

Resolution 2021-40

SOUTH DAKOTA RESOLUTION

RESOLUTION IN SUPPORT OF THE AMERICAN RESCUE PLAN FUNDING REQUEST MADE BY THE LEWIS & CLARK REGIONAL WATER SYSTEM FOR ITS EXPANSION TO 60 MILLION GALLONS PER DAY

WHEREAS, the City of Harrisburg is a member of the Lewis & Clark Regional Water System (L&C); and

WHEREAS, the L&C “base system” is being constructed to deliver 44.19 million gallons a day (MGD), but the long-time plan has been to expand the System to 60 MGD; and

WHEREAS, in mid-2020 discussions began on moving forward with the expansion, which culminated in all 20 members indicating an interest in late 2020 to participate in the 15.81 MGD expansion; and

WHEREAS, the Expansion Commitment Agreement was sent to the members on August 4, 2021 with a January 3, 2022 deadline for approval and payment of a non-refundable deposit; and

WHEREAS, City of Harrisburg continues to set a new water use records and in several cases members exceeded their base system reserved capacities from L&C; and

WHEREAS, the high water use as a result of the drought, stronger than expected growth, as well as the members’ expectations that the base system would have been completed about 15 years ago, made it clear the importance of completing the expansion as soon as feasible; and

WHEREAS, completing the expansion as soon as feasible, which will take several years or more, is to meant to address “current needs” upon completion and not “future growth”; and

WHEREAS, the entire cost of the expansion is the responsibility of the members; and

WHEREAS, it was thought a couple years ago the members would have more time to save money to help cover their respective share of the expansion cost; and

WHEREAS, the realization that the expansion is needed sooner than originally thought means the members will need to pay for their share of the expansion sooner than originally thought; and

WHEREAS, the cost of the expansion will directly impact through rates the households and businesses who purchase water from L&C's members; and

WHEREAS, those households and businesses in many cases are still feeling the adverse financial impacts of the pandemic; and

WHEREAS, to help reduce the cost of the expansion and thereby keep the rate increases from being overly onerous, L&C is requesting American Rescue Plan (ARP) funding from South Dakota, Iowa and Minnesota for the portions of the expansion infrastructure in the borders of those states that can be awarded by the end of 2024 and completed by the end of 2026; and

WHEREAS, even if all three states approve L&C's ARP funding requests the vast majority of the expansion cost, which including inflation indexing is estimated to top \$117 million, will still need to be covered by the members; and

WHEREAS, the water rate increases to the households and businesses served by L&C's members will not need to be as high if the ARP funding requests are approved; and

WHEREAS, the members of L&C are prepared to cover the non-state cost shares should the ARP funding requests be approved.

NOW, THEREFORE BE IT RESOLVED, the City of Harrisburg strongly supports the Lewis & Clark Regional Water System's American Rescue Plan funding request to the State of South Dakota for \$44.7 million and respectfully urges approval be granted.

Date Adopted: _____

By: _____
Name
Title

By: _____
Name
Title