

**Chapter 210**  
**(Senate Bill 62)**

**An Act to make an appropriation for eligible water, wastewater,  
storm water, and nonpoint source projects and to declare an  
emergency.**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

**Section 1.** There is hereby appropriated the sum of \$600,000,000 in federal fund expenditure authority to the Board of Water and Natural Resources for the purpose of providing grants for eligible water, wastewater, storm water, and nonpoint source projects in accordance with the guidance provided in section 2 of this Act. Moneys shall be provided according to the terms and conditions established by the board.

**Section 2.** The board and the Department of Agriculture and Natural Resources shall comply with any federal guidance on using the American Rescue Plan Act state fiscal recovery funds and provide grants for water, wastewater, storm water, and nonpoint source projects.

**Section 3.** To be eligible for funding, projects must go through the department and board's existing funding process, including being listed on the state water plan. The following criteria must be used to determine funding for eligible projects derived from this Act:

- (1) Eligible applicants will receive a minimum of a thirty percent grant award subject to the following limitations. The grant award amount will be limited to a per person project cost based on the population served by the system or municipality, using the 2020 federal census numbers or system service numbers, as determined by the board. The grant limit will apply to each applicant, regardless of the total project cost or the number of projects seeking funding, and will be determined as follows:
  - (a) Systems or municipalities with service populations of up to one thousand may receive up to an eighty percent grant with a maximum total project cost for determining the grant amount limited to nine thousand dollars per person per applicant for all eligible projects considered for grants;
  - (b) Systems or municipalities with service populations up to two thousand five hundred may receive up to a fifty percent grant with a maximum total project cost for determining the grant amount limited to seven thousand dollars per person per applicant for all eligible projects considered for grants; and
  - (c) Systems or municipalities with service populations above two thousand five hundred may receive a thirty percent grant with a maximum total project cost for determining the grant amount limited to three thousand dollars per person per applicant for all eligible projects considered for grants.
- (2) If an applicant uses local America Rescue Plan Act funds towards the project, those funds will be matched with state grant funds up to a maximum of five million dollars per municipality or system.

Funds provided by the board under this section are not considered as part of the grant limits in subdivision (1) of this section;

- (3) The grant limit in subdivision (1) of this section may be exceeded by up to an additional five percent if the board determines that an applicant currently has average per month user rates, or will have average per month user rates upon project completion, that are higher than the following applicable user rate targets:
  - (a) Fifty-five dollars for five thousand gallons for water or sewer for municipal users; or
  - (b) Seventy-five dollars for seven thousand gallons for water or sewer for non-municipal users.
- (4) Projects addressing regionalization, system consolidation, regionalization and consolidation, environment and health regulatory compliance issues, drought resiliency, water availability, nonpoint source improvements, or other significant environmental issues may receive funding above the grant limits in this Act. The department will evaluate projects and make recommendations to the board for funding based on merits and positive long-term impacts of the project; and
- (5) Eligible engineering studies for projects that contend with long term drought resiliency, drinking water availability issues, or water or wastewater regionalization projects may be awarded a grant up to one hundred percent of study cost.

If the board determines that the average user rate of the system or municipality will be below the user rate targets in subdivision (3) of this section, the grant percentage may be less. The board has discretion to not fund lake dredging and projects that deter cost effective regionalization.

**Section 4.** The secretary of the department shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

**Section 5.** Any amounts appropriated in this Act not lawfully expended by June 30, 2027, shall revert in accordance with the procedures prescribed in chapter 4-8.

**Section 6.** This Act shall be repealed on July 1, 2027.

**Section 7.** Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

**Signed March 22, 2022**

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