

South Dakota Department of Agriculture and Department of Environment and Natural Resources

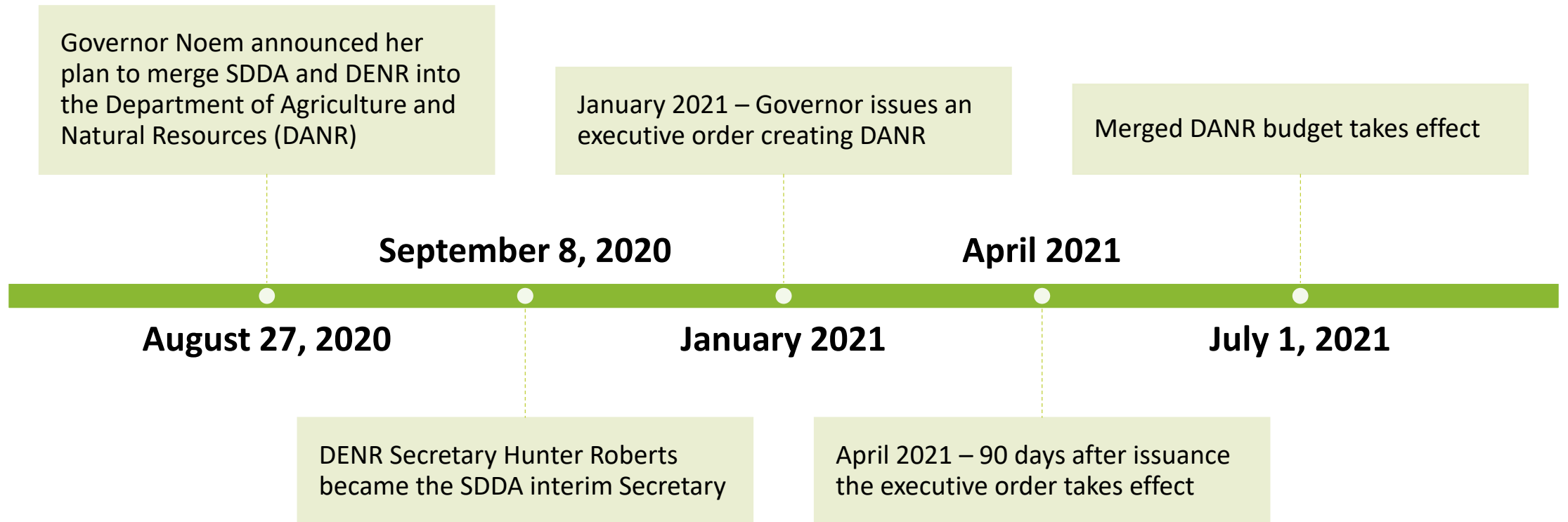
Agriculture and Natural Resources Committee

January 19, 2021



DENR
SOUTH DAKOTA

SDDA / DENR Merger



DANR Mission – Who We Are

- **Mission** – To protect and preserve South Dakota's agriculture, environment, and natural resources through effective regulatory services, natural resource conservation, and financial and technical assistance
- **Vision** – A South Dakota with a prosperous economy, diverse agricultural opportunities, clean air, clean water, and healthy families
- **Values**
 - Integrity through transparent government services, science-based decision making, and high ethical standards
 - Excellence through hiring, developing, and empowering highly engaged and well-trained professionals
 - Customer Service through consistent, timely, and professional interactions with everyone we meet

