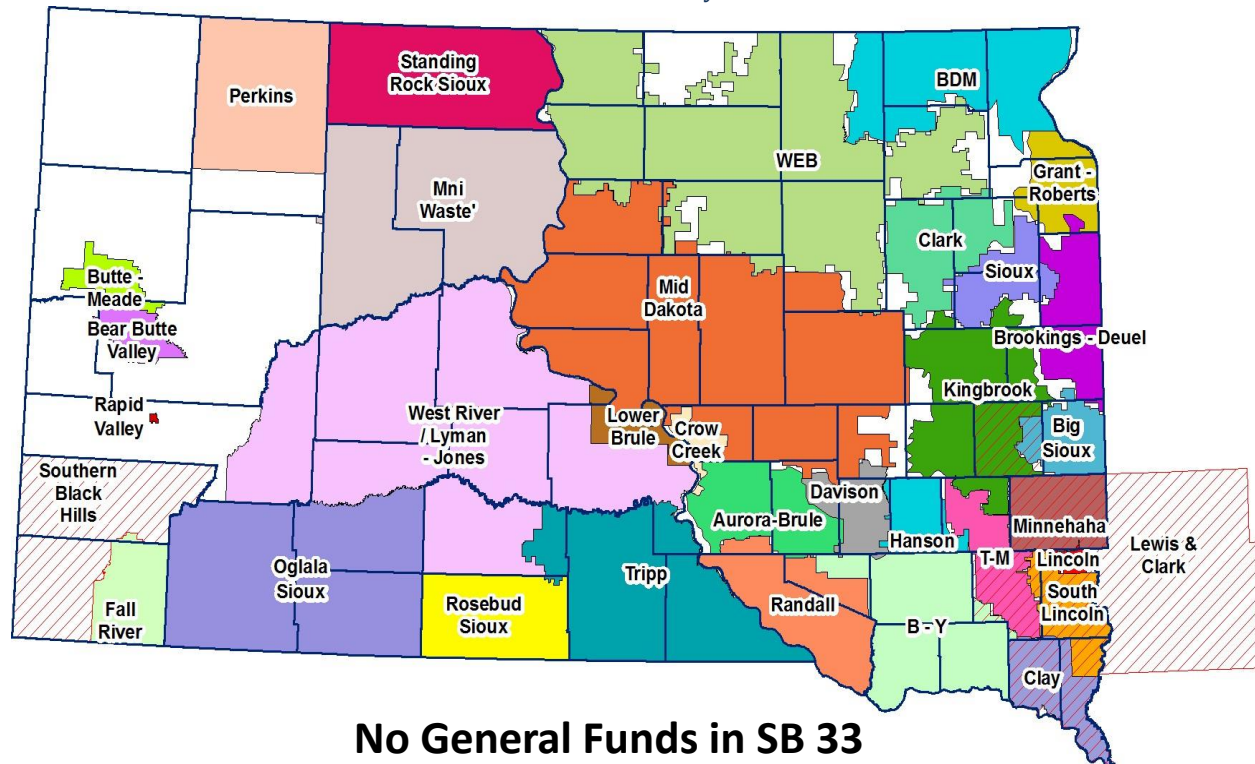


2025 Omnibus Water and Environment Funding Bill

Dedicated Water and Waste Funds are Building a Better South Dakota

South Dakota Rural Water Systems



