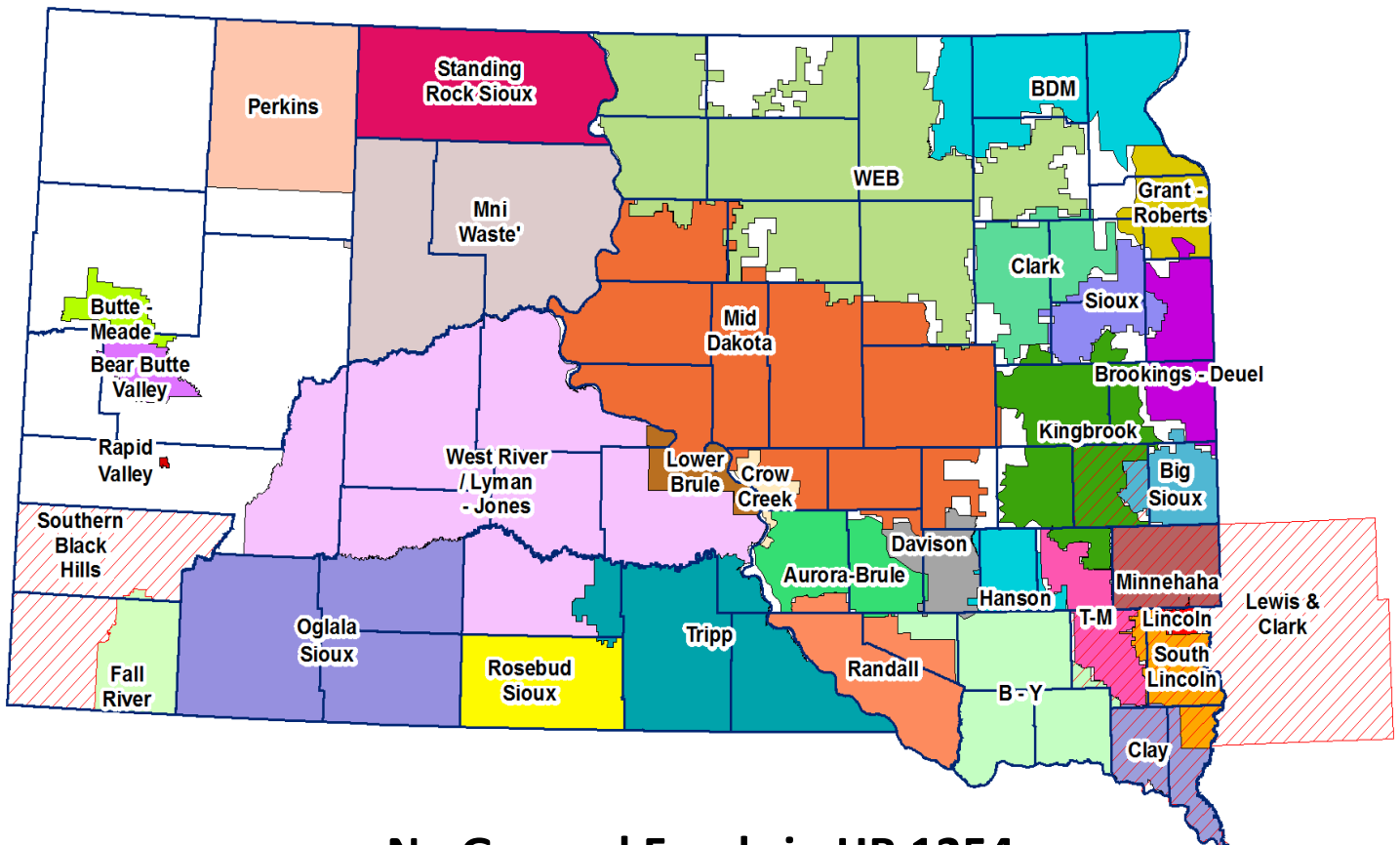


Governor Noem's 2019 Water and Environment Funding Bill

Dedicated Water and Waste Funds are
Building a Better South Dakota

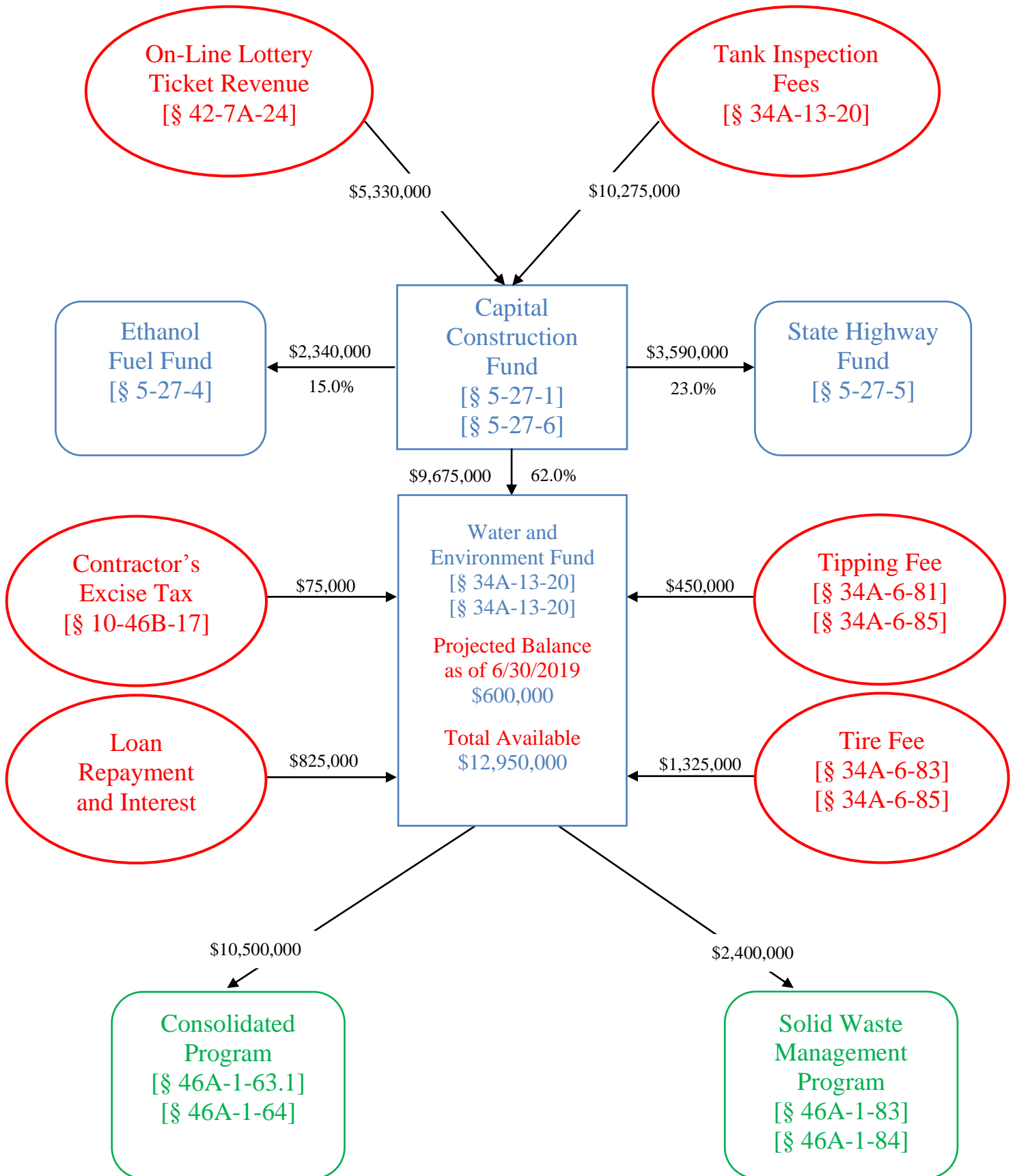
South Dakota Rural Water Systems



No General Funds in HB 1254

Revenues to the Water and Environment Fund are Other Funds that have been dedicated to the Water and Environment Fund by the Legislature

