



SPRING 2006

## Lewis & Clark Mourns Loss of Charlie Kuehl

Everyone at Lewis & Clark was terribly saddened to hear the news that its long-time chairman, Charlie Kuehl, passed away on February 1. He was 81, and is survived by a very loving family, including his wife Harriet and three daughters. Charlie had been undergoing chemotherapy treatments in his battle with lung cancer. He came down with pneumonia and was not able to fight it off with his weakened immune system.

The celebration of Charlie's life that was held on February 4 included touching remarks from a number of people, including Senator John Thune, who called Charlie "the most decent man I've ever known." Sharing remarks on L&C's behalf, Troy Larson

said that "Although Charlie will no longer be with us in person, we know he will continue to be with us in spirit, and for that we are thankful that he will always be our chairman."

Charlie was a lifelong farmer, who understood "water is life," and its vital importance to improving quality of life and economic growth. To that end, he played a key role in the establishment of not just one, but two rural water systems - South Lincoln RWS and L&C. Charlie was an original board member of L&C in 1990. After serving as Vice-Chairman for four years, he became Chairman in 1994. In recognition of his service and leadership to the development of rural water in the State, this past January Charlie was presented with the SD Association of Rural Water Systems' prestigious "Friend of Rural Water Award."

The limited words in this newsletter cannot wholly describe Charlie's many contributions to L&C, the passion and dedication he brought to the project, his commitment to



public service, or how much he was respected. Even more so, they cannot fully express the type of man he was; his honesty, character, integrity, kindness, friendliness, and faith. Charlie was a great man in so many ways, and those who knew him are better people because of it. He will be deeply missed.

*"Although Charlie will no longer be with us in person, we know he will continue to be with us in spirit, and for that we are thankful that he will always be our chairman."*

*-Troy Larson*

## Annual Meeting

Sixteenth Annual  
Membership Meeting  
Thursday, June 1st, 7pm  
G.J. Callaway's  
Sioux Falls, SD  
Please join us!

## Red Arndt Elected Chairman

Lennis “Red” Arndt of Luverne was elected Chairman in March. He succeeds the



Hulstein, Arndt and Feenstra

late Charlie Kuehl. Red, an original member of Lewis & Clark’s Board since 1990, has been Vice-Chairman since 1994. “It is a great honor to be elected Chairman. I will carry on Charlie’s goal of bringing this much needed water to all our members in the shortest time frame possible. This project means a great deal to me, to our 20 cities and water systems, and the over 200,000 people in the region who will benefit from it. I know that by continuing to work closely together on

the federal, state, and local levels, we will be successful,” said Arndt.

Murray Hulstein of Sioux Center was elected Vice-Chairman. He has served on the Board since 1993. Randy Feenstra of Hull was elected to the Secretary’s position vacated by Hulstein. He has served on the Board since 2003. Congratulations to these gentlemen! John Buss of Minnehaha CWC, Kevin Smith of Sioux Falls, and Don Habicht of Worthington are the other members of the Executive Committee.

## New Commitment Agreements Signed

The last of Lewis & Clark’s 20 cities and water systems signed an “amended and re-stated” Commitment Agreement in March! This was a momentous occasion, celebrated with a champagne toast by the Board. A broadly worded agreement was originally signed in 1993. It was not known then whether L&C would ever become a reality, so this 3-page

document lacked many of the details that are pertinent today. The process to create a new agreement began close to four years ago. A tremendous amount of time and effort culminated in the creation of a 32-page document that solidifies the members’ commitment to L&C, outlines a number of future operating issues such as how water rates will be calculated, and addresses many “what if” questions.

In addition to providing a greater degree of certainty and clarity for the members, the new Commitment Agreement allows L&C to consider funding alternatives such as bonding.

“This was a giant step and makes Lewis & Clark a very strong organization,” said Chairman Arndt.

## Economic Impact Study

In January, HDR Engineering updated the study it originally conducted in January 2004 of the economic impacts of constructing Lewis & Clark to account for the System expanding by 65% to accommodate Sioux Falls’ request for an additional 17 million gallons a day. The main economic impacts of L&C will happen when water is actually delivered, which will allow for the growth of

businesses, industries, and homes. However, those future impacts cannot be definitively measured, so this study just focuses on construction.