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

2024 ANNUAL REPORT
~~and~~
2025 STATE WATER PLAN



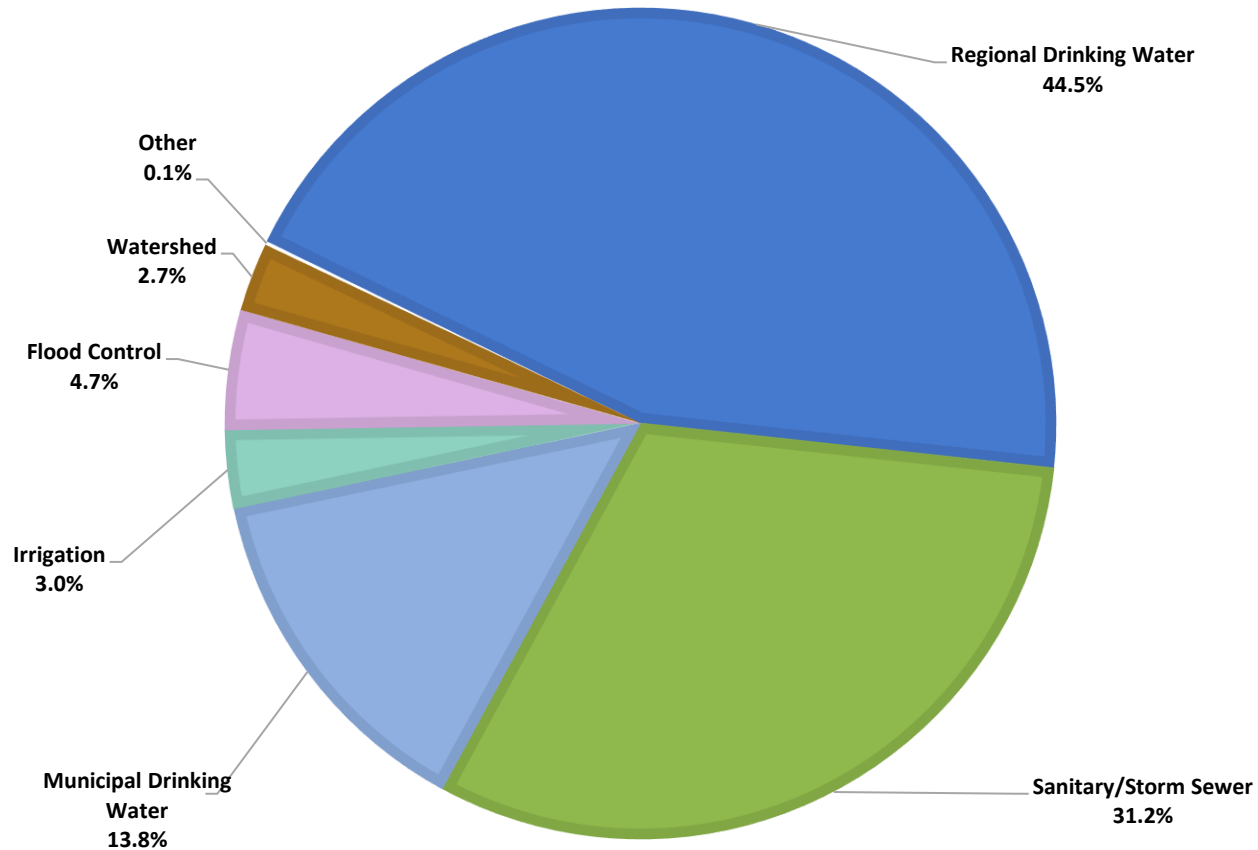
**BOARD OF
WATER AND NATURAL RESOURCES**

