

  
Fall 2021

# Explorer

## Infrastructure Bill a “Huge Boost” for Construction

### Funding Efforts Continue for FY22 Budget

After passing the Senate on August 10, the long-awaited bipartisan Infrastructure Investment and Jobs Act finally passed the House of Representatives on November 5 and was signed into law by President Biden on November 15.

“This bill is a huge boost to our efforts to complete construction of what Congress authorized in 2000 and we are incredibly pleased! The last eight years we have been hoping an infrastructure bill would provide

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This award winning photo was taken by Banner's Nick Fuhr in the fall of 2020 between Beresford and the Big Sioux River. The National Rural Water Association held a photo contest as part of its annual conference in Milwaukee this past September. The photo won first place in the “Water in Rural America” category, as well as the overall grand prize for all categories!

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a much-needed injection of funding to help get us to the finish line,” said Executive Director Troy Larson. No details are available yet on the timing to access the funding or how it will be administered, but those are expected soon so that contracts can be awarded and construction can begin this summer. It is anticipated the funds will need to be spent by September 30, 2026, but that has not yet been finalized.

When the infrastructure bill was being considered in the Senate this summer, the Bureau of Reclamation’s (BoR) estimate of the combined remaining federal funding ceilings for the seven authorized rural water projects was just under \$900 million; **L&C made up \$132 million of the total at that time.** Ultimately \$1 billion was included in the infrastructure bill for the seven rural water projects. With a whopping 10.57% inflation indexing added for FY21, the estimated remaining federal funding ceilings for the seven projects are now a combined

**\$995M; L&C now makes up \$145.8M of the total.** Each project’s remaining federal funding ceiling will continue to be indexed.

“Passage of the infrastructure bill is fantastic news and will hopefully put us on the cusp of completing construction. However, skyrocketing inflation makes it a virtual certainty that the \$1 billion included in the bill will not be enough for the federal government to meet its funding obligations to the seven projects. Additional appropriations will be needed,” said Larson. L&C officials are urging the tristate congressional delegation to move forward with the proposed funding levels in the FY22 Budget. The administration proposed \$9.22M for L&C in its FY22 Budget and the Senate included an additional \$21.914M in congressionally directed spending for L&C. The House included an additional \$55.7M in programmatic funding for the Rural Water Program. The FY22 Budget is currently under a Continuing Resolution until February 18.

## Chairman’s Report – Murray Hulstein



Chairman Murray Hulstein

Lewis & Clark is a tremendous asset to the tristate region. I’ve long advocated that we find ways to maximize this asset to make sure the water is providing as much impact as possible in terms of expanding economic development opportunities and improving the quality of life. The last thing we want to do is “bury our talents” and let them go unused.

To that end, I am pleased with how several members have forged partnerships to buy and sell water with other members and even non-members. These partnerships are having a very positive impact on the tristate region, as well as on the rate payers as other sources of water would be far more costly. Most recently Sibley finalized an agreement to sell a portion of its current capacity and expansion capacity to Harrisburg, and Centerville reached

a similar agreement with South Lincoln RWS for a portion of its current capacity and expansion capacity. Sheldon recently began selling some of its current capacity to Clay RWS via a wheeling agreement with Beresford. Win-win for all seven of them.

Other partnership examples that have been ongoing for some time now include Parker selling water to TM RWS, Minnehaha Community Water Corp selling to Big Sioux CWS, Rock Rapids selling to Lyon & Sioux RWS, and Beresford selling to South Lincoln RWS. Until recently, Lincoln County RWS was selling to Harrisburg. Lincoln Pipestone RWS and Rock County RWD have an emergency use agreement in place to sell water to each other if the need arises, as does Worthington and Lincoln Pipestone RWS. In all these cases the Board, engineers and staff have worked hard to ensure none of these partnerships adversely impact downstream members. We need to be good stewards of this incredible asset, which in turn means we want to ensure the water is being put to good use.



## Expansion Agreement Approved by Members

### ARPA Funding Would Help Reduce Expansion Cost

As of December 14, all 20 members have approved the Expansion Commitment Agreement! Design of “Phase 1” of the expansion is expected to begin in early 2022 and will involve projects where a considerable amount of money will be saved by doing the work in conjunction with projects to complete the “base system” – 44.19 million gallons a day (MGD). The timing to complete the remaining expansion infrastructure will depend on the members’ need for more capacity and available funding.

Unlike construction of the base system, close to 90 percent of which is being covered by grants from the federal government and three states, the members are responsible for 100 percent of the cost to expand the System by 15.81 MGD; bringing overall capacity to 60 MGD. The latest estimate is the expansion will cost just over \$100M in today’s dollars. This number is expected to increase annually due to inflation.

