



Explorer

Lewis & Clark
REGIONAL WATER SYSTEM

SUMMER 2011

Lewis & Clark Awards Meter Houses & Pipeline Commissioning Contracts No More Projects Until Federal Funding is Restored

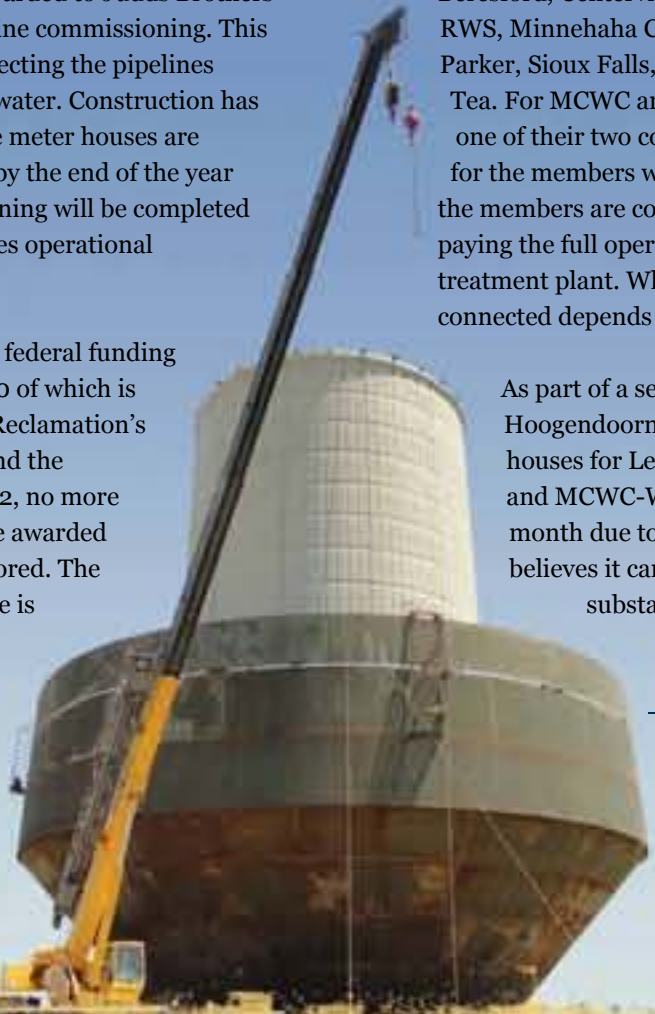
Lewis & Clark (L&C) awarded contracts for two construction projects in May. These are the last two projects needed to begin delivering water in the spring of 2012 to eleven members. A \$2,105,800 contract was awarded to Hoogendoorn Construction of Canton, SD for meter houses at Beresford, Parker and Sioux Falls on Benson Road. A \$1,595,000 contract was awarded to Judds Brothers of Lincoln, NE for the pipeline commissioning. This involves flushing and disinfecting the pipelines so they can deliver potable water. Construction has begun on both projects. The meter houses are scheduled to be completed by the end of the year and the pipeline commissioning will be completed just before the plant becomes operational this spring.

Based on the \$1,996,000 in federal funding received for FY11 (\$300,000 of which is set aside for the Bureau of Reclamation's administrative oversight) and the \$493,000 proposed for FY12, no more construction projects can be awarded until federal funding is restored. The future construction schedule is entirely dependent upon federal funding, as the \$153.5 million in pre-payments by the 20 local members and three states (99.7% of their cost share) has been spent or obligated toward current construction projects.

The federal government to date has appropriated \$202.1 million (51% of its cost share) and has a remaining cost share of \$194.3 million, which is increased annually for inflation.

The eleven members who will receive water in 2012 include: Beresford, Centerville, Harrisburg, Lennox, Lincoln County RWS, Minnehaha Community Water Corp (MCWC), Parker, Sioux Falls, South Lincoln RWS, Rock Rapids and Tea. For MCWC and Rock Rapids, this will only include one of their two connection points. The cost of the water for the members will be much higher at start-up until all the members are connected, as the first members will be paying the full operations and maintenance costs to run the treatment plant. When the remaining nine members are connected depends entirely on future federal funding.

As part of a separate contract awarded last September, Hoogendoorn Construction is constructing meter houses for Lennox, Centerville, South Lincoln RWS and MCWC-West. Excavation has been delayed one month due to wet conditions, but the contractor believes it can still meet the November 2011 substantial completion deadline.