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

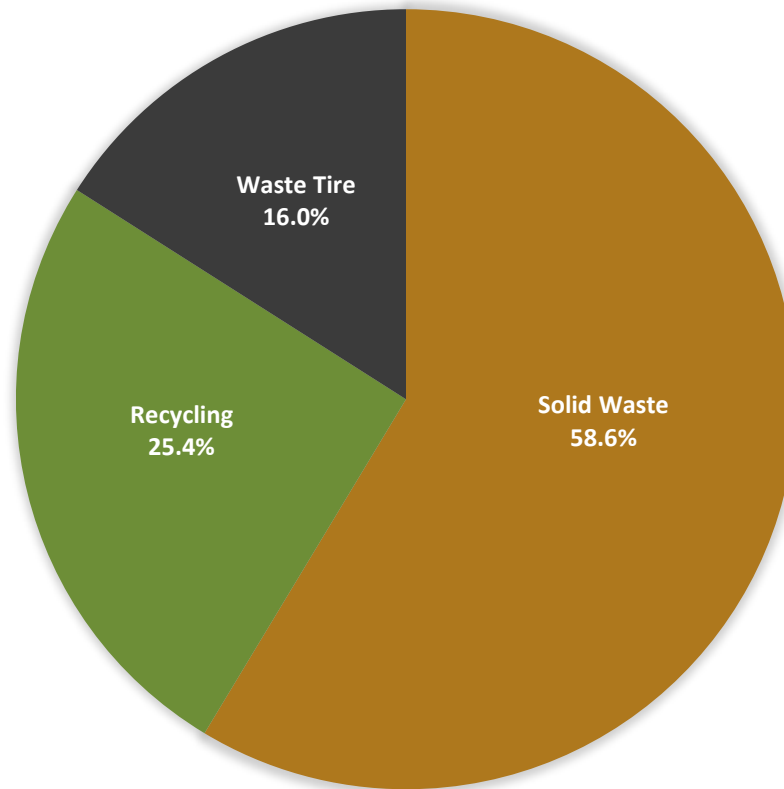
State Water Facilities Plan

- 💧 \$530 million in projected state funding needs
- 💧 Drinking Water projects
- 💧 Wastewater projects
- 💧 Watershed Restoration projects

Dedicated Water Funding \$311.5 Million 1993-2024



Dedicated Solid Waste Fees
\$67.7 Million
1993-2024



2025 OMNIBUS BILL

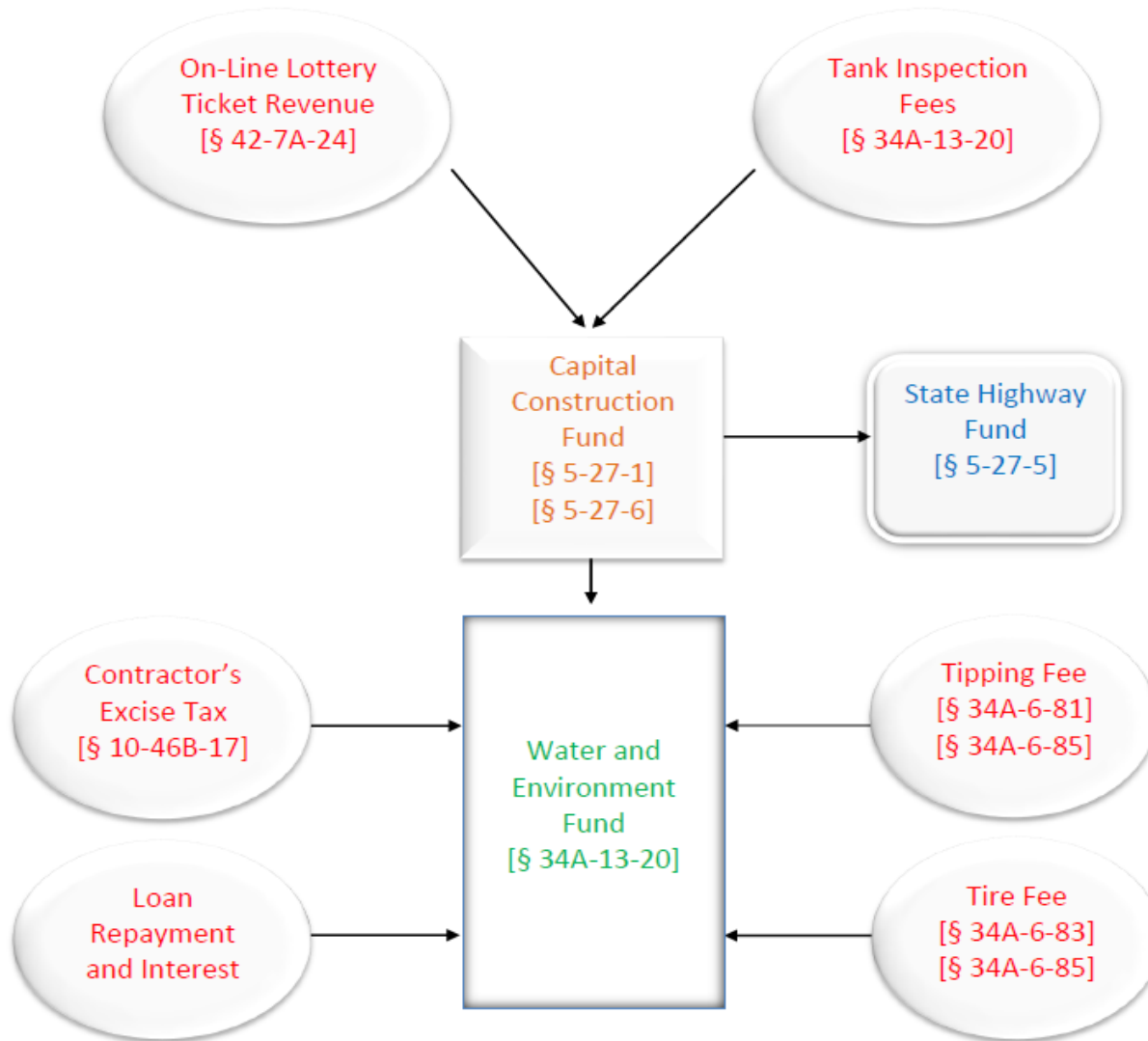
Authorizes **Special Appropriations** for
State Fiscal Year 2026