In response to the pandemic, the American Rescue Plan Act (ARPA) provides funding to states and counties among others for various uses, including water development. **To help the members offset a portion of the expansion cost, which would have a direct benefit to the homes and businesses who purchase water from them, L&C has submitted eight ARPA funding requests to the states and counties where the expansion infrastructure is located.**

If approved it is expected the money would need to be spent by September 30, 2026, which is anticipated to be the same deadline as the bipartisan infrastructure bill. Roughly half the expansion infrastructure cannot be completed within

that timeframe, so that was a limiting factor in L&C’s requests. The eight requests include an estimated \$58M in expansion infrastructure that range from \$160,000 to \$44.7M. “There is no expectation the entire \$58M will be approved, but whatever funding is approved will be a huge help to the rate payers. The more the members need to pay for the expansion, the more it will impact their water rates,” said Executive Director Troy Larson.

Debi Durham, the director of the Iowa Economic Development Authority, has a key role in helping determine how the State allocates its ARPA funds. The Iowa members and L&C staff have worked closely with Debi for close to 15 years. She has been a strong advocate for L&C and its impact on economic development. A group met with Debi in Hawarden on September 9 to discuss L&C’s request to Governor Kim Reynolds for \$12M from the State’s ARPA funding to help offset the expansion cost for the members (photo below). Debi provided very positive feedback. L&C officials were very pleased and thankful when Reynolds announced on December 8 that \$100M of the State’s ARPA funding would be used for water projects. No decisions have been made on any of the eight funding requests.



Left to right: Sheldon’s Todd Uhl, Sibley’s Larry Pedley, Sioux Center’s Scott Wynja, Durham, Hull Mayor Arlan Moss, Hull’s Jim Collins and Larson

# FROM THE PIPELINE



Bureau of Reclamation (BoR) officials on December 1 and 2 toured L&C facilities with staff and made multiple stops to visit with some of the members. These included a working lunch in Sioux Center with IA officials, followed by a stop to see the construction underway on the Sioux Center meter building. Some of the others stops included the treatment plant, wells, river bank stabilization, Beresford water tower, Tea pump station and Hull meter building. Funding from the bipartisan infrastructure bill was a main topic of discussion. Left to right: BoR Chief of the Contracting Office James Durant (Salt Lake City), Hull Mayor Arlan Moss, Sheldon's Todd Uhl, BoR Area Manager Joe Hall (Bismarck), Sibley's Larry Pedley, Hull's Jim Collins and Sioux Center's Murray Hulstein. Uhl, Pedley, Collins and Hulstein are L&C directors.



Durant and Hall met during their tour with Jim Hoyer (second from right) and Gene Metzger from Rock Rapids Municipal Utilities (RRMU) at the metering/pumping facility on the IA-MN border that serves as a joint connection point for Rock Rapids and Rock County RWD. Hoyer is RRMU's manager and a L&C director. Durant and Hall also met in Luverne with city officials Kevin Aaker and John Call, as well as Lincoln Pipestone RWS board member and L&C director Jerry Lonneman. At every stop the members thanked Durant and Hall for the close partnership with BoR through the years.



Sioux Metro Growth Alliance members and staff representing seven communities in Lincoln and Minnehaha counties toured the Tea pump station and reservoirs on September 21. The need for additional water resources, such as the expansion of L&C from 44.19 million gallons a day (MGD) to 60 MGD, is of particular interest to this organization that is focused on expanding economic development opportunities in both counties.

Rock Rapids Municipal Utilities celebrated its 125th anniversary with a community supper and open house on October 6. Courtesy of Banner Associates, four poster boards showing different components of L&C were displayed and Executive Director Troy Larson was on hand to answer questions about the project. Congratulations to Rock Rapids Municipal Utilities on this remarkable milestone! The photo above shows RRMU's directors and staff.



## Beresford Water Tower on Schedule

Caldwell Tanks is making good progress on the Beresford water tower and feel they are on schedule. The dome cap for the pedestal was poured on September 14 (120 yards of concrete). In total 1,240 yards of concrete were used for the pedestal. Generally there are 10 yards of concrete per truck.

Work then began in early October on welding the steel panels into place on the ground for the 2.5 million gallon tank. Caldwell expects to finish welding the steel panels before Christmas. There are four rings of steel on the bottom cone, three rings for the vertical sides, a reverse cone on top and then the roof.