Landmark Structures is shown welding the third side ring for the three million gallon, 114' diameter bowl for the 85th Street water tower in southern Sioux Falls. The contractor plans to raise the bowl in September, which will take one day. When completed, the tower will be 190' tall.

Federal Funding Cuts the Focus of the 21st Annual Membership Meeting

Lewis & Clark's (L&C) annual meeting was held on May 26 in Sioux Falls. 160 people attended, including staff members from all nine of the tri-state congressional offices. Through video greetings or words from their staffs, the tri-state congressional delegation voiced their continued strong support for L&C and deep frustration with the current funding crisis. Whether pointing to the earmark ban that wrongly includes authorized projects or the near zero funding proposed by the Administration for FY12, they agreed on the need for increased funding so construction can move forward.

In his remarks, Chairman Red Arndt said he wanted to discuss three important topics, "federal funding, federal funding and federal funding." He railed on the "misguided" federal funding cuts that are a disservice to the taxpayers because of lost economic development opportunities and increased cost due to inflation. "It is so frustrating to see cuts being made under the guise of saving money, when in reality it's costing taxpayers far more in the long run," said Arndt. He called on both parties to work together to find a way forward for the project, including urging the Bureau of Reclamation to reconsider its funding priorities, which currently lists L&C dead last even though the project is over half completed. In noting the \$153.5M the states and members have pre-paid, Arndt said "The members are understandably wondering whether the federal government has sold them a false bill of goods and are leaving them holding the bag. What are Congress and the Administration going to do to ensure the federal government honors its commitment? I refuse to believe our country is so broke that it cannot afford the basics like water. It comes down to priorities and right now the priorities in Washington are completely out of whack. Lewis & Clark is exactly the type of project the federal government should be promoting and supporting, not gutting."

Dan Cotton



Lewis & Clark officials were deeply saddened when Director Dan Cotton of Beresford passed away on March 30. He had served on the Board since 2003. Chairman Red Arndt said, "Dan had a keen appreciation for the importance of water to the quality of life and economic development opportunities for the tri-state region. I know the Lewis & Clark project was near and dear to his heart."



Lewis & Clark Spirit of Discovery Award - Kevin Smith, Glen Wollman and Beresford Mayor Jim Feddersen accepting the award on behalf of the late Dan Cotton. Randy Feenstra not pictured.



Friend of Lewis & Clark - Dave Munson and Andy Steensma

Also at the meeting, former mayors Dave Munson of Sioux Falls and Andy Steensma of Luverne were each recognized as a "Friend of Lewis & Clark" for their support and advocacy of the project during their terms as mayor, including a handful of lobbying trips to Capitol Hill and several other local meetings with congressional leaders. Four directors departed the Board this past year. The late Dan Cotton of Beresford, Randy Feenstra of Hull, Kevin Smith of Sioux Falls and just recently Glen Wollman of Parker. They served with distinction on the Board of Directors and various committees for seven, seven, ten and eighteen years respectively. In thanks and appreciation for their dedicated service and countless contributions, each was honored with the "Lewis & Clark Spirit of Discovery Award."

Service Lines Almost Finished



Making the connection with Beresford's infrastructure on TWP-11.

Slowed by wet conditions, Nitteberg Construction finally finished installing the last section of 10" pipe for the 14 mile Parker service line in mid-June. The contractor is in the process of pressure testing and disinfecting this service line, as well as the previously constructed five mile stretch of 6" service line for Centerville. Winter Brothers Underground is finishing clean-up and soil restoration on the one-mile service lines for Lennox and South Lincoln RWS.

SJ Louis Construction successfully pressure tested Treated Water Pipeline – Segment 11 and is now disinfecting the line. The first segment of the "Iowa Transmission Line," this five mile stretch of 24" pipe leads from the main trunk line to Beresford. A \$52,680 change order included installing 1,460' of 8" pipe that parallels the 24" transmission line and connects the meter house to Beresford's infrastructure. Due to elevation issues, the meter house needed to be located just outside the City limits, which precipitated the need for this 8" line.

Availability of Pumps Delays Tea Pump Station

The Lewis & Clark Board recently granted Eriksen Construction a 60 day time extension due to delays the contractor has experienced getting the eight 350 h.p. pumps from the manufacturer. November 2011 is the new substantial completion deadline. The engineers do not feel this delay will affect the scheduled delivery of water in the spring of 2012. Eriksen has installed the main floor of the pump station, which covers the lower level pipe gallery. They are installing process piping on the main floor, as well as the piping that connects the pump station with the reservoirs. The surge tank has been set and a lot of electrical work has been completed. Quite a bit of masonry work has also been completed on the walls and roofs.



