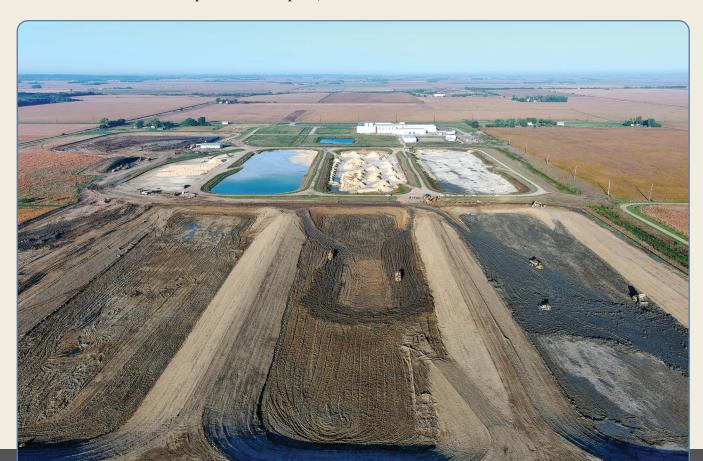


Lime Drying Beds Taking Shape

Lidel Construction is making good progress on the contract for three additional lime drying beds, a second stockpile area and a second decant pond. The new construction covers around 80 acres and will double the storage capacity of the existing drying system. Each drying bed is nearly a quarter mile long. The floors are sloped to aid in the drainage and drying process. There is a four foot drop from the highest point of the floors to the lowest point. When filled with water and lime sludge, they will be about 12 feet deep at their deepest point. The amount of lime and water that can be stored in these three new drying beds is nearly 10 million cubic yards, which can be visualized by nine football fields filled 20 feet deep.

Lessons have been learned. The three existing drying beds were excavated six feet deep at their lowest point, which allowed ground water infiltration that needed to be fixed by bringing in select clay to improve the slope of the floors. These new drying beds are being built primarily at grade. At their lowest point there is only two feet of excavation and the four feet of elevation difference to the other end follows the existing grade of the land. Over 650,000 cubic yards of soil have been used to construct the berms. The new clay materials are from the treatment plant site, primarily from excavation of the second decant pond that will be about 20 feet deep.

The third new drying bed (sixth overall) is part of the expansion and is being covered by SD ARPA funding, but the rest of the work is for the base system and is being covered by federal funding. Lidel is confident they are on schedule to reach substantial completion by the October 2024 deadline.





Fast Progress on Madison Reservoir

DN Tanks started tank construction in late July for the one million gallon pre-stressed concrete ground storage reservoir three miles east of Madison and one mile north of Highway 34. After pouring the concrete floor, the

concrete panels and dome seemingly went up overnight. Five layers of tightly wound wire and shotcrete were alternatingly applied to the exterior of the panels on the bottom portion where the pressures are higher. This gradually tapered off to one layer of wire toward the top. 56 miles of wire was used, which took 1,656 times around the reservoir to complete. A cover coat was then applied. Final painting will take place this spring. The reservoir is just over 63 feet high to the top of the dome and just over 57 feet in diameter.

DN Tanks estimates reaching substantial completion by this spring, ahead of their August 2024 substantial completion. However, much will depend on the schedule for the site piping and vault, which they have yet to firm up with their subcontractor. Madison officials are anticipating being connected in August.

While that timeline may still hold, if the contractor does not experience any delays it could happen as early as May.









Three Pipeline Projects Nearing Completion

All the pipe has been installed on the three pipeline projects and construction is nearing completion. Banner's Kevin Kuebler is the on-site representative for the two Madison service line projects. He has been the on-site rep for several L&C pipeline projects through the years and has always done a great job!

Madison – Segments 2 & 3A: Halme installed the last section of 16-inch diameter PVC pipe on August 4 and has successfully pressure tested the line. Two attempts to disinfect the entire 16 miles in one shot proved unsuccessful, so in their third attempt they are breaking down the disinfection into four-mile segments. October 27 is the substantial completion deadline.

Halme Construction



Last section of pipe for Madison - Segments 3B & 4

Madison - Segments 3B & 4: Carstensen installed the last section of 16-inch diameter PVC pipe on September 23 and is in the process of pressure testing the 16.1 miles. There is a lot of traffic along Highway 34 where a portion of the construction has taken place. Multiple compliments have been received about the excellent job of soil restoration. If all goes well with the disinfection they anticipate reaching substantial completion in November, well ahead of their August 2024 substantial completion deadline.

Iowa – Segments 4 & 5: Eatherly installed the last section of 16-inch diameter PVC pipe between Hull and Sheldon on October 7 and has successfully pressure tested the 17 miles. They have started the disinfection process. November 3 is currently the substantial completion deadline. "When Sheldon is connected depends on when the disinfection is completed. We hope that happens in November." said Executive Director Troy Larson.









