERATIONAL TECHNOLOGY SYSTEMS

OWNER agrees that the effectiveness of operational technology systems and features designed, recommended or assessed by ENGINEER (collectively "OT Systems") are dependent upon OWNER's continued operation and maintenance of the OT Systems

in accordance with all standards, best practices, laws, and regulations that govern the operation and maintenance of the OT Systems. OWNER shall be solely responsible for operating and maintaining the OT Systems in accordance with applicable laws, regulations, and industry standards (e.g. ISA, NIST, etc.) and best practices, which generally include but are not limited to, cyber security policies and procedures, documentation and training requirements, continuous monitoring of assets for tampering and intrusion, periodic evaluation for asset vulnerabilities, implementation and update of appropriate technical, physical, and operational standards, and offline testing of all software/firmware patches/updates prior to placing updates into production. Additionally, OWNER recognizes and agrees that OT Systems are subject to internal and external breach, compromise, and similar incidents. Security features designed, recommended or assessed by ENGINEER are intended to reduce the likelihood that OT Systems will be compromised by such incidents. However, ENGINEER does not guarantee that OWNER's OT Systems are impenetrable and OWNER agrees to waive any claims against ENGINEER resulting from any such incidents that relate to or affect OWNER's OT Systems.

23. FORCE MAJEURE

ENGINEER shall not be responsible for delays caused by factors beyond ENGINEER's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, government ordered industry shutdowns, power or server outages, acts of nature, widespread infectious disease outbreaks (including, but not limited to epidemics and pandemics), failure of any governmental or other regulatory authority to act in a timely manner, failure of the OWNER to furnish timely information or approve or disapprove of ENGINEER's services or work product, or delays caused by faulty performance by the OWNER's or by contractors of any level or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing. When such delays beyond ENGINEER's reasonable control occur, the OWNER agrees that ENGINEER shall not be responsible for damages, nor shall ENGINEER be deemed in default of this Agreement, and the parties will negotiate an equitable adjustment to ENGINEER's schedule and/or compensation if impacted by the force majeure event or condition.

24. EMPLOYEE IMMUNITY

The parties to this Agreement acknowledge that an individual employee or agent may not be held individually liable for negligence with regard to services provided under this Agreement. To the maximum extent permitted by law, the parties intend i) that this limitation on the liability of employees and agents shall include directors, officers, employees, agents and representatives of each party and of any entity for whom a party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a party.

AGENDA ITEM 11: Approval: WDWDD Board request from HDR to submit a protection plan project for Rapid Creek 319 project segment 1, \$18,500. (Chair)



July 23, 2026

Dear Larry Stetler,

On behalf of HDR Engineering, Inc., we are pleased to submit the draft project fee for the Rapid Creek Watershed Protection Plan Project Segment 1, as presented below for consideration by the West Dakota Water Development District Board at its August 11, 2026 meeting. We are proposing a Time and Materials Not to Exceed \$18,500 to cover the three tasks outlined below. We anticipate this project to be completed by July 31st, 2028.

Rapid Creek Watershed Protection Plan Project	
<i>Task 1: Hydrologic and Water Quality Review</i>	\$16,560.00
<i>Task 2: Memo</i>	\$3,000.00
<i>Task 3: Project Management</i>	\$1,940.00
Total	\$18,500.00

There are approximately 4 USGS flow gauges and 36 DANR water quality monitoring stations within segment 1 of Rapid Creek. HDR will aggregate and analyze the data from these two sources to review the hydrologic/water quality. A memo will be written summarizing the data analysis and any trends from this analysis.

HDR appreciates the opportunity to support the district's efforts to protect and enhance water resources within the Rapid Creek watershed. We look forward to discussing the fee, to verify our project assumptions align with the Board's expectations, prior to authorization.

Sincerely,
HDR Engineering, Inc.

