



Explorer

Lewis & Clark
REGIONAL WATER SYSTEM

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SPRING 2015

South Dakota Approves a \$7.7 Million Federal Funding Advance

Water will be “Wheeled” to Madison

In a huge step forward for Lewis & Clark (L&C), SD approved a \$7.7 million federal funding advance this legislative session! The funding was part of Governor Dennis Daugaard’s Omnibus Water Bill and will be used to construct the southernmost and northernmost segments of the Madison service line, which are five miles each. There is a 32 mile gap between the two segments. To “wheel” up to one million gallons of water a day to Madison, the bill also authorizes a combined \$4.8 million for Minnehaha Community Water Corp (MCWC) and Big Sioux Community Water System (BSCWS) to connect their infrastructure and bridge the 32 mile gap. L&C will sell water to MCWC using the southern segment, who in turn will sell water to BSCWS, who in turn will sell water to Madison using the northern segment.

Throughout the approval process, state officials praised everyone involved for the innovation and cooperation in developing this “regional approach” to address water needs. Madison Mayor Roy Lindsay said “This is fantastic news for Madison! Without the teamwork and creativity of BSCWS, MCWC, L&C, Department of Environment & Natural Resources, Board of Water & Natural Resources, Governor Daugaard and the Legislature to solve this issue, it could have been another 20 to 30 years before Madison received water. Our four systems cannot thank



Omnibus Water Bill signing ceremony with Gov. Daugaard (center). Left to right: Sen. Scott Parsley, Rep. Mathew Wollman, Mike Waldner (Madison city commissioner), Troy Larson (L&C), Scott Buss (MCWC), Chad Comes (Madison city engineer), Madison Mayor Roy Lindsay, Jim Feeney (DENR), Todd Bernhard (BWNR), Sen. Deb Peters, Tom Kansanback (BSCWS vice-chair) and Rep. Leslie Heinemann.

state leaders enough. It will be an exciting day when we finally get to turn the tap and let the water flow!”

L&C’s long-term plan is to construct the remaining 32 miles of service line, but will wait for federal funding to do so. When that happens, the connection between MCWC and BSCWS will still be used. BSCWS was planning to build additional water treatment capacity, which would have required state assistance. Having access to more water through MCWC and L&C will allow BSCWS to significantly delay and hopefully eliminate the need for additional treatment capacity.

The annual Omnibus Water Bill has a dedicated source of funding for water projects. West River/Lyman-Jones RWS prepaid a \$12.5 million loan, which could only be re-invested in other water

continued page 2

South Dakota Approves a \$7.7 Million Federal Funding Advance *continued*

projects. The one-time money ensured the “wheeling option” did not adversely impact any other water projects. This \$7.7 million and the \$1 million approved last year for engineering and easement acquisition on these two segments are zero interest awards that will be

paid back with future federal funding, as available, once all 20 members are connected but before the project is complete. An estimated \$33 million of work will remain once all the members are connected. This work will not be completed until all state advances have been repaid.

Governor Dayton Proposes \$48 Million to Reach Worthington

Efforts Continue to Secure an Advance from Iowa

Worthington and L&C officials were thrilled to hear the news on April 7 that Governor Mark Dayton proposed a \$48 million federal funding advance for L&C in this year’s Bonding Bill. \$48 million is the estimate to reach Worthington. Led by Dayton, Sen. Bill Weber, Rep. Rod Hamilton and Rep. Joe Schomacker, last year MN



Governor Dayton

approved a \$22 million advance. Those legislators have also submitted a \$48 million request this year. “We know this is the start of a long legislative process, but having the Governor put down a marker that he wants to get the line to Worthington is an enormous boost. The City has been

looking for more water for about 100 years. We sure hope this is the light at the end of the tunnel,” said Worthington Public Utilities Manager and L&C director Scott Hain.

