STATEMENT OF BASIS

Applicant:	International Paper Co. (Wheeler Lumber)
Permit Number:	SD0026867
Contact Person:	David Koch, General Manager Jeremy Garoutte, Operations and Compliance Supervisor PO Box 8 Whitewood, SD 57793
Phone:	(605) 645-8694 (General Manager) (307) 281-1440 (Operations and Compliance Supervisor)
Permit Type:	Minor Industrial - Renewal

This document is intended to explain the basis for the requirements contained in the draft Surface Water Discharge Permit. This document provides guidance to aid in complying with the permit requirements. This guidance is not a substitute for reading the draft permit and understanding its requirements.

SUMMARY OF DRAFT PERMIT CHANGES

- Monitoring for total dissolved solids, alkalinity, dissolved oxygen, five-day biochemical oxygen demand (BOD_5), ammonia-nitrogen (as N), total recoverable cadmium, total recoverable lead, total recoverable mercury, total recoverable nickel, total recoverable silver, and total recoverable zinc has been removed. See permit **Section 3.6**.
- Monitoring for Oil and Grease, Parameters listed in ARSD Section 74:52:02:41, 2,3,7,8 Tetrachlorodibenzo-P-Dioxin, and Total Organic Carbon has been added. See permit **Section 3.6**.

DESCRIPTION

International Paper operates a granular activated carbon treatment system for the recovery of contaminants released to groundwater from the operation of the historic St. Regis wood treating facility southeast of the city of Whitewood in the northwest ¼ of Section 27, Township 6 North, Range 4 East, in Lawrence County, South Dakota (Latitude 44.458389°, Longitude -103.626111°, map interpolation).

Monitoring and remedial activities are being conducted as a result of releases of chemicals associated with historic methods of wood treatment that were discharged to seepage basins on this site until 1980. Since 1980, process wastewater from the wood treating process has either been evaporated in tanks or recycled. Past operations at the facility consisted of the pressure treating of wood products with pentachlorophenol and creosote-based treating solutions. The wood treating facility was destroyed by fire in 2003 and was re-constructed in 2004.

As part of the new construction, the facility transitioned from pentachlorophenol and creosote-based solutions to copper naphthenate. The treatment system in place is designed to remove wood preservative products, such as naphthalene and pentachlorophenol, which were detected in

the ground water beneath International Paper's property. 2,3,7,8 Tetrachlorodibenzo-P-Dioxin has been found in the ground water in concentrations that justify monitoring for it in the event of a discharge.

The contaminated ground water is pumped up and treated on the north side of the service road on property owned by International Paper, then pumped to infiltration beds that are located south of the service road on property owned by Wheeler Lumber.

The ground water is treated by filtering it through a bag filter vessel, followed by two carbon contactors. Both contactor vessels contain approximately 2,000 pounds of granular activated carbon. The treated groundwater is infiltrated back through one of two infiltration basins located within the capture zone of the pumpout system, above an existing plume of contaminated ground water. Since the discharge from the remediation system is infiltrated back into the plume and is cleaner than the concentrations in the plume, a ground water discharge permit is not required. There is no discharge from the system to surface waters.

Only one infiltration bed has been utilized to date and can receive up to 40 gallons per minute (permit application). See Attachment 1 for a Flow Diagram.

RECEIVING WATERS

Any discharge from this facility will enter Whitewood Creek which is classified by the South Dakota Surface Water Quality Standards (SDSWQS), Administrative Rules of South Dakota (ARSD) Sections 74:51:03:01 and 74:51:03:10 for the following beneficial uses:

(3) Coldwater marginal fish life propagation waters;
(7) Immersion recreation waters;
(8) Limited contact recreation waters;
(9) Fish and wildlife propagation, recreation, and stock watering waters; and
(10) Irrigation waters.

Approximately 0.25 miles downstream, the classification of Whitewood Creek by the SDSWQS, ARSD Sections 74:51:03:01 and 74:51:03:10 changes to the following beneficial uses:

(4) Warmwater permanent fish life propagation waters;
(8) Limited contact recreation waters;
(9) Fish and wildlife propagation, recreation, and stock watering waters; and
(10) Irrigation waters.

TOTAL MAXIMUM DAILY LOAD

Section 303(d) of the federal Clean Water Act requires states to develop Total Maximum Daily Loads (TMDLs) for waters at levels necessary to achieve and maintain water quality standards. TMDLs are calculations of the amount of pollution a waterbody can receive and still maintain applicable water quality standards. According to the federal Clean Water Act, the state must develop TMDLs for all waters identified on their Section 303(d) list of impaired waters,

according to their priority ranking on that list. Every two years, the state assesses its water quality and publishes the list of impaired water bodies as part of its Integrated Report.