Cory Foreman, P.E. (SD)
Dakotas/Wyoming Area Water Resources Section Manager
Associate Vice President

Jason Kjenstad, P.E. (SD)
Dakotas/Wyoming Area Manager
Senior Vice President

**SHORT FORM AGREEMENT BETWEEN OWNER AND
HDR ENGINEERING, INC. FOR PROFESSIONAL SERVICES
AGREEMENT NUMBER _____**

THIS AGREEMENT is made as of this _____ day of _____, 2026, between West Dakota Water Development District Board ("OWNER") and HDR ENGINEERING, INC., ("ENGINEER" or "CONSULTANT") for services in connection with the project known as Rapid Creek Watershed Protection Plan ("Project");

WHEREAS, OWNER desires to engage ENGINEER to provide professional engineering, consulting and related services ("Services") in connection with the Project; and

WHEREAS, ENGINEER desires to render these Services as described in SECTION I, Scope of Services.

NOW, THEREFORE, OWNER and ENGINEER in consideration of the mutual covenants contained herein, agree as follows:

SECTION I. SCOPE OF SERVICES

A watershed characterization will be completed for the Rapid Creek watershed area encompassing Segment 1, upstream of Pactola Reservoir. The assessment will describe current watershed conditions, summarize available water quality and watershed data, and identify potential threats and stressors. Segment 1 will be evaluated with a focus on maintaining existing beneficial uses and protecting high-quality water, fisheries, recreation, and domestic water supply uses. This assessment will differ from a traditional impaired-water watershed assessment because development of a watershed model is not currently anticipated or needed for this phase. The work will emphasize collecting, organizing, and summarizing available hydrologic and water quality data, stream condition information, fisheries and instream habitat information, stormwater and infrastructure information, and other available data needed to characterize existing conditions and inform future protection activities. It is anticipated that approximately four USGS flow gauges and 36 DANR water quality monitoring stations are available for analysis in this Segment of Rapid Creek.

SECTION II. TERMS AND CONDITIONS OF ENGINEERING SERVICES

The HDR Engineering, Inc. Terms and Conditions, which are attached hereto in Exhibit B, are incorporated into this Agreement by this reference as if fully set forth herein.

SECTION III. RESPONSIBILITIES OF OWNER

The OWNER shall provide the information set forth in paragraph 6 of the attached "HDR Engineering, Inc. Terms and Conditions for Professional Services."

SECTION IV. COMPENSATION

Compensation for ENGINEER'S services under this Agreement shall be on the basis of Agreement for Professional Services 1 3/2025

Time and Materials, with a not-to-exceed limit of \$18,500.00. Time and Materials shall mean an hourly rate to be paid as total compensation for each hour an employee works on the project, plus Reimbursable Expenses. Hourly Rates are outlined in the "HDR Engineering 2026 Hourly Billing Rates" attached. Rates are subject to change in January of each year.

Compensation terms are defined as follows:

Reimbursable Expense shall mean the actual expenses incurred directly or indirectly in connection with the Project for transportation travel, subconsultants, subcontractors, technology charges, telephone, telex, shipping and express, and other incurred expense. ENGINEER will add ten percent (10%) to invoices received by ENGINEER from subconsultants and subcontractors to cover administrative expenses and vicarious liability.

SECTION V. PERIOD OF SERVICE

Upon receipt of written authorization to proceed, ENGINEER shall perform the services described in Exhibit A within a reasonable period of time.

Unless otherwise stated in this Agreement, the rates of compensation for ENGINEER'S services have been agreed to in anticipation of the orderly and continuous progress of the project through completion. If any specified dates for the completion of ENGINEER'S services are exceeded through no fault of the ENGINEER, the time for performance of those services shall be automatically extended for a period which may be reasonably required for their completion and all rates, measures and amounts of ENGINEER'S compensation shall be equitably adjusted.

SECTION VI. SPECIAL PROVISIONS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

HDR ENGINEERING, INC.
"ENGINEER"

BY: _____
NAME: _____
TITLE: _____
ADDRESS: _____

West Dakota Water Development District
Board
"OWNER"

BY: _____
NAME: _____
TITLE: _____
ADDRESS: _____

Terms and Conditions: Same as pages 27-29

AGENDA ITEM 12: Discussion: Vacant Director positions with intent to fill by January 12, 2027. (Chair)

AGENDA ITEM 13: Discussion: SDAG opinion letter. (Chair)

OFFICIAL OPINION No. 26-04 Official Opinion Concerning SDCL Chapters 46A-2, 3A, and 3E.

July 7, 2026

Thomas Mack

West Dakota Water Development District

402 Saint Joseph Street, Suite 6

Rapid City, SD 57701

Official Opinion 26-04

Re: Official Opinion Concerning SDCL Chapters 46A-2, -3A, and -3E.