Available for four fiscal years (i.e.,
through 30-Jun-2029)

Based on actual revenues received
through 30-Jun-2024

Revenue projections for SFY 2025 and
2026 used to estimate available funds

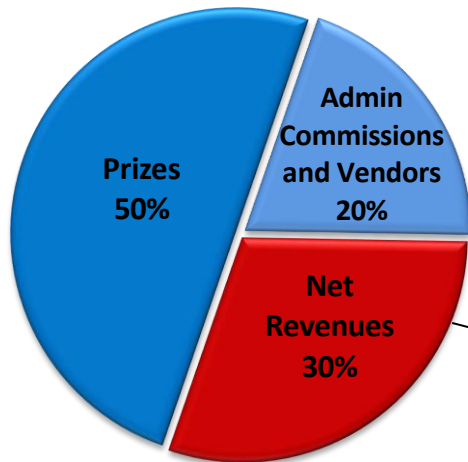
Revenue Flows



Projected SFY 2026 South Dakota Lotto Distribution

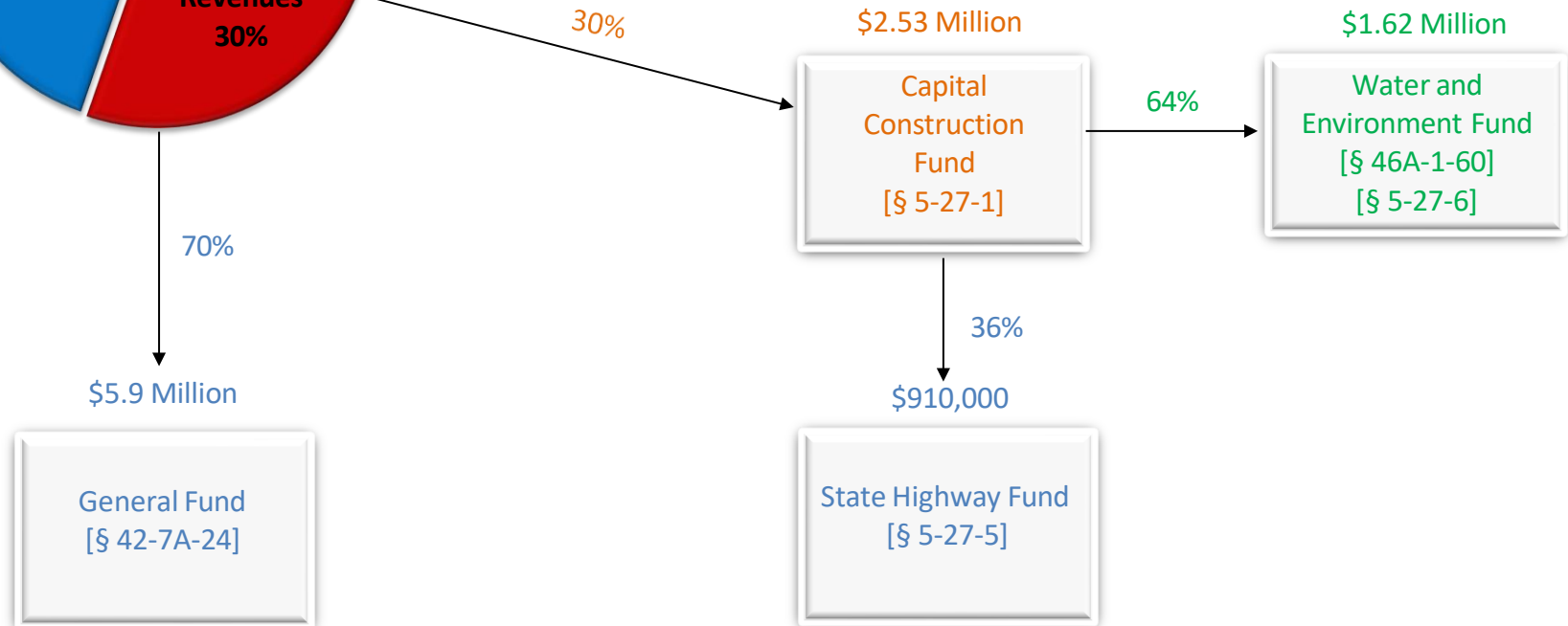
(SFY 2026 Percentages)