TMDLs address specific waterbodies, segments of waterbodies, or even entire watersheds, and are pollutant specific. TMDLs must allow for seasonal variations and a margin of safety, which accounts for any lack of knowledge concerning the relationship between pollutant loads and water quality. A wasteload allocation is developed for any point sources that cause or contribute to the water quality impairment.

This segment of the receiving waterbody has been identified as being impaired for pH but a TMDL has not been completed yet and no wasteload allocation has been assigned to International Paper. The permit will be reopened, if necessary, to address the facility's wasteload allocation once the TMDL is completed.

ANTIDEGRADATION

SDDANR has fulfilled the antidegradation review requirements for this permit. In accordance with South Dakota's *Antidegradation Implementation Procedures* (SDDANR, October 1998) and the SDSWQS, it was determined that the discharge at the draft permit limits will cause an insignificant change in water quality. The results of SDDANR's review are included in Attachment 2 (Antidegradation Review). The antidegradation review and conclusions will be public noticed for public comment at the same time as the draft permit.

INSPECTIONS

Personnel from SDDANR conducted a Compliance Inspection of International Paper's facility on September 8, 2021. There were no corrective actions required in order to come into compliance with International Paper's Surface Water Discharge (SWD) permit.

EFFLUENT LIMITS

International Paper shall have **no discharge** from its facility except in accordance with the bypass or emergency release provisions of the permit. A no discharge permit is issued to facilities that are not expected to discharge under normal conditions. The no discharge requirement is based on past facility performance and permit writer's judgement.

SELF MONITORING REQUIREMENTS

Monitoring shall consist of **monthly** inspections of the facility and the outfall to verify that proper operation and maintenance procedures are being practiced and determine whether or not there is a discharge occurring from this facility. **Daily** inspections are required during a discharge. If a discharge occurs, monitoring shall be done in accordance with **Section 3.7** of the draft permit. The added and removed monitoring requirements were based on permit writer's judgement, pollutants of concern listed on the permit application, and past permit requirements. Documentation of each of these visits shall be kept in a log in either paper or electronic format to be reviewed by SDDANR or EPA personnel when an inspection occurs.

Technical errors were made during the last permit issuance. The parameters added during this drafting were included in prior versions and are pollutants of concern, if a discharge occurred. The parameters removed from the draft permit were added during the last permit reissuance without reasonable potential.

WHOLE EFFLUENT TOXICITY

The SDDANR *Reasonable Potential Implementation Procedure for SWD Permits* was reviewed to determine if Whole Effluent Toxicity (WET) testing is applicable to International Paper. Following the guidance document, International Paper is not believed to have reasonable potential to cause or contribute to an exceedance of the SDSWQS for toxicity.

The draft permit will not include WET monitoring or limits. SDDANR has determined that due to the facility's minor discharge status and the lack of significant industrial contributions to the facility, there is no reasonable potential for WET. SDDANR has the authority to reopen the permit to add WET effluent limits, compliance schedules, monitoring, or other appropriate requirements.

SLUDGE

Based on International Paper's permit application, SDDANR does not anticipate sludge will be removed or disposed of during the life of the permit. Therefore, the draft Surface Water Discharge permit shall not contain sludge disposal requirements. However, if sludge disposal is necessary, SDDANR's Waste Management Program regulates sludge from industrial facilities. The facility is required to contact the Waste Management Program at (605) 773-3153 **prior** to the removal and disposal of sludge.

STORMWATER

International Paper has obtained coverage under the General Permit for Storm Water Discharges Associated with Industrial Activity, Permit Number SDR00A350. International Paper must comply with all requirements in the Storm Water permit. Therefore, storm water requirements will not be included in this permit.

DRAINAGE ISSUES

Lawrence County has the authority to regulate drainage. International Paper is responsible for getting any necessary drainage permits from the county **prior** to discharging.

ENDANGERED SPECIES

This is a renewal of an existing permit. No listed endangered species are expected to be impacted by activities related to this permit. However, the table below shows the species that may be present in International Paper's geographic area.

COUNTY	GROUP	SPECIES
Lawrence	Mammal	Northern Long-eared Bat

This information was accessible at the following US Fish and Wildlife Service website as of February 20, 2026: https://ipac.ecosphere.fws.gov/.

