Recommended State ARPA Uses

SOUTH DAKOTA DEPARTMENT of AGRICULTURE and NATURAL RESOURCES

November 18, 2021

COVID Relief Liaison Committee

Pierre, SD

Presentation Overview

- Environmental Funding Projects (Local): $600 Million
- Environmental Funding Projects (State): $60 Million
- Workforce Housing – Sewer and Stormwater: $50 Million

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Local Water and Wastewater Funding: $600 million

- Provide quality drinking water and necessary sewer services
- Health and welfare
- Protects the environment and our Natural Resources
- Economic driver for our economy
- Only state political subdivisions and private non-profits who provide water and sewer services apply for funding thru DANR and the Board of Water and Natural Resources

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State Water Plan Process

- Applications for new projects were due on October 31st.
- Application overload
- November 4th Board of Water and Natural Resources Meeting
- Current State Water Plan:
  - Nearly 250 eligible projects
  - Over $3.2 billion in project funding request
  - Projects range from municipality, sanitation districts, and rural water systems.

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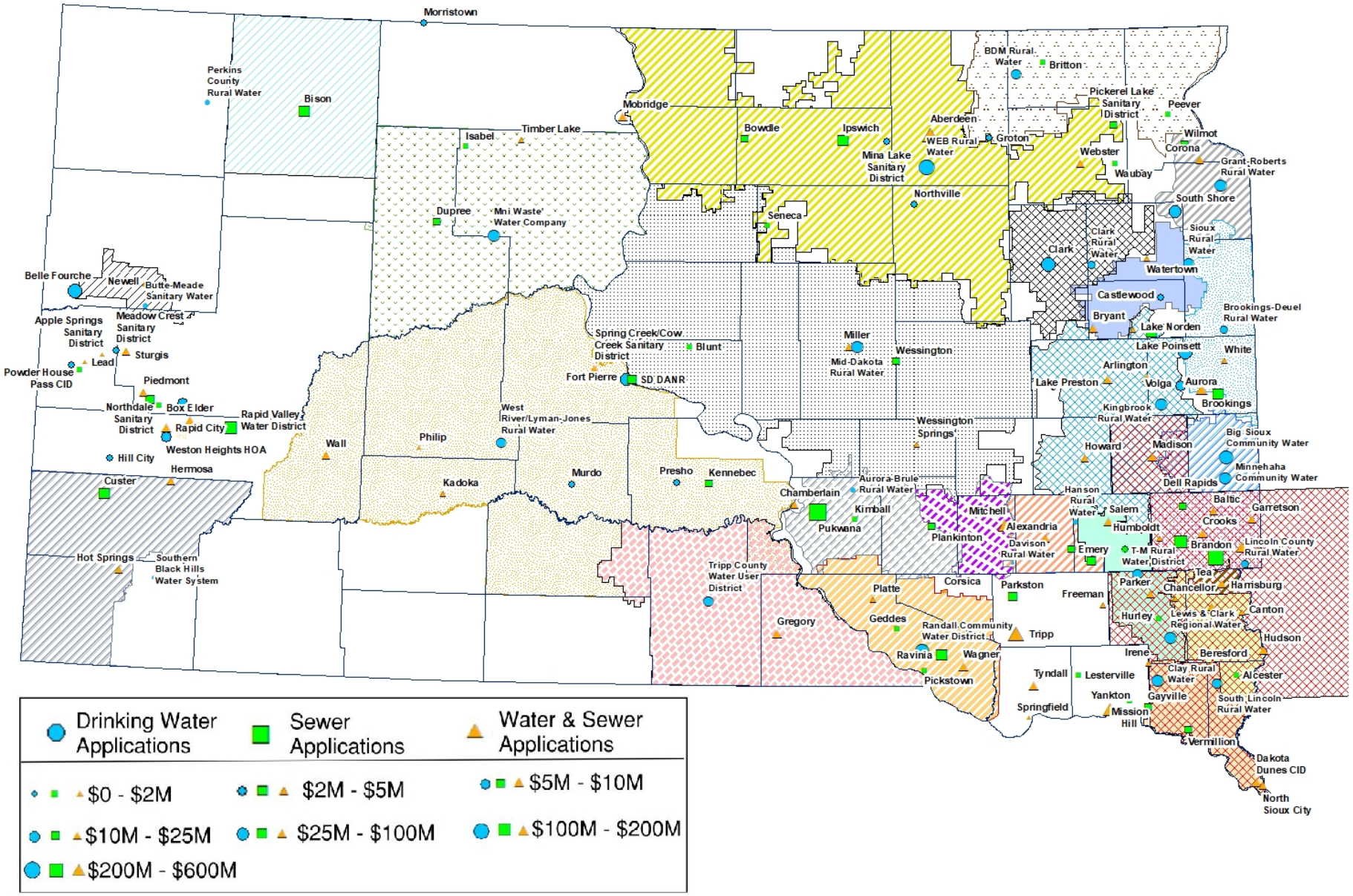
Total Funding Requests



Proposed Allocation

1: Local ARPA matched by State ARPA 50/50

2: Flat 30% of eligible project cost, capped.

