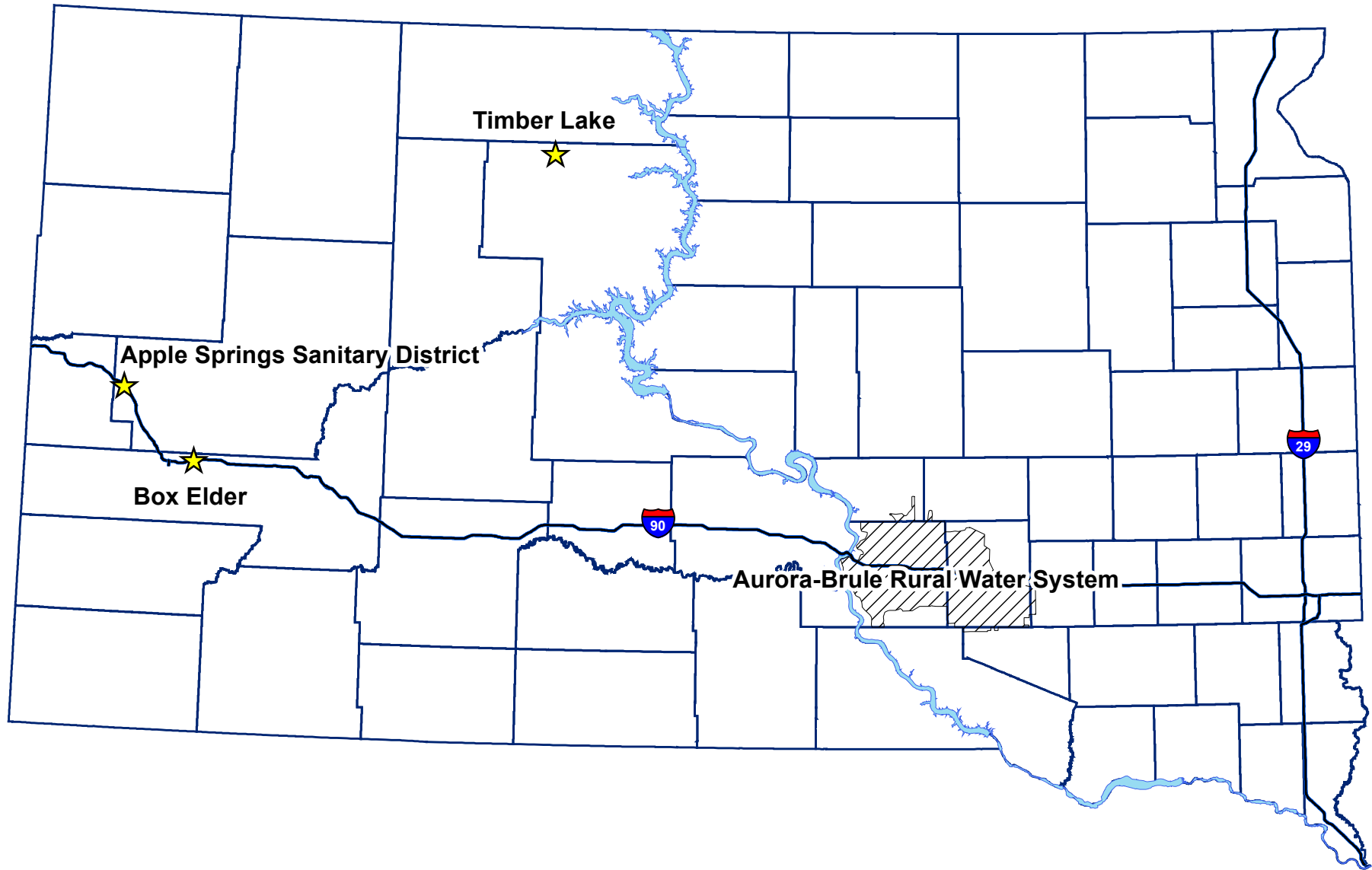


# State Water Plan Funding Applications September 2021



Staff is recommending that the following projects be placed on the State Water Facilities Plan:

- Apple Springs Sanitary District – Water
- Apple Springs Sanitary District - Wastewater
- Aurora-Brule Rural Water System
- Box Elder – Water
- Box Elder – Water
- Box Elder – Water
- Box Elder - Wastewater
- Timber Lake

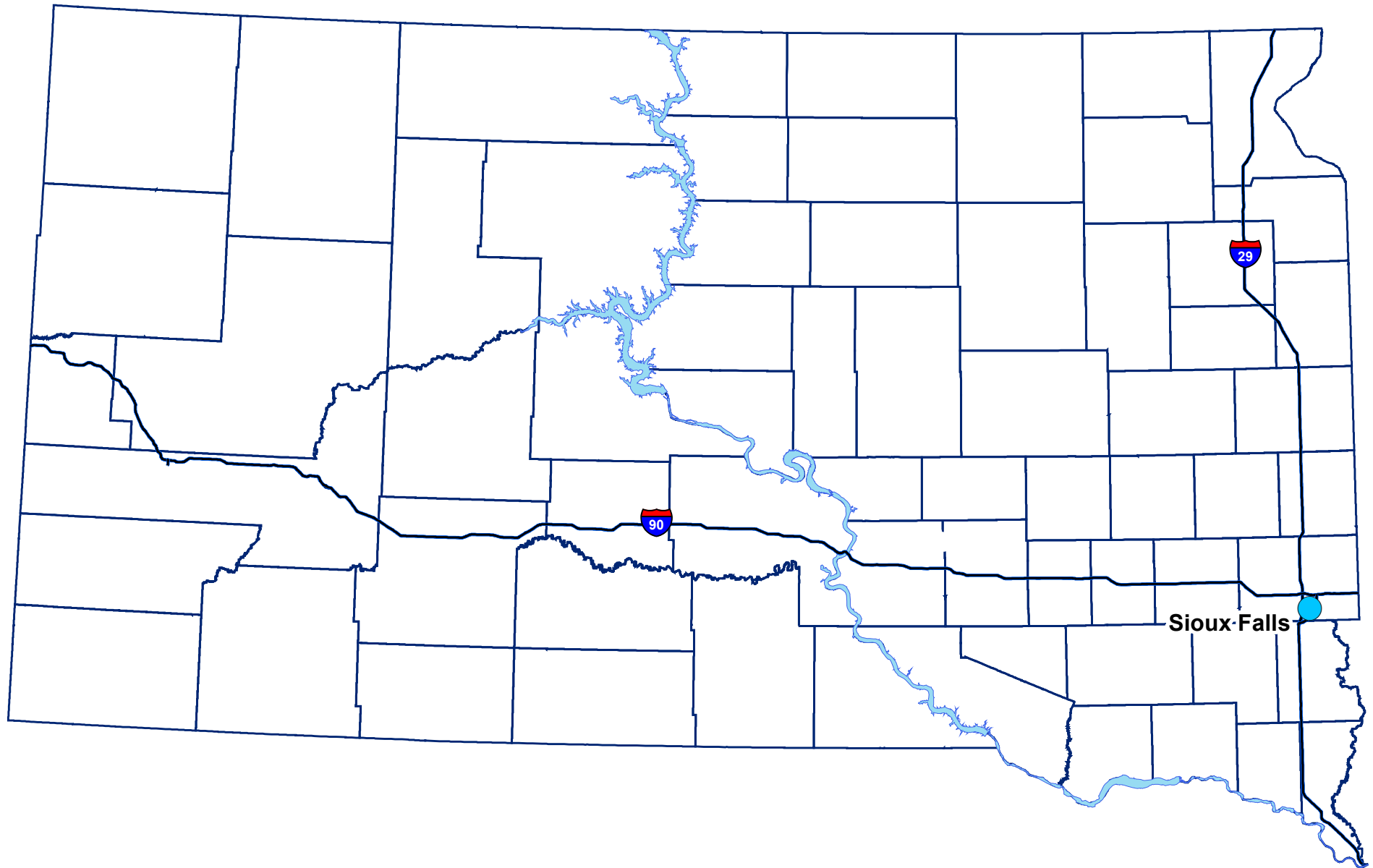
Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2021 Clean Water SRF Intended Use Plan:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
9	Box Elder	\$1,800,000	2.125%, 30 years
7	Timber lake	\$3,513,400	2.125%, 30 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the 2021 Drinking Water SRF Intended Use Plan:

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
46	Aurora-Brule Rural Water System	\$4,170,000	1.875%, 30 years
22	Box Elder	\$1,700,000	1.625%, 30 years
22	Box Elder	\$4,129,600	1.625%, 30 years
17	Box Elder	\$670,400	1.625%, 30 years

# Sanitary/Storm Sewer Facilities Funding Applications September 2021



**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
FINANCIAL ANALYSIS SUMMARY**

**APPLICANT:** Sioux Falls CW-44

<b>Total Project Cost:</b>	\$87,500,000
<b>BWNR Funding Assistance Requested:</b>	\$87,500,000
<b>Rate/Term:</b>	2%/20 years
<b>Security Pledged For Repayment Of Loan:</b>	System Revenue

**Staff Analysis**

- 1) Sioux Falls water reclamation facility upgrades project is experiencing cost increases related to construction and material pricing. The city will be submitting and amended request in early October to increase the amount currently requested for funding consideration.

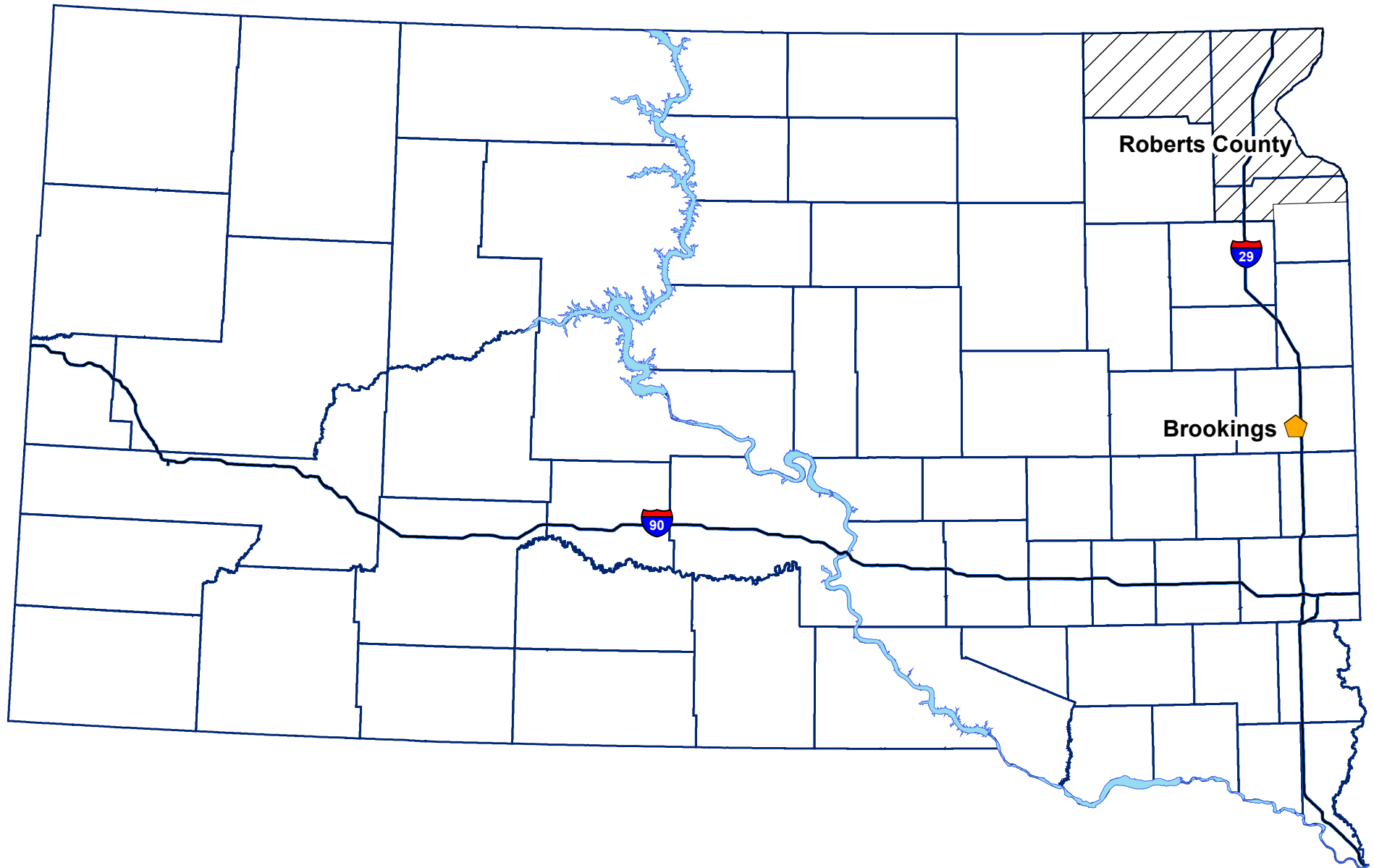
**Funding Recommendation:** DEFER action to November 4, 2021 meeting as requested by Sioux Falls

