

STATE of IOWA APPROVES \$2.25M ADVANCE for LEWIS & CLARK in FY18 and PROGRAMS \$4.75M for FY19

For Immediate Release

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Tea, SD – Governor Terry Branstad on Friday, May 12 signed the FY18 Infrastructure Budget into law, which includes a \$2.25 million “federal funding advance” for Lewis & Clark (L&C). The bill also programs \$4.75 million for the FY19 Infrastructure Budget, which means the Legislature does not need to take action next year to add the funding. Instead, action would need to be taken by the Legislature to remove the L&C funding, which is not expected. L&C was one of only a handful of projects to have FY19 funding programmed.

“The \$7 million in advances over two years was initially proposed by Governor Branstad and Lt. Governor Kim Reynolds. Key legislators then lead the charge to secure the funding during the legislative session. We can’t thank all of them enough for their strong support and leadership to secure this funding so we can move forward with construction in northwest Iowa,” said Executive Director Troy Larson.

The \$2.25 million will be used to complete the design and secure the easements for the 19 mile segment of pipeline between the SD side of the Big Sioux River and Sioux Center, as well as the Sioux Center meter building. Assuming there are no surprises during the next legislative session, the \$4.75 million will be used to construct the short crossing underneath the Big Sioux River between Beresford and Sioux Center, as well as a few miles of 24 inch pipe starting at Sioux Center and heading west. “There is a fair amount of development taking place around Sioux Center in the area of the planned pipeline route, so getting this pipe in the ground sooner rather than later will hopefully avoid the possibility of an expensive re-route,” said Larson.

“Federal funding advance” is the term used to describe the zero interest unsecured loans provided by the three states that were necessary to keep construction moving forward due to the low levels of federal funding. In addition to Iowa, to date Minnesota has approved \$41 million and South Dakota \$8.7 million in advances. These loans will be paid back with future federal funding to the degree it is made available after all 20 members are connected, but before construction of the system is complete. “After the 20 members are connected there is still an estimated \$33 million in projects that need to be completed in order to reach the full capacity of 45 million gallons a day, as well as make the system more reliable and dependable. L&C’s members have committed to repaying the states before completing this work. In this way it is the members at the end of the line in terms of federal funding, not the states,” said Larson.