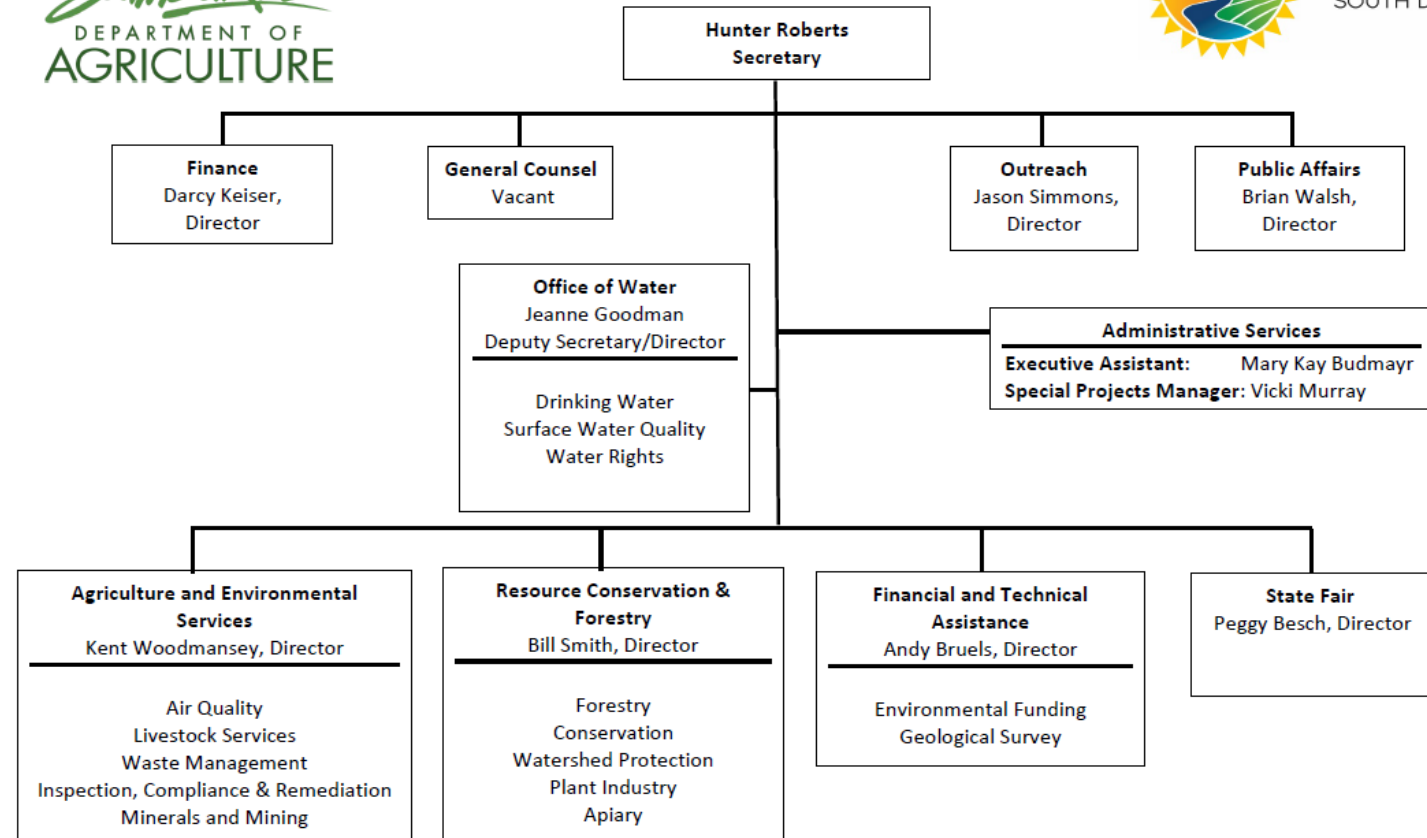
DANR – Organizational Chart



South Dakota Department of Agriculture and Natural Resources



DENR
SOUTH DAKOTA



Why Merge?

Is It Good for South Dakota?

- Agriculture, conservation, and natural resource protection go hand-in-hand, so it makes sense for South Dakota to regulate these industries under one department – DANR
- Providing effective and efficient services helps our producers spend less time on government requirements and more on getting their work done
- The merger creates efficiencies, saves money, and puts us in the best position to protect and preserve South Dakota's agriculture, environment, and natural resources for today and tomorrow

Merger Efficiencies and Savings

Efficiencies

- Combines resources from both agencies
 - SDDA Conservation + DENR Watershed Protection
 - Streamline regulatory services
 - Cross train inspectors – more responsive / less redundant

Cost Savings


- Eliminate five full-time positions
 - Currently vacant positions + one cabinet secretary position
- Estimated savings of \$450,000

DPS and Wildland Fire

Working through the merger has led to another opportunity to better use the state's resources



