



Explorer

Lewis & Clark
REGIONAL WATER SYSTEM

SUMMER 2014

Minnesota and South Dakota Approve "Federal Funding Advances"

Members Defer \$33 Million in Construction until States are Repaid

Lewis & Clark (L&C) officials were elated when the States of MN and SD approved federal funding advances of \$22 million and \$1 million respectively during the past legislative session. "This is the best funding news we've received in five years. Thank you Minnesota and South Dakota!" said Executive Director Troy Larson. These are zero interest unsecured loans that will be repaid using future federal funding to the degree it is made available. The repayment will take place once all 20 members are connected, but before the project is completed. L&C will still have an estimated \$33 million of construction to finish after the 20 members are connected. "The members put more skin in the game by agreeing to defer this construction until the states have been repaid, so the members are at the back of the line for repayment, not the states," said Larson.

In SD the funding effort was led by Senator Deb Peters of Hartford (originally from Madison), who chairs the Senate Appropriations Committee. "A big thank you to Senator Peters for her strong support and leadership! As she indicated, this was meant to "get a foot in the door." Hopefully this makes it a little less difficult to secure another advance during the next legislative session," said Larson. The \$1 million will be used for engineering and easement acquisition on two of the five segments of the Madison service line.



Governor Mark Dayton



State Senator Deb Peters

In MN the funding effort was lead by Governor Mark Dayton, Senator Bill Weber and Reps. Rod Hamilton and Joe Schomacker. "We can't thank these gentlemen enough for going to bat for us! They were tenacious in their bi-partisan support for L&C and went above and beyond in their efforts to secure the funding," said Larson. The \$22 million will be used to construct the line from the IA/MN border to Luverne (Minnesota – Segment 2) and then east to Magnolia for Rock County Rural Water District's second connection. Bids for Minnesota – Segment 2 are scheduled to be opened on September 18. "The plan is to have Luverne connected in November 2015 and complete the line to Magnolia in late 2016," said Larson.

Administration Continues to Short-Change Lewis & Clark

Tri-State Congressional Delegation Works to Restore Funding Cuts

While the Administration continues to tout the importance of investing in critically needed infrastructure, it continues to cut funding for Lewis & Clark (L&C). The Administration's FY15 Budget only includes \$2.4 million for L&C. Inflation increases the remaining federal cost share about \$8 million annually. The remaining federal cost share in 2010 was \$194.3 million, but that increased to \$203 million in 2013. "This \$8.7 million increase in three years shows how the project will never be completed at this rate," said Chairman Red Arndt.

"The Administration's budget only includes \$16.3 million for construction of six rural water projects, but the remaining federal cost share for these projects totals \$1.2 billion, so the math just doesn't add up." - Red Arndt

L&C's tri-state congressional delegation worked hard to increase funding for the Bureau of Reclamation's Rural Water Program (Program) by \$27 million in the FY14 Budget. This restored most of the Administration's funding cuts. Because the misguided earmark ban unfortunately includes authorized projects, the delegation could not target the money for L&C. On March 3 it was announced L&C was receiving an additional \$5.15 million, bringing the total for FY14 to \$8.35 million. "We are incredibly thankful to our tri-state delegation for their efforts to increase funding. As they acknowledge we still have a long way to get funding levels to where they need to be but this was a big step in the right direction," said Arndt.

The tri-state congressional delegation has continued to press hard for increased rural water construction funding. Despite their much appreciated efforts the Administration's

FY15 Budget released on March 4 cut funding further for L&C and rural water construction in general. "The Administration's budget only includes \$16.3 million for construction of six rural water projects, but the remaining federal cost share for these projects totals \$1.2 billion, so the math just doesn't add up," said Arndt.

Once again the tri-state delegation is working to try to restore funding cuts. The Senate Energy & Water Appropriations Subcommittee in June approved an



Representative Kristi Noem

additional \$55 million in Program funding, but that bill has not yet passed the full Appropriations Committee. Also in June the House Appropriations Committee approved another \$21 million in Program funding. When this appropriations bill was considered on the House floor, Rep. Kristi Noem introduced an amendment

that passed increasing funding by another \$10 million. However, because the Administration's cuts were so severe Program funding in the House is still \$6 million less than last year. "We cannot thank our congressional leaders enough for continuing to champion the project. At the same time we strongly urge the Administration to make rural water construction a higher priority," said Arndt.