Dear Mr. Mack:

In your capacity as Chair of West Dakota Water Development District's board of directors, you requested an official opinion from the Attorney General's Office on three questions, which are restated below as four.

Questions

1. What is the concise, operative definition of a "water resources project" relative to a water-development district's authority to fund projects under SDCL 46A-2-4(14), -3A-1.1, and -3E-7(2)?
2. Can a water-development district fund its own projects?
3. Can a water-development district fund projects (like dams, wells, and sanitation improvements) for private groups on lands not open to the general public?
4. How much are landowners required to contribute financially under SDCL 46A-3E-7(2)?

Short Answers

1. I cannot give you a definition different from the Legislature's, but I can help clarify it.
2. Yes, a water-development district can fund its own projects.
3. Yes, a district can fund projects for private groups on lands not open to the public.
4. In general, a landowner can be required to finance the part of a project that provides water for the landowner's use or that enhances the value of the landowner's property. But unless modified by contract, the cost of a project that a landowner is required to pay cannot exceed the value of the benefit received.

Facts

According to your request for an official opinion, for the last several years, the West Dakota Water Development District has engaged in dryland erosion-control projects on both public and private land. These projects consist mostly of planting ground cover and erecting sediment barriers. Projects are organized by one of the District's directors and funded principally by the District. The District also occasionally receives requests from private organizations (like homeowners associations) for water-development projects. The District's board of directors disagrees on the kind of projects it may conduct or fund. But no litigation has been commenced or contemplated at this time.

Analysis

1. **What is the concise, operative definition of a "water resources project" relative to a water-development district's authority to fund projects under SDCL 46A-2-4(14), -3A-1.1, and -3E-7(2)?**

The first question posed asks for a "concise, operative definition of 'water control project' relative to the

district's authority to fund projects under SDCL 46A-3A-1.1 and 46A-3E-7[.]" Specifically, you asked about dryland erosion-control projects involving planting ground cover and erecting sediment barriers. This Office cannot provide you with a definition different from the Legislature's. However, the legislative history of that definition does help clarify its meaning.

As originally enacted in 1959, the terms "water resources projects" or "water resources development" meant "the facilities by which water is controlled, regulated or made available for use including the studies, investigations, plans, construction, operation or maintenance associated with such facilities[.]" 1959 S.D. Sess. Laws ch. 453, § 4, at 550.^[1] So as originally enacted, the definition included two categories: "facilities" that control, regulate, or supply water; and studies, investigations, plans, construction, operation, or maintenance associated with such facilities.

The Legislature substantively amended this definition five times since 1959. In 1972, the Legislature added the language, "or the quality of which is protected and improved[.]" 1972 S.D. Sess. Laws ch. 241, § 2, at 293. This language expanded the "facilities" contemplated in category one to facilities that control, regulate, or supply water, or that protect or improve water quality.

The next amendment occurred in 1977, when the Legislature added the language, "contracts for the marketing of water service[.]" 1977 S.D. Sess. Laws ch. 371, § 1, at 643. This addition created a third category to the definition of "water resources project" or "water resources development."

In 1979, the Legislature extensively amended the definition. First, the Legislature added an illustrative list with a qualifying clause to category one, specifying that "facilities" includes:

any wells, reservoirs, dams, intake structures, pumping stations, equipment, rights of way or easements, works or facilities, land and buildings or other real or personal property intended to control, regulate, drain, dispose of, pump, store, treat, purify, distribute, deliver, put into aquifers or water courses, or otherwise make available water for any beneficial use[.]

1979 S.D. Sess. Laws ch. 301, § 1, at 357.^[2] Second, the Legislature expanded category two to include "debt service reserve funds, funds to provide capitalized interest and any costs incurred in connection with the issuance of obligations to finance any of the foregoing." *Id.*

Amendments in 1982 and 1984 brought final, minor additions. The 1982 amendment expanded the 1979 amendment's qualifying clause, adding to the illustrative list those facilities intended to "generate or sell hydroelectric power from projects which may include provisions for irrigation, municipal, rural, or industrial water supplies[.]" 1982 S.D. Sess. Laws ch. 313, § 2, at 547. And the 1984 amendment expanded category one to include facilities that reclaim water; expanded the illustrative list to include "water reclamation facilities" and "wastewater treatment facilities"; and expanded the qualifying clause to facilities intended to reclaim water. 1984 S.D. Sp. Sess. Laws ch. 1, § 61.