Transfer SDDA Wildland Fire Division to the Department of Public Safety



DPS, as a first responder agency, is better situated to support Wildland fire and take advantage of its unique emergency response capabilities outside of the regular fire season

Program Overview – Office of Water

Office of Water – Jeanne Goodman P.E., Deputy Secretary / Director				
Drinking Water	Mark Mayer, P.E.	Program Administrator	Regulate Public Water Supply Systems	Federal / Fees / Other
Surface Water Quality	Kelli Buscher, P.E.	Program Administrator	Regulate discharges / establish water quality standards / surface water monitoring	Federal / Fees / Other
Water Rights	Eric Gronlund, P.E.	Program Administrator, Chief Engineer	Water rights permitting, Dam Safety / Well Drilling	General / Federal

Program Overview – Agriculture and Environmental Services

Agriculture and Environmental Services – Kent Woodmansey P.E., Director				
Air Quality	Kyrik Rombough, P.E.	Program Administrator	Air Quality permitting, monitoring	Federals / Fees / General
Livestock Services	Troy Roth, P.E.	Program Administrator	Regulate livestock operations – CAFO Permitting, Dairy, Eggs	Federal / Fees / General / Other
Waste Management	Jim Wendte, P.E.	Program Administrator	Solid Waste, hazardous waste, asbestos, recycling	Federal / Fees / General
Inspection, Compliance, Remediation	Kim McIntosh	Program Administrator	Pesticides, tanks, spills, Superfund, Sara Title III	Federal / Fees / General / Other
Minerals and Mining	Mike Lees	Program Administrator	Mineral exploration, mining, oil and gas	General / Fees/ Other

Program Overview – Resource Conservation & Forestry

Resource Conservation and Forestry – Bill Smith, Director

Forestry	Greg Josten	State Forester	Forest management, street tree inventories, forest insect and diseases, and windbreaks	Federal/General/Other
Conservation	Bill Smith	Director	State Conservation Commission, conservation districts, Coordinated Natural Resources Conservation Grant Fund	General/Other
Watershed Protection	Barry McLaury	Program Administrator	Nonpoint Source Pollution Program, Section 319, 106, and 604(b) funding, monitoring	Federal/General
Plant Industry	Brenda Sievers	Program Manager	Seed, Nursery, Cooperative Agriculture Pest Survey (CAPS), Weed & Pest Program, Weed & Pest Control Commission, State Weed Grants thru Commission, Bio Control, Quarantine, Export	General/Fees/Federal/Other
Apiary	Bob Reiners	Apiary Specialist	Apiary Program/Beekeepers/National Honeybee Survey (part of CAPS)	Other/Fees/Federal

Program Overview – Financial and Technical Assistance

Financial and Technical Assistance – Andy Bruels P.E., Director

Environmental Funding	Mike Perkovich, P.E.	Program Administrator	Infrastructure funding / Petroleum Release Compensation	Federal / Fees / Other
Geological Survey	Tim Cowman	Program Administrator, State Geologist	Investigation and reporting on South Dakota's geologic and hydrologic resources	General

Program Overview – State Fair and Wildland Fire

South Dakota State Fair – Peggy Besch, State Fairgrounds Manager

South Dakota State Fair	Candi Briley	Assistant Manager	The State Fair is a year-round facility focusing on agricultural, equestrian, youth, cultural, and community events.	General / Other
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South Dakota Wildland Fire – Jay Esperance, Director

Wildland Fire	Fire Suppression, Prescribed Fire, Wildland Fire Training, Fire Aviation Support, Fire Management, Hazardous Fuels Mitigation, Volunteer Fire Assistance Grants, Federal Excess Personal Property and Firefighter Property, Dispatch, and Fire Prevention			Federal / General / Other
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2020 Natural Resources Accomplishments

- DENR was the first state in the U.S. to complete and submit its 2020 Integrated Surface Water Quality Report
- PFAS collection program collected and disposed of 3,875 gallons of fire fighting foam, 541 5-gallon pails, 30 cubic yard boxes, and 26 drums keeping contaminated material out of our landfills and protection our natural resources
- Lead / Daycare Program – 54 facilities have enrolled in the program and will receive free drinking water testing for lead – if a problem is found technical assistance and reimbursement is available to fix the problem
- Big Sioux River Flood Information System honored by the American Council of Engineering Companies – one of only 20 projects in the US to receive the award