Senator Thune discusses his concerns about L&C funding with Bureau of Reclamation Commissioner Nominee Estevan Lopez. Senators Johnson, Klobuchar and Franken also met with Lopez to express similar concerns.

Three Governors Meet with Lewis & Clark to Discuss Federal Funding Advances

Separate meetings were held in July to discuss federal funding advances with Governors Terry Branstad, Dennis Daugaard and Mark Dayton. “The three states already paid 100 percent of their cost share – a combined \$44 million – so we really hate to go back to ask the states for help, but with the Administration continuing to cut funding we did not have a choice,” said Executive Director Troy Larson.

“This project is about quality of life, economic development and jobs. It’s pretty basic.”

- Governor Dayton

The IA members of Lewis & Clark (L&C) and local legislators met with Branstad in Des Moines for a second time on July 9. SD members met with Daugaard in Pierre on July 14. While there were no guarantees and a lot of details still need to be worked out, the members were very encouraged by the positive response at both meetings. “We look forward to continuing to work with

Governors Branstad and Daugaard, as well as the two legislatures, on possible federal funding advances during the next sessions to keep construction moving forward in both states,” said Larson.

Over 30 people representing the four MN members met with Dayton in Luverne on July 18. They thanked Dayton and local legislators for their incredible support and leadership in securing a \$22 million advance, as well as outlined what construction is planned and when it should be completed. They also stressed the need to complete the line to Worthington. “This project is about quality of life, economic development and jobs. It’s pretty basic,” said Dayton. An estimated \$41 million is still needed to connect Lincoln Pipestone RWS and Worthington, so although the \$22 million is a huge step forward the job is not done yet. “We are very grateful the Governor and local legislators have expressed strong support to ensure we get water all the way to Worthington,” said Larson.

Officials from Hull, Sheldon, Sibley, Sioux Center and Rock Rapids, as well as local legislators, met with Governor Branstad and Lt. Governor Reynolds (both at center) in Des Moines. More participants joined by speakerphone.



Left to right:
L&C’s Troy Larson, Sioux Falls’ Trent Lubbers,
Governor Daugaard, Madison Mayor Roy
Lindsay and Madison’s Chad Comes.

Left to right:
Representative Bob Gunther, Worthington Mayor Alan Oberloh,
Luverne Mayor Pat Baustian, L&C Chairman Red Arndt, Senator Bill
Weber and Representative Joe Schomacker were among those who
met with Governor Dayton (center) in Luverne.



24th Annual Membership Meeting

Lewis & Clark's (L&C) 24th Annual Membership Meeting was held in Tea on May 22. Using a line from A Tale of Two Cities, Chairman Red Arndt provided a federal ("worst of times") and state ("best of times") funding update. MN legislators Rod Hamilton, Joe Schomacker and Bill Weber shared battle stories of getting the \$22M approved in the Bonding Bill. It took a tremendous effort but Arndt jokingly presented them with "easy" buttons. Executive Director Troy Larson gave an update on operations and the construction planned for the federal funding advances by MN and SD. Video greetings were played from Senators



Ted Hall and Ben Bjordal

Harkin and Johnson and Rep. Noem. Staffers from the other congressional offices shared messages of continued support and funding frustration on behalf of their bosses. Arndt and Larson emphasized how the tri-state delegation continues to work hard to try to increase funding, for which everyone at L&C is grateful.



Representatives Rod Hamilton,
Joe Schomacker and Senator Bill Weber



Dennis Healy

Center) and Scott Hain (Worthington). Two housekeeping changes to the by-laws were approved; one eliminated directors' three year terms and the second incorporated all previous changes into the by-laws instead of having them as attachments.