This spring they will paint the tank and then plan to jack it to the top in July, which is when they will construct the roof. The substantial completion deadline is late February 2023, but Caldwell is working hard to reach substantial completion by early December 2022. When completed the tower will be 220 feet tall at its peak.



Pouring the dome cap



Forms for the dome cap



Grinding down tack welds inside the tank



Welding the steel panels for the tank



## Sioux Center and Hull Meter Buildings Progressing

D.W. Proehl is making good progress on the Sioux Center meter building, as well as expanding the existing Hull meter building and replacing many components. Work has just begun on adding four pumps to the Beresford pump station, which is also part of the contract. The substantial completion deadline for adding the pumps is July 2022 and the substantial completion deadline for the two meter buildings is October 2022. D.W. Proehl believes they are on schedule for both deadlines.

Separate rooms are being added for the chemical feed and electrical components at the Hull meter building, which will double in size. Previously

everything was crammed together in a small shared space. This caused corrosion of the metal roof, process piping, valves, meters and controls, which all need to be replaced. The entire building was gutted. Replacement expenses of \$128,150 at Hull are being covered by O&M, with federal funds used for the remaining \$2.2M of the three-part project.



Top two photos: Sioux Center meter building



Bottom three photos: Hull meter building

## Additional Metering Facilities Planned for Lincoln County RWS, Luverne and Rock County RWD

Much has changed for the members from when the Final Engineering Report was completed in 2002. Six members to date have constructed additional metering facilities – Beresford, Lincoln Pipestone RWS, Minnehaha Community Water Corp, Rock Rapids, Sioux Falls and Tea. **These facilities do not increase the members' reserve capacities, but rather allow them to more effectively utilize their L&C water and provide greater redundancy.**

The members requesting the additional connection points are responsible for 100 percent of the cost, and the other main requirement is that the location not adversely impact any downstream members.

In the last few months the Board of Directors has approved requests from Lincoln County RWS, Luverne and Rock County RWD for additional metering facilities. Luverne's connection to their south water treatment plant is estimated to cost \$3M. The City is seeking \$1.5M of this amount from the State in the bonding bill the Legislature will consider this session. State Representatives from the House Bonding Committee made a stop in Luverne on October 20 to learn more about L&C and Luverne's request. Mayor/L&C Director Pat Baustian and Executive Director Troy Larson both provided presentations to the nine representatives in attendance.



Baustian is second from the left and local Representative Joe Schomacher is third from the left. Other than Larson on the far right, the rest are members of the House Bonding Committee.

## Sheldon Water Tower Contract Awarded

On September 23 the Board of Directors awarded a \$4,583,000 contract to Caldwell Tanks of Louisville to construct a one million gallon composite water tower three miles east of Sheldon, IA. Caldwell, who is also constructing the Beresford water tower, expects to start construction in the spring of 2022. The substantial completion deadline is October 2023.

There are only four contractors in the United States who construct these composite water towers and all four

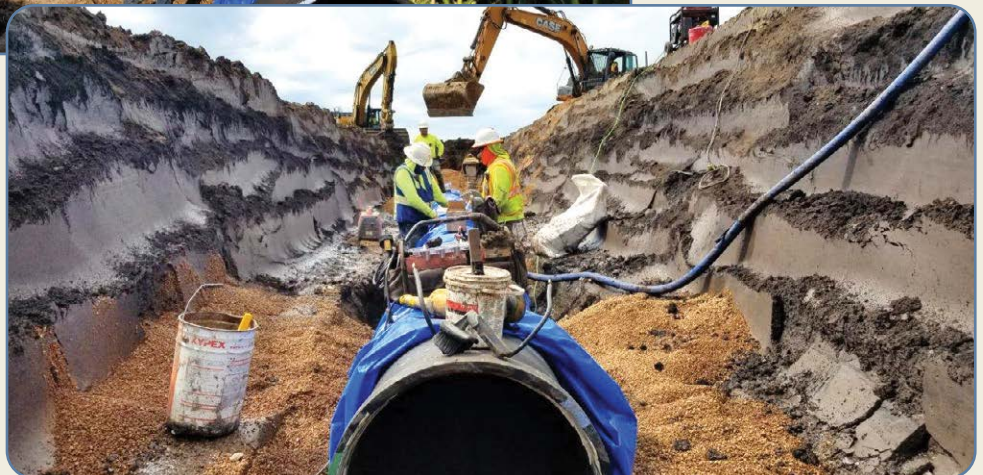
submitted bids so there was plenty of competition. Even so, not surprisingly, skyrocketing inflation took a toll. The low bid was \$783,000 more than what was originally budgeted; an increase of just over 20 percent. "For the first several years of construction, our bids were coming in much lower than originally budgeted. With the current economic headwinds that are not expected to abate anytime soon, we unfortunately expect future projects to continue to be over budget," said Executive Director Troy Larson.