Responding to Harmful Algal Blooms (HABs)

- A harmful algal bloom occurs when toxin producing algae grow in a body of water – typically occurs in warm summer months
- They develop and dissipate quickly and should be avoided by people and animals
- DENR tracks reports of HABs and makes them available online through the [SD Harmful Algal Blooms Interactive Map](#)
- DENR also responds to HABs and, if possible, collects samples to confirm toxicity



Hazardous Fuels Reduction

- Goal – to reduce fuel loading and create crown spacing to lower the risk of catastrophic wildfire
- SD Wildland Fire fuels reduction sub-programs
 - 100% Program – federal dollars used by the state to reduce the risk of wildfire in high-risk areas – provided at no cost to the landowner
 - Cost Share Program – 50 – 80 percent cost share program – focus on areas within 300 feet of structures
- Federal Fiscal Year 2020
 - Reduced fuels in 953.69 acres under the 100% Program
 - 79.01 acres treated under the Cost Share Program

Measures of Success

- **Clean Air**
 - All of South Dakota meets the national air quality standards
- **Clean Water**
 - Approximately 805,000 South Dakotans receive their drinking water from a regulated community water system – In FY 20, 95% of community water systems serving 97% of the regulated population had no health-related violations
 - \$3,492,600 for 9 water quality protection projects
- **Natural Resource Planning**
 - SDDA wrote or reviewed 174 plans assisting communities, producers, and other partners with natural resource management
- **Affordable Publicly Owned Infrastructure**
 - \$187,877,605 for water, wastewater, and solid waste infrastructure improvement projects

SDDA and DENR Working Together



- Prior to the merger SDDA and DENR worked with Agtegra Cooperative to develop recycling options to best meet Agtegra's needs and protect the environment
- Recycled materials include:
 - 440,000 pounds of grain bags
 - Aeration tubes used to ventilate stored grain
 - Pesticide containers and shuttles
- Great example of how having our agriculture and environmental experts working together is good for South Dakota!

Updates from 2020 Session

Restoration of Natural Gas Wells

- In 2020, SB 17 appropriated \$727,700 from DENR's Petroleum Release Compensation Fund to plug 40 orphaned natural gas wells in Harding County
- DENR contracted with Liquid Gold Well Services, Inc. to plug the 40 wells – contract amount = \$433,818
- Seven wells plugged to date – will resume plugging activities in 2021
- At the January 2021 School and Public Lands mineral auction, an interested company leased 2,000 acres of state minerals associated with seven of the orphaned wells, generating approximately \$58,640 for state educational funding
- Two companies bid at the auction and are interested in taking over 13 of the 33 unplugged wells
- This should save the state over \$100,000 in plugging costs and generate revenue for School and Public Lands and other mineral owners

Updates from 2020 Session

Industrial Hemp Program

- In 2020, HB 1008 appropriated \$354,574 to SDDA for up to 3 FTE to develop the state's Industrial Hemp Program
- Program Timeline:
 - October 16, 2020 – USDA approved SD's Industrial Hemp Plan
 - November 13, 2020 – Public hearing on hemp rules
 - December 7, 2020 – Hemp rules presented to Rules Review Committee and delivered to Secretary of State's Office
 - December 28, 2020 – rules became effective – growers and processors have begun license application process

Challenges

- How can we work together to move the needle on water quality in our lakes and streams?
- How do we address the lack of small meat processing capacity in South Dakota?
- How can we replace the Open Class Beef Barn and strengthen the State Fair for generations to come?
- How can we slow the spread of Emerald Ash Borer (EAB) in South Dakota?