Spirit of Discovery Awards were presented to Dennis Healy from Lincoln Pipestone RWS, Ben Bjordal from Centerville, Bureau of Reclamation's (BoR) Ted Hall and L&C's late attorney Monte Walz for their distinguished service. Before retiring last year Healy served on the board and various committees for eight years. Bjordal's last board meeting before retiring after 21 remarkable years was earlier that day. Ted has been BoR's point person since the start of the project in 1990 and has played a key engineering oversight role. Monte worked with L&C for 11 years. With his ever present wit and sense of humor, he deftly guided L&C through many legal issues. Monte sadly passed away on March 6 at the age of 56 after struggling with declining health. He will be greatly missed.

Heartfelt thanks and appreciation to each of these gentlemen for their many important contributions through the years to help bring L&C to where it is today!



Monte Walz

Senator Franken Meets with Members in Worthington and Tea

Senator Al Franken held two hour long meetings with the MN members of Lewis & Clark (L&C) to discuss the project status and his continued funding efforts. He met with 24 officials in Worthington on January 24 and 12 members in Tea the next day. “We were singing to the choir but it was a welcome opportunity for the members to share with the Senator why it is so important to receive L&C water. This provided the Senator with more ammunition,” said Chairman Red Arndt.



Senator Franken (center) meets in L&C’s Tea office with members from Minnesota and South Dakota.

Franken shared “There are two projects that really stick in my craw in terms of the federal government dropping the ball and L&C is one of them.” He said it is “completely

unfair” what the Administration is doing with L&C funding and that it is an “enormous frustration for me.” He pledged to keep up the fight.

Construction Completed on Change Order for Minnesota – Segment 1A

The original contract for Minnesota – Segment 1A included six miles of 30” pipe on the IA side of the IA/MN border. From the end of this line L&C needed one mile of 10” service line heading north into MN to connect with Rock County Rural Water District’s (RCRWD) distribution system so they can receive water in early 2015 when the joint Rock Rapids/RCRWD meter house is completed. Rather than tearing up the ground to install this 10” line and tearing it up again a year later to install L&C’s parallel distribution line to Luverne, it was decided last fall to install both lines at the same time by issuing a \$1.5 million change order to Merryman Excavation for one mile of parallel 30” and 10” line. They reached substantial completion on July 18.



Preheim and Lubbers Appointed to Board of Directors

Brad Preheim of Centerville and Trent Lubbers of Sioux Falls were appointed to the Board of Directors in May. Brad takes over for Ben Bjordal, who retired after 21 years on the Board. Trent takes over for Chad Huwe, who passed the baton after three years. Preheim is originally from Centerville and until the end of May served three years as mayor and was on the Council before that. A graduate of USD, he is in the insurance business. For the last 24 years Preheim has also been the part-time manager of the Vermillion Basin Water Development District. He is married and has four children and one grandchild.

Lubbers has worked for the City of Sioux Falls for 25 years – the last four as Utilities Operations Manager. He lived in Tyndall before his family moved to Galva, IA during his high school years. Lubbers received a BA in biology and



Brad Preheim and Trent Lubbers

chemistry from Mount Marty College. He is married and has two children. “Our warmest welcome aboard to Brad and Trent. It is clear both will be active and engaged board members,” said Chairman Red Arndt.

Larson Lobbies for Lewis & Clark Funding on Capitol Hill



Larson addresses Senator Thune during the National Rural Water Rally.

Executive Director Troy Larson attended the National Rural Water Rally in DC on February 10 – 12. At the invitation of Banner Associate’s Joe Munson, Larson joined him for the American Water Works Association’s (AWWA) annual fly-in held on April 1 and 2. Both trips gave Larson the opportunity to meet with the tri-state delegation to discuss Lewis & Clark (L&C) funding and legislative strategies.

During the Rally Larson met with Senators Johnson, Thune, Grassley and Harkin, as well as the staffs from Senator Franken and Rep. King. He also spoke briefly with Reclamation Commissioner Mike Conner regarding Office

of Management & Budget funding limitations. Officials with the Lincoln Pipestone RWS and Minnesota Rural Water Association also discussed L&C funding with Senators Klobuchar and Franken and Reps. Walz and Peterson. Larson also met with reporters from the National Journal and the Wall Street Journal to bring more attention on how projects like L&C are “collateral damage” because the earmark ban includes fully vetted authorized projects.