L&C staff and IA’s five members have made four trips to Des Moines to meet with Governor Terry Branstad, agency officials and legislative leaders to discuss an advance to keep construction moving forward in the state. According to Sheldon City Administrator and L&C director Scott Wynja, “They recognize the importance of L&C to the economic development and quality of life of northwest IA and want to help, but the state does not have a funding mechanism to provide an advance like the other two states do. State leaders continue to explore creative funding options, so we are still trying.”

Rock County Rural Water is 12th Connected Member

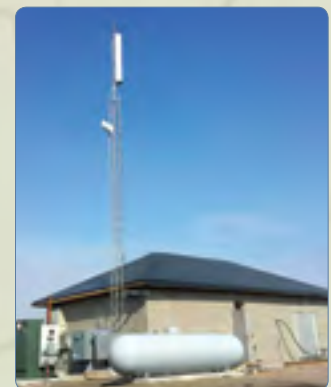
Permanent Connection Also Provided for Rock Rapids

Congratulations to Rock County RWD (RCRWD) on soon becoming the twelfth connected member! The joint meter building/pump station for RCRWD and Rock Rapids, which is located just on the IA side of the MN border, is expected to reach substantial completion by early May. This is the first of two connections for RCRWD; the other connection will be in Magnolia. RCRWD Manager Brent Hoffmann said “Many of our long-time directors and customers wondered if this day would ever come. We have faced many hurdles in maintaining consistent water flow and quality. Drought in 2013 and then record flooding in June of 2014, as well as ever tightening federal and state restrictions on developing additional water sources, only highlight the importance of having interconnections with other water providers.

The days of going it alone are a thing of the past. Being connected to L&C is a huge benefit.”

An \$843,370 contract for the building was awarded on August 4 to D.W. Proehl Construction of Sioux Falls. Construction got underway in early October. The

building also provides a permanent connection for Rock Rapids. Using temporary infrastructure with neighboring Lyon & Sioux RWS, L&C has been selling water to the City at this location since June 2013.



Contract Advertised for Luverne and Magnolia Meter Buildings

The contract for meter buildings in Luverne and Magnolia was advertised in late April. It is expected to be awarded in late May. The substantial completion deadline is this November, with priority given to finishing the Luverne meter building first. Funding for the meter buildings is coming from the \$22 million advance approved by MN during the 2014 legislative session.

Originally the meter building in Magnolia was just for Rock County RWD's second connection, which is part of the authorized project. However, a second connection for Lincoln Pipestone RWS (LPRWS) was recently added. LPRWS is paying for all the costs to accommodate the

Lincoln Pipestone Requests Second Connection

meter building changes, as well as upsizing 3.6 miles of service line from 8" to 16". The second connection will allow LPRWS to access L&C water sooner, but more importantly ensure the water has a much wider benefit to its ten county service area. LPRWS will construct 17 miles of pipe from Edgerton to Magnolia. According to Jerry Lonneman, who serves on both the LPRWS and L&C boards, "This second connection will really help our entire system. It will take pressure off our Holland, Verdi and Burr well fields, which will free up more water for the rest of our system as far north as Montevideo. We are really excited about the possibilities this opens up for us."

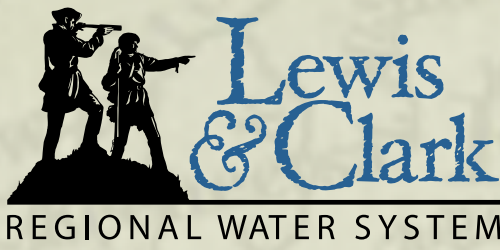
Minnesota – Segment 2 Contract Awarded to Minnesota Firm

A \$16,528,262 contract for MN – Segment 2 was awarded in September to Carstensen Contracting of Pipestone. The project runs from one mile north of the IA border to Luverne. It includes 12.7 miles of 24" steel pipe and 5.9 miles of 14" PVC pipe. In February boring crews started on the 23 highway, stream and railroad crossings. Carstensen began installing the PVC pipe in early April and plans to start installing the steel pipe in early May. The deadline for substantial completion is this November. "It is exciting to see the construction underway. We can't wait for the water to start flowing to Luverne!" said Mayor Pat Baustian.

