



# Red Rock Rural Water System

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PO Box 160  
Jeffers, MN 56145-0160

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March 17, 2023

## **“Red Rock Rural Water/Safe Drinking Water Improvements and Reservoir Replacement Project”**

Dear Representative Fischbach and Fellow Members,

The Red Rock Rural Water System (RRRWS) is a regional public drinking water provider that serves residents in parts of 9 counties in SW Minnesota. The system provides drinking water to 2,500 rural residences, livestock producers, small businesses and 15 small communities with populations under 600. We do this by a somewhat complex system that includes 2 regional water treatment plants, several booster stations and 2,500 miles of water pipeline that deliver good quality drinking water through individual water service lines to the homes and business.

The water improvements that we are proposing are part of a larger project that will ultimately serve an additional 400 members and the small town of Avoca MN. This project was initiated by the needs presented to us from area residents starting 20 years ago. As RRRWS expanded closer to this project area, the demand grew enough for RRRWS to initiate an expansion project into a new area, enhance the existing system and also provide added benefit, security, redundancy, increase water pressure and supply for our existing members.

Over the past 5 years, RRRWS has funded and secured a permitted and protected water source for its new anticipated membership. During this same time frame starting in 2018, RRRWS started the process of securing funding for the “Lakes Area Expansion Project” in Murray County, MN. This project includes construction of a new water source, a new treatment facility, a new elevated tank, and 110 miles of watermain. The project will bring good quality drinking water to an area of SW Minnesota that currently does not have access to a regional water supply. The project will also benefit existing RRRWS members in Murray, Cottonwood, and Lyon Counties by providing improved water pressure through looping and added reliability with a connection to the new water source.

The first step was to submit a funding request to the Minnesota State Legislature for possible inclusion in a Capital Investment Bill. The request was made in FY18 and again in FY20. RRRWS provided letters of support from Murray County and the Shetek Area Water and Sewer District as well as individual letters from local residents. In November 2020, RRRWS was successful in securing a \$5,500,000 grant from the State of MN bonding bill to construct a new water source and new water treatment facility in Murray County.

To secure funding for the remaining project components, RRRWS applied to USDA for a funding package that would be used to construct a new elevated tank and watermains to the Murray County residents. In February 2022, Red Rock was successful in securing an additional \$8,071,000 of loan and \$1,842,000 of grant from USDA to fund the remaining project components along with an additional \$587,000 of local matching funds. Incidentally, any new members of RRRWS commit to pay a minimum of \$16,000 per water service. This cost is allowed to be placed on their taxes as a special assessment. RRRWS then repays the debt service of USDA Loans.

“Red Rock Rural Water System is an equal opportunity provider and employer.”

Following the onset of Covid, a historic increase in PVC pipe materials, and an overall escalation of construction costs increased an \$11,000,000 project in 2018 to an \$18,600,000 project in 2023. To help fund the inflation of project costs, RRRWS identified the portions of the Lakes Area Expansion Project that benefitted existing RRRWS members. Working closely with MN Department of Health, RRRWS conceived the “Red Rock Rural Water/ Safe Drinking Water Improvements and Reservoir Replacement Project”. This new project consists of the distribution improvements that are intended to improve the water quality and pressure for existing customers by providing looping and replacing an aging finished water storage reservoir with a new finished water reservoir that has sufficient capacity to meet the demands of the service area. This \$2,625,000 subcomponent of the larger Lakes Area Expansion Project is consistent with the goals of the Drinking Water State Revolving Fund program. A letter from MN Department of Health is included in the attached information.

When completed the Lakes Area Expansion Project will have a benefitting population of 5,100. The project will improve the water quality for existing Red Rock customers and bring a reliable, safe drinking water source to new rural homes and businesses in Murray County including the town of Avoca. Murray County has one of the highest detections of Arsenic in drinking water in the state of Minnesota and more than 1 in 5 wells contain other harmful contaminants like Nitrates at levels that exceed EPA’s Primary Drinking Water Standards. Secondary Drinking Water Standards including Sulfates, Total Dissolved Solids, Hardness, Iron, and emerging contaminants like Manganese are exceeded in most private water supplies.

Red Rock Rural Water System provides a safe, reliable, cost-effective alternative to these rural homes and communities!