In its current form, the statutory definition of "water development projects" or "water resources development" means:

contracts for the marketing of water service or the facilities by which water is controlled, regulated, reclaimed, or made available for use, or the quality of which is protected and improved, including any wells, reservoirs, dams, water reclamation facilities, wastewater treatment facilities, intake structures, pumping stations, equipment, rights-of-way or easements, works or facilities, land and buildings or other real or personal property intended either to generate or sell hydroelectric power from projects which may include provisions for irrigation, municipal, rural, or industrial water supplies or to control, regulate, drain, reclaim, dispose of, pump, store, treat, purify, distribute, deliver, put into aquifers or water courses, or otherwise make available water for any beneficial use. The term includes the studies, investigations, plans, construction, operation, or maintenance associated with the facilities, and debt service reserve funds, funds to provide capitalized interest and any costs incurred in connection with the issuance of obligations to finance any of the foregoing.

SDCL 46A-2-4(14).

But considering statutory history, this definition can be summarized and organized into three

categories. “[W]ater resource projects” or “water resources development” includes:

1. Facilities that control, regulate, reclaim, or supply water, or that protect or improve its quality.
2. Studies, investigations, plans, construction, operation, or maintenance associated with the facilities in category one, as well as debt service reserve funds, funds to provide capitalized interest and any costs incurred in connection with the issuance of obligations to finance any of these.
3. Contracts for the marketing of water service.

With this in mind, a dryland erosion-control project like those you mentioned could fall within this statutory definition of “water resources project” or “water resources development” if the project is of the same kind as those enumerated in SDCL 46A-2-4(14) and if it is meant to control, regulate, reclaim, or supply water, or to protect or improve water quality.

Constructing a barrier meant to restrict the flow of water, thereby reducing erosion and preventing the transmission of sediment into public water supplies is the very definition of a “dam,”^[3] which is among the infrastructure enumerated in SDCL 46A-2-4(14). Because such a dam is meant to control the flow of water, it easily falls within the statutory definition.

Planting vegetation to anchor soil may be a closer question. Vegetation like trees, grass, or crops are not explicitly enumerated in SDCL 46A-2-4(14). However, that list ends with a broad catch-all clause: “wells, reservoirs, dams, water reclamation facilities, wastewater treatment facilities, intake structures, pumping stations, equipment, rights-of-way or easements, works or facilities, *land* and buildings or *other real or personal property*[.]” *Id.* (emphasis added). Under South Dakota law, “personal property” includes “goods,” SDCL 2-14-2(19), and “goods” includes both trees and crops, SDCL 57A-9-102(a)(44). And trees, crops, and even grass must be “property” because each have been the basis for property-damage claims in this State’s courts. *See Winterton v. Elverson*, 389 N.W.2d 633, 637 (S.D. 1986) (crops); *Wang v. Bekken*, 310 N.W.2d 166, 167 (S.D. 1981) (per curiam) (trees); *O’Neal v. Diamond A Cattle Co.*, 260 N.W. 836, 837 (S.D. 1935) (grass). Assuming that the purpose of planting vegetation is to control, regulate, reclaim, or supply water, or to protect or improve its quality, planting vegetation could meet the statutory definition of “water resources project” or “water resources development.”

2. Can a water-development district fund its own projects?

A water-development district is authorized to fund its own projects. This authorization appears explicitly in SDCL chapter 46A-3E.

A water development district may *assist, sponsor, or construct* a water resources project provided:

- (1) Specific areas shall finance those phases of water resources development that provide general benefits to the people in the areas;
- (2) Direct beneficiaries shall finance those phases of water resources development that provide water for their use or that protect or enhance the value of their property; and
- (3) Administrative jurisdiction and responsibility for the various phases of water resources development are related to the variable degrees of benefits.

S.D. Codified Laws 46A-3E-7 (emphasis added). Nothing in this statute excludes projects originating from a district itself.