A portion of L&C's FY14 funding is being used for this contract, but a majority of the funding is from the \$22 million advance approved by MN during the 2014 legislative session. Looking ahead, the remainder of the advance will be used toward the contract for MN – Segment 3A between Luverne and Magnolia. Work is underway to secure the easements and finalize the design on this ten mile segment.



Lewis & Clark Celebrates Its Silver Anniversary!



L&C is celebrating a momentous milestone – 25th anniversary of incorporation! The Articles of Incorporation for the Southeastern South Dakota Water Supply System were signed in January 1990, and included the signatures of Gary Hanson of Sioux Falls and Charlie Kuehl of South Lincoln RWS. Hanson was elected board chairman and Kuehl succeeded him in 1994. Banner Associates of Brookings was selected as L&C's engineer. They subcontracted with HDR Engineering of Sioux Falls for design of the wells and much of the treatment plant. Dave Odens served as L&C's lead engineer until he became Banner's president in 2013. Bureau of Reclamation's Ted Hall has provided engineering oversight since day one.

Discussions on the need for a regional water source began in earnest in late 1988. "The handwriting was on the wall that existing water sources would not address the long-term water needs and growth of the region," said SD Association of Rural Water Systems' (SDARWS) Executive Director Dennis Davis. Initial discussions included Sioux Falls Utility Commissioner Gary Hanson, Assad Barari from the SD Geological Survey, SD Department of Environment & Natural Resources (DENR) Secretary Mark Steichen, DENR's Dave Templeton and Davis. The idea snowballed from there. "It was a vision for the future. We pursued an extraordinarily ambitious mission – a mission to secure a vital resource to protect the health, safety, and very existence of our communities," said Hanson.

The initial concept was to bring Missouri River water from the Chamberlain area. This proposal had a capacity of 78 million gallons a day and 56 members. With a price tag of over \$700 million, feedback from congressional leaders was the project's scale needed to be reduced. They also urged

including members from IA and MN to increase the chances of authorization. SDARWS' Bill Dempsey spent a lot of time in 1989 meeting with cities and rural water systems. "I first heard about it at a meeting Bill held in Sheldon in late 1989. I thought it was an innovative idea and went back to our council and said we've got to do this," said Chairman Red Arndt of Luverne. With the inclusion of IA and MN members, the name was changed to "Lewis & Clark" in 1991; inspired by the area's association with the explorers and possibility of using Lewis & Clark Lake as a water source.

Ten alternatives were considered for diverting Missouri River water, four alternatives for treatment facilities design and fourteen alternatives for distribution system design. Following several studies and a needs assessment, the membership changed significantly after it was decided in late 1992 to bring the water from the Vermillion area. A Commitment Agreement was signed by 22 members in March 1993 (three later withdrew and one was added). Pam Bonrud, who was involved with the project in her position at DENR, was then hired as Executive Director.

Project organizers made many trips to Washington in the 90's and testified at multiple hearings. Lead by the SD delegation of Tom Daschle, Tim Johnson and John Thune, L&C was finally authorized by Congress and signed into law in July 2000. That started the process of completing the Final Engineering Report and securing the environmental approvals. "We wore out a lot of shoe leather and experienced some difficult meetings during our fight to get L&C authorized. It was the steadfast commitment of the project members, our tri-state congressional delegation, and state leaders that made L&C the reality it is today," said Bonrud.

The environmental Finding of No Significant Impact was issued in March 2003; same month Troy Larson succeeded Bonrud as Executive Director. The long-awaited groundbreaking was held in August 2003 and the ribbon cutting for the treatment plant was held in August 2012. "Those nine years were an incredibly challenging but ultimately gratifying ride. With a whirlwind of coordination meetings, lobbying for funding and negotiating various agreements, it always felt like we were under the gun; pressing hard to meet a deadline or get something approved," said Larson.