PERMIT EXPIRATION

A five-year permit is recommended.

PERMIT CONTACT

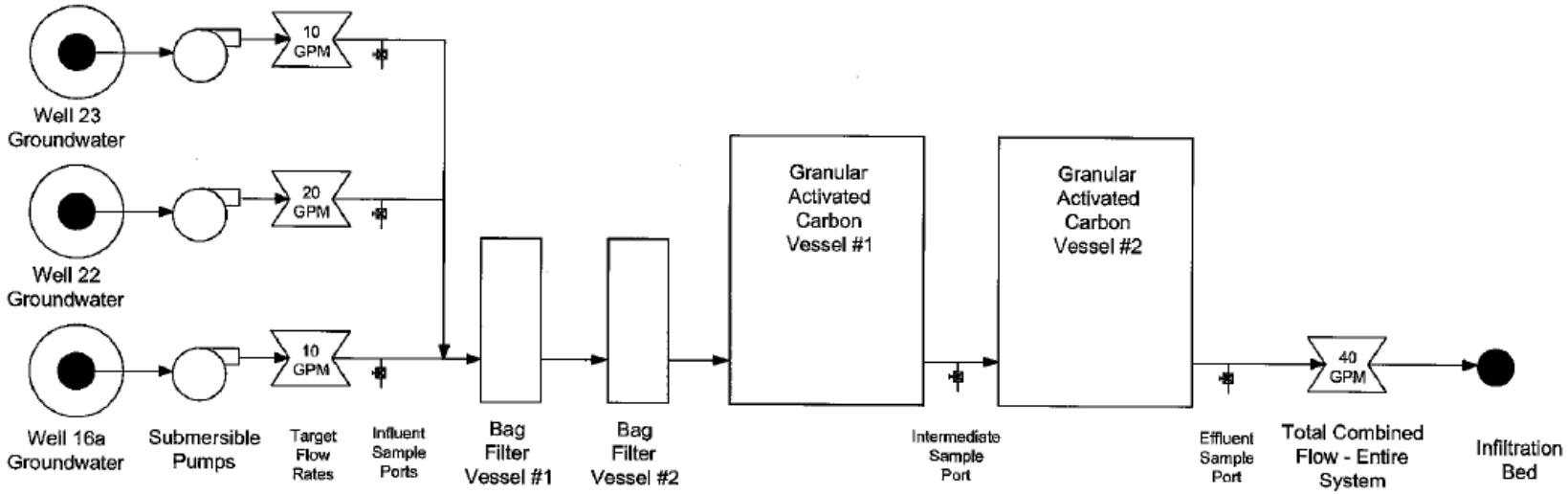
This statement of basis and the draft permit were developed by Tom Anderson, Environmental Engineer for the Water Quality Program. Any questions pertaining to this statement of basis or the draft permit can be directed to the Water Quality Program, at (605) 773-3351.

March 5, 2026

ATTACHMENT 1

Process Flow Diagram

Process Flow Diagram



Attachment 1

Schematic Flow Diagram
Groundwater Pump-Out System
Whitewood, South Dakota
Lawrence County

ATTACHMENT 2

Antidegradation Review

Permit Type: **Minor Municipal - Renewal** Applicant: **International Paper**
Date Received: **9/15/2025** Permit #: **SD0026867**
County: **Lawrence** Legal Description: **NW ¼ of Sec 27, T6N, R4E**
Receiving Stream: **Whitewood Creek** Classification: **3, 7, 8, 9, 10**
If the discharge affects a downstream waterbody with a higher use classification, list its name and uses: **N/A**

APPLICABILITY

1. Is the permit or the stream segment exempt from the antidegradation review process under ARSD 74:51:01? Yes ☐ No ☒ If no, go to question #2. If yes, check those reasons why the review is not required:

   ☐ Existing facility covered under a surface water discharge permit is operating at or below design flows and pollutant loadings;
   ☐ Existing effluent quality from a surface water discharge permitted facility is in compliance with all discharge permit limits;
   ☐ Existing surface water discharge permittee was discharging to the current stream segment prior to March 27, 1973, and the quality and quantity of the discharge has not degraded the water quality of that segment as it existed on March 27, 1973;
   ☐ The existing surface water discharge permittee, with DANR approval, has upgraded or built new wastewater treatment facilities between March 27, 1973, and July 1, 1988;
   ☐ The existing surface water discharge permittee discharges to a receiving water assigned only the beneficial uses of (9) and (10); the discharge is not expected to contain toxic pollutants in concentrations that may cause an impact to the receiving stream; and DANR has documented that the stream cannot attain a higher use classification. This exemption does not apply to discharges that may cause impacts to downstream segments that are of higher quality;
   ☐ Receiving water meets Tier 1 waters criteria. Any permitted discharge must meet water quality standards;
   ☐ The permitted discharge will be authorized by a Section 404 Corps of Engineers Permit, will undergo a similar review process in the issuance of that permit, and will be issued a 401 certification by the department, indicating compliance with the state's antidegradation provisions; or
   ☐ Other: _____