Lotto Breakout



SFY	On-Line Lottery Net Revenues	Lotto Deposits to Capital Construction Fund	Lotto Distribution to Water & Environment Fund
2020	\$6,718,466	\$4,367,003	\$2,707,542
2021	\$7,394,061	\$4,806,139	\$2,931,745
2022	\$8,560,177	\$4,280,089	\$2,610,854
2023	\$8,651,739	\$2,595,522	\$1,661,134
2024	\$13,083,823	\$3,925,147	\$2,512,111
**2025	\$8,430,000	\$2,530,000	\$1,620,000
**2026	\$8,430,000	\$2,530,000	\$1,620,000

**Projected #s



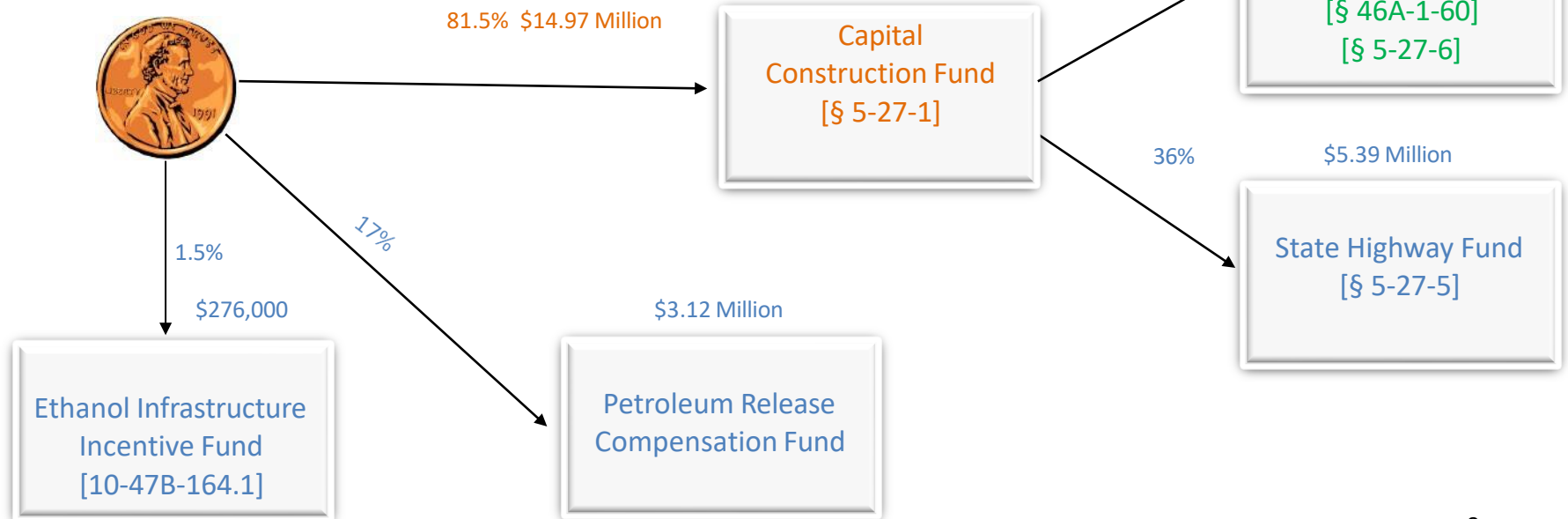
Projected SFY 2026 Petroleum Release Compensation and Tank Inspection Fee Distribution

(\$20 per 1,000 gallons or \$0.02per gallon) (SFY 2026 Percentages)