Looking ahead to the next 25 years, Arndt remarked, "As L&C celebrates its Silver Anniversary, it is important we remember the vision, hard work, dedication, perseverance and faith it took to get to where we are today. With those qualities continuing as our guiding force, L&C will be completed well before the Golden Anniversary. We have faced countless obstacles along the way and no doubt there will be plenty more. Nothing has been easy with L&C, but nothing worth doing ever is. It has been a team effort and everyone involved through the years can be very proud of what we have accomplished together. Through every precious drop of water we are leaving a 'legacy of life' for generations to come, the extent of which we do not yet fully appreciate."

Charlie Kuehl



Dave Odens



Ted Hall



Red Arndt



Bill Dempsey



Pam Bonrud and Troy Larson



Dennis Davis



Gary Hanson

Bureau of Reclamation Conducts 14 Year Review

Six Bureau of Reclamation (BoR) officials from four different offices conducted a two-day Processes and Procedures Review in January. This was a review to ensure L&C used the proper processes and procedures to spend federal money and matching funds during the last 14 years. A new Cooperative Agreement was recently signed between L&C and BoR, so this review was part of the close out for the old agreement. "The review went very well thanks to the meticulous record keeping by Office Manager Lori Seten. Ironically, the main issue identified involves BoR's approval to reimburse L&C for expenses incurred prior to the Cooperative Agreement being signed," said Executive Director Troy Larson. BoR officials also toured the Tea pump station and 85th Street water tower. The photo at right shows Seten (third from right) with the BoR crew at the water tower.



Left to right: Jerry Fink (Billings), Michelle Vetter (Bismarck), Roger Hovendick (Las Vegas), Lindsey Nafts (Billings), Seten, Ted Hall (Pierre) and Jenna Weller (Billings)

Project Officials Meet with New Reclamation Commissioner & Congress Leaders

Chairman Red Arndt of Luverne, Director Scott Wynja of Sheldon, Madison Mayor Roy Lindsay and Executive Director Troy Larson made a trip to DC in early March. The main purpose was to meet with new Bureau of Reclamation Commissioner Estevan Lopez. Lopez was supportive, candid and empathetic, but readily admitted he has no “silver bullets” to the funding challenges. In regard to the advances from the states, he said they are helping L&C’s cause for federal funding. Lopez said he understands and appreciates the importance of projects like L&C that expand economic development opportunities and improve quality of life, and wants to do what he can to help.



Wynja and Ernst

The group also met with the ten members of the tri-state delegation, including freshman Senators Mike Rounds and Joni Ernst. Main topics of discussion included; increase Rural Water Program funding in the FY16 Budget, urge the administration to increase funding in its FY17 Budget,

leverage the state advances, exclude authorized projects from the earmark bank, and re-introduce the Authorized Rural Water Projects Completion Act, which would provide a total of \$80 million a year for the six authorized rural water projects until they are completed (main challenge is finding a funding offset). Lobbyists Ashleigh De La Torre and Luke Theriot from the Bockorny Group attended the meetings and have been working closely with the congressional offices on the above issues. “Although we are incredibly frustrated with the pace of funding from the administration, none of that is directed at our tri-state delegation. They go to bat for us time and time again. We cannot thank them enough for their incredible support and leadership,” said Arndt.

Operations Manager Jim Auen talks shop with Rep. Kristi Noem. Auen represented L&C at the National Rural Water Rally in DC in February. He also met with the rest of the tri-state delegation.

Federal Funding Not Keeping Pace with Inflation

Remaining Federal Cost Share as of:

- September 2010 \$194.3 million
- September 2014 \$203.0 million



Wynja, Arndt, Lopez, Lindsay and Larson



Rounds and Lindsay



Lewis & Clark Receives \$9 Million for FY15

President Only Proposes \$2.7 Million for FY16

L&C ultimately received a total of \$9M for FY15, an increase of just under \$6.6 million from the just over \$2.4 million proposed by the President. This was the result of the tri-state congressional delegation's efforts to add another \$31 million to the Bureau of Reclamation's (BoR) Rural Water Program. BoR officials then made the final decision on how to allocate the \$31 million. "This is very good news and we cannot thank our congressional leaders enough for their efforts to secure the additional funding. Our thanks as well to BoR for its support. While the \$9 million will not result in water being delivered to another member, it will be used to make important progress," said Executive Director Troy Larson.