- Less than 1,000 service pop.: 80% grant up to $9K per person
- Less than 2,500 service pop.: 50% grant up to $5k per person
- Above 2,500 service pop.: 30% grant up to $3K per person

3. User Rate Goals: Eligible applicants

- Municipal Wastewater: $50 - $55
- Municipal Water: $50 - $55
- Rural Water/Others: $75

4. Discretionary for regionalization/consolidation, regulatory compliance issues, drought resiliency/drinking water availability, and non-point source improvements

5. Request for engineering studies to address long-term drought resiliency and water source issues for drinking water and regionalization of wastewater treatment: up to 100%

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State Owned Facilities: $60 Million

- Many state agencies with eligible water and sewer infrastructure in need of improvements
- Agencies are developing list of needs for funding consideration in coordination with DANR review for eligibility
- If ARP funds are provided this will reduce the need for Maintenance & Repair funds for these utilities and allow other necessary improvements to be funded instead
- Would have long term positive impact on state owned facilities

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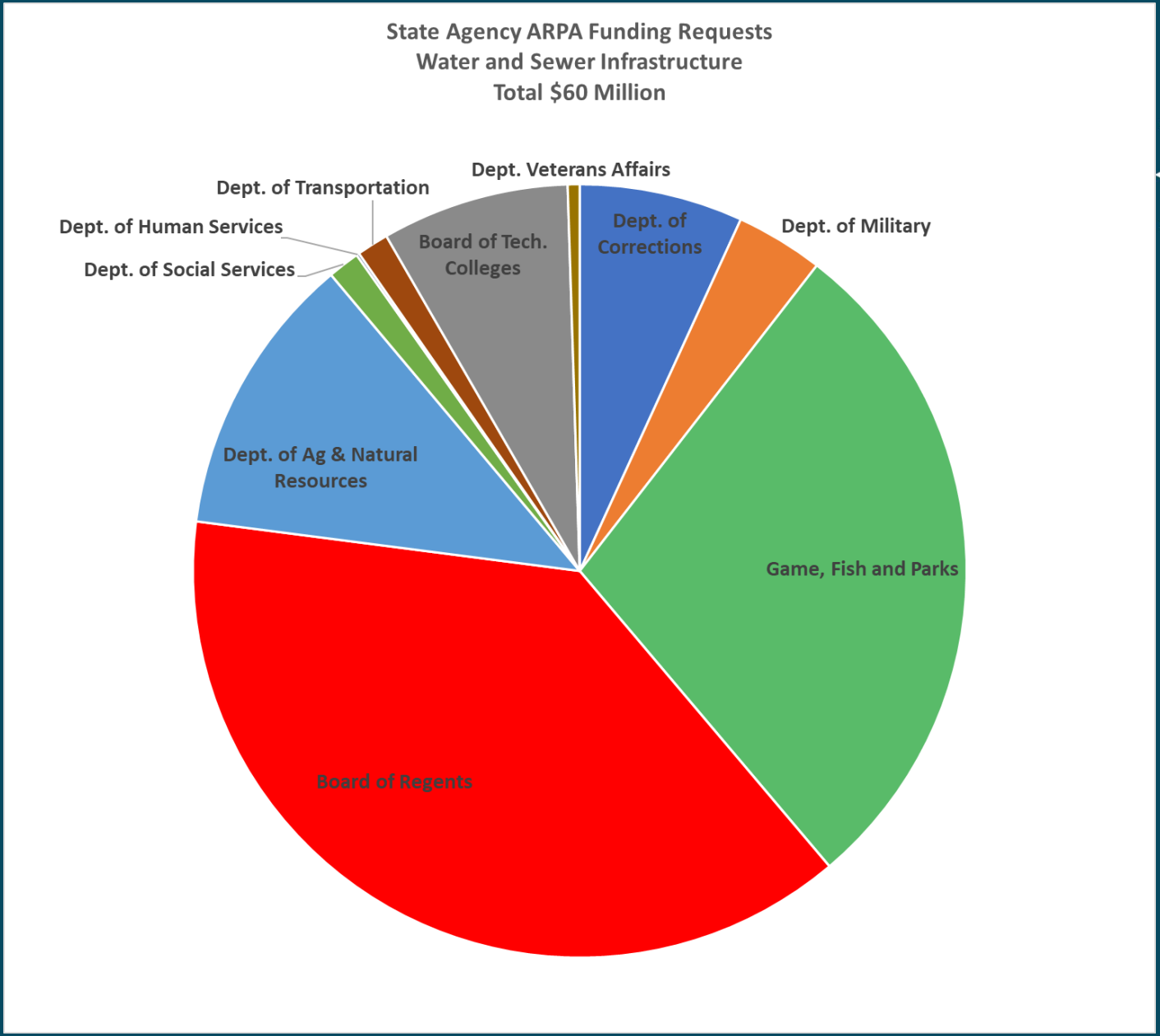

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Workforce Housing Funding: $50 million for wastewater and stormwater

- DANR ensure all project cost are eligible
  - Project must be done by a state political subdivisions and private non-profits
- GOED: Administer Program
- The Board of Economic Development will award the grants to projects.

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Questions?

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