Carstensen Contracting along Highway 34

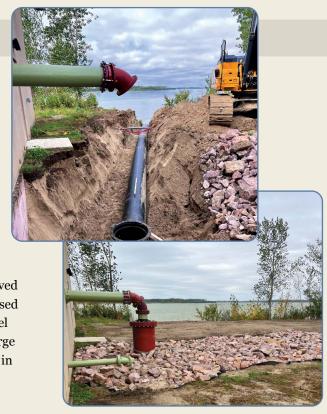




Site B Collector Well

Work progressed very slowly over the summer on the punch list items. The pace finally picked up this fall and Welfl anticipates reaching final completion by mid-November.

The drainage channel design for the pump discharge at the Site B collector well caused significant erosion along the river bank when tested, so as warranty work a 30-inch fused HDPE pipe was installed in late September from the discharge pipe to the river. Most of the rock in the drainage channel was removed and a majority of the channel was then filled in. The rock was used in the erosion damage repairs. A portion of the drainage channel remains for the much smaller amount of discharge from the surge tank. The surge tank discharge is the smaller green pipe shown in the photo at right.



Operations Update

Gacke Enterprises finished cleaning out the north drying bed in September as shown below. They removed 29,500 tons of lime sludge.

With L&C's expanding footprint of infrastructure, which now includes Hull, Sioux Center and soon Sheldon and Madison, a Maintenance Mechanic will be hired in the coming weeks. L&C has had 16 full-time employees for close to 10 years.

Operations Manager Jim Auen and Business Manager Lori Seten attended the joint annual conference of the SD Water and Wastewater Association (WWA) and the SD Section of the American Water Works Association



(AWWA) in mid-September.
Lori is the outgoing secretary/
treasurer of AWWA and was
recognized for her nine years
serving in that role. Kudos to
Lori! "Lewis & Clark won the
annual water taste test! The last
few years Sioux Falls has won, so
we are back on top of the friendly
rivalry. Sioux Falls came in

second, but for the record those were the only two entries. Everyone else apparently has given up. Regardless of the number of entries, a win is a win!" said Auen.

The number of women attending this conference and getting involved in the water industry in general has grown through the years, which is great to see. The ladies have been dubbed "Wow" (Women of Water). Love it!





EXPLORER

Water Projects Urge Support for Buy American Waiver

Jeanne Poppe from Senator Tina Smith's office met in Luverne on October 10 with the MN members (photo below). They discussed the status of L&C's construction and funding, as well as the importance of the tristate congressional delegation urging the Administration's approval of the Bureau of Reclamation's (BoR) request submitted in early July for an agency-wide waiver for rural water projects from the Buy American provisions in the infrastructure bill. Similar meetings to discuss BoR's Buy American waiver request were subsequently held by video with the staffs of Senators Amy Klobuchar and Chuck Grassley, who, along with Smith, all supported passage of the Bipartisan Infrastructure Law.

L&C is joining with four other rural water projects in ND, MT and NM in sending a joint letter to their respective congressional delegations – 19 Members of Congress in all – outlining the significant construction schedule disruptions already happening or that will soon happen due to waivers taking 9 – 12 months to get approved for specific parts and equipment, even if an American-made version does not exist. The letter will be sent before the end of October.

Banner engineers have forewarned that without an agency-wide waiver, they expect severe impacts and delays to the construction schedule for Phase 3 of L&C's water treatment plant. Bids for the estimated \$66M project are scheduled to be opened this February. "We fully support buying American products and know there is often an increased cost associated with it, but the construction schedules for critically important water projects cannot be held hostage by a waiver process that simply is not workable on any level. That is what is already happening and will continue to happen, and is why BoR made this waiver request. It is also why the Administration has already approved similar requests from the Corps of Engineers and EPA. BoR's request is unfortunately taking much longer. We hope at the urging of our respective congressional delegations the Administration will soon approve this request," said Executive Director Troy Larson.

Left to right: Larson, Worthington Public Utilities General Manager and L&C Vice-Chairman Scott Hain, Rock County RWD Manager and L&C Director Ryan Holtz, Poppe, Lincoln Pipestone RWS General Manager Jason Overby, Luverne Mayor and L&C Director Pat Baustian and Rock County Commissioner and Rock County RWD Director Stan Williamson.





FROM THE PIPELINE



The L&C family was devastated to learn of the tragic accident that claimed the life of former director Tom Erickson of Beresford on August 25. Tom was a wonderful man in so many ways. He was a dedicated Board member for 12 years until his retirement on July 27. Tom's smile, laugh and kind heart will be deeply missed. Deepest condolences to his loving family.



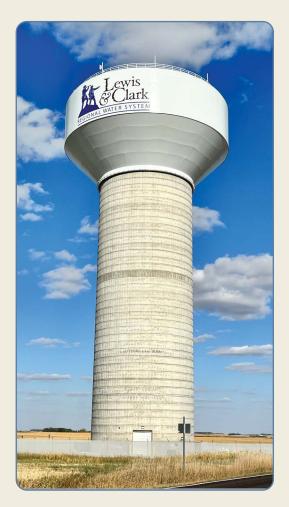
lowa directors (left to right) Todd Uhl of Sheldon, Jim Hoye of Rock Rapids, Murray Hulstein of Sioux Center and Larry Pedley of Sibley, along with Executive Director Troy Larson, met with Governor Kim Reynold's senior staff on August 17 to continue the discussion of possibly using some or all of the State's \$7M in federal funding advances to offset a portion of the IA members' cost share to expand the System, which is estimated to cost the rate payers of those communities and Hull a combined \$12M.