**September 2021**  
**Dedicated Solid Waste Management Fees**

**Solid Waste Management Program (SWMP)**

Available Funds:	\$	1,830,642
Reversions:	\$	29,931
Available for Award:	\$	<u>1,860,573</u>

# Solid Waste Management Funding Applications September 2021



**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION  
FINANCIAL ANALYSIS SUMMARY**

**APPLICANT:** Brookings

**Total Project Cost:** \$248,000

**BWNR Funding Assistance Requested:** \$198,400

**Rate/Term:** NA

**Security Pledged For Repayment Of Loan:** NA

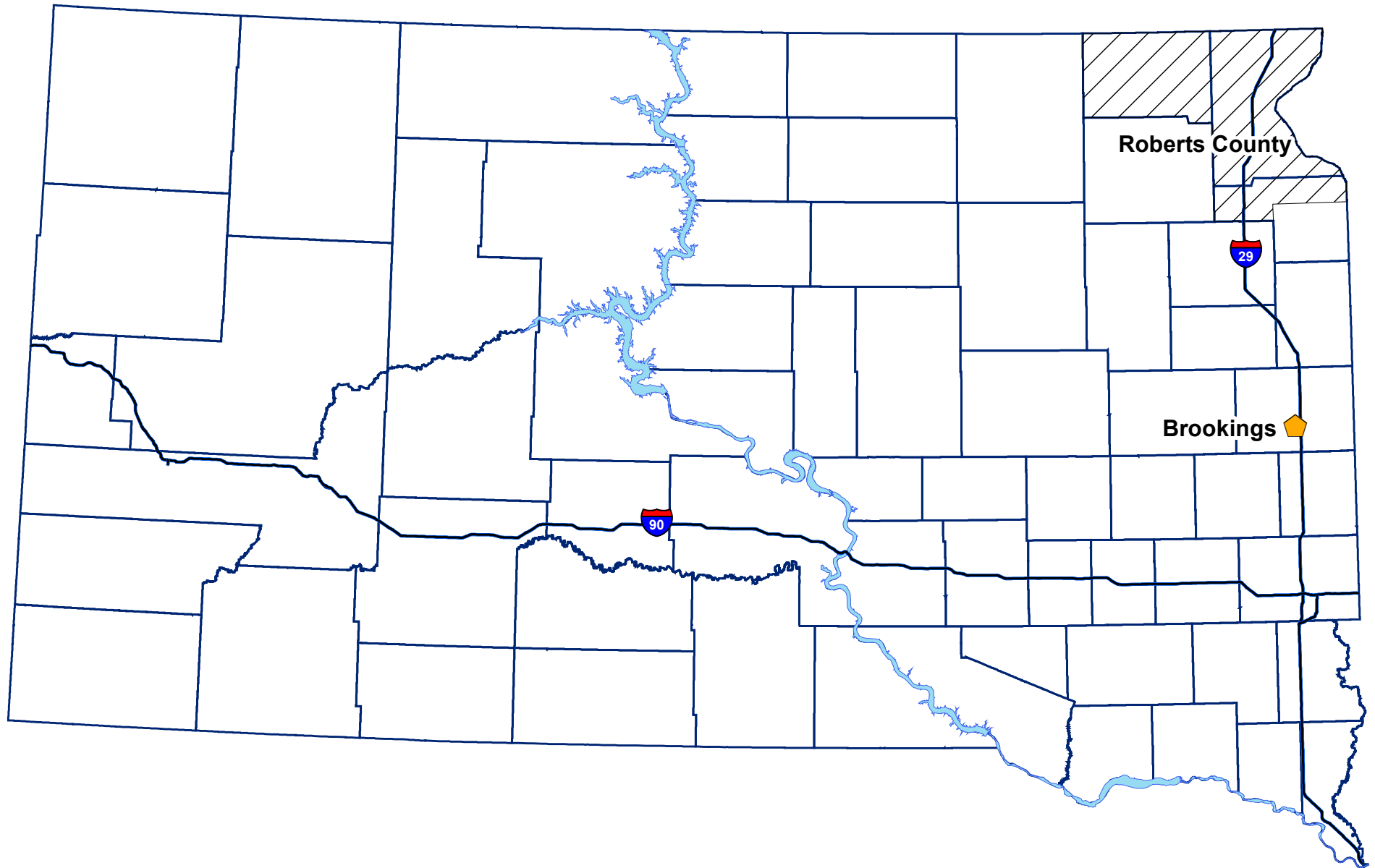
**Staff Analysis**

- 1) The City of Brookings is proposing to evaluate the Solid Waste Division's operations and financial health and identify and address critical needs.

**Funding Recommendation:** Award a Solid Waste Program Management grant for up to 25.0% of eligible costs not to exceed \$62,000



# Solid Waste Management Funding Applications September 2021



**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION  
FINANCIAL ANALYSIS SUMMARY**

**APPLICANT:** Roberts County Landfill

**Total Project Cost:** \$457,000

**BWNR Funding Assistance Requested:** \$228,500

**Rate/Term:** NA

**Security Pledged For Repayment Of Loan:** NA

**Staff Analysis**

- 1) Roberts County Landfill proposes to construct a new waste cell #3 and add additional disposal space to waste cell #1.

**Funding Recommendation:** Award a Solid Waste Program Management grant for up to 25.0% of eligible costs not to exceed \$114,250

# September 2021

## Dedicated Solid Waste Management Fees

### Solid Waste Management Program (SWMP)

Available Funds:	\$	1,830,642
Reversions:	\$	29,931
Available for Award:	\$	<u>1,860,573</u>
Recommended:	\$	<u>(176,250)</u>
Balance:	\$	<b>1,684,323</b>

# American Rescue Plan Act Funding



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**September 30, 2021**

**Board of Water & Natural Resources**



# Presentation Overview

- **American Rescue Plan (ARPA) overview**
- **Water and wastewater eligibilities**
- **ARPA and SRF comparison**
- **Unknowns**
- **State Water Plan process and timelines**