Below is a table that shows the estimated impacts of the original System compared to the expanded System. Although L&C is not being built as a “jobs program,”

the total economic impacts from construction are almost as much as the project’s cost. Because the expansion involves facilities and infrastructure located in SD, that is where the additional benefits will be realized. The full study can be viewed under the Technical

Information link on L&C’s website ([www.lcrws.org](http://www.lcrws.org)).

Economic Impacts: 2004 Findings Versus 2006	Impacts from 2004 Study		Additional Cost Due to Sioux Falls Expansion	New Total Impacts	
	Regional	South Dakota		Regional	South Dakota
Total Project Cost	\$385.5 Million	\$258.4 Million	\$41.8 Million	\$428 Million	\$300.2 Million
Total Economic Impact	\$374 Million	\$250 Million	\$40.4 Million	\$414.4	\$290.4 Million
Average Yearly Employment	268 Jobs	178 Jobs	29 Jobs	295 Jobs	207 Jobs
Average Yearly Indirect Employment	211 Jobs	160 Jobs	26 Jobs	237 Jobs	186 Jobs
Fiscal Impacts*	\$15,950,485	\$9,145,585	\$1,324,343	\$17,264,828	\$10,469,931

## Supreme Court Decides 250' Rule

The SD Supreme Court handed down its decision January 20 on Lewis & Clark's expedited appeal, ruling that the 250' Rule does apply to drinking water pipelines. This decision does not mean the Court believes a 250' Rule for water pipelines

is right or fair; rather it only applied the plain meaning of the statute changes made by the 1983 legislature. L&C was pleased that the Court provided relief on almost all of the "sub-issues" on how the statute is applied, so thankfully the ruling had very

little impact on the current pipeline route. However, because of the serious problems the 250' Rule would cause in the future when working in more populated areas, it highlighted the critical need for corrective action by the State Legislature.

## State Legislature Corrects 250' Rule



Governor Rounds signs SB66 while joined by Larson, Don Hentjes, chairman of SDARWS and Minnehaha CWC; and Davis

The **South Dakota Legislature** resoundingly passed SB 66, which exempts "water distribution systems" from the 250' Rule. It passed the Senate by a vote of 31-3, and then passed the House 70-0. Governor Mike Rounds signed the bill on February 22, which goes into effect on July 1. The 250' Rule will now only apply to open waterways, which was how the law was applied from 1890 to 1983.

"There is no doubt this was an inadvertent mistake. The 1983 legislature did not knowingly block drinking water pipelines from crossing gardens and being within 250' of outbuildings like grain bins, or knowingly decide that the rule only applied to drinking water, but not toxic materials such as oil, high pressured natural gas, or coal slurry. We are very thankful that the Legislature made this common sense correction," said L&C's Troy Larson.

Although most of the focus was on L&C, this issue potentially impacted all water pipelines in the state. Despite testimony from a few landowners about wildly unfounded life and death safety concerns, the legislators heard from far more people across SD about the importance of this bill, including testimony from Larson, Tim Conner of Banner Associates, Dennis Davis of the SD Association of RWS, Don Peterson of the Southern Black Hills RWS, and the SD Municipal League.

L&C extends its sincere thanks and appreciation to the legislators who championed, sponsored, and voted for the bill; and to Governor Rounds for his support. SB 66 enjoyed the strong bi-partisan support of the Senate and House leadership. Prime sponsors were Senate Majority Leader Eric Bogue and Speaker of the House Matt Michels.

They provided effective leadership and testimony for the bill, and are true statesmen. The bill included many other champions, including Senate Minority Leader Garry Moore and House Minority Leader Dale Hargens. Powerful testimony by Hargens in committee and on the floor about the common sense aspects of the bill and the safety record of water pipelines was reflective of the Legislature's view. L&C also thanks SDARWS' Dennis Davis for taking the lead on this issue. Finally, but most importantly, L&C thanks the many people who contacted their legislators in support of this bill. That made all the difference.

In other legislative news, the **Iowa Legislature** is nearing completion on a bill restricting the use of eminent domain. L&C worked to include two amendments that preserve the Iowa Commission's (five IA members) condemnation authority. A special thanks to Senators David Johnson and Dave Mulder for their successful efforts to pass these important amendments.

