



Lewis
& Clark
REGIONAL WATER SYSTEM

Explorer

Summer 2017

Luverne Selected for First Shrimp Harbor!

Lewis & Clark Water Played Key Role

trū Shrimp, headquartered in Balaton, MN, on June 13 officially announced that Luverne would be the location for the company's first "harbor"! Groundbreaking is slated for the spring of 2018, with the goal of starting operations in the summer of 2019. **Annual economic impact is estimated by the University of Minnesota to be \$23 million**, not to mention the impact of constructing the \$50+ million facility. The facility will employ as many as 70 full-time employees and result in many more indirect jobs. It will take 14 million gallons of water to fill the harbor and then up to 100,000 gallons a day. Each year 75 million shrimp will be grown and consume 18 million pounds of locally grown corn, soybeans and wheat.

Executive Director Troy Larson remarked at the press conference held in Luverne on June 19, "It is exactly for this type of economic development opportunity that Lewis & Clark is being built. **I have been told flat out by company and city officials there is no way Luverne would have even been considered if not for the Lewis & Clark connection.** The harbor will provide a huge boost

to the economies of Luverne and the surrounding region. We've long said 'Build it and they will come'. Well, they're here! It is incredibly gratifying for all of us to see it coming to fruition. We are incredibly excited for Luverne as it now stands at the forefront of a new chapter in the shrimp industry. At the same time we will work hard to try to leverage this success to ensure the remaining members are connected as soon as possible."

trū Shrimp will grow and harvest a very high quality shrimp in a controlled indoor environment for consumption in the U.S. This is a new technology developed by Texas A&M and perfected by tru Shrimp that is expected to revolutionize the shrimp industry worldwide. 80% of shrimp consumed in the U.S. is now imported from Southeast Asia. This one harbor will only produce enough shrimp to supply 4/10ths of 1% of the U.S. demand, so many more harbors are needed. "Cities that have access to a source of high quality, dependable water will certainly have a leg up on their competition," said Larson.



trū
SHRIMP

FY17 Federal Funding Down Slightly

Tristate Delegation Working to Increase FY18 Funding

L&C's final FY17 funding was \$9.15M, down slightly from \$9.5M last year. The \$9.15M includes \$2.755M proposed by the administration and \$6.375M from the additional \$47M the tristate delegation helped secure for the Rural Water Program. The Bureau of Reclamation (BoR) uses criteria L&C objects to in dividing the funding among five authorized projects. Of the five projects L&C only ranks fourth. In part this is because of unfair and punitive budget report language included by Sen. Tester (D-MT) preventing BoR from considering L&C's federal funding advances from the states. The delegation is unified in its opposition to this report language and will continue their efforts to remove it from future budgets. "We're disappointed in receiving such a small amount from the \$47M, but at the same time we can't express enough our thanks and appreciation to the delegation for securing the additional funding. We would have been in much worse shape if not for their efforts. The broken funding process though



Sen. Joni Ernst (center) met with L&C members in Sibley in Aug. 22. She emphasized the importance of the project to economic development. In the administration's proposed Infrastructure Bill she will work to ensure a high priority is placed on finishing projects like L&C where the federal government has already made a commitment.

shows why the misguided earmark ban should exclude fully vetted authorized projects," said Executive Director Troy Larson.

For FY18 the administration has proposed \$3.65M for L&C. "We are encouraged the administration's proposed funding is headed in the right direction, but it still does not come close to even covering inflation on the remaining federal cost share of \$191.5M," said Larson. There is a long way to go in the budget process, but thanks in large part to the delegation the Senate's Energy & Water Appropriations Bill includes an additional \$48M for the Rural Water Program and the House version includes an additional \$43.8M.

Final Three Contracts Awarded for "Worthington Connection"

\$350 Million Milestone Reached in Contracts Awarded



L&C recently awarded the final three construction contracts needed to connect Worthington by late 2018!