Governor Noem's 2019 Omnibus Water Funding Bill

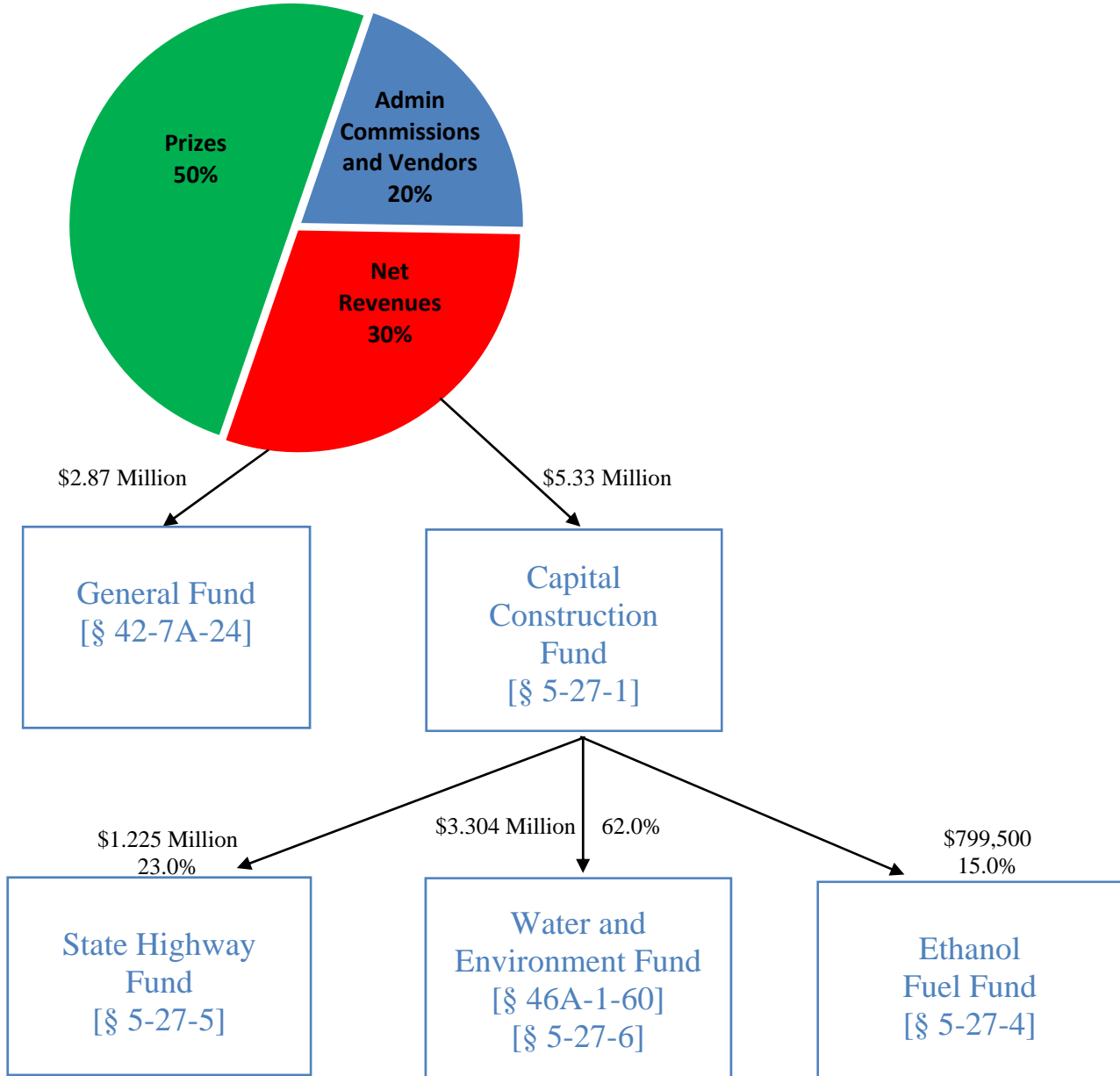


Projected SFY 2020 South Dakota Lotto Distribution

SFY	On-Line Lottery Net Proceeds	Lotto Deposits to Capital Construction Fund	Lotto Distribution to Water & Environment Fund
2014	\$9,887,780	\$8,487,780	\$6,094,226
2015	\$8,417,262	\$7,017,262	\$5,038,394
2016	\$8,577,367	\$7,177,367	\$5,153,349
2017	\$6,937,710	\$5,537,710	\$3,976,075
2018	\$8,244,532	\$6,844,532	\$4,914,374
**2019	\$8,100,000	\$6,075,000	\$3,888,000
**2020	\$8,200,000	\$5,330,000	\$3,304,600

