

**Environment and Natural Resources Trust Fund
2015 Request for Proposals (RFP)**

Project Title:

ENRTF ID: 150-G

Lincoln Pipestone Rural Water Supply Protection Project

Category: G. Land Acquisition for Habitat and Recreation

Total Project Budget: \$ 11,460,000

Proposed Project Time Period for the Funding Requested: 3 years, July 2015 - June 2018

Summary:

Securing Lincoln Pipestone Rural Water ownership to the lands surrounding its wellfields empower it with proven controls needed to eliminate adverse human activities thereon and protect its drinking water supplies.

Name: Mark Johnson

Sponsoring Organization: Lincoln Pipestone Rural Water System

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Lake Benton MN 56149

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Web Address lprw.com

Location

Region: SW

County Name: Jackson, Lac qui Parle, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock, Yellow Medicine

City / Township:

Alternate Text for Visual:

Verdi, North Holland and Holland Wellfields and Highly Vulnerable areas

_____ Funding Priorities	_____ Multiple Benefits	_____ Outcomes	_____ Knowledge Base
_____ Extent of Impact	_____ Innovation	_____ Scientific/Tech Basis	_____ Urgency
_____ Capacity Readiness	_____ Leverage	_____ TOTAL	



I. PROJECT STATEMENT

Lincoln-Pipestone Rural Water (here-in-after referred to as Lincoln-Pipestone) is a governmental rural water provider located in southwest Minnesota. Lincoln-Pipestone gets most of its water from public wells. Three of Lincoln-Pipestone well fields, Verdi, Holland, and North Holland, supply 60% of the water needed to serve 25,000 people, 38 cities, and 10 counties in Southwest Minnesota. These wells are surrounded by agricultural lands. The highly vulnerable lands (shown on the map) consist of coarse textured (sand/gravel) soils that are extremely susceptible to leaching.

Groundwater protection for the Verdi, Holland, and North Holland are high priorities in the Lincoln-Pipestone Wellhead Protection Plans. The plans state “The Verdi, Holland, and North Holland well fields are considered vulnerable to contaminants from normal land surface uses and activities as evidenced by the persistent presence of nitrate nitrogen in the well fields.” The nitrate levels in the wells indicate that the wells pump groundwater that is under the influence of sources of nitrogen related to human activities. Herbicide atrazine has been detected in several wells. The presence of human-caused contaminants in the well water results in the wells being designated vulnerable to contamination. The MDH, MDA, MDNR and MN Rural Water Association play a vital role in the implementation of the Wellhead Protection Plans and have made these water sources a priority in lowering nitrate levels. Lincoln Pipestone Rural Water believes it is better to prevent contaminants from entering the well fields than to have to treat and remove these contaminants from the wells.

Methods to Prevent Contamination of Drinking Water include:

Private Ownership:

- Filter Strip Easements: may not be large enough to provide adequate protection during heavy rains and runoff occurring right after fertilizer or herbicide application.
- Conservation Reserve Program (CRP): are short life programs (generally 10-15 year life).
- Best Management Practices: are only good the year they are implemented and can still add contaminants to the land through runoff or leaching into the ground water.
- All of these practices are controlled by the private individual and done so for their best interest, not in the best interest of Lincoln Pipestone or for the protection of our groundwater and well fields.

Lincoln-Pipestone Rural Water Ownership:

- Land acquisition in fee title and restoring these lands in conservation practices: Lincoln-Pipestone over the years purchased 1,100 acres in the three well fields. Through this ownership, it has given Lincoln-Pipestone the opportunity to restore the land utilizing programs such as CRP, knowing these acres will remain in conservation programs long-term, protecting the land forever, eliminating contamination to the groundwater and wells, and protecting the drinking water for the consumers. Along with preserving the land, Lincoln-Pipestone has received an award for protecting the Topeka Shiner, an endangered fish species. The Wellhead Protection Plans identify that there is still a danger of contamination to these wells from 2,700 acres identified in the highly vulnerable areas. Now is the time to acquire and restore these lands to prevent this threat and to protect our health.