Minnesota – Segment 4: This is a 15-mile stretch of pipeline between Adrian and Worthington. It is the last pipeline segment needed to connect Worthington. A \$10,785,600 contract was awarded on July 5 to S.J. Louis of Rockville, MN. **The low bid was \$2.2M less than the original budget!** Construction is expected to begin in late August and the substantial completion deadline is Nov. 2018. With this contract L&C has now awarded over \$350M in construction projects. Quite the milestone!

Worthington Meter Building: A contract was awarded to KHC Construction of Marshall, MN on Aug. 24 to

construct the Worthington and MCWC-East meter buildings. L&C's cost for the meter buildings is \$1,698,800, which is about \$6,000 less than the original budget. The contract also includes a pump station for Worthington, which is not part of the authorized project so Worthington will cover all the construction and engineering related expenses. Construction is expected to start this fall and the substantial completion deadline is Oct. 2018.

Nobles County Reservoir: A \$2,630,000 contract was awarded to Preload of Louisville, KY on Aug. 24 to construct a two million gallon reservoir four miles east of Worthington. The low bid was \$230,000 more than the original budget, but was slightly less than the engineer's estimate. Construction is expected to start this fall and the substantial completion deadline is Oct. 2018.

Minnesota and Iowa Approve Federal Funding Advances!



Gov. Dayton held a roundtable discussion and press conference in Worthington on June 16 to discuss the construction timeline for connecting the city. Left to right: L&C's Troy Larson, City Administrator Steve Robinson, L&C Chairman Red Arndt, Dayton, Hain, Mayor Mike Kuhle and Water & Light Commission President Gary Hoffmann.

With the strong support of the Legislature and Gov. Mark Dayton, **the Bonding Bill approved this session includes funding to ensure Worthington is connected by the end of 2018!** The Bonding Bill included language allowing L&C to use the roughly \$8.5M surplus from the \$19M advance approved in 2015 toward construction of the pipeline between Adrian and Worthington. It also provided a \$3.5M federal funding advance if needed to complete construction to Worthington, **bringing the total advances approved by Minnesota to \$44.5M.** Subsequent bids on Minnesota – Segment 4 between Adrian and Worthington came in much lower than expected, so the additional \$3.5M will not be needed. “We cannot thank the Legislature and Gov. Dayton enough for their incredible support to ensure Worthington can finally address its chronic need for additional water,” said Worthington utility manager and L&C director Scott Hain.

With the strong support of the Legislature, then-Gov. Terry Branstad and then-Lt. Gov. Kim Reynolds, **the Infrastructure Bill approved this session includes a \$2.25M advance for FY18 and commits another \$4.75M for FY19!** The \$2.25M will be used to finalize the engineering and easements for the pipeline between Sioux Center and the Big Sioux River, and the \$4.75M for FY19 will be used to construct roughly six miles of pipe starting at Sioux Center and heading west. There is a lot of development taking place in and around Sioux Center, so the sooner this pipe is constructed the better.

“Iowa really stepped up to the plate for us. This was an especially tight budget year, but state leaders recognized how important this critically needed water is to our area. We have a ways to go to complete the line to Beresford, but this is a great start,” said Sioux Center utility manager and L&C director Murray Hulstein. After the legislative session Branstad was appointed ambassador to China and Reynolds was sworn in as governor.



State Senator Bill Weber and Hain testifying at a legislative hearing in St. Paul



Legislative meeting in Cherokee on June 24 (left to right): Sibley City Administrator Glenn Anderson, Sheldon City Administrator Sean Hutchinson, Sibley Councilman and L&C Director Larry Pedley, State Sen. Randy Feenstra, Sioux Center City Manager Scott Wynja, State Rep. Dan Huseman, Sheldon Public Works Director and L&C Director Todd Uhl and Larson.



Reviewing the route for the Sioux Center pipeline (left to right): Banner's Tim Conner, Street Department Supervisor Matt Van Schouwen, Wynja, Banner's Dennis Odens, Hulstein and L&C Operations Manager Jim Auen

Madison Wheeling Plan Starts Up!