The President proposed \$16.3 million for rural water construction for FY15, so the added \$31 million brought the total to \$47.3 million. This is close to the \$49 million for FY14 and \$51 million for FY13. However, according

to a 2014 BoR report, if \$50 million is appropriated for rural water construction each year and assuming four percent inflation, the remaining federal cost share for the six authorized rural water projects would increase from today's \$1.4 billion to \$1.8 billion by 2065. "The \$9 million was a welcome life preserver to keep our heads above water for the year, but this report clearly show the current and future administrations need to make rural water funding a much higher priority," said Larson.

On February 2 the President released his FY16 Budget, which proposes \$18.5 million for rural water construction, with \$2.774 million designated for L&C. "These numbers are slightly higher than last year so they are headed in the right direction, but this does not come close to even covering the inflationary increases. Unfortunately, there continues to be a disconnect in prioritizing funding," said Larson.

Beresford & South Lincoln Rural Water Partner to Serve Large Scale Dairy

Construction is nearing completion on a 4,200 head dairy operation ten miles northwest of Beresford. The dairy, which is located in South Lincoln RWS' (SLRWS) service territory, is expected to be operational by early May and will use 200,000 gallons of water a day. In partnership with SLRWS, Beresford requested a second connection at the dairy site. L&C will sell water to Beresford, who in turn will sell it to SLRWS, who in turn will sell it to the dairy. L&C will own and operate the meter building, which is located about 50 feet from L&C's main 54" trunk line, but all construction and engineering costs are ultimately being paid by the dairy.

Because time was of the essence to complete this connection, rather than going out for bids SLRWS negotiated contract terms with Hoogendoorn Construction of Canton, who has built several of L&C's meter buildings. "L&C was built in large part to ensure projects like this dairy could be built. Too often the lack of water is a limiting factor. It is great to see this project come

to fruition and everyone involved is to be commended for working together to make it happen. Hoogendoorn reached substantial completion in early April, so we are ready to start selling water as soon as the dairy needs it," said Executive Director Troy Larson.



Operations Update

The amount of water L&C is delivering continues to increase as the members have made internal infrastructure adjustments. In 2014 L&C delivered 3.607 billion gallons (2.888 billion in 2013), for an average of 9.88 million gallons a day (MGD). “We already averaged over 10.5 MGD this March and anticipate we will be averaging over 20 MGD this summer. The plant is operating seven days a week for roughly 12 to 16 hours a day, depending on the time of year,” said Operations Manager Jim Auen.

A treatment bottleneck existed with the treatment plant’s on-site sodium hypochlorite generation, which limited L&C’s production to 20 MGD. Steps were taken in early October to eliminate the bottleneck by switching to a bulk bleach solution. In terms of just equipment and infrastructure, the plant can now produce 36 MGD if needed.

Warranty work was recently completed to repair persistent roof leaks at the Tea pump station. In the distribution system, the staff recently finished improvements to significantly reduce how often the meter building holding tanks need to be emptied. “The return on investment was less than a year, so this will be a significant long-term savings,” said Auen.

After retiring from USD as a supervisor in the HVAC/mechanical area, Mike Rath started in November as a part-time custodian at the treatment plant. This work was

previously outsourced to a local cleaning company. Mike is also a First Sergeant in the SD Army National Guard. “Mike has been doing a great job and we are very lucky to have him,” said Plant Supervisor Mike Duchscher.

Right: Welcome aboard, Mike Rath!
Below: Roof leak repairs at the Tea pump station