II. PROJECT ACTIVITIES AND OUTCOMES

Activity 1: Acquire, Restore, Maintain designated highly vulnerable lands

Budget \$ 11,460,000

Description:

Acquire in fee title to have absolute maximum and perpetual ecologic control of 1,200 acres out of the remaining identified vulnerable 2,700 acres to be protected under Wellhead Protection Plan.

This acquisition process will be through real estate transactions negotiated directly by Lincoln Pipestone System board members and staff with the land owners, and only under unique circumstances will fees be paid to realtors. Land acquisition not realtor fees is the goal. To effectuate some sales, more than the lands within the vulnerable area will have to be purchased because the parcel overlaps the vulnerable boundary, others will have to be purchased in an “all or nothing” deal because of contiguous or common ownership of several parcels to the targeted parcel, and some acquisitions may involve a two-step land swap deal buying a parcel outside the



Environment and Natural Resources Trust Fund (ENRTF)

2015 Main Proposal

Project Title: LINCOLN-PIPESTONE RURAL WATER SUPPLY PROTECTION PROJECT

wellhead area and then swapping that parcel with the designated lands within the vulnerable area.

Simultaneously to this project but separately from this proposal, Lincoln-Pipestone will continue its work with private owners to place other lands within the drinking water supply source into filter easements, conservation reserve programs or best management practices.

Lincoln-Pipestone Rural Water will restore the acquired land into vegetative cover that would be equal to or comply with the Conservation Reserve Program administered through the Farm Service Agency for long-term solutions for protecting our groundwater and drinking water supply. Lincoln-Pipestone is well adept to this task as they have already restored the 1,100 acres they own within the Wellhead Protection areas. Local and experienced farmers will be contracted for implementing these restorations.

Maintain these acquired lands without ENRTF funding under strict and regulated control. Under the Wellhead Protection Plans, Lincoln-Pipestone already monitors its Drinking Water Supply Management Areas including the lands listed in this project. Thus, it has in place a strong and proven method to measure the outcomes of this project perpetually and at no extra cost to this project’s funding. Lincoln-Pipestone knows what it costs to maintain these lands in highly significant ecological uses and has planned for that through the Wellhead Protection Plans.

Outcome	Completion Date
1. Acquire ~1,200 acres within the vulnerable areas of the drinking water supply sources	6/30/2018
2. Restore ~1,200 acres within the vulnerable areas of the drinking water supply sources	6/30/2018

III. PROJECT STRATEGY

A. Project Team/Partners: The following team members/partners will be paid through the agency for which they work:

- Lincoln-Pipestone will utilize their highly skilled water resources staff and Board Members to negotiate land acquisitions with the targeted landowners while educating them of the projects goals. Lincoln-Pipestone staff and board include: CEO, Mark Johnson, Water Resource Technician and Ground Water Specialist, Jason Overby, Water Operators, Jay Steufen and Pat McCarthy, and board members which includes local landowners and lifelong farmers themselves, Rod Spronk and Joe Weber.
- Soil and Water Conservation Districts (SWCD): Randy Kraus, Lincoln SWCD and Nicole Schwebach, Pipestone SWCD, will make landowner contacts and help educate the landowners on various conservation programs.
- Minnesota Rural Water Association, Aaron Meyer, Wellhead Protection Specialist will provide education,

B. Project Impact and Long-Term Strategy

Long-term this project will guarantee perpetual control of the acquired lands by Lincoln-Pipestone to protect the most vulnerable drinking water supply source acres and ecological habitat. Lincoln-Pipestone has utilized CRP on their 1,100 acres they own to protect the drinking water supply from contaminates. This proposal is vital to protecting our groundwater and drinking water supply for 25,000 people, 38 cities, and parts of 10 counties. Optional benefits by acquiring the additional acres and restoring them into vegetative cover practices include: ownership by Lincoln-Pipestone, local governments still receive real estate taxes; hunting is allowed through Walk-in-Access; restricted fertilizer and pesticide application, cow/calf operation or haying and grazing options through the USDA-Natural Resources Conservation Service. This is a major step in the right direction in protecting our drinking water supply, however, there will need to be another phase to complete the total acquisition process of these highly vulnerable areas to protect our drinking water supply sources, groundwater, and ecological habitat.