SFY	Tank Inspection Fees	Tank Fees Deposits to the Capital Construction Fund	Tank Fees Distribution to the Water & Environment Fund
2020	\$17,354,029	\$10,412,417	\$6,445,699
2021	\$17,379,572	\$11,470,518	\$6,885,000
2022	\$18,016,221	\$12,971,679	\$7,912,724
2023	\$17,391,234	\$14,173,856	\$9,071,268
2024	\$18,225,935	\$14,854,137	\$9,506,648
**2025	\$18,367,000	\$14,970,000	\$9,580,000
**2026	\$18,367,000	\$14,970,000	\$9,580,000

**Projected #s

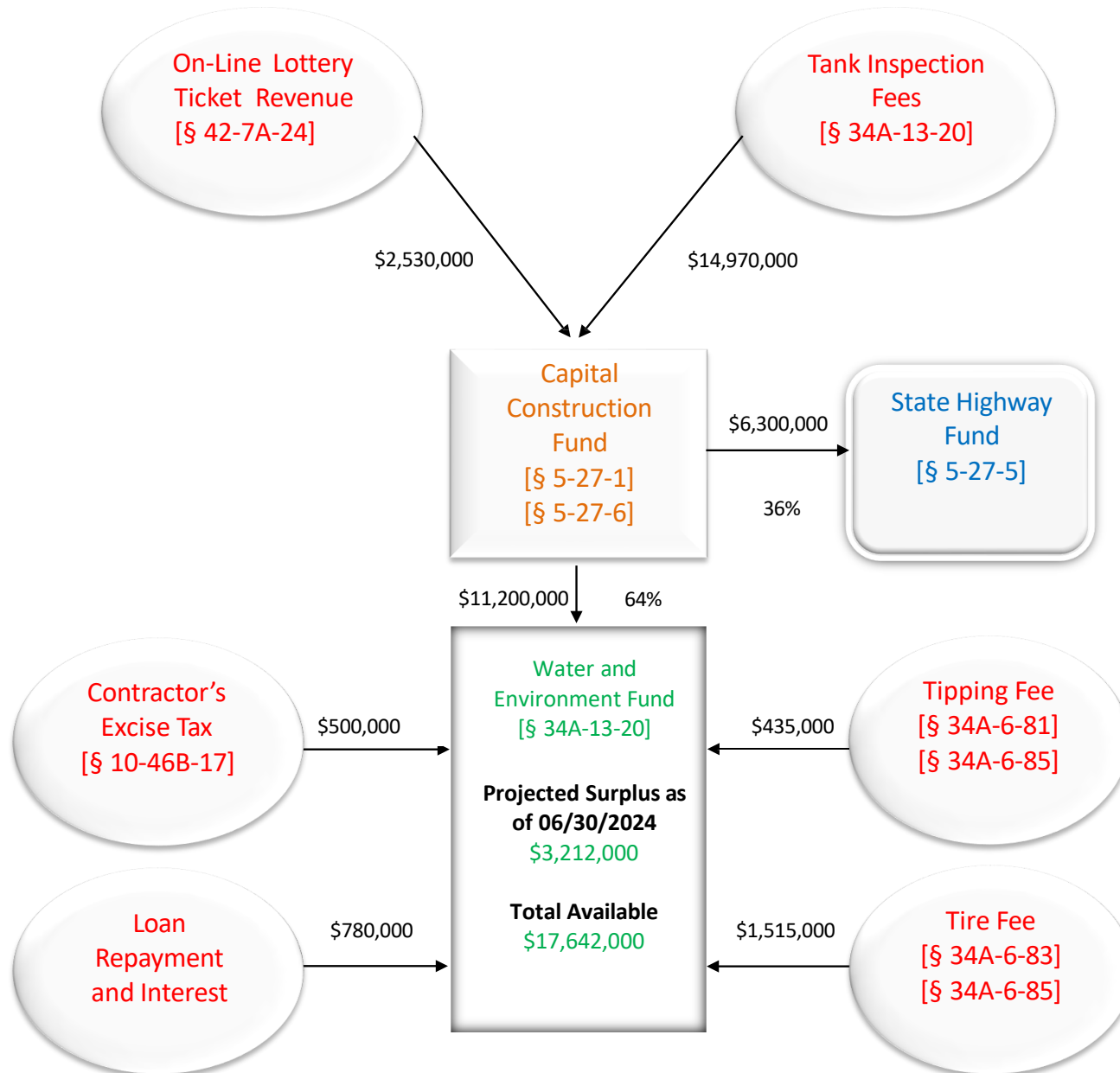
§ 34A-13-20 Transfers



