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(Gov) Agency: Tribal Gaming Revenue for Drinking Water Study
DNR - Water Quality

Recommendations:

Paper No. 169: Alternatives 1 & 4 (no action needed on #1)

Comments: This use of tribal gaming revenues seems consistent with the MOU between the state and the tribes (see paragraph 5), and the St. Croix Band says this is their top priority (see paragraph 4).

It's more money for the state-share than most local governments get for this type of work (see paragraph 7), but I think it's reasonable (i.e. it's still only 10% of the total cost of the project).

Alternatives 1 & 4 together approve the governor and make the money available sooner, as the tribe originally requested (see paragraph 9).

((**side note:** the water quality problems faced by the St. Croix Band are directly related to failing private septic and mound systems (see paragraph 2). It's going to cost them at least \$3 million to build a new wastewater treatment system. These types of costly contaminated water problems will only get worse if COMM 83 passes in its current form.))

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May 21, 1999

Joint Committee on Finance

Paper #169

Tribal Gaming Revenue Allocations

Tribal Gaming Revenue for Drinking Water Study (DNR --Water Quality)

[LFB 1999-01 Budget Summary: Page 451, #21]

CURRENT LAW

No provision.

GOVERNOR

Provide \$300,000 PR in 2000-01 as a one-time grant to the Town of Swiss in Burnett County and the St. Croix Band of Chippewa for a study to determine the best technological approaches to addressing water quality problems threatening drinking water and overall water quality problems of the St. Croix, Namekagon and Yellow rivers. The Town of Swiss and the St. Croix Band would be required to submit a report of the findings of the study to DNR and DOA no later than January 1, 2003. The appropriation would exist only in 2000-01. Funding under the bill would be provided from tribal gaming revenue provided to the state under the recently completed state-tribal gaming compact amendments.

DISCUSSION POINTS

1. The St. Croix Band of the Chippewa Tribe has begun to study water quality conditions, and wastewater and drinking water needs in the Tribal and non-Tribal areas in the community of Danbury and the Town of Swiss in Burnett County. The Town of Swiss had a population of 724 in 1998, and depends almost completely on private onsite wastewater treatment systems and private drinking water wells.

2. The St. Croix Tribe, private individuals, UW-Extension and DNR have performed

sampling of drinking water in the last few years. There are concerns about potential nitrate contamination from private sewage systems that may be failing and low levels of volatile organic compounds (VOCs) in area wells. The Tribe held a public meeting in October, 1998, with the community and federal and state officials to discuss needs for water quality protection and water and wastewater facilities. The Tribe is concerned that the drinking water in Danbury may be the most threatened of the St. Croix Tribal communities and has placed a high priority on planning for the construction of public drinking water and wastewater treatment facilities.

3. The Town borders a portion of the St. Croix River that is part of the National Wild and Scenic River system. This means that wastewater discharges to the river must meet more stringent water quality standards than most other waters of the state.

4. The St. Croix Tribe requested that \$300,000 be provided to the Tribe and Town as part of the gaming compact agreements for a water quality study in 1999-00. The Tribe testified that this study is its top priority of gaming compact-related items in the budget bill.

5. The study in the bill appears consistent with the provision in the memorandum of understanding between the Tribe and State under which the Governor must undertake his best efforts within the scope of his authority to assure that monies paid to the state under the agreements are expended for specific purposes. The study meets the MOU provision in the following ways: (a) the Tribe believes that the water quality study and drinking water and wastewater treatment facilities are needed to provide economic development initiatives to benefit the Tribe; (b) the water and wastewater facilities would further economic development around the St. Croix Tribal casinos near Danbury; (c) construction of the water and wastewater facilities would protect the pristine water resources that draw tourists to the area; and (d) the funds would support programs and services of the county in which the St. Croix Tribe is located.

6. The St. Croix Tribe indicates that preliminary investigations show a need for: (a) a more detailed drinking water quality study to determine the extent of surface and drinking water contamination with recommendations for treatment; (b) an engineering facility design plan for the construction of public drinking water and wastewater treatment facilities; (c) an environmental assessment; (d) a design plan for the facilities; and (e) construction of public drinking water and wastewater facilities. The Tribe estimates the cost of the water quality study and construction of the drinking water and wastewater treatment facilities to be at least \$3,000,000. The Tribe estimates that of this amount, approximately \$90,000 to \$100,000 would be for wastewater and drinking water feasibility studies and \$200,000 for the engineering to plan and design a facility.

7. A water quality study that includes a thorough investigation and evaluation of water quality problems in a small community more typically costs less than \$100,000, rather than the \$300,000 provided in the bill for this purpose. The \$300,000 provided in the bill is approximately 10% of the minimum anticipated cost for planning, design and construction of drinking water and wastewater treatment facilities in the community. Facility costs generally include 10% to 15% for the planning and design phase. Thus, the recommended funding may be sufficient to fund most or all of the facility plan and design of drinking water and wastewater treatment facilities that the Tribe seeks, and is the amount the Tribe estimates is needed for water and wastewater studies and a

facility design plan.

8. It appears that the funding level in the bill is intended to provide for facility planning and design costs in addition to a water quality study. Therefore, the bill could be amended to allow the funds to be used for planning and design of drinking water and wastewater facilities, in addition to the water quality study. Another alternative would be to fund only the water quality study and reduce the amount of funding to \$100,000, which should be sufficient for a study that does not include planning and design of a facility.

9. The Tribe requested the funds be provided in 1999-00. The bill provides the funds in 2000-01. An alternative to the bill would be to provide the funds in 1999-00 and direct that the Tribe report on the findings of the study to DNR and DOA by January 1, 2002.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to: (a) provide \$300,000 PR in 2000-01 as a one-time grant to the Town of Swiss in Burnett and the St. Croix Band of Chippewa for a drinking water and water quality study; and (b) require the Town of Swiss and the St. Croix Band to submit a report of the findings of the study to DNR and DOA no later than January 1, 2003.

2. Approve the Governor's recommendation. In addition, specify that the funds be used for engineering design and feasibility activities related to construction of wastewater and drinking water treatment facilities.

3. Modify the Governor's recommendation to provide \$100,000 PR in 2000-01 for a drinking water and water quality study.

Alternative 3	PR
1999-01 REVENUE (Change to Bill)	- \$200,000

4. Approve Alternative 1, 2 or 3 but provide the grant in 1999-00 instead of 2000-01 and direct that the report of the findings of the study be submitted to DNR and DOA by January 1, 2002 (instead of January 1, 2003).

5. Maintain current law.

Alternative 5	PR
1999-01 REVENUE (Change to Bill)	- \$300,000

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