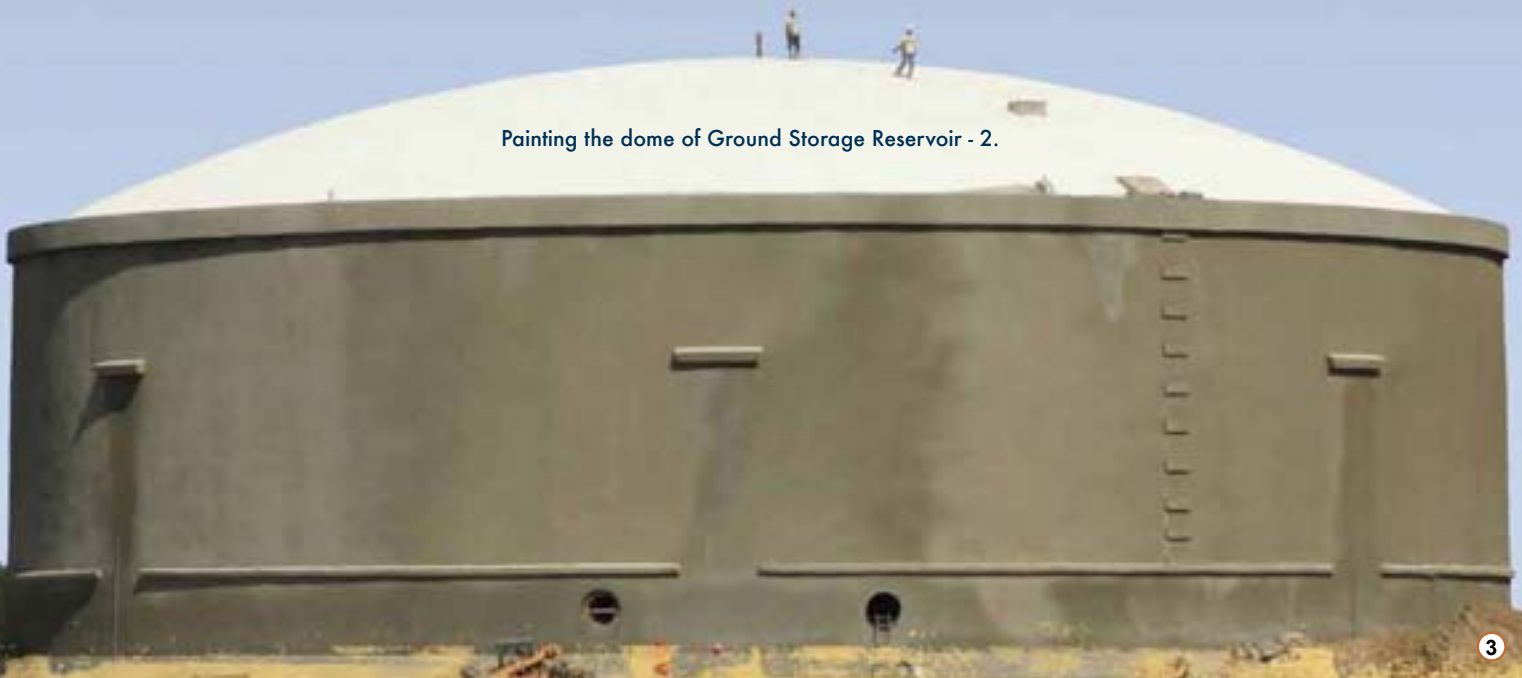
Process piping being installed and painted on the main floor of the pump station, with the surge tank in the background.

Work Nearing Completion on 7.5 Million Gallon Reservoirs

Natgun completed the pre-stressed wire winding and shotcrete spraying on both reservoirs in early July, and is currently working on the exterior masonry and painting. Each reservoir includes about 200 miles of high tension wire at 6,800 to 7,100 psi. Shotcrete (concrete without aggregate) was sprayed over each of the seven layers of wire, as well as a final coating. Roughly 500 yards of shotcrete were sprayed on each

reservoir. Judds Brothers (subcontractor) has successfully pressure tested the 54" and 36" pipe that will connect to the pipe coming out of the pump station, which is located between the two reservoirs and is a different contract. The contractor is on schedule to meet the September 2011 substantial completion deadline. Located two miles northwest of Tea, the reservoirs are 65' tall and 169' in diameter.

Painting the dome of Ground Storage Reservoir - 2.