**Projected #s

Lotto Breakout

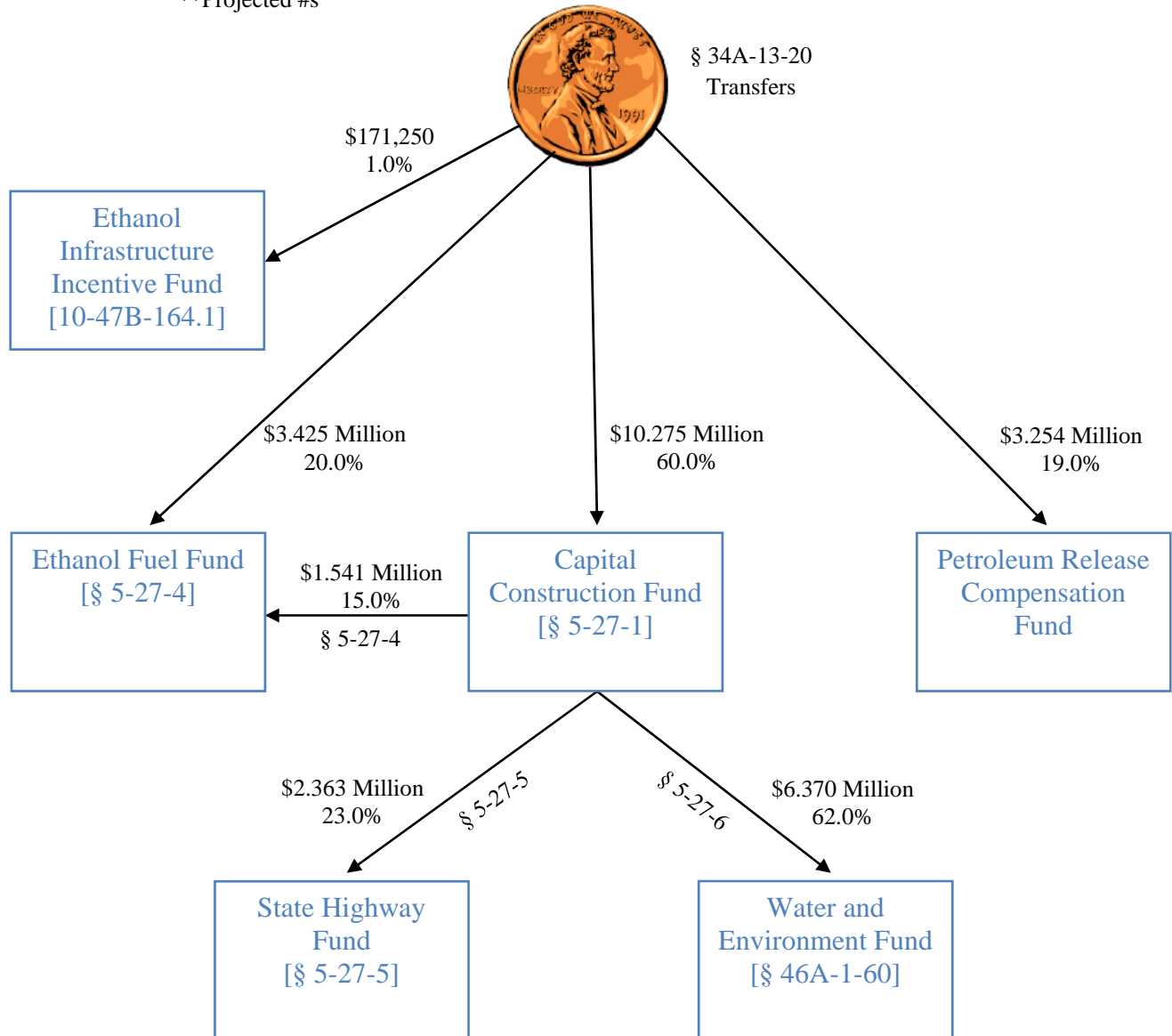


Projected SFY 2020 Petroleum Release Compensation and Tank Inspection Fee Distribution

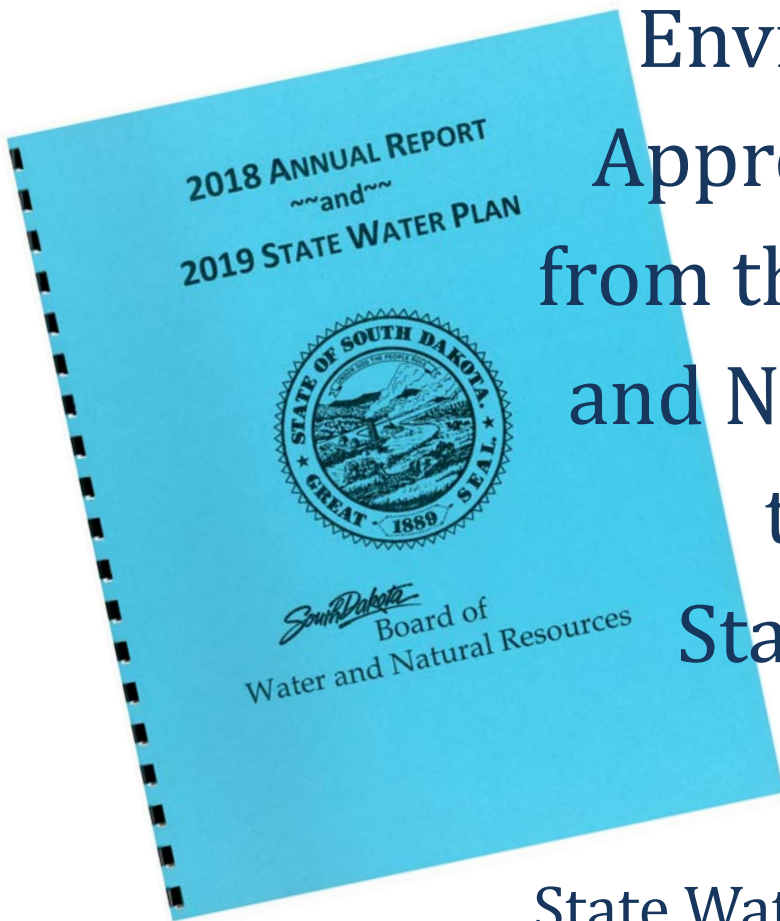
(\$20 per 1,000 gallons or \$0.02 per gallon)

SFY	Tank Inspection Fees	Tank Fees Deposits to the Capital Construction Fund	Tank Fees Distribution to the Water & Environment Fund
2014	\$16,629,448	\$6,543,688	\$4,698,368
2015	\$17,216,767	\$6,774,798	\$4,864,305
2016	\$17,186,737	\$6,762,981	\$4,855,820
2017	\$17,131,056	\$6,741,071	\$4,840,088
2018	\$17,100,480	\$6,729,039	\$4,834,450
**2019	\$17,125,000	\$9,418,750	\$6,028,000
**2020	\$17,125,000	\$10,275,000	\$6,370,500

**Projected #s



Recommendations for the Water and Environment Fund Appropriations come from the Board of Water and Natural Resources through the State Water Plan