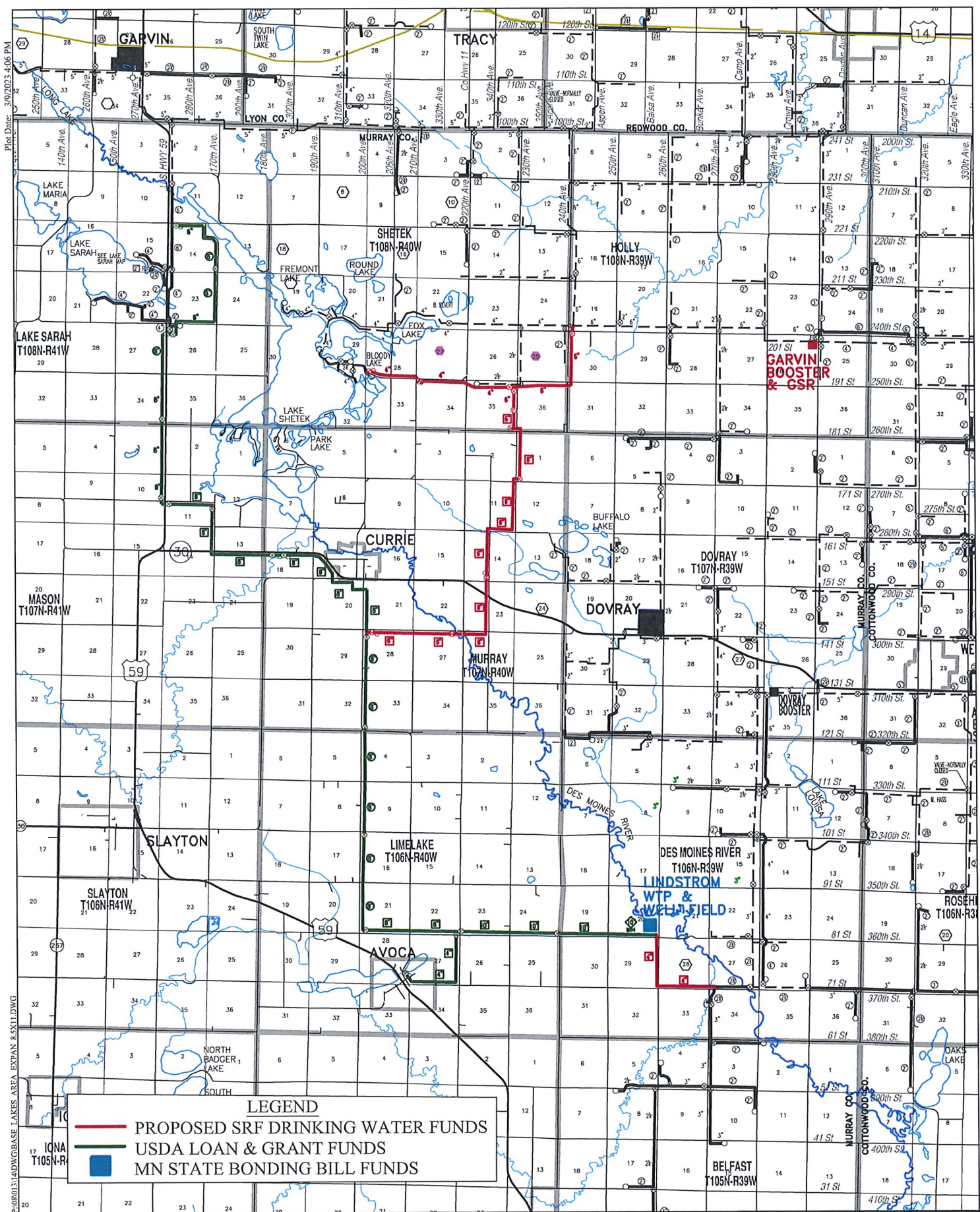
Thank you for your consideration of this project!