A ribbon cutting was held on May 24 to celebrate the start-up of the Madison “wheeling plan”. Officials from Madison, State of SD, Minnehaha Community Water Corp (MCWC), Big Sioux Community Water System, Banner Associates and L&C spoke at the ceremony. Making this wheeling plan happen took a great deal of creativity and cooperation among these entities, as well as \$8.7M in federal funding advances from the state. Until the middle 32 miles of the Madison service line are constructed, L&C will sell water to MCWC near Crooks. They will sell water to neighboring Big Sioux, who will use five miles of L&C’s pipe near Madison to deliver water

to the city. Madison is able to access up to one million gallons a day. “The wheeling plan should address the City’s water needs for up to 20 years, but hopefully it will not take nearly that long to complete the service line. It also provides Big Sioux with a permanent source of water from MCWC, so they will not need to build a second treatment plant as originally planned. This is a win-win for all four systems and we cannot thank the state enough for providing the support and funding to make it happen,” said Executive Director Troy Larson.

Contracts Awarded for Third MCWC Connection

L&C recently awarded two contracts that, when completed, will provide MCWC with its third and final connection.

MCWC-East Service Line:

A \$2,200,000 contract was awarded to Winter Brothers Underground of Sioux Falls on June 22 to construct three and a half miles of 16 inch PVC pipe. The low bid was \$454,000 less than included in the original budget. Construction started in late July and is expected to be complete by this fall, well in advance of the Nov. 2018 substantial completion deadline.

MCWC-East Meter Building: As mentioned on page 2, KHC Construction of Marshall, MN was awarded a contract to construct the MCWC-East and Worthington meter buildings. Construction is expected to start this fall and the substantial completion deadline is Oct. 2018.



MCWC-East service line construction

Bank Stabilization Repair and Extension Underway

One mile of revetment armors the river bank to protect L&C's wellfield from erosion caused by the Missouri River's current. Quinn Construction of Rapid City was awarded a \$1,569,774 contract on May 25 to repair a 500-ft stretch of damaged revetment, as well as extend the revetment by another 2,250 feet. This will extend the revetment to the end of the Frost Game Production Area owned by SD, and protect L&C's northernmost wells. \$490,342 of the contract is for the repairs and will be covered by operations. Quinn met the July 28 substantial completion deadline for completing the repairs. The remaining \$1,079,432 is for the extension and will be covered by federal funds. Construction started in late July on the extension. Oct. 13 is the substantial completion deadline for the first 1,100 feet of the extension and Dec. 31 for the remaining 1,150 feet.



Above Right: Revetment repair
Right: Revetment extension

Lime Drying Bed Improvements

The three drying beds were being saturated with ground water, preventing the lime sludge from drying so it could be removed for agricultural uses. On March 23 a contract was awarded to Runge Enterprises of Sioux Falls to make improvements to the north and south beds. The contract is for \$554,316. This is an operations expense.

There are four parts to the contract – 1.) Remove the remaining sludge from the north bed, 2.) Haul in an estimated 93,000 tons of select clay to repair the bed liners, as well as redirect and increase the slope for more effective drainage, 3.) Install “clay plugs” around pipes in nine areas that interconnect the beds to stop water from leaking, and 4.) Construct a buried French drain system on both sides of the middle bed to stop water from leaking from one bed to another. Runge met the Aug. 6 substantial completion deadline to complete improvements to the south bed. Nov. 20 is the substantial completion deadline for the north bed.

On a related note, L&C has hired Gacke Enterprises of Canton, SD to clean out the sludge from the middle bed for \$11.75/ton. This price is based on L&C providing an on-site scale and doing the de-watering. There is an estimated 62,000 tons of “dry” sludge in the middle bed. It is quite the undertaking, so Gacke is being given three years to complete the work. After the sludge has been removed L&C will award a contract to make the same improvements that are being made to the north and south beds.