State Water Facilities Plan

- 💧 \$211.7 million in projected state funding needs
- 💧 Drinking Water projects
- 💧 Wastewater projects
- 💧 Watershed Restoration projects

Governor Noem's 2019 Water & Environment Funding Bill

Sec. No.		DENR Recommendations	
	Water and Environment Fund	<u>Solid Waste</u>	<u>Water</u>
1	Consolidated Program		\$10,500,000
2	Solid Waste Management Program	<u>\$2,400,000</u>	
	Water and Environment Fund Appropriation Subtotals	\$2,400,000	\$10,500,000
	Total Available Dedicated Water and Waste Funds	\$2,425,000	\$10,525,000
	Projected June 30, 2020 Unobligated Balance	\$25,000	\$25,000
	Loan Fees and Federal Funds		
	State Revolving Fund (SRF) Administrative Surcharge Fees		
3	Clean Water SRF Water Quality Grants		\$1,000,000
4	Clean Water SRF Application and Administration Technical Assistance		\$200,000
5	Drinking Water SRF Application and Administration Technical Assistance		\$50,000
6	Drinking Water Very Small System Compliance and Public Health Grants		\$200,000
	Federal Set-Aside Funds		
7	Small System Technical Assistance		<u>\$150,000</u>
	Fees and Federal Funds Appropriation Subtotal		\$1,600,000
	TOTAL OMNIBUS BILL APPROPRIATIONS		\$14,500,000
8	DENR Secretary approves vouchers and all payments through the State Auditor		
9	Appropriations not expended or obligated shall revert as per chapter 4-8.		
10	Emergency clause so funds can be obligated prior to July 1st.		

Sections 1 and 2 — Dedicated Water and Waste Funds

Section 1 — Appropriate \$10,500,000 to the Consolidated Water Facilities Construction Program

- Provide grants and loans for drinking water, wastewater and storm water infrastructure, or watershed restoration projects that are on the State Water Facilities Plan.
- Applicants must be a special purpose district that has the authority to construct a water resources project; a state agency or general purpose government such as a municipality, county, or township; a federally recognized Indian tribe; or a nonprofit corporation.

Section 2 — Appropriate \$2,400,000 to the Solid Waste Management Program

- Provide grants and loans for improving and maintain solid waste disposal and recycling projects.
- Eligible applicants include individuals, partnerships, limited liability companies, corporations, counties, cooperatives, municipalities, regional or state-wide planning agencies, federally recognized Indian tribes or special purpose districts that have the authority to construct or operate solid waste, waste tire or recycling facilities.
- Projects should address the goals of the solid waste management hierarchy: volume reduction at the source, recycling and reuse, use for energy production, or disposal in landfill or combustion for volume reduction; and provide cost savings, public health, or environmental benefits through proper solid waste management.

Sections 3 through 7 — State Revolving Fund Loan Fees and Federal Funds

Section 3 — \$1.0 million from the Clean Water State Revolving Fund subfund for water quality grants.

- Source of funds: Clean Water State Revolving Fund Administrative Surcharge Fees.
- Supplement the Consolidated Program for sanitary and storm sewer projects to keep rates affordable.
- Supplement the EPA Section 319 Nonpoint Source Program to implement Total Maximum Daily Load (TMDL) watershed restoration projects.
- Award planning grants to communities of 2,500 or less to develop engineering reports required to access Clean Water State Revolving Fund loans.
- Since 2013, appropriation level has ranged from \$800,000 to \$1.3 million.

Sections 4 and 5 — \$200,000 from the Clean Water State Revolving Fund subfund and \$50,000 from the Drinking Water State Revolving Fund subfund for preparation of State Revolving Fund applications, loan administration, and Davis-Bacon Compliance Monitoring.

- Source of funds: Clean and Drinking Water State Revolving Fund Administrative Surcharge Fees.
- Provided through joint powers agreements with the six planning districts.
- Since 2013, the appropriation level has ranged from \$50,000 to \$200,000 per program.

