



Explorer

Lewis & Clark
REGIONAL WATER SYSTEM

SUMMER 2010

Proposed FY11 Funding "A Big Step Backward"

Project Officials Travel to DC to Forewarn that Future Construction Could Be Halted

Lewis & Clark (L&C) officials received extremely disappointing news that the House and Senate Energy and Water Appropriations Subcommittees only approved \$5M and \$10M respectively for the project in the FY11 Budget. It is anticipated the final amount will not be decided until early 2011. The proposed funding levels are even lower than last year when there was a stimulus funding offset (\$6M in the House and \$16M in the Senate for FY10). With no additional stimulus funding to offset, L&C officials and the tri-state congressional delegation urged federal funding be restored to at least the FY09 level of \$27M (\$35M was requested). "Unfortunately, appropriators took last year's funding levels when there was a stimulus funding offset and used that as a starting point to make cuts. This is a big step backward for the project," said Chairman Red Arndt from Luverne, MN. Tri-state congressional

leaders were equally surprised and disappointed with the far lower than expected funding levels.

The funding for FY11 very well could bring all new construction to a halt, according to L&C officials. Engineering design work and easement acquisition could continue, as well as covering administrative costs, but no pipeline contracts would be awarded. This especially impacts the five members in IA, four in MN and Madison, SD since future federal funding will be used to construct service lines. It also impacts the first ten members who will begin receiving water in 2012 because their water rates will be much higher until all the members are connected.

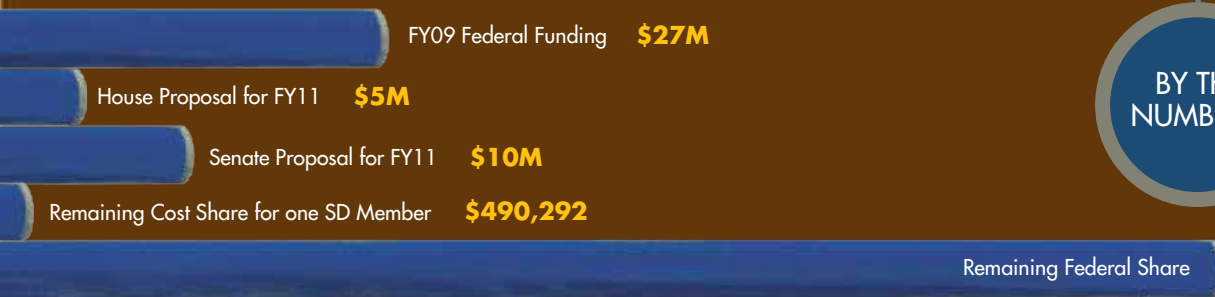
Chairman Arndt, Harold Schiebout from Sioux Center and Executive Director Troy Larson met with the entire tri-state congressional delegation

in Washington, DC on July 27 and 28. They also met with Chairman Ed Pastor of the House Energy & Water Appropriations Subcommittee.

L&C officials outlined to congressional leaders how based on \$10 million a year, engineers estimate Worthington would not receive water until 2030, Madison in 2035 and Sibley in 2037.

In addition, they highlighted the additional costs to taxpayers the longer it takes to complete the project. As noted by Chairman Arndt, "Cutting funding for Lewis & Clark does not save money. It costs the taxpayers

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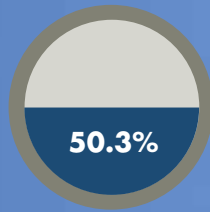


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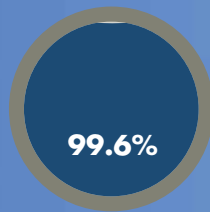
Proposed FY11 Funding *Continued*

far more in the long-run. By law the federal government is required to provide another \$193.1 million to the project. The remaining balance increases each year for inflation, which has averaged 5.5% since construction began in 2004. The proposed funding in the FY11 Budget doesn't even keep up with the average inflation. This increases the cost to the taxpayers while critical water needs go unmet. By pre-paying their share of the project, the local partners and the three states have held up their end of the deal but the federal government is coming up woefully short. A deal is a deal!" Arndt said.