Above: Removing lime sludge from the north drying bed
Below: Completed improvements to the south drying bed



Construction Full-Speed Ahead on Minnesota Projects

Construction is moving full speed ahead on four projects in southwest MN. The contractors have been making really good progress and all the projects are currently on schedule.

Minnesota – Segment 3B: Carstensen Contracting of Pipestone, MN has installed about two-thirds of the pipeline for this 12 mile segment between Magnolia and Adrian. The project includes ten miles of 24 inch steel pipe and two miles of 16 inch PVC pipe. Carstensen set a daily record by installing 1,700 feet of 24-inch pipe on July 25 (34 sections at 50 feet each). Nov. 2017 is the substantial completion deadline.

Rock County Reservoir: Preload of Louisville, KY started work this spring on the four-million gallon reservoir six miles southwest of Luverne. They poured the concrete wall panels on-site. This facility is needed when Worthington and later Sibley come on-line. Oct. 2017 is the substantial completion deadline.

Adrian Meter Building: Gridor Construction of Buffalo, MN started constructing the Adrian meter building this spring. Located three miles east of Adrian, the meter building is the second and final connection for Lincoln Pipestone RWS. Dec. 2017 is the substantial completion deadline.

Rock County Pump Station: Gridor also started work this spring on the pump station located 5 ½ miles south of Luverne. This facility is needed to boost the water to Worthington and later Sibley. April 2018 is the substantial completion deadline.



Minnesota – Segment 3B



Foundation walls for the Adrian meter building





Minnesota – Segment 3B



58 feet tall wall panels for the Rock County reservoir



Pouring the floor for the Rock County reservoir



Rock County Pump Station



New Website Launched

Lewis & Clark launched a new website in May (www.lcrws.org). The old website was close to ten years old, so the update was way overdue. Insight Marketing Design of Sioux Falls did the website development. In addition to a lot more information, easier to use navigation and compatibility with mobile devices, L&C staff will now be able to make a majority of the updates, so the information will stay more current and it will cost less to maintain the site. There is a feature in the Press Room link to sign up to receive the newsletter by e-mail, which will save L&C printing and postage expense. Please sign up!





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Operations Update – Five Years and Counting



Water Operator Jim Andersen

an operator at the ethanol plant near Chancellor. Jim recently retired from a long rodeo bull riding career, so in comparison this position will be a piece of cake!

July 28 marked the five-year anniversary of operations starting. During that time L&C has delivered over **21.3 billion** gallons of water to its members, including a record peak day of **23.4 million** gallons on July 17. The System's water loss is currently only **9/10ths of 1%**, which is virtually unheard of in an industry where a 5% water loss is considered very good. Executive Director Troy Larson remarked, "We've come a long

L&C was pleased to welcome water operator Jim Andersen to the team on April 25. He takes over for Curt Haakinson who was recruited for a management position with the City of Vermillion. Jim is from nearby Viborg and still lives there. He was previously

way in five years. There were a lot of kinks we needed to work out, and we are still in the process of working out several more, but overall we're very pleased and proud of the system we have. We've added more staff, started operating 24/7, won a couple water taste tests and have provided a reliable source of high quality water to the connected members."

In other updates, Operations Manager Jim Auen worked with county and city officials to secure approval of the highest possible protections provided by zoning ordinances for the wellhead protection area. Also, L&C is still working with all involved parties to determine a permanent repair to the roof damage on the treatment plant caused by high winds on Christmas. The damage has revealed a more extensive problem of moisture accumulating in all the roof membranes at the plant, not just the damaged area, so Banner has been tasked with analyzing the problem and making recommendations on a permanent fix. Finally, L&C staff is battling chronic production and maintenance problems with the four angle wells. The angle wells were not in the original plans, but were recommended as part of a Bureau of Reclamation led Value-Engineering Review. HDR Engineering is currently analyzing options on how to proceed.