Available Funding for 2025 Omnibus Bill

WATER & ENVIRONMENT FUND	Solid Waste	Water	Total
Projected Surplus/(Shortfall) for Preparation of 2025 Omnibus Bill	\$182,000	\$3,030,000	\$3,212,000
PROJECTED SFY 2026 DEPOSITS			
CCF Transfers		\$11,200,000	\$11,200,000
Contractor’s Excise Tax		\$500,000	\$500,000
Loan Repayments & Interest	\$440,000	\$340,000	\$780,000
Solid Waste Fees	\$1,950,000		\$1,950,000
TOTALS	\$2,572,000	\$15,070,000	\$17,642,000

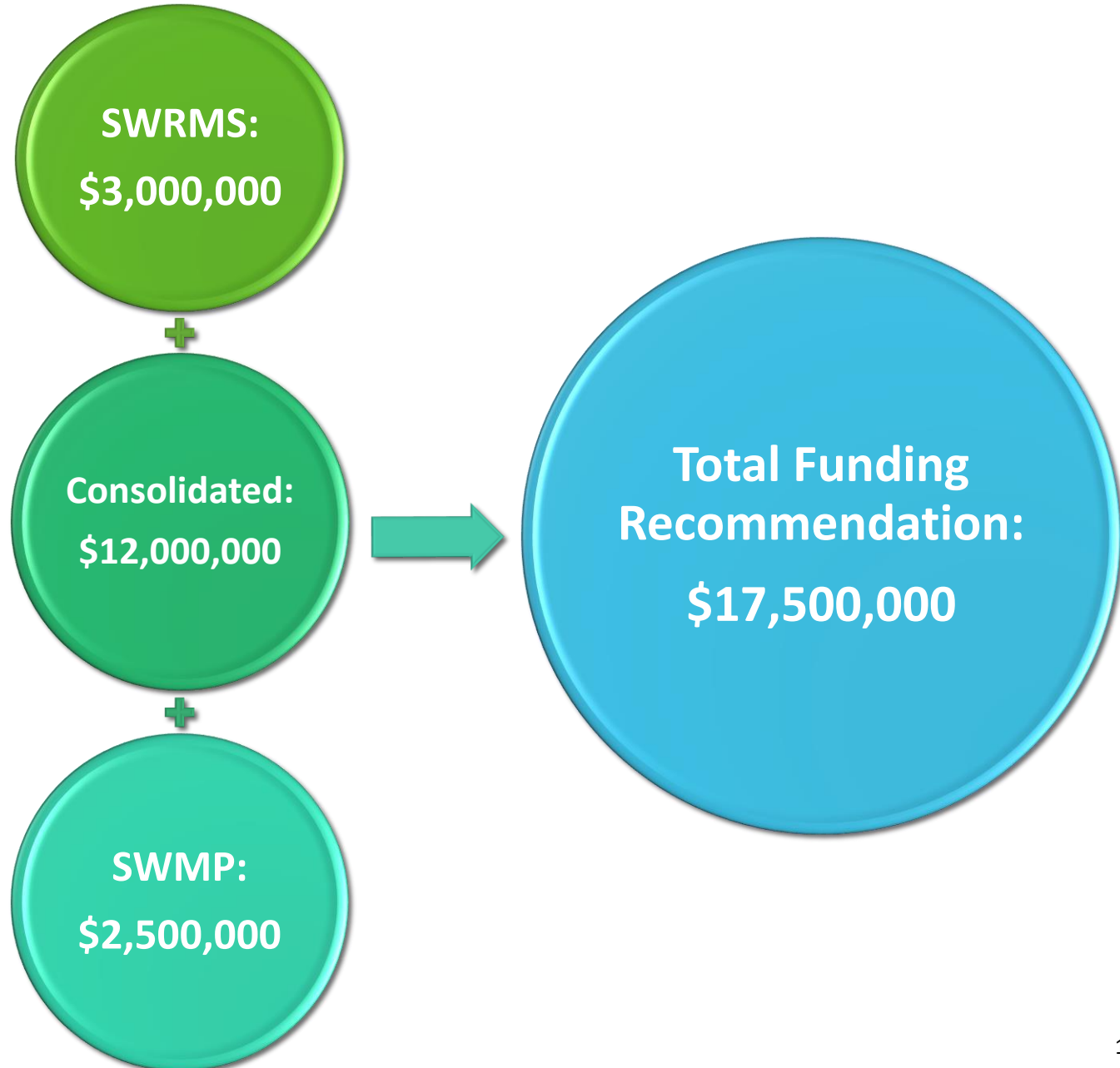
Projected Water & Environment Fund Deposits