The **Minnesota Legislature**, thanks to the leadership of Senators Jim Vickerman and Keith Langseth, and Representatives Doug Magnus, Rod Hamilton, and Dan Dorman, included the just over \$3 million remaining of the State's share of L&C in the Senate and House versions of the Capital Investment Bonding Bill. The bill is currently in Conference Committee, where the prospects for L&C funding look very good.

## Member Profile South Lincoln RWS

South Lincoln RWS (SLRWS) was incorporated in 1976. The System was originally designed to provide water to southern Lincoln County, but today also includes portions of Turner, Union and Minnehaha counties. In 1982, SLRWS first year of service, it started with 900 customers and pumped 95 million gallons. SLRWS now has 1,700 customers and pumps 450 million gallons. It serves the towns of Worthing, Chancellor and Alcester, as well as the Great Plains Ethanol plant. John Sievers has been the manager for 24 years.

The System is in the middle of a \$2.5 million upgrade. It is building a new pump station and main trunk line, and installing new electronic and monitoring systems. Most of SLRWS current growth is south of Sioux Falls. The 250,000 gallons a day SLRWS has reserved from Lewis & Clark will address this growth, and will save the System construction, pumping and maintenance expenses to serve this area.

Don Sweeter is SLRWS Chairman and has served on its board since 1990. He was appointed in February to the L&C Board, filling the late Charlie Kuehl's seat. Don brings a great deal of rural water knowledge and experience with him and will be a great asset to L&C.

Don and his wife Helen have three children and seven grandchildren. They live on the original Sweeter homestead near Worthing. A lifelong farmer, cattle buyer, and cattle feeder, he recently retired but still helps out his son quite a bit. Don has also been an auctioneer for 51 years. He was inducted into the SD Auctioneering Hall of Fame in 2004. Don is very generous with his time and talents, serving on a handful of boards and volunteering for many groups and organizations. He enjoys attending the activities of his grandchildren, and getting in some hunting and fishing when he can. Everyone with L&C extends their warmest welcome to Don, and sincere appreciation for his willingness to serve.

## Executive Director's Report - Troy Larson

Each year the Bureau of Reclamation adjusts Lewis & Clark's overall appropriation ceiling based on inflation and other factors. The updated appropriation ceiling from all funding sources as of September 30, 2005, is \$441.5 million. This is an increase of \$18.3 million from last year. Along with the need to meet critical water needs in a timely manner, these increases are another important reason construction needs to be kept on schedule. The smaller the annual federal appropriation, the more expensive L&C becomes and the longer critical water needs of the region go unmet.

As a result, rather than just waiting for federal funding L&C is considering options to bond for the local members' unpaid share of the project. This would allow L&C to keep the main trunk line and treatment plant construction on schedule, which has many advantages for each of the 20 members. If the Board decides to bond, it is not anticipated to happen until late 2007, which is when the treatment plant is scheduled for bid. Many details remain to be worked out prior to then.

On another note, Dan Simon left L&C in late January to take a management position with the zoo in Sioux Falls. Although we were disappointed to lose Dan after only six months, we are thankful for the super work he did for us.

We welcomed aboard Jenny Jacobson in mid-January to fill the Acquisition Project Manager position. She was hired on a temporary basis so we can review our overall staffing needs and priorities and consider slightly restructuring the position before making a long-term commitment.



Jenny Jacobson

Jenny has been doing a great job in the areas of easement coordination and "customer service" for landowners. Jenny is originally from Hartford, SD, and is a graduate of SDSU. She lives in Salem with her husband Barry and their two young sons, and is expecting a third child in early December. Jenny previously worked in the Elections Division of the Secretary of State's office in Pierre, and prior to that worked as an agriculture specialist / field representative for then-Congressman John Thune in Sioux Falls.



Director Don Sweeter

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## \$21 Million for Lewis & Clark in President's Budget

The Administration included \$21 million for Lewis & Clark in its FY07 Budget. Thanks to the full-court press of L&C's tri-state congressional delegation, including conference calls to then-Office of Management and Budget Director Josh Bolten by Senators Tim Johnson and John Thune, and Representatives Gil

Gutknecht, Steve King, Stephanie Herseth, and Mark Kennedy, this is a 40 % increase when compared to the \$15 million in last year's budget, and is a 20% increase over the \$17.5 million ultimately approved last year by Congress. The increase was welcome news and greatly appreciated, especially with an ever shrinking budget,

but it leaves the project with a long way to go. L&C's construction capabilities for FY07 are \$53 million. The \$21 million budget sets the floor. L&C is working with its tri-state elected leaders to try to increase this number when the final budget is approved by Congress this fall.