## Celebration of Connecting South Dakota and Iowa

Officials from Sioux Center, Hull, Banner Associates, Carstensen Contracting and McWane Ductile on September 14 celebrated the final section of 24-inch ductile iron pipe being constructed in the 33.8 mile stretch between Beresford and Sioux Center. The final section of pipe, which is part of the Iowa – Segment 3 contract, was installed on the east side of Lebanon, IA. “This is a very exciting golden spike milestone! We have been waiting for it a long time. Our area has been blessed with growth and the long-awaited water from Lewis & Clark will help us sustain that growth for future generations,” said Chairman Murray Hulstein of Sioux Center, who has been attending L&C meetings since the project was incorporated in 1990.

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Carstensen Contracting completed pressure testing the middle 12.6 miles of Iowa – Segment 3 on November 4. They then focused on completing the isolation valve vaults, blow off assemblies and cathodic protection system. Carstensen reached substantial completion on November 24. Good progress has been made on site restoration and they will wrap up work this spring. Work continues on the water tower at Beresford,

meter buildings at Sioux Center and Hull, and adding pumps to the Beresford pump station. “All this infrastructure needs to be completed before Sioux Center and Hull can begin receiving water, which is expected in early 2023, but finally getting all the pipe in the ground to connect South Dakota and Iowa is a momentous occasion to celebrate,” said Hulstein. Attendees signed their names on the blue wrap that helps protect the zinc coated pipe from corrosion.



Left to right: Executive Director Troy Larson, Hull Councilman Eric Rankin, Hull City Administrator/L&C Director Jim Collins, Sioux Center Assistant Utilities Manager Adam Fedders, Sioux Center Water Department Supervisor Harlan Kruid, Sioux Center City Manager Scott Wynja, Sioux Center Mayor Dave Krahling and Sioux Center Utilities Manager/L&C Chairman Murray Hulstein



Director Jim Collins of Hull signs his name on the pipe





## Site B Collector Well

Layne confirmed on October 21 the preliminary findings that the collector well will indeed produce a maximum of 22 million gallons a day (MGD), which is a significant increase from the estimated 16 MGD! To handle the additional capacity a fourth pump is needed, along with associated piping and electrical work. Clay Union-Electric also needs to upsize their transformer for the larger load. These changes added \$463,000 to the price tag. Including the cost to extend the horizontal laterals, the total increase was \$1,085,000. **This is a 10.5% increase from the original contract for a 37.5% increase in capacity.** Money well spent!

After pouring the caisson cap on September 7 (25 yards of concrete), Welfl turned their focus toward constructing the 16 buttresses that extend out from the caisson. The buttresses will support the pump house.

More buried trees and stumps from the Highway 19 construction were encountered during the buttress excavation. The bottom halves of the buttresses were formed, poured and backfilled, and the same process was then repeated for the top half of the buttresses. Welfl has completed the buttresses and will now backfill.

On November 9 Welfl tied in the collector well piping to the raw water pipeline. This required the raw water pipeline to be shut down for eight hours. Advance planning by L&C staff ensured there were no adverse impacts to the connected members.

Welfl is three weeks behind schedule. The current substantial completion deadline is June 2022, so it may be early July before the well is operational.



Top two photos: Tying into the raw water pipeline



Left photo:  
Pouring the  
caisson cap

Right photo:  
Breaking up the  
"deadman" that  
was used to sink  
the caisson







Above: Excavating for the buttresses  
(lots of buried stumps and trees encountered)

Below: Lower half of the buttresses



Large photo below: Upper half of the buttresses







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## Operations Update

Rounds Construction completed the improvements to the middle lime drying bed on September 1 (photo below), which was the substantial completion deadline. The improvements that were previously made to the other two drying beds are working very well. The lime sludge dries down more quickly and effectively, making it easier for the contractor to remove the sludge from the beds.

Fiscal Year 2021 (October 1 through September 30) was another record setting year for water sales. 7.27 billion gallons were delivered for a daily average of 19.91 million gallons; a 9.5 percent increase over last year. "Well capacity was a concern throughout the summer. We ran all 11 vertical wells hard from May through August. Fortunately we did not lose a single well. It will be a big relief when the Site B collector well comes online this summer," said Operations Manager Jim Auen.