State Water Resources Management Activity and Requests

- **Two projects have requested SWRMS funding:**
 - **Dakota Mainstem Regional Water study - \$1,000,000**
 - **Water Investment in Northern South Dakota (WINS) project - \$2,000,000**

WEF Special Appropriations



Sections 1 and 2 — State Water Resources Management System Funds

Section 1 — Appropriates \$1,000,000 for the purpose of providing a grant to local project sponsors for a feasibility level study, system startup, and administration of the Dakota Mainstem regional water system study.

Section 2 — Appropriates \$2,000,000 for the purpose of providing a grant to local project sponsors for the engineering design, preconstruction activities, and construction of the facilities included in the Water Investment in Northern South Dakota project.

Sections 3 and 4 — Dedicated Water and Waste Funds

Section 3 — Appropriates \$12,000,000 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 4 — Appropriate \$2,500,000 to the Solid Waste Management Program

- Provide grants and loans for improving and maintaining 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 5 through 10 — State Revolving Fund Loan Fees and Federal Funds

Section 5 — \$200,000 from the Clean Water State Revolving Fund sub-fund for water quality grants.

- Source of funds: Clean Water State Revolving Fund Administrative Surcharge Fees.
- Supplement the EPA Section 319 Nonpoint Source Program to implement Total Maximum Daily Load (TMDL) watershed restoration projects.

Sections 6 and 7 - \$300,000 from the Clean Water State Revolving Fund sub-fund and \$300,000 from the Drinking Water State Revolving Fund sub-fund 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.

Section 8 and 9 — \$300,000 in federal funds from the Drinking Water State Revolving Fund sub-fund and \$100,000 from the Clean Water State Revolving Fund sub-fund to provide set-aside grants for small community planning and technical assistance.

- Source of funds: Federal Drinking Water and Clean 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 and Clean 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 and technical assistance for wastewater utilities from Midwest Assistance Program.

Section 10 — \$30,000,000 in federal fund expenditure authority for federal Emerging Contaminants in Small or Disadvantage Communities grant program

- Source of funds: Bipartisan Infrastructure Law
- Award grants to small or disadvantage communities in South Dakota to address emerging contaminants in drinking water
- Covers 2022-2024 allocations

Section 11– DANR secretary approves vouchers and all payments through the State Auditor.

Section 12 – Appropriations not expended or obligated shall revert as per SDCL 4-8.

Section 13 – Emergency clause so funds can be obligated prior to July 1st and put to work during the upcoming construction season.

2025 Omnibus Bill Funding Appropriations

	<u>Solid Waste</u>	<u>Water</u>
State Water Resources Management System		
Dakota Mainstem Regional Water Study		\$1,000,000
Water Investment in Northern South Dakota project		\$2,000,000
Consolidated Program		\$12,000,000
Solid Waste Management Program	\$ 2,500,000	
TOTAL WEF APPROPRIATIONS	\$ 2,500,000	\$15,000,000
State Revolving Fund (SRF) Administrative Surcharge Fees		
Clean Water SRF Water Quality Grants		\$200,000
Clean Water SRF Application and Administration		\$300,000
Drinking Water SRF Application and Administration		\$300,000
Federal Funds		
Drinking Water Technical Assistance		\$300,000
Clean Water Technical Assistance		\$100,000
Drinking Water Grants for Emerging Contaminants		\$30,000,000
TOTAL OMNIBUS BILL APPROPRIATIONS		\$48,700,000