Federal Cost Share Paid



State & Local Cost Share Paid



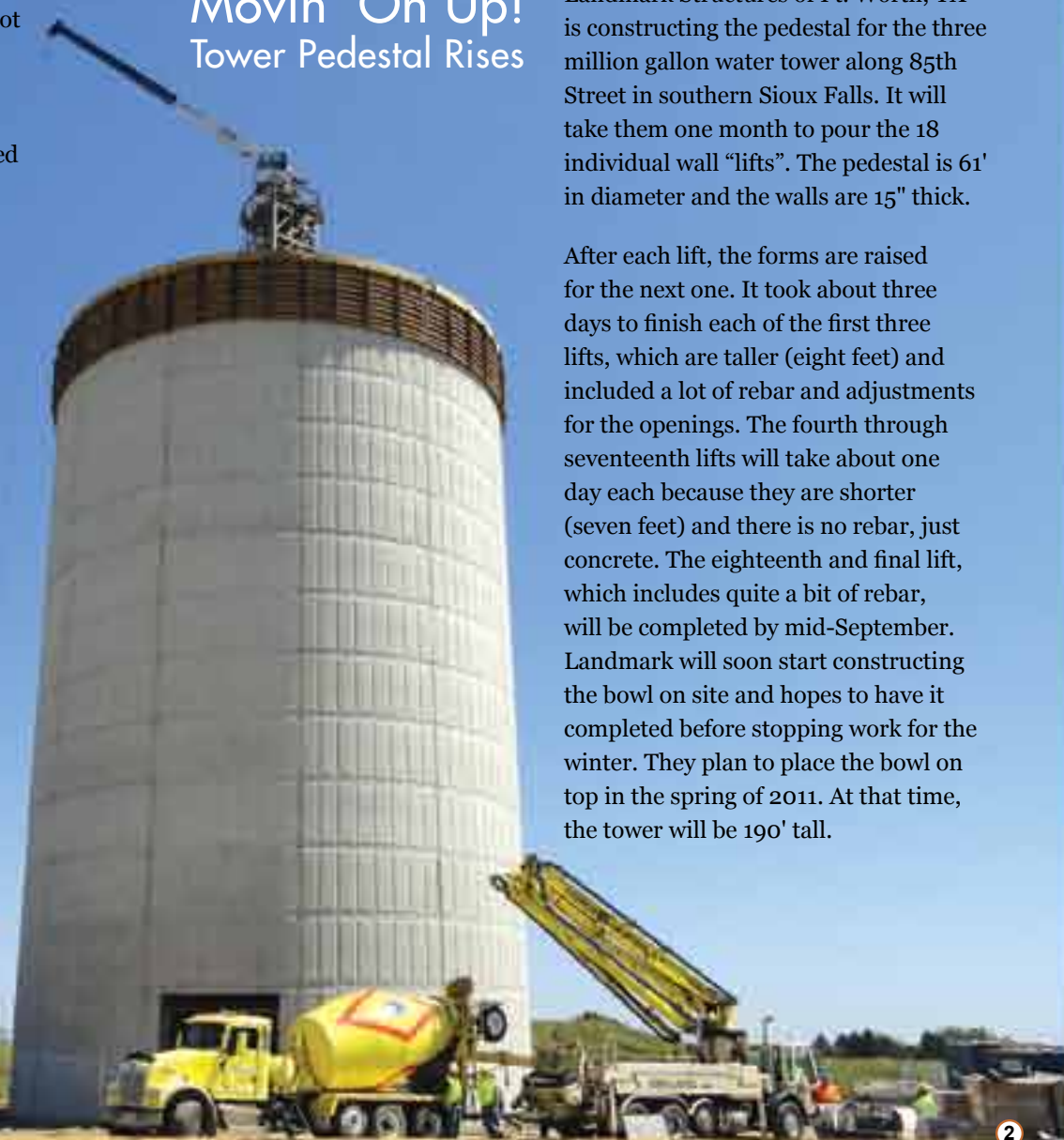
Rep. Herseth Sandlin, Larson, Chairman Pastor, Arndt & Rep. Walz

The tri-state congressional leaders agreed that \$10M going forward is not workable and voiced support for the need to develop a creative solution to complete the project in a timely manner. Chairman Pastor encouraged L&C to press the Administration to increase project funding in its upcoming FY12 budget, which was only \$2M the last two years. To that end, Representative Stephanie Herseth Sandlin and Senator Amy Klobuchar agreed to take the lead in organizing a joint meeting for the tri-state delegation with Office of Management & Budget officials to press for increased funding in the Administration's FY12 Budget. They are hopeful this meeting will take place in late September.