Respectively Submitted,



Dominic Jones

Red Rock Rural Water System Manager



Plot Date: 3/19/2023 4:06 PM

P:\0800131\ADV\BASE LAKES AREA EXPAN & SXL.DWG

**LEGEND**

- PROPOSED SRF DRINKING WATER FUNDS
- USDA LOAN & GRANT FUNDS
- MN STATE BONDING BILL FUNDS

REV	DATE	DESCRIPTION



Project Manager: PGD  
 Designer: JKV  
 Project Number: 801314  
 Phone: (712) 472-2531

RED ROCK RURAL WATER SYSTEM  
 JEFFERS, MINNESOTA

RED ROCK RURAL WATER/SAFE DRINKING WATER IMPROVEMENTS & RESERVOIR REPLACEMENT PROJECT

**RED ROCK RURAL WATER SYSTEM  
SAFE DRINKING WATER IMPROVEMENTS AND RESERVOIR REPLACEMENT PROJECT  
TALKING POINTS – MARCH 17, 2023**

**1) Red Rock Existing System**

- a) Started with 300 members in 1985 and has expanded to over 2,500 members w/ 14 communities and a population served over 10,000 in 9 Counties.

**2) Project Development**

- a) Total project cost of \$18.625 Million (\$2.1M Federal DWSRF, \$5.5M State Bonding Bill, \$9.913M USDA, \$1.112M Local) for new water treatment plant, water tower, and 110 miles of pipeline
- b) New 100,000,000 gallons per year water source permitted by MN Department of Natural Resources (exploration, pump testing, land purchase, wellhead protection)
- c) In 2020 received \$5,500,000 from MN State Bonding Bill for a new water treatment plant and in 2022 USDA obligated loan funds of \$8,071,000 and grant funding of \$1,842,000 to deliver water to new expansion area in Murray County.
- d) Requesting \$2.625M in Federal DWSRF funding to complete looping to

**3) Water Quality**

- a) MN DOH found 23% (35 out of 125) of private wells tested in Murray County exceeded the Primary Drinking Water Standard for Arsenic.
  - Arsenic causes increased risk of cancer and circulatory problems

- b) Murray County found 21% (32 out of 151) of private wells exceeded the Primary Drinking Water Standard for Nitrates-Nitrogen and 38% (73 out of 191) tested positive for Coliform Bacteria.

- Nitrates can cause illness or shortness of breath in infants (Blue Baby Syndrome)
- Coliform Bacteria is an indicator the presence of potentially harmful bacteria such as E Coli or Fecal Coliform

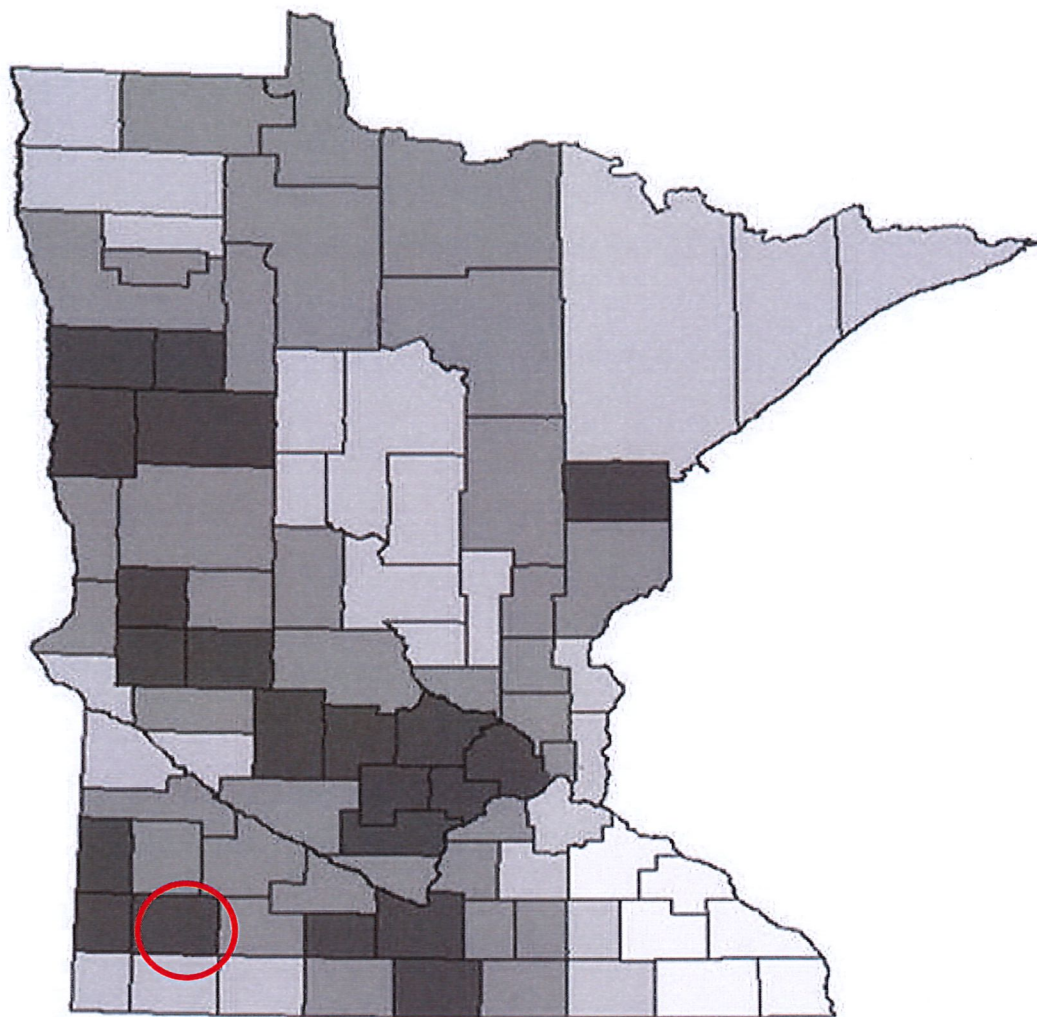
**Protect your health!**  
Test your well water for:



- Coliform Bacteria (Every year)
- Nitrate (Every other year)
- Arsenic (At least once)
- Lead (At least once)
- Manganese (Before a baby drinks the water)

Testing is even more important if young children drink the water.

- c) Secondary Drinking Water Standards including Sulfates, Total Dissolved Solids, Hardness, Iron and emerging contaminants like Manganese are often exceeded in private wells throughout SW Minnesota.
  - Sulfate gives the water a salty taste and can be a laxative for people not used to the water and is present in 60% of the private wells in Murray County
  - High Dissolved Solids and other Secondary contaminants lead to colored water that can stain fixtures and give the water a salty taste
  - For adults, long term expose to manganese in drinking water leads to problems with memory, attention, and motor skills. Manganese can be damaging for infants at lower concentrations that can cause learning and behavior problems. Manganese is prevalent in most private wells in SW MN.



## Percent of New Wells with Arsenic Detections



### 4) Partners/Support Letters

- Murray County – Economic Development/Water Quality
- Shetek Area Water and Sewer District – Reduced Hardness & Sulfates
- City of Avoca – Better Quality/Reliable Source
- MN DNR, MN DOH, Township Boards, Businesses, & Landowners

**Red Rock Rural Water  
Safe Drinking Water Improvements & Reservoir Replacement Project  
Engineer's Opinion of Probable Cost**

Item	Unit Price	Units	Total
Construction Costs			
6" Class 250 Water Main	\$ 22.00	42,600	\$ 937,200
6" Class 160 Water Main	\$ 14.00	11,500	\$ 161,000
4" Class 250 Water Main	\$ 10.00	11,900	\$ 119,000
4" Class 160 Water Main	\$ 7.50	16,100	\$ 120,750
Valves, Crossing, and Misc.		35%	\$ 468,000
Ditchwork			\$ 37,000
Garvin GSR (200,000 gal)			\$ 425,000
PRV Building			\$ 45,000
Contingencies		5%	\$ 112,000
Total Estimated Construction Cost			\$ 2,425,000
Other Costs:			
Engineering - Basic Services			\$ 147,000
Engineering - Additional Services			
Permit Preperation			\$ 2,000
GPS Integration			\$ 2,000
Legal			\$ 5,000
Archeological Services			\$ 2,500
Construction Testing			\$ 500
Permits & Fees			\$ 3,000
Administrative, Printing, Misc Expenses			\$ 2,000
Easements @ 70% and \$0.62 per foot			\$ 36,000
Total Estimated Other Costs			\$ 200,000
Total Estimated Sch 1 Phase 1 Cost			\$ 2,625,000