Big Sioux River Crossing Completed, but More Obstacles & Delays

After unsuccessfully trying to cross the Big Sioux River southeast of Sioux Falls this winter by using a coffer dam on Minnesota-Segment 1 (MN-1), Morgan Contracting decided to horizontally drill under the river. The 24" ductile iron pipe was pulled through the bore on May 26, finally completing the pipe installation for the Big Sioux River crossing. The pipe is 25' beneath the river bottom on one side and 18' on the other side. The entire length of the bore is 359'. Final expenses are still coming in, but it is estimated the additional cost for the horizontal drilling will be over \$300,000, which each party currently believes is the other's responsibility.

Elsewhere on this nine mile project, Morgan has experienced wet ground conditions that has significantly slowed and at times halted pipe installation. Due to these wet conditions, the Lewis & Clark Board recently granted Morgan a 20 day extension, which moved the interim substantial completion deadline on the first six miles for the Rock Rapids emergency connection to July 21, 2011. A similar extension was also granted on Treated Water Pipeline – Segment 10, which is a five mile segment of pipe just to the west of MN-1. Both segments are needed in order to provide the emergency connection for Rock Rapids.

After the time extension was granted, Morgan hit a 950' wide stretch of granite bedrock four feet below the surface, located about one mile east of the Big Sioux River. The granite is quite long, so going around it was not an option. Morgan lined up a subcontractor to use explosives to blast a trench through the granite, which should be completed by mid-August. This unforeseen change in conditions will further push back the substantial completion deadline for the Rock Rapids emergency connection and increase the cost of the project. "Minnesota Segment – 1 is definitely the trouble-making black sheep of our pipeline projects. It has caused plenty of headaches," said Executive Director Troy Larson.

The engineers were concerned about hitting granite in this area, so before the contract was bid a more concentrated test drilling pattern was used. Unfortunately, the test drills were just on either side of this rock formation. "It was like hitting just on each side of the two-hole destroyer in Battleship," said Larson. Morgan has not developed a revised schedule of when the first six miles will be completed for the Rock Rapids emergency connection.



Directionally drilling under the Big Sioux River.



Contractor "de-watering" on the SD side of the Big Sioux River.

MN
SEGMENT
1



24" ductile iron pipe that was pulled through the directionally drilled bore under the Big Sioux River.



24" pipe being installed on the SD side, with the new casino in the background on the IA side.

Significant Progress Made on Water Treatment Plant

Foley Construction has advanced work in all areas of the plant. The mechanisms for all four solids contact basins have been installed, and the roof, operating floor slab and pipe gallery concrete have all been placed for the filter area. Significant progress has been made in the administrative area with the footings, foundation and underground mechanical work being completed. The footings, slab on grade, backfilling and wall forming has been completed for the lime silos. The roof slab for the equalization/reclaim basin area has been completed. In the chemical feed area, progress has been made on the floor slabs and masonry walls. Foley has committed additional equipment and personnel to work on the exterior site piping. The contractor believes they are currently on schedule to meet the substantial completion deadline of March 2012.

Phase 1, which includes the three million gallon underground reservoir, pump station, electrical switchgear building and back-up generators just to the east of Phase 2, reached substantial completion last December. However, the final completion deadline has been extended to September 2011 as a result of delays East River Electric has experienced completing the nearby electrical substation due to wet weather. The substation is needed so Foley can test the equipment in the electrical switchgear building.

Wall panels with explorer graphics going up on the north wall of the filter area.



Roof beams going up over the filter area.



54" raw water pipeline being installed on the south side of the treatment plant. This line will bring untreated water from the wells to the plant.



Six Wells Completed, Work Continues on Five More

Welf Construction achieved interim substantial completion in mid-May on equipping the six previously drilled wells at Sites C & D – four angle wells and two vertical wells. This included installation of pumps, motors, standby generators, meters, instrumentation and controls systems, air relief and surge control valves, as well as HVAC equipment. As soon as Foley Construction needs it, these wells will provide raw water at the treatment plant for equipment testing purposes.

This project also includes drilling and equipping five new vertical wells, as well as constructing two well/pump houses, three vaults, connecting piping, electrical work, roads and installing back-up generators. Work is on schedule to meet the November 2011 substantial completion deadline for these five new wells.

The previously constructed river bank stabilization project, which was completed by Welf in 2008, is being tested by the record high Missouri River flows. The river bank was sloped, rip rapped and then covered with soil and vegetation. Most of the willow trees that were planted are now under water. It will not be known how much of the soil and vegetation has been washed away until the river subsides. Thankfully, the river levels are expected to be about five feet below any above ground infrastructure at the well field at Mulberry Point.



Roof going up on well/pump house at Well Site E.



Mulberry Point - Lewis & Clark's primary well field.