Movin' On Up! Tower Pedestal Rises

Landmark Structures of Ft. Worth, TX is constructing the pedestal for the three million gallon water tower along 85th Street in southern Sioux Falls. It will take them one month to pour the 18 individual wall "lifts". The pedestal is 61' in diameter and the walls are 15" thick.

After each lift, the forms are raised for the next one. It took about three days to finish each of the first three lifts, which are taller (eight feet) and included a lot of rebar and adjustments for the openings. The fourth through seventeenth lifts will take about one day each because they are shorter (seven feet) and there is no rebar, just concrete. The eighteenth and final lift, which includes quite a bit of rebar, will be completed by mid-September. Landmark will soon start constructing the bowl on site and hopes to have it completed before stopping work for the winter. They plan to place the bowl on top in the spring of 2011. At that time, the tower will be 190' tall.



Phase 1 of Water Treatment Plant Nearing Completion

Foley Construction and their subcontractors have made good progress this quarter on Phase 1, which includes a three million gallon underground reservoir, pump station, electrical switchgear building and three back-up generators. The pre-cast wall and roof panels for the high service pump station, located on top of the south end of the underground reservoir, have been erected. Quite a bit of work has been

completed inside the pump station, including two large surge tanks, the last of the pumps and all associated discharge and header piping. The membrane roofing system for the underground reservoir, pump station and electrical building is finished.

The 72" and 54" filter effluent piping between the reservoir/pump station and the main treatment plant have

been constructed (photo below). In addition, most of the 54" pipe connecting the reservoir with the main trunk line has been completed. In the electrical switchgear building, all the electrical equipment has been installed and most of the conduit and wiring. The third back-up generator also has been installed. December 2010 is the substantial completion deadline.



One of four high service pumps being installed in the pump station. Pre-cast wall panels going up in the background.



Below: Electrical switchgear building & three standby generators (left), three million gallon underground reservoir (middle) & pump station (right).



Pipe Coating Problem Delays Work on the "Minnesota Transmission Line"

Lewis & Clark's (L&C) pipe has a blue polyurethane coating on it that provides additional corrosion protection. For the contract on Treated Water Pipeline – Segment 10 (TWP-10), which is the first five miles of the "Minnesota Transmission Line" southeast of Sioux Falls, the pipe supplier switched to a different coating manufacturer that has used an almond colored coating in the past. Unfortunately, their blue coating

is experiencing a phenomenon where the adhesion values decrease over time. The reason for the decrease in adhesion and how far it will deteriorate is not currently known. A handful of other projects in the country are experiencing the same adhesion problems.

None of the pipe has been delivered to L&C. Additional "pull-tests" are being performed before L&C decides how

to proceed. While these issues work through the legal and engineering channels, construction of TWP-10 is on hold because Morgan Contracting does not have any pipe. The substantial completion deadline is November 2010, so that timeline is in jeopardy.

Concrete Work the Focus of Phase 2

The focus this quarter on the main water treatment plant building has been pouring concrete and lots of it. About 17,000 cubic yards (roughly 1,700 truck loads) of structural concrete of the total 30,000 cubic yards has been poured. Individual walls for the four solids contact basins have been finished. The exterior walls that enclose the entire solids contact basin (SCB) area are close to being done and the interior walls are about 80% complete. Foley Construction plans to have the main floor (upper deck in aerial photo) completed before winter, thereby enclosing the pipe gallery area.

This is important so they can perform interior work during the winter.

Work is progressing on other areas of the main treatment plant building. The base slab of concrete has been poured for the recarbonation basin, filter pipe gallery and reclaim/equalization basin areas. Foley will soon start on the exterior and interior walls for these areas. The gravity thickener and chemical feed areas have been excavated. April 2012 is the substantial completion deadline.



Bureau of Reclamation construction tour. Left to right: Area Manager Dennis Breitzman, Nicolle Paulson, Chief of Rural Water Construction Arden Freitag, Deputy Area Manager Greg Gere & Assistant Regional Director John Soucy. Breitzman and Gere have been involved with L&C since 1990.