Addressing Challenges Through Legislation

	Governor Noem's 2021 Omnibus Water Funding Bill
	Governor Noem's Livestock Complex (DEX) Funding Bill
HB 1027	Revise provisions related to the Water Management Board prehearing officer
HB 1028	Revise petition requirements and the criteria for issuance of a water right permit
HB 1029	Revise provisions related to mining operations for certain ore milling facilities
HB 1038	Appropriation from the Natural Resources Conservation Fund
HB 1039	Appropriation for Wildland Fire backfill
HB 1040	Appropriation for small meat processor grants
HB 1042	Revise provisions related to riparian buffer strips
SB 50	Repeal requirements for a well pump installer license
SB 51	Transfer wastewater system installer license to the Plumbing Commission
SB 52	Revise permit duration on certain CAFOs
SB 53	Revise certification and renewal fees for water supply and treatment system operators
SB 63	Correct technical errors and outdated provisions related to DENR

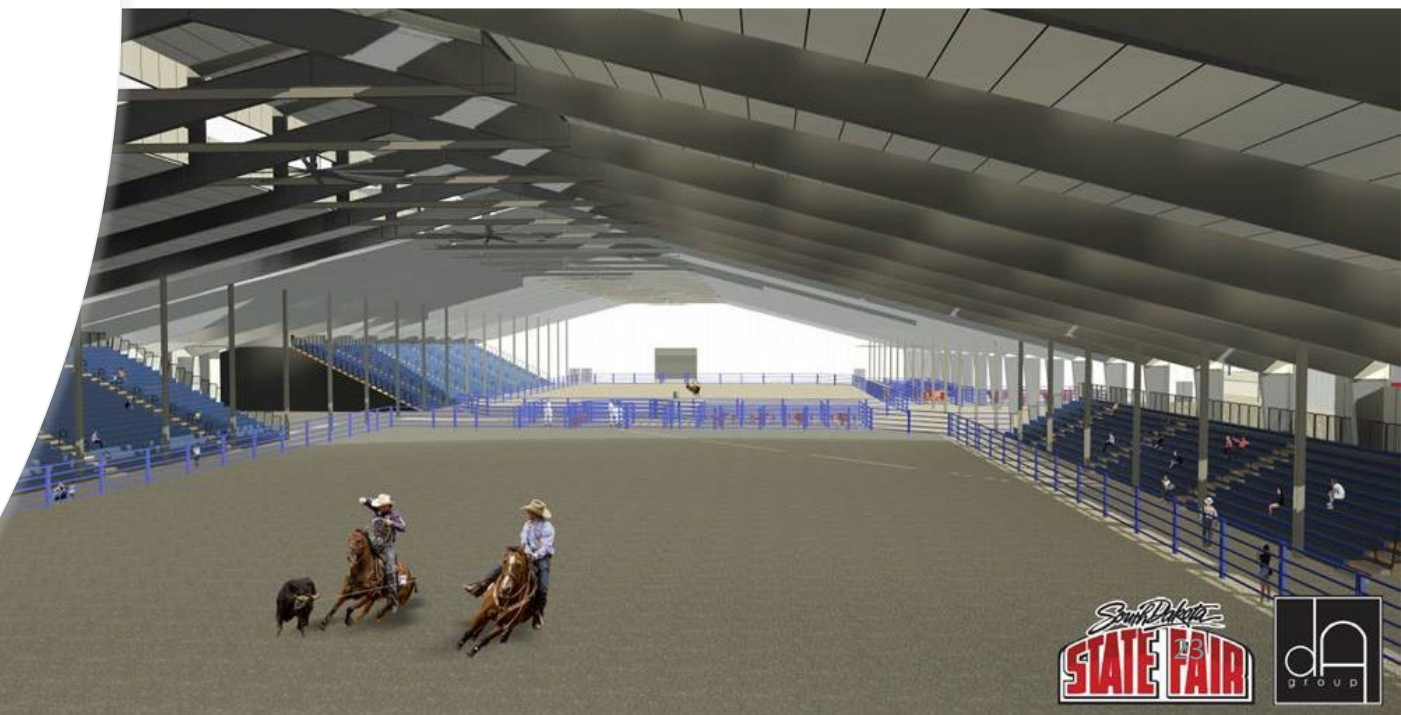


State Fair the DEX: Dakota Events Complex

- Requesting \$12,000,000 in one-time funds for the DEX: Dakota Events Complex at the State Fair
- The fire
 - Occurred in the early morning hours of October 31, 2020
 - Caused by a faulty electrical cord on a refrigerator
 - No people or animals were hurt but the building was a total loss
- DEX Benefits
 - Replaces the Beef Complex (96,000 sq.-ft) and encompasses the footprint of the Sheep Barn (37,000 sq.-ft)
 - Addresses livestock transportation safety issues
 - Meets all the State Fair's needs
 - Attract regional and national rodeo, livestock, and equestrian events
- Funding – estimated project cost is \$19 million
 - \$12 million in one-time funds
 - Insurance payments (final amounts pending)
 - Fundraising - \$4 million