Sioux Center officials were in Washington, D.C. on September 13 and 14 for electrical meetings. They took time to meet with Rep. Randy Feenstra and the staffs of Senators Chuck Grassley and Joni Ernst to discuss L&C. Good discussions on L&C's FY24 federal funding needs, BoR's pending request for an agency-wide waiver for rural water projects from the Buy American provisions in the infrastructure bill (see page 5), and the possibility of amending L&C's authorization to allow for a second expansion of the System. Left to right: Utilities Manager and L&C Chairman Murray Hulstein, Councilman Dale Vander Berg, Feenstra, Councilwoman Jennifer Vermeer and City Manager and former L&C director Scott Wynja.

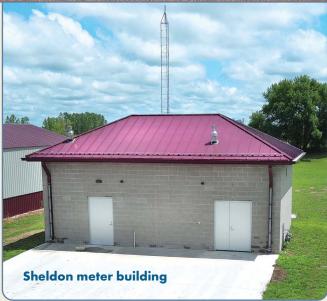


West Branch Construction started dirt work for the Sibley meter building on September 26. The underground piping has been installed and the foundation poured. They plan to enclose the building and work through the winter installing masonry block.



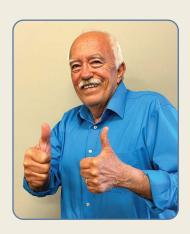
Caldwell is nearing completion of the one million gallon water tower just west of Sheldon, but will need water for testing in order to reach substantial completion. When that happens depends on when Eatherly completes disinfection of the pipeline between Hull and Sheldon.





Despite many supply chain related delays, all the components have finally arrived and West Branch anticipates meeting their October 27 substantial completion deadline for the Hull pump station. They need water though to test the Sheldon meter building in order to reach substantial completion. When that happens depends on when Eatherly completes disinfection of the pipeline between Hull and Sheldon.

Sibley Service Line Contract Awarded



On October 10 the Board of Directors awarded an \$8,419,141 contract to Metro Construction of Tea, SD for the Sibley service line after an enthusiastic motion by long-time director and city councilman Larry Pedley of Sibley (left). The project includes 17 miles of 12-inch diameter PVC pipe and represents the final pipeline contract for the 44.19 MGD base system. "There are still two more contracts to be awarded to complete the base system, but those involve the treatment plant and backup generators. This is the last segment of pipeline for the congressionally authorized portion of the project. We are looking forward to celebrating our "golden spike moment" when the final section of pipe is installed," said Executive Director Troy Larson. July 2025 is the substantial completion deadline and is when Sibley is expected to be the 20th and final member connected.



1800 Monty Street Tea, SD 57064



Chairman Murray Hulstein

Chairman's Report

L&C's members needed to make a decision in 1993 on how much capacity to reserve. According to retired Banner lead engineer Dave Odens, the design parameter from Reclamation was the capacity to address members'

water needs for the next 40 years. At the time we thought L&C would be completed in 2013. We are going to be 13 years late, and it won't be long before 2033 is here and we hit those 40 years. Work started last year to expand L&C from 44.19 million gallons a day (MGD) to 60 MGD and completion is anticipated in 2031. The timeline for each member varies, but even with the expansion the members need additional capacity in the next 15 to 40 years.

In 2019 the members first met to discuss a possible second expansion of the System beyond 60 MGD. Banner is continuing work on the Appraisal Level Study approved in May, which should be done this spring. A Feasibility Study would be the next step, with the eventual goal of Congress amending our authorization.

The proposed Dakota MainStem Regional Water System (DMS) is a possible alternative to a second expansion. With both options we will need a lot of parallel piping,

so it comes down to the source and treatment of the water, as well as the delivery location. Our goal is to advance both options so that sometime presumably in 2024 each L&C member will be able to make an informed decision on the best approach to address their long-term water needs.

DMS held its first Board meeting in Madison on October 2. Twenty-nine cities and rural water systems are currently represented on the Board, including five L&C members (Lincoln County RWS, Madison, Minnehaha Community Water Corp (MCWC), Sioux Falls and South Lincoln RWS). At this first meeting L&C Director Ryan Johnson of Sioux Falls was elected President and L&C Director Scott Buss of MCWC was elected Secretary. Our best wishes to the entire DMS Board. It may seem like a pipe dream, but we all know from experience it can be done!



Some of the newly appointed DMS directors (left to right): President Ryan Johnson, Secretary Scott Buss, Brookings' Eric Witt and Lincoln County RWS's Andrew Krege