The legislative history of SDCL 46A-3E-7 supports this conclusion. As originally enacted, this statute stated, in part: “A water development district may assist or construct a water resources project *only if it has entered into a contract with a project sponsor*.” 1984 S.D. Sp. Sess. Laws ch. 1, § 51 (emphasis added). But in 2003, the Legislature expanded district authority, enabling a district to “assist, *sponsor*, or construct a water resource project[.]” 2003 S.D. Sess. Laws ch. 231, § 1 (emphasis added). This amendment also removed the requirement that a district partner with a project sponsor. The result of this amendment, then, is that a district can “assist, sponsor, or construct” a project even when the district is the project’s sole “sponsor.”

3. Can a water-development district fund projects (like dams, wells, and sanitation improvements) for

private groups on lands not open to the general public?

A water-development district has authority to fund water-development projects for private groups on land not open to the general public. The South Dakota Legislature has determined that “[t]he general health, welfare, and safety of the people of the State of South Dakota are dependent upon the conservation, development, management, and optimum use of *all* this state’s water resources.” SDCL 46A-1-1 (emphasis added). And “*all* waters within South Dakota ... are held in trust by the State for the public.” *Parks v. Cooper*, 2004 S.D. 27, ¶ 46, 676 N.W.2d 823, 838. This is true regardless of whether the lands over which waters accumulate or flow are privately owned or open to the public. *Id.* Therefore, as political subdivisions of the State, water-development districts are entrusted with the conservation, development, management and optimum use of *all* waters within their boundaries—wherever those waters may be.

Additionally, the powers and duties of a water-development district clearly contemplate projects that result in special benefits to private landowners. As noted above, SDCL 46A-3E-7 requires that “[d]irect beneficiaries shall finance those phases of water resources development that provide water for *their use* or that protect or enhance the value of *their property*[.]” (Emphasis added.) And SDCL chapter 46A-3E empowers a district to specially assess landowners for special benefits they receive from projects. By definition, a special assessment can be imposed only for benefits specific to an individual landowner and different from benefits enjoyed by the general public. *Hubbard v. City of Pierre*, 2010 S.D. 55, ¶ 14, 784 N.W.2d 499, 505-06. If the Legislature intended that a district could fund projects that benefit only the public generally, there would have been no reason to give the district the power to specially assess.

4. How much are landowners required to contribute financially under SDCL 46A-3E-7(2)?

Determining how to allocate the cost of a water-development project involves both statutory and constitutional requirements and limitations. As a starting point, the Legislature’s intended allocation of project costs is stated in SDCL chapter 46A-2:

It is the intent of this chapter and chapters 46A-3A to 46A-3E, inclusive, to relate, reasonably and equitably, the financing of water resources projects to the degree of benefits received from such water resources projects by:

- (1) Provisions whereby statewide financing will be forthcoming for those phases of water resources development which concern the general welfare of the people in the state and result in statewide benefits;
- (2) Provisions whereby specific areas will finance those phases of water resources development which provide general benefits to the people in such areas;
- (3) Provisions whereby water users or direct beneficiaries of water control and regulation will finance those phases of water resources development which provide water for use or which protect or enhance the value of property;
- (4) Provisions whereby assignment of administrative jurisdiction and responsibility for the various phases of water resources development are related to such variable degrees of benefits.

SDCL 46A-2-3. This intended cost allocation is repeated in chapter 46A-3E:

A water development district may assist, sponsor, or construct a water resources project provided:

- (1) Specific areas shall finance those phases of water resources development that provide general benefits to the people in the areas;
- (2) Direct beneficiaries shall finance those phases of water resources development that provide water for their use or that protect or enhance the value of their property; and
- (3) Administrative jurisdiction and responsibility for the various phases of water resources development are related to the variable degrees of benefits.

SDCL 46A-3E-7. These provisions establish a graduated allocation of costs based on the benefits received: individual users or beneficiaries must pay the costs of their individual benefits; local communities bear the costs of local benefits, and the general public bears the cost of benefits enjoyed by the general public.

However, there are constitutional limitations on what an individual property owner can be forced to contribute to a project by special assessment. The U.S. Constitution and the South Dakota Constitution prohibit the taking of private property for public use without just compensation. U.S. Const. amend. V; S.D. Const. art. VI, § 13. This constitutional requirement limits the amount of a special assessment to the value of the special benefit conferred on the assessed property. *Hubbard*, 2010 S.D. 55, ¶ 13, 784 N.W.2d at 505. If a project does not confer measurable value to the property, then the property cannot be specially assessed—regardless of the project’s cost. *See id.* But if a beneficiary agrees by contract to pay a higher amount, *see* SDCL 46A-3E-3, this restriction would not apply to the extent of that agreement.