Note - Costs are estimated for 2024 construction

## Patrick Deering

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**From:** Kolstad, Chad (MDH) <chad.kolstad@state.mn.us>  
**Sent:** Friday, March 10, 2023 11:22 AM  
**To:** Dominic Jones  
**Cc:** Patrick Deering  
**Subject:** RE: RRRWS Narrative of SRF Request

Dear Mr. Jones,

I have reviewed your proposal described below for Drinking Water State Revolving Fund (DWSRF) eligibility. The project as proposed would be eligible for the DWSRF. If you would like to apply for DWSRF funding in addition to congressionally directed spending, please note that the application deadline for the 2024 construction season is May 5, 2023. If you have any questions, please let me know.

Sincerely,

**Chad Kolstad, P.E.**  
Supervisor | Drinking Water Protection, Infrastructure Unit

**Minnesota Department of Health**  
625 North Robert Street  
St. Paul, MN 55155  
Phone: 651/201-3972  
<https://www.health.state.mn.us/dwrf>



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**From:** Dominic Jones <dominicredrock@centurytel.net>  
**Sent:** Friday, March 10, 2023 10:07 AM  
**To:** Kolstad, Chad (MDH) <chad.kolstad@state.mn.us>  
**Cc:** Patrick Deering <patrick.deering@dgr.com>  
**Subject:** RRRWS Narrative of SRF Request

**This message may be from an external email source.**

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Dear Mr. Kolstad,

On Behalf of Red Rock Rural Water System, we are supplying you with the narrative and a complete copy of our CDS project request:

**“Red Rock Rural Water/Safe Drinking Water Improvements and Reservoir Replacement Project.”**

Would you please review the project description and narrative to confirm this project is **Eligible for SRF Funding?** A map of the project area and the project budget is also attached for your reference.

Thank you for your consideration,

Sincerely,

Dominic Jones  
Red Rock Rural Water System Manager

PO BOX 160  
Jeffers MN 56145

507-628-4201 Office  
507-227-5000 Cell

[dominicrock@centurytel.net](mailto:dominicrock@centurytel.net)



**Congresswoman Michelle Fischbach MN07  
Appropriations Request Form  
Fiscal Year 2024**

FY 24 Requested Amount:	\$2,100,000
FY 24 President's Budget Request:	\$0
Increase/Decrease over FY23 President's Budget:	\$2,100,000
FY23 Appropriated:	\$0
Amount Increase/Decrease over FY23:	\$2,100,000
Offset (if applicable)	\$525,000 Local Match (20%)

This form allows the Congresswoman and her staff the opportunity to properly evaluate and prioritize the many requests we receive.

Please note that we will need sufficient time to review and process each request that is made.

Please submit any appropriation requests no later than two weeks prior to the Member Language Submission Deadline. Requests received after this date may not be considered by the Congresswoman.