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# ARPA Recipients

- **States and D.C. (\$195.3 billion)**
  - South Dakota - \$975 million
- **Counties (\$65.1 billion)**
  - South Dakota - \$172 million
- **Metropolitan cities (\$45.6 billion)**
  - Sioux Falls - \$25.56 million
  - Rapid City - \$13.03 million
- **Non-Metropolitan Cities (\$19.5 billion)**
  - South Dakota - \$62 million
- **Tribal governments (\$20.0 billion)**
- **Territories (\$4.5 billion)**



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# Use of ARPA Funds

- **Support Public Health Response**  
Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff
- **Address Negative Economic Impacts**  
Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector
- **Replace Public Sector Revenue Loss**  
Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



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# Use of ARPA Funds

- **Premium Pay for Essential Workers**  
Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sector
- **Water and Sewer Infrastructure**  
Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure
- **Broadband Infrastructure**  
Make necessary investments to provide unserved or underserved locations with new or expanded broadband access



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# Water and Wastewater Project Eligibilities

- **Projects eligible under the Clean Water and Drinking Water State Revolving Fund programs are eligible to receive ARPA funds.**



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# SRF Project Eligibilities

## CWSRF Projects

- All publicly owned wastewater treatment and conveyance
- Storm water
- Nonpoint source (NPS) pollution
  - Bank stabilization
  - Certain components of landfill projects
  - Agricultural BMP's
- **Drainage and flood control projects are ineligible**

## DWSRF Projects

- Most water
  - storage
  - treatment distribution
  - source development
- Domestic use
  - not primarily for industrial use
- **Cannot fund projects primarily for future growth or fire protection**
  - i.e. new housing developments



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# Eligibility Resources

- **Clean Water SRF Eligibilities -**  
[https://www.epa.gov/sites/default/files/2016-07/documents/overview\\_of\\_cwsrf\\_eligibilities\\_may\\_2016.pdf](https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf)
- **Drinking Water SRF Eligibilities -**  
[https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf\\_eligibility\\_handbook\\_june\\_13\\_2017\\_updated\\_508\\_version1.pdf](https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version1.pdf)
- **American Rescue Plan Resources -**  
<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>



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# ARP vs. SRF Comparison

## Similarities

- **Project eligibilities identical**
- **Contractor procurement requirements**
- **American made iron and steel (ARP preferred vs SRF required)**
- **Wage rate requirements ??**

## Differences

- **Eligible recipients – no limitations (ARP)**
- **Engineering procurement requirements (ARP)**
- **Environmental reviews (SRF)**
- **Grant funds not loans (ARP)**



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# Important Dates

- **Costs incurred prior to March 3, 2021 are not eligible**
- **Funds must be obligated by December 31, 2024**
- **Funds must be fully spent by December 31, 2026**



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# ARP Unknowns

- **Timing**
- **Fund distribution**
  - **State Water Plan process (DANR preference)**
  - **Direct legislative appropriation**
- **Amount of funds available for water and wastewater projects**
- **Use of funding by counties**
- **Contractor and material availability**



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# DANR Proposal for Distribution of State ARPA Funds

- **Use normal State Water Planning process**
- **Projects should expect an SRF loan to be part of the funding package**
- **Projects likely to receive minimum percent of ARP grant funds**
  - **Retroactive to previously funded projects?**



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# State Water Plan Process

- **Water, wastewater, and stormwater projects seeking DANR Funding must be on the State Water Plan**
  - **One-page application form**
  - **Preliminary engineering report or facilities plan**  
(flexible on what is necessary)
  - **Eligibility & Priority Point Self-assessment for DWSRF**  
(drinking water projects only)



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# Application Timelines

- **State Water Plan Applications**
  - **October 1<sup>st</sup>**
  - **Amendment applications – 1st of February, May or August**
  - **Projects remain on SWP for 2 years or prorated portion for amendments**
- **Funding Applications due 1st of January, April, July or October**



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THINK  
BIG



# But not too big!



# Questions?

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