C. Timeline Requirements: Acquisitions take time to negotiate, and will take three years to conclude negotiations, acquire the land, and restore the land. Progress reports will be submitted no later than November 15, 2015; March 15, and September 15, 2016; March 15, and September 15, 2017 and March 15, 2018, with the final report being submitted by September 15, 2018.

2015 Detailed Project Budget

Project Title: Lincoln Pipestone Rural Water Supply Protection Project

IV. TOTAL ENRTF REQUEST BUDGET 3 years

<u>BUDGET ITEM</u>	<u>AMOUNT</u>
Contracts: Restore ~1200 acres designated acquired agricultural land under contract with local and experienced farmers per the Conservation standards of Lincoln Pipestone Rural Water System and/or the advice of the local county Farm Services Agent. Monies not used here will be used to acquire more land.	\$ 360,000
Acquisition (Fee Title or Permanent Easements): Acquire ~1200 acres designated agricultural land in fee title in the name and ownership of Lincoln Pipestone Rural Water System through the efforts of the Lincoln Pipestone Rural Water System Staff and Board Members; only in unusual and unique circumstances will realtors and realtor fees be involved as the goal here is to acquire land not fees.	\$ 10,800,000
Professional Services for Fee Title Acquisition: Includes real estate transaction costs, appraisal and review; survey; attorney; realtor costs but only when necessary to be involved; closing costs, title insurance; recording fees & deed tax, etc. Monies not used here will be applied to the further acquisition of designated agricultural land.	\$ 300,000
TOTAL ENVIRONMENT AND NATURAL RESOURCES TRUST FUND \$ REQUEST =	\$ 11,460,000

V. OTHER FUNDS

<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>	<u>Status</u>
Other Non-State \$ To Be Applied To Project During Project Period: Personnel- Lincoln Pipestone Rural Water Systems dollar contribution; LPRW Staff Salary; CEO (0.1 FTE for three years); Water Resource Technician (0.1 FTE for three years) and Water Resource Operators (0.2 FTE for three years)	\$ 111,230	Secured
Other Non-State \$ To Be Applied To Project During Project Period: Board Members - Lincoln Pipestone Rural Water System - 2 Board Members (.1 FT efforts for three years)	\$ 31,200	Secured
Other Non-State \$ To Be Applied To Project During Project Period: Attorney on Retainer with Lincoln Pipestone Rural Water System		Secured
Other Non-State \$ To Be Applied To Project During Project Period: Travel- Lincoln Pipestone Rural Water System Fleet Vehicles and mileage expenses	\$ 11,000	Secured
Other State \$ To Be Applied To Project During Project Period:	N/A	N/A
In-kind Services To Be Applied To Project During Project Period: Lincoln County and Pipestone Farm Services Agency Advise, Education, Communications, with targeted landowners.	\$ 20,000	Secured
In-kind Services To Be Applied To Project During Project Period: Aaron Meyer, Minnesota Rural Water Wellhead Specialist, guidance and education.	\$ 20,000	Secured
Funding History:	N/A	N/A
Remaining \$ From Current ENRTF Appropriation:	N/A	N/A