During the fly-in Larson and Munson discussed AWWA legislative priorities and L&C funding with Senators Johnson and Thune and Rep. Kristi Noem. Two weeks earlier L&C’s final FY14 funding was announced, so the timing was good to discuss what the congressional leaders feel are the next steps.



Larson and Banner’s Joe Munson meet with Senator Johnson during the AWWA Fly-In.

Nutley and Nelson Join Operations Team

Two water operators recently left Lewis & Clark (L&C) for greener pastures with the City of Yankton – one was a promotion and the other was for family reasons. Both were valued employees who left on very good terms. To fill these positions L&C hired Mike Nutley in December and Jay Nelson in February.

Mike has strong mechanical skills, which is helpful as the operators also help out on the maintenance side. He was born and raised in Ohio and moved to Yankton when he was 19. He and his wife live by Irene. They have two grown children. He worked as a Maintenance Technician for POET for seven years and most recently worked at Glanbia Nutritional in Sioux Falls.

Jay attended Gayville-Volin High School. He and his wife live outside of Volin and have two young daughters. He previously worked as a Construction Lineman for the telecommunications firm Wow! and was named the

2013 Employee of the Year for his division of about 300 employees. “We are extremely pleased to have Mike and Jay on the L&C team. They have been doing a super job and really impressed us with how quickly they hit the ground running. Both are highly motivated and are quick learners,” said Operations Manager Jim Auen.



Water operators Jay Nelson (left) and Mike Nutley

Meter Building Contract Awarded

Rock County Rural Water District to Receive Water in Early 2015



The contract for the joint meter building for Rock Rapids and Rock County Rural Water

District (RCRWD) was awarded on August 4. This is Lewis & Clark's (L&C) first construction contract since June 2012. The meter building is sized for five pumps but the bid only includes installation of two pumps. It also includes a standby generator. The low bidder was D. W. Proehl of Sioux Falls. April 3 of next year is the substantial completion deadline. Completion of the meter building will allow L&C to begin serving water to RCRWD at the first of their two connections. It will also provide a permanent connection for Rock Rapids, which has been receiving water at this location through a temporary set up.

Originally RCRWD was going to have a separate meter building six miles further north. Combining the meter buildings at Dove Avenue on the IA side of the IA/MN border required L&C to construct an extra mile of 10" pipe to connect with RCRWD's distribution system (see story on page 5), but it still saved quite a bit of money by eliminating the second meter building.



ROCK COUNTY
RURAL WATER

Operations Update

Lewis & Clark (L&C) hit a new record high by delivering 19.6 million gallons on July 21 and averaged 17.4 million gallons a day (MGD) for July; breaking the previous high monthly average of 15.3 MGD last July. Although the plant is currently designed for 36 MGD, from an equipment standpoint L&C is really close to its maximum output of about 20 MGD due to an unexpected bottleneck with the sodium hypochlorite generation. This is part of the chemical feed system. “Due to a much higher level of naturally occurring ammonia in the water than expected, it is taking a lot more sodium hypochlorite to treat the water. We have a plan in place to ensure we don’t run into the same bottleneck next summer, but in the meantime the operations team is extending their split shifts to keep the plant operating as long as possible to meet the water demands,” said Operations Manager Jim Auen. The plant has been operating 12 - 13 hours a day, including the weekends. Water demand is up 20 percent from last year, which in large part is from Sioux Falls making adjustments to its system so it can utilize more L&C water.

In terms of water quality, the feedback from the 11 connected members continues to be very positive. Each January the SD Association of Rural Water Systems (SDARWS) holds a water tasting contest at its annual conference in Pierre. This is the first year L&C entered the contest. L&C submitted a sample and the City of Sioux Falls submitted a sample from L&C’s Benson Road meter house, which in effect is the same water. The City received second place and L&C third place. City officials were not at the awards banquet, so Auen accepted both awards

from SDARWS Chairman Dan Carlson (see photo at right). “We keep saying we’ve got the best tasting water in the State. This shows we’re pretty darn close,” said Auen.



This past winter strong winds damaged large portions of the “roofing membrane” at the treatment plant. The warranty repair work was completed this spring (see photo below). Warranty repair work was also completed this summer on the roof of the Tea pump station, which leaked in several places during heavy rains.