Section 6 — \$200,000 from the Drinking Water State Revolving Fund subfund for grants to very small water systems to address drinking water compliance and public health issues at:

- Source of funds: Drinking Water State Revolving Fund Administrative Surcharge Fees.
- Small community water systems with less than 50 service connections, and
- Nonprofit, non-transient, non-community water systems.
- First and only appropriation was in 2015 for \$250,000.

Section 7 — \$150,000 in federal funds from the Drinking Water State Revolving Fund subfund to provide set-aside grants for small community planning and technical assistance.

- Source of funds: Federal Drinking Water State Revolving Fund Set-aside Funds.
- Award planning grants to small communities of 2,500 or less to develop engineering reports required to access Drinking Water State Revolving Fund loans.
- Provides technical assistance from the South Dakota Association of Rural Water Systems to systems serving 10,000 or fewer customers to improve drinking water system management and operation.
- Provides capacity development for public water systems from Midwest Assistance Program.
- Since 2013, the appropriation level has ranged from \$150,000 to \$200,000.

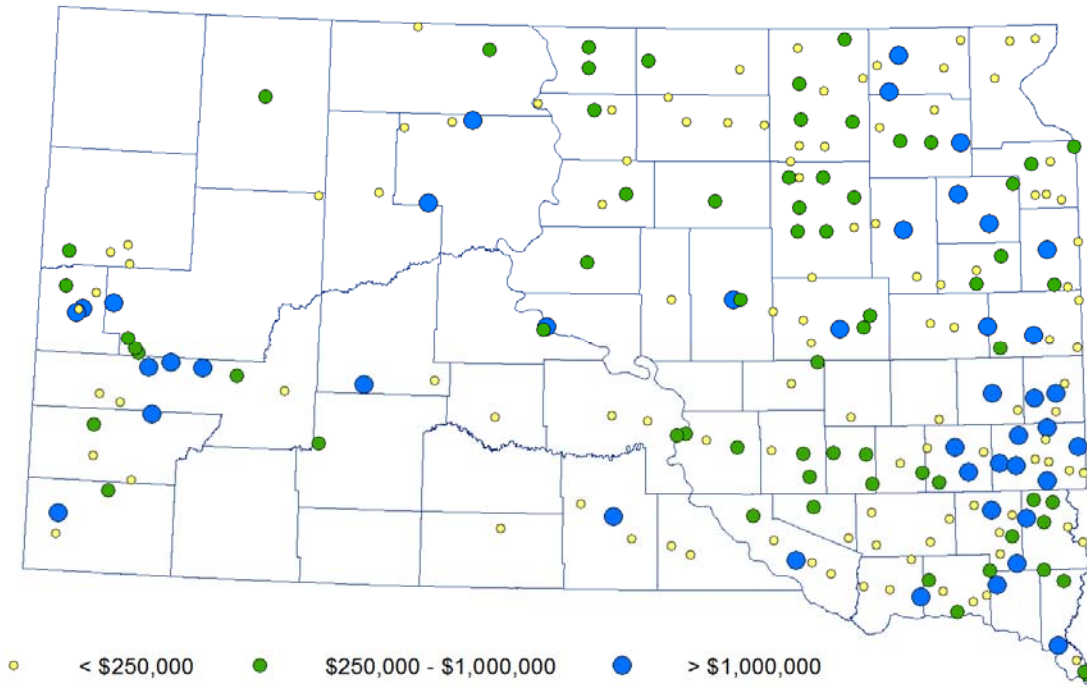
Section 8 — DENR secretary approves vouchers and all payments through the State Auditor.

Section 9 — Appropriations not expended or obligated shall revert as per SDCL 4-8.

Section 10 — Emergency clause so funds can be obligated prior to July 1st and put to work during the upcoming construction season.

Program Award Maps

Consolidated Water Facilities Construction Program Awards (1993-2018)
\$140.4 million in awards to 312 recipients



Solid Waste Management Program Awards (1992-2018)
\$47.9 million in awards to 195 recipients