**Member Submission Deadlines:**

*Agriculture, RD, FDA and Related – TBD*

*Commerce, Justice Science – TBD*

*Defense – TBD*

*Energy and Water – TBD*

*Financial Services and General Government – TBD*

*Homeland Security – TBD*

*Interior – TBD*

*Labor, HHS, Education – TBD*

*Leg Branch – TBD*

*Military Construction and Veterans Affairs – TBD*

*State and Foreign Operations – TBD*

*Transportation and HUD – TBD*

## Fiscal Year 2024 Appropriations Request Form

### Funding Requests

- Name of Requesting Organization: **Red Rock Rural Water System**
  - Please provide organizational support for this appropriations request: **The Red Rock Board of Commissioners has authorized the submission of a request for Congressional Directed Spending in the amount \$2,100,000 and will contribute local matching reserve funds in the amount of \$525,000 (20%) for a total project cost of \$2,625,000.**
  - Please provide Congressional Members in support: **Senator Klobuchar, Senator Smith**
- Appropriations Subcommittee: **Interior, Environment, and Related Agencies**
  - Agency: **Environmental Protection Agency**
  - Account: **State and Tribal Assistance Grants**
- Project Name: **Red Rock Rural Water/Safe Drinking Water Improvements and Reservoir Replacement Project**
- Please provide information on the following
  - Brief Description of Project  
**Red Rock Rural Water System (RRRWS) currently provides good quality drinking water to the rural residents of the Lake Shetek region within Murray County, MN. A Treated, Finished Drinking Water Reservoir that was installed in 1984 is now in need of replacement because of concrete foundation degradation caused by freeze/thaw cycles over the past 39 years. The size of the storage is no longer sufficient to fulfil the growing water demands of the area it serves. The requested funding would replace the old water storage reservoir with a new water storage tank that is adequately sized for the current demands of the water system. The residents and local livestock producers rely on the water for all their daily water needs. Most of our members have sealed their wells after hooking up to the Regional Water System because of very poor water quality issues with nitrate, iron, manganese, arsenic, high hardness, and bacteria contamination that often exceed the Primary or Secondary drinking water standards. The good water quality that RRRWS provides to its members also helps reduce salt consumption of water softeners and therefore reduces the chloride levels in the waste stream that enters the regional sewer system around Lake Shetek.**

**The existing RRRWS service area in Murray County is without adequate looping, experiences low pressure during periods of high water use and lacks an alternate water supply to utilize in emergencies. Stagnant water on dead**

end pipelines can sometimes create taste and odor issues or create insufficient chlorine residuals for disinfection. RRRWS proposes to construct an SRF eligible project to provide its existing members with better water pressure, looped water lines and a backup water supply. That backup water supply will come from a project that is currently underway to construct a new water source and water treatment plant with funds from the State of MN Bonding Bill passed in November 2020. Additionally, in March of 2022, USDA Rural Development funded a project to expand the RRRWS service area to new members. This proposed CDS proposal will provide dollars to connect our existing members to the USDA project water lines and create looped water lines, improved water pressure and an alternate supply pipeline for added system reliability. Please see the included reference map that is attached to this CDS application.

- Will this appropriations request be beneficial to the Seventh Congressional District?

**This project is fully within the 7<sup>th</sup> Congressional District and will be part of a project that serves a benefitting population of 5,100.**

- Additional Information Required by Subcommittee Guidance
  1. Is this a Clean Water SRF project or a Drinking Water SRF project?  
**Drinking Water SRF**
  2. Is the project on your State's most recently finalized Clean Water/Drinking Water SRF Intended Use Plan (IUP)?  
**No, will be submitted on FY24 IUP. Eligibility letter from MN Department of Health is included stating that project is eligible to receive Drinking Water SRF funds.**
  3. Has the project received Federal funds previously? If so, please describe.  
**None on this specific project request.**
  4. Does the project have (or expects to have within 12 months) its 20% cost share requirement?  
**The Red Rock Rural Water System Board of Commissioners(owner) authorized this request and commits its local funds for the 20% match.**
  5. Given the Federal nexus requirement, does the project help meet or maintain Clean Water Act/Safe Drinking Water Act standards? If so, please describe.  
**This project will help facilitate a continued compliance with national primary drinking water regulations and to provide existing RRRWS drinking water users with a more dependable, adequately pressurized and backed up with looped water lines from an alternate water supply free from area ground water contaminants like arsenic, manganese,**

**iron, nitrates, and extremely hard water that is chlorinated for additional bacterial protection.**

**The project upgrades and replaces an existing 39 year old Finished Water Reservoir with a new larger Finished Water Reservoir with the capacity needed to continue supplying existing members with good quality drinking water.**

**Prior Appropriations (if applicable)**

	Funding	Appropriations Bill	Division	Title	Section	Page
FY 2019	NA					
FY 2020	NA					
FY 2021	NA					
FY 2022	NA					
FY 2023	NA					

**Contact Information**

Organization Name: **Red Rock Rural Water System**

Contact Name: **Dominic Jones, Manager**

Address (city/state/zip): **PO Box 160, Jeffers, MN 56145**

Phone: **507-628-4201**

Fax: **507-628-4631**

E-Mail: **dominicrock@centurytel.net**

**Language Requests**

- Language requested is intended to:
- Has language request been made for prior years (If yes, please list years):
- Please provide a brief description of the language request:
- Please provide the language being requested:

Please include any handouts or one-pagers that may help inform the Congresswoman's decision making regarding this request.

**Supporting Documentation**

- **DWSRF Eligibility Correspondence with MN Department of Health**
- **Project Information Handout**
- **Project Map**