**Environment and Natural Resources Trust Fund
2015 Proposed Acquisition/Restoration List**

Project Title: Lincoln Pipestone Rural Water Supply Protection Project

Project Manager Name: Mark Johnson, CEO

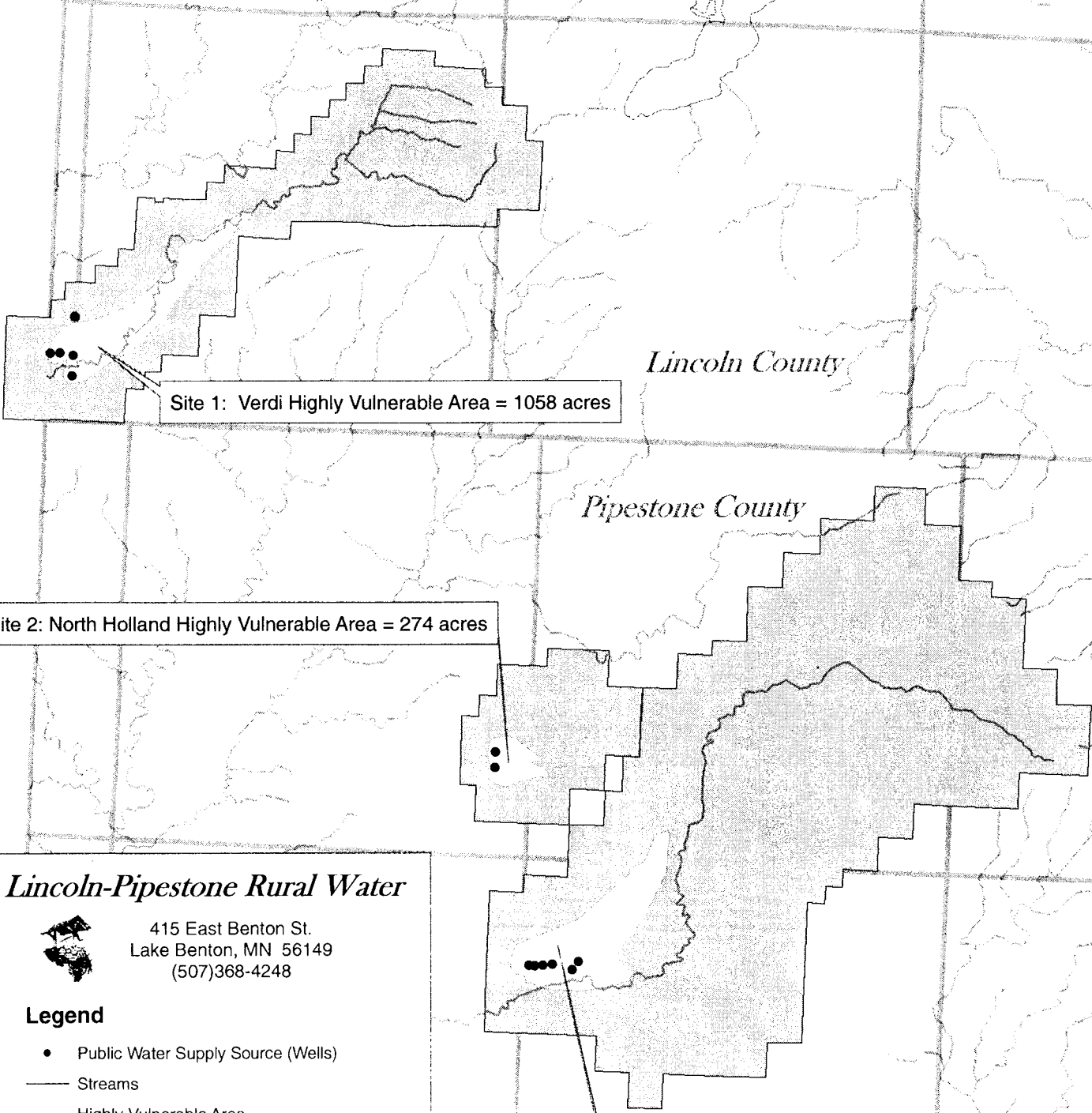
Organization: Lincoln Pipestone Rural Water System