FORMAL REVIEW

2. Is the stream segment classified as an OSRW? Yes ☐ No ☒ If no, go to question #3. **If yes, no change in water quality allowed. No further review required.**

3. Will there be an insignificant change in water quality? Yes ☒ No ☐ If no, go to question #4. **If yes, no further review required. List reason why discharge is insignificant**

   ☐ Only temporary change in water quality will result from the discharge;
   ☐ Resulting change in water quality from the discharge will only affect a water quality parameter that is only regulated by a narrative standard and the discharge will not adversely impact the stream's beneficial uses;
   ☐ Volume of the proposed discharge is small compared to the flow in the stream. The ratio of the average stream flow to discharge flow is greater than 50:1;
   ☐ The increase in pollutant loading at critical low flow is expected to be less than 20% of the stream's assimilative capacity;
   ☐ The resulting change in water quality from the discharge is less than one standard deviation of the mean concentration of the ambient water quality; or
   ☒ Other: **This permit does not authorize an increase in effluent limits. This Permit does not authorize a discharge.**

4. Are existing, regulated point or nonpoint sources located in the area in compliance with required controls or has a compliance schedule been established for these sources? Yes ☐ No ☐ If no, establish an appropriate compliance schedule prior to approving, as proposed, the activity under review.

5. Based on available information, are there existing uses that are better than the currently designated uses? Yes ☐ No ☐ If yes, use protection of the higher existing use(s) as the basis for antidegradation decision-making and arrange to upgrade the currently designated use(s).

6. Will existing uses be fully maintained and protected? Yes ☐ No ☐ If no, recommend denial of the activity as proposed.

PERMIT APPLICATION

7. Has the applicant submitted all information listed in the antidegradation implementation Procedure? Yes ☐ No ☐ If no, why not? _____

PUBLIC NOTICE AND OPPORTUNITY FOR HEARING

8. Has the application been properly public noticed? Yes ☐ No ☐ Date notice occurred
In paper: _____ Paper notice appeared in: _____

9. Has anyone petitioned the department for a public hearing on the application? Yes ☐ No ☐
If no, no further review required. Proceed with writing permit based on outcome of antidegradation review. If yes, schedule time before the Water Management Board for public hearing on application.
Date and time of hearing: _____
Location of hearing: _____

10. Did the Board of Water Management approve the application? Yes ☐ No ☐ Attach a copy of the board minutes to this worksheet.

ANTIDEGRADATION REVIEW SUMMARY

11. The outcome of the review is:
- ☐ A formal antidegradation review was not required for reasons stated in this worksheet. Any permitted discharge must ensure water quality standards will not be violated.
- ☐ The review has determined that degradation of water quality should not be allowed. Any permitted discharge would have to meet effluent limits or conditions that would not result in any degradation estimated through appropriate modeling techniques based on ambient water quality in the receiving stream, or pursue an alternative to discharging to the waterbody.
- ☒ The review has determined that the discharge will cause an insignificant change in water quality in the receiving stream. The appropriate agency may proceed with permit issuance with the appropriate conditions to ensure water quality standards are met.
- ☐ The review has determined, with public input, that the permitted discharge is allowed to discharge effluent at concentrations determined through a total maximum daily load (TMDL). The TMDL will determine the appropriate effluent limits based on the upstream ambient water quality and the water quality standard(s) of the receiving stream.
- ☐ The review has determined that the discharge is allowed. However, the full assimilative capacity of the receiving stream cannot be used in developing the permit effluent limits or conditions. In this case, a TMDL must be completed based on the upstream ambient water quality and the assimilative capacity allowed by the antidegradation review.
- ☐ Other: _____

12. Describe any other requirements to implement antidegradation or any special conditions That are required as a result of this antidegradation review: _____

Tom Anderson — 2/20/2026
Permit Writer — Date

Kyle Doerr — 3/18/2026
Reviewer — Date