Contract Awarded for Lennox & South Lincoln RWS Service Lines

Bids were opened in July for the service lines to Lennox and South Lincoln Rural Water System (SLRWS). Both service lines branch off the 54" main trunk line. The Lennox service line is 8" PVC and runs east of town just over one mile. The SLRWS service line is 6" PVC and is just less than one mile.

It will run along 277th Avenue three miles southeast of Lennox. The low bidder was Winter Brothers Underground (WBU) of Sioux Falls at \$616,666. This is the third pipeline contract for WBU. Construction will begin in September and the substantial completion deadline is

November 2010. The meter houses for these connections will be built as part of a separate contract that will be bid in late September. Once the water treatment plant is operational in the summer of 2012, Lennox can receive up to 440,000 gallons a day and SLRWS up to 250,000 gallons a day.

Mother Nature Wreaks Havoc on Tea Reservoirs; Work Underway on the Tea Pump Station

NATGUN finished pouring the concrete for the foundations of the two 7.5 million gallon ground storage reservoirs (GSR-1 and GSR-2) in late June. They then started erecting the shoring, which is heavy duty scaffolding used to hold the concrete dome in place. The dome is built first and then the walls. NATGUN had just completed the shoring for GSR-1 when winds estimated at 80 miles per hour brought it crashing down like Tinker Toys on July 23. The shoring for GSR-1 was totally destroyed. Just over half the shoring on GSR-2 was also destroyed. The shoring for GSR-2 was a couple weeks further behind, so was not as tall. The contractor quickly had the destroyed shoring removed and inspected the floors. Thankfully, there was no structural damage, only minor repairs. A week and a half after the storm, they began re-constructing the shoring. The shoring for both reservoirs was completed in late August.

The contractor's insurance is covering the damage. NATGUN is well ahead of schedule, so the one month delay will not prevent them from meeting the substantial completion deadline of August 2011. Based on an aggressive construction schedule, NATGUN estimates the domes and walls for both reservoirs will be up by this November.

Before



After



Located between the two reservoirs, Eriksen Construction is building the Tea pump station. The foundation for the lower level walls has been poured (photo below) and is being backfilled. After completing the foundation work sooner than expected, the contractor is now experiencing delays with the pumps and piping. September 2011 is the substantial completion deadline.



Senators Amy Klobuchar & Tim Johnson (front) toured construction of the reservoirs & pump station on June 26. They were joined by (left to right in back); Executive Director Troy Larson, Sioux Falls Public Works Director Mark Cotter, Chairman Red Arndt, Sioux Falls Water Superintendent Greg Anderson, Luverne Mayor Andy Steensma & Tea Mayor John Lawler.



Nitteberg Construction installing 6" PVC pipe in Centerville as they near the end of the service line.

Centerville & Parker Service Lines

Nitteberg Construction is close to finishing the five miles of 6" PVC pipe for Centerville's service line. They still need to pressure test and disinfect the pipe. The contractor will begin work on the 14 miles of 10" PVC pipe for Parker's service line in mid-September. Because of the unusually wet weather, Nitteberg Construction was not able to start construction this spring as planned. Instead, they started working in early July. Lewis & Clark has approved a 45 day time extension, which pushes the original substantial completion deadline of November 2010 into the winter. Due to the increased potential for damage to the PVC pipe by constructing in cold weather, it is likely the Parker service line will not be completed until spring.

Contract Awarded for Beresford Connection

Bids were opened in May for Treated Water Pipeline – Segment 11, which is close to five miles of 24" steel pipe. This is the first segment of the "Iowa Transmission Line" and will connect Beresford to the 54" main trunk line. Lewis & Clark officials were pleased the low bid of \$4,226,000 came in close to eight percent below the engineer's estimate. The low bidder was SJ Louis Construction of Rockville, MN. This is the seventh pipeline contract for SJ Louis.

Construction started in late August and the deadline for substantial completion is August 2011. From the main trunk line at 467th Avenue, the route runs east along 298th Street to Beresford. Construction of this line, along with a meter house that is not part of this contract, will allow Beresford to receive up to 875,000 gallons a day when the treatment plant is operational in the summer of 2012. Future segments of pipeline will be built east of Beresford, eventually providing service to Sioux Center, Hull and Sheldon.