ENRTF \$ Request: \$ 11,460,000

#	Acquisition or Restoration Parcel Name	Geographic Coordinates		Estimated Cost	County	Ecological Significance	Activity Description	# of Acres	# of Shoreline Miles	Type of Landowner	Proposed Fee Title or Easement Holder (if applicable)
		Latitude	Longitude								
1	Verdi highly vulnerable drinking water supply source area	44°12'38"N	96°26'43"W	3823704	Lincoln	Cropland use adversely affecting LPRW's WHPA imparticular the vulnerable and high vulnerable areas therein.	Fee title acqisition and Restoration of lands to conservation practices	~1058	N/A	Private Individuals	Lincoln Pipestone Rural Water System
2	North Holland highly vulnerable drinking water supply source area	44°07'55"N	96°18'29"W	3823703	Pipestone	Cropland use adversely affecting LPRW's WHPA imparticular the vulnerable and high vulnerable areas therein.	Fee title acqisition and Restoration of lands to conservation practices	~274	N/A	Private Individuals	Lincoln Pipestone Rural Water System
3	Holland highly vulnerable drinking water supply source area	44°05'64"N	96°18'04"W	3823704	Pipestone	Cropland use adversely affecting LPRW's WHPA imparticular the vulnerable and high vulnerable areas therein.	Fee title acqisition and Restoration of lands to conservation practices	~1330	N/A	Private Individuals	Lincoln Pipestone Rural Water System

NOTES: Total of ~1200 acres are being sought from these three areas of designated highly vulnerable acreage (~2700 acres) within the drinking water supply source area.

**Project Title:
LINCOLN-PIPESTONE RURAL WATER
SUPPLY PROTECTION PROJECT**




Site 1: Verdi Highly Vulnerable Area = 1058 acres



Site 2: North Holland Highly Vulnerable Area = 274 acres


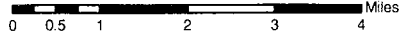
Site 3: Holland Highly Vulnerable Area = 1330 acres

Lincoln-Pipestone Rural Water

 415 East Benton St.
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Legend

- Public Water Supply Source (Wells)
- Streams
- Highly Vulnerable Area
-  Drinking Water Supply Management Area
-  Township

Project Title: Lincoln Pipestone Rural Water Supply Protection Project

Project Manager Qualifications:

Project Manager: Mark Johnson, CEO, Lincoln Pipestone Rural Water System

Johnson, will:

- Lead the Negotiations for Lincoln-Pipestone and coordinate the efforts of the staff as to communicating and educating with the owners and interested parties of the designated lands to be acquired.
- Coordinate with the Partners to incorporate their help for the project.
- Prepare the appropriate documentation for Progress Reports.
- Oversee contractors, realtors, and legal documents during this project.
- Assure Project Objectives and goals are reached timely and adequately.

Work Experience:

2013 – Date CEO- Lincoln Pipestone Rural Water System, Southwest Minnesota

2011-2013 Bankruptcy Attorney- Roerhig and Associates, Gallatin, Tennessee

1979-2010 General Manager of The Madison Suburban Utility District, Nashville, Tennessee

Administered a municipal water utility in the Nashville Area serving over 50,000 people (18,000 customers) 3 Billion Gallons Water per Year.

Developed strong Public Relations among the general public, customers, regulators, professionals, and news media, etc.

Negotiated land purchases and easement acquisitions, contracts, etc. on behalf of the utility.

Wrote regulatory programs for the utility.

Oversaw the finances of the utility including operations and capital budgets, bonding, and grants, etc.

Integral involvement in the development of the long term master plans and capital improvements of the utility.

Oversaw project management.

Education:

2010 Teaching English as a Second Language Certification- Tennessee Foreign Language Institute

1999 Executive Management Certificate- Notre Dame University

1996-7 Course work in Accounting/Auditing (non degreed)- Austin Peay State University

1985 Doctor of Jurisprudence from the Nashville School of Law

1980 MS Agricultural Engineering with a minor in Environmental Engineering- University of Tennessee, Knoxville

1976 BS Agricultural Engineering- University of Tennessee, Knoxville

Licensure:

1988 Professional Engineer, Tennessee

1985 Attorney at Law, Tennessee

