April 14, 2026

Chair and Members
Minnesota Senate Capital Investment (Bonding) Committee
95 University Avenue West
Saint Paul, MN 55155

Re: Request to Revise FY23 Capital Appropriation Language and Extend Encumbrance Deadline

Dear Chair and Members of the Committee,

On behalf of Lincoln Pipestone Rural Water (LPRW) System, I respectfully request a revision to the statutory language associated with the FY23 $4,000,000 capital appropriation, along with a one-year extension of the project encumbrance deadline.

During the 2023 legislative session, bonding language approved in H.F. No. 434 and S.F. No. 310 stated:

"$4,000,000 of this appropriation is to design, construct, and equip a biological filtration and water treatment system for nitrate removal."

Since enactment, new regulatory developments have materially affected the scope and timeline of this project. Accordingly, LPRW respectfully requests that the language be revised to the following:

"$4,000,000 of this appropriation is to develop, design, and construct water source improvements and water treatment improvements for the reduction of nitrate and other contaminants."

This revision preserves the Legislature's original intent to protect drinking water quality while providing the flexibility necessary to respond to evolving water supply and treatment conditions.

In addition, LPRW respectfully requests a **one-year extension of the encumbrance deadline**, from **December 31, 2027**, to **December 31, 2028**.

These requests are driven by circumstances beyond LPRW's control. The Minnesota Department of Natural Resources (DNR) is finalizing a study evaluating the impacts of LPRW's groundwater withdrawals on stream levels in the North Branch of Pipestone Creek. Preliminary indications suggest that certain wells may be influencing local surface water levels. While the study is ongoing and no final conclusions have been reached, DNR has advised that adaptive and creative approaches may be required to ensure long-term sustainability of the water supply while protecting natural resources.

LPRW's Holland Water Source is divided into two operational wellfield areas, which creates opportunities to rebalance usage. However, shifting reliance among sources may affect raw water quality and corresponding treatment needs. As a result, flexibility in treatment options and additional time are essential to ensure that final project design aligns with regulatory expectations and long-term system viability.

LPRW remains committed to providing safe, reliable, and high-quality drinking water while responsibly stewarding Minnesota's water resources. Approval of the requested language revision and timeline extension will allow this critical infrastructure investment to be completed effectively and in a manner consistent with legislative intent.

Thank you for your consideration and continued support of rural water infrastructure and public health.

Sincerely,

Jason Overby
General Manager
Lincoln Pipestone Rural Water System