It is up to the water-development district to reasonably and fairly determine the value of a special benefit conferred by a project on individual property owners. The South Dakota Supreme Court’s opinions involving special assessments may provide some guidance.

Whether a property receives a special benefit above and beyond or differing from the general public is often driven by opinion and conjecture of the property owner on the one hand and the city on the other. This Court has said that the special benefits must be actual, physical and material and not merely speculative or conjectural. Even so, this Court has recognized that an exact and actual monetary benefit to property may be difficult to measure and at most can only be estimated with a fair degree of exactness. One obvious indicator that property receives a special benefit is if the public project enhances its market value. Future prospects and reasonable expectations of the future use may be another indicator. Other courts have found a special benefit when the property realizes aesthetic enhancement.

Hubbard, 2010 S.D. 55, ¶ 15, 784 N.W.2d at 506 (citation modified). Whatever valuation method the district uses—whether market value or otherwise—the valuation must be fair and reasonable. SDCL 46A-2-3.

Conclusion

The statutory definition of “water resources project” is broad enough to include erecting sediment barriers and even planting ground cover if the purpose is to control, regulate, reclaim, or supply water, or to protect or improve its quality. A water-development district is free to sponsor its own qualifying projects and those of private organizations. But in general, the direct beneficiaries of any project must pay for the benefits they receive.

Sincerely,

Marty J. Jackley

Attorney General

MJJ/CAD/dd

[1] South Dakota’s session laws from 1997 to the present can be accessed at <https://sdlegislature.gov/Session/Archived>. Session laws prior to 1997 can be accessed at https://sdsdl-montage.auto-graphics.com/#/customizeListView?listId=CustomizeEntityLists_97.

[2] This 1979 amendment alone accounts for roughly half the text of the statute in its current form.

[3] The dictionary defines “dam” as “a barrier preventing the flow of water or of loose solid materials (such as soil or snow)” or “a barrier to check the flow of liquid, gas, or air.” Merriam-Webster, <https://www.merriam-webster.com> [<https://www.merriam-webster.com/dictionary/dam>] (last visited June 23, 2026).

Director McGregor’s Summary:

South Dakota Attorney General’s Official Opinion No. 26-04

Concerning SDCL Chapters 46A-2 (South Dakota Conservancy District), 3A (Establishment of Water Development Districts) and 3E (Tax Levies and Special Assessments for Water Development Districts).

Summary and Conclusion

(1) The statutory definition of “water resources project” is broad enough to include erecting sediment barriers and even planting ground cover if the purpose is to control, regulate, reclaim, or supply water, or to protect or improve its quality. (2) A water-development district is free to sponsor its own qualifying projects and those of private organizations. (3) But in general, the direct beneficiaries of any project must pay for the benefits they receive.

I. What is the concise, operative definition of a water resources project relative to SDVCL 46A-2-4(14) and 46A-3A-1.1?

- A. Facilities that control, regulate, reclaim, or supply water. (Quantity).
- B. Facilities that protect or improve water quality.
- C. Studies, investigations, plans, construction, operation, or maintenance associated with water quantity or quality facilities.
- D. Contracts for marketing water service.
- E. Dryland erosion control, including the planting of vegetation, meets the definition of water project assuming it is intended or meant to control, regulate, reclaim, or supply water, or to protect or improve water quality. (Star Village).

II. Can a Water Development District Fund Its Own Projects?

- A. Yes. A District is authorized to fund its own projects. SDCL Chapter 46A-3E.
- B. Water District may *assist, sponsor, or construct* a water resources project provided:
 - 1. Specific areas finance those phases of water resources development that provide general benefits to the people in the areas;
 - 2. Direct beneficiaries finance those phases of water resources development that provide water for their use or protect or enhance the value of their property; and
 - 3. Administrative jurisdiction and responsibility for the various phases of water resources development are related to the variable degrees of benefits. (Proportional distribution of administrative costs)
- C. Nothing in the statute, SDCL 46A-3E-7, excludes projects originating from a district itself. A District can assist, sponsor, or construct a project even when the District is the project’s sole sponsor.