the DEX: Dakota Events Complex



Proposed Meat Processing Grant Program

- Requesting \$5,000,000 in one-time funds for a Meat Processing Grant program
- The proposed Meat Processing Grant program will provide processors with funds to make an immediate impact on the state's capacity to process or store South Dakota raised protein including beef, pork, poultry, bison, and lamb
- Who Can Apply?
 - State inspected "equal to" slaughter or processing plants
 - Licensed custom-exempt slaughter plants, or
 - Small and very small federally inspected plants
- Eligible Expenses
 - Coolers/freezers
 - Contractor costs
 - Temporary cold storage
 - Portion cutters
 - Processing equipment
 - Slaughter equipment
 - Holding equipment

South Dakota Riparian Buffer Initiative

- **Goal** - establish over 3,000 acres of new riparian buffers across the state to make measurable water quality improvements in South Dakota's impaired watersheds
- **Step 1** – through HB 1042, increase the tax break from 40 percent to 50 percent and change the enrollment requirement from annual to once every 10 years
- **Step 2** – work with a wide range of partners to acquire funding to establish a state riparian buffer project to incentivize the use of buffers in impaired watersheds on private lands with annual cash payments
- **Timeline**
 - 2021 Legislative Session – Revise the existing buffer strip property tax incentive
 - Jan 2021 – March 2021 – SDDA/DENR will lead a workgroup of interested partners to establish state riparian buffer strip program
 - Spring 2021 – Prepare and submit applications for funding resources
 - Summer 2021 – Project kick-off

Emerald Ash Borer (EAB) – State Response Actions

- Found in Sioux Falls in 2018
- State quarantine in Minnehaha, Lincoln, and Turner Counties
- Trapping to monitor where EAB is spreading
- Release and monitor parasitoids as a biocontrol for EAB
- EAB planning and outreach
- Conduct street tree inventories

Emerald Ash Borer – What's Next

- Federal quarantine ended on January 14, 2021
- Lifts the federal prohibition of moving untreated ash materials from infested areas outside of South Dakota
- The state EAB quarantine is still in effect
- SDDA is working on strategies in the absence of the federal quarantine



Special Appropriations

- Wildland Fire Backfill – \$973,514
 - Fire fighting expenses vary dramatically year-to-year
 - Each year SDDA requests a special appropriation to backfill the state's fire fund to avoid incurring debt
- Coordinated Natural Resource Conservation Fund - \$500,000
 - Allows the State Conservation Commission to spend funds from the Natural Resource Conservation Fund
 - Used to assist the state's conservation districts in promoting conservation practices
- Water and Environment Fund - \$14,075,000
 - The annual Governor's Omnibus Water Funding bill appropriates funding from the Water and Environment Fund for solid waste, environmental infrastructure, and water development projects

COVID-19 Silver Linings

- The pandemic has provided many challenges but there have been silver linings allowing for better customer service
- Remote Inspections – implemented procedures to conduct remote inspections to ensure compliance and maintain environmental protections
- Transitioned to online training and testing options for customers and staff
- I am proud of our staff and the way they handled themselves during this difficult time

DANR Values

- SDDA and DENR have a long history of providing excellent customer service to the citizens of South Dakota
- DANR intends to continue this tradition through a consistent value system of Integrity, Excellence, and Customer Service
 - Integrity through transparent government services, science-based decision making, and high ethical standards
 - Excellence through hiring, developing, and empowering highly engaged and well-trained professionals
 - Customer Service through consistent, timely, and professional interactions with everyone we meet
- We look forward to working with you as the Department of Agriculture and Natural Resources!

Questions?



Hunter Roberts

DENR Secretary \ Interim SDDA Secretary

hunter.roberts@state.sd.us

773.5559