III. Can a water-development district fund projects (like dams, wells, and sanitation improvements) for private groups on lands not open to the general public?

- A. Yes. A water-development district has authority to fund water-development projects for private groups on land not open to the general public.
 - 1. “The general health, welfare, and safety of the people of the State of South Dakota are dependent upon the conservation, development, management, and optimum use of all this state’s water resources.” SDCL 46A-1-1 (emphasis added).
 - 2. And “all waters within South Dakota ... are held in trust by the State for the public,” *Parks v. Cooper*, 2004 S.D. 27, ¶ 46, 676 N.W.2d 823, 838, regardless whether the lands over which waters accumulate or flow are privately owned or open to the public. *Id.*
 - 3. Therefore, as political subdivisions of the State, water-development districts are entrusted with the conservation, development, management and optimum use of all waters within their boundaries—wherever those waters may be.
 - 4. Additionally, the powers and duties of a water-development district clearly contemplate projects that result in special benefits to private landowners. SDCL 46A-3E-7 requires that “[d]irect beneficiaries shall finance those phases of water resources development that provide water for their use or that protect or enhance the value of their property[.]” (Emphasis added.)

a. And SDCL chapter 46A-3E empowers a district to specially assess landowners for special benefits they receive from projects.

b. By definition, a special assessment can be imposed only for benefits specific to an individual landowner and different from benefits enjoyed by the general public. *Hubbard v. City of Pierre*, 2010 S.D. 55, ¶ 14, 784 N.W.2d 499, 505-06.

5. If the Legislature intended a district could fund projects that

benefit only the public generally, there would have been no reason to give the district the power to specially assess.

IV. How much are landowners required to contribute financially under SDCL §6A-3E-7?

A. The Legislature's intended allocation of water resources project costs to relate reasonably and equitably to the degree of benefits received from such water resources projects by provisions whereby:

1. statewide financing will be forthcoming for those phases of water resources development which concern the general welfare of the people and result in statewide benefits;
2. specific areas will finance those phases of water resources development which provide general benefits to the people in those areas;
3. users or direct beneficiaries of will finance those phases of water resources development which provide water for use or which protect or enhance the value of property;
4. assignment of administrative jurisdiction and responsibility for the various phases of water resources development are related to such variable degrees of benefits.

B. A water development district may assist, sponsor, or construct a water resources project provided:

1. Specific areas finance those phases of water resources development that provide general benefits to the people in the areas;
2. Direct beneficiaries finance those phases of water resources development that provide water for their use or protect or enhance the value of their property; and
3. Administrative jurisdiction and responsibility for the various phases of water resources development are related to the variable degrees of benefits. SDCL 46A-3E-7.

C. There is a graduated allocation of costs based on the benefits received.

1. individual users or beneficiaries must pay the costs of their individual benefits;
2. local communities bear the costs of local benefits, and
3. the general public bears the cost of benefits enjoyed by it.

D. There are constitutional limits on what an individual property owner can be forced to contribute to a project by *special assessment*.

1. if a project does not confer measurable value to the property, the property cannot be specially assessed—regardless of the project's cost.
2. if a beneficiary agrees by contract to pay a higher amount this restriction does not apply to the extent of the agreement. SDCL 46A-3E-3.

E. A water-development district must reasonably and fairly determine the value of a special benefit conferred by a project on individual property owners. *Special assessment* standards may provide guidance.

1. whether a property receives a special benefit above and beyond or differing from the general public is often

driven by opinion and conjecture.

2. special benefits must be actual, physical and material; not merely speculative or conjectural.

a. an exact and actual monetary benefit to property may be difficult to measure and at most can only be estimated with a fair degree of exactness.

b. one obvious indicator property receives a special benefit is if the public project enhances its market value.

c. future prospects and reasonable expectations of the future use may be another indicator.

d. a special benefit may exist when the property realizes aesthetic enhancement.

3. whatever valuation method a water district uses—whether market value or something else—the valuation must be fair and reasonable. SDCL 46A-2-3

AGENDA ITEM 14: Chair's comments

AGENDA ITEM 15: Items from directors

AGENDA ITEM 16: Items from admin.

AGENDA ITEM 17: Items from public.

AGENDA ITEM 18: Adjournment