## Congressional Leaders Discuss Project Funding

Chairman Red Arndt, Directors Randy Feenstra and Kevin Smith, Sioux Falls Mayor Dave Munson and Executive Director Troy Larson were in Washington, DC, on March 28 and 29 for a series of meetings with congressional leaders and their staffs. They were joined by Lewis & Clark's new lobbyist, John Freshman. John is the lobbyist for the Mid-Dakota RWS and also is the former partner of L&C's long-time lobbyist Larry Kast. Larry joined Honeywell in January. L&C owes a great deal of thanks and appreciation to Larry for his outstanding work on Capitol Hill through the years and wish him well in his new position.

Meetings were held with Senators Tim Johnson and John Thune, and Representatives Steve King, Stephanie Herseth and Peter Viscosky. In addition, meetings were held with the staffs of Senators Chuck Grassley, Tom Harkin, Mark Dayton, and Norm Coleman, Representatives Gil Gutknecht, Mark Kennedy, Collin Peterson and Jim Nussle, and the staffs of the Senate and House Appropriations Subcommittees on Energy and Water. The meetings went very well, and the support from the tri-state congressional delegation is as strong as ever. Herseth lined up a last minute meeting with Viscosky (D-IN), who is the Ranking Member of the Subcommittee on Energy and Water. L&C officials previously met in Sioux Falls with Representative Dave Hobson (R-OH), who is the Subcommittee Chairman. Viscosky asked many good questions, and indicated he would continue to do whatever he could to help.

The main topic of discussion was the FY07 budget. L&C officials stressed to the Representatives and staff the importance of at least holding in the House the \$21 million in the Administration's Budget. Last year L&C's congressional leaders were able to turn back an effort to cut in half the Administration's request. They expressed optimism about holding the \$21 million and said they would do everything possible to make that happen.

L&C officials stressed to the Senators and staff the importance of increasing the \$21 million, which in the past they have been successful in doing. Leading this effort are Senators Johnson and Thune. They are hopeful of again being able to bump up the number, and indicated they will discuss L&C funding with the nominees for Office of Management and Budget Director, Secretary of Interior and Bureau of Reclamation Commissioner.

the project (see page four), it wants assurances from congressional and administration leaders that its future federal funding would not be adversely impacted. Johnson, Thune, and Herseth, who have encouraged L&C to pursue creative funding alternatives, were glad to hear bond discussions are progressing and saw no reason this would adversely impact federal funding.



Senator Johnson meets with (L to R) Larson, Feenstra, Arndt, Munson, Smith and Freshman



Senator Thune



Representative King



Representatives Herseth and Viscosky

Each office was also given a heads up about possible bonding. If L&C tries to help itself by bonding for the unpaid local members' share of

## Construction Update

High Country Pipeline of Penrose, CO, began construction in late April on Segments 2 and 3 of the treated water pipeline (TWP-2 and 3). TWP-2 and 3 include seven miles of 54" diameter steel pipe that runs along 467th Avenue from 274th Street south of Tea to 281st Street south of Lennox. The deadline for substantial completion on this \$10.3 million contract is November 2006.

SJ Louis of Waite Park, MN, is anticipated to begin construction on Segment 4 of the treated water pipeline in June. This \$6.6 million contract includes six and a half miles of 36" steel pipe on the west side of Sioux Falls from 12th Street to Benson Road. Substantial completion is May 2007.

The contract for Segment 5 of the treated water pipeline (TWP-5) was advertised in April and the bid opening is May 11. TWP-5 is 16 miles of 54" diameter pipe that runs along 467th Avenue from 281st Street south of Lennox to Highway 46 (Clay County line). This will be by far the largest contract awarded to date. It is estimated that construction on this segment, which is part of the main trunk line between Vermillion and Sioux Falls, will begin this fall or next spring. Substantial completion is November 2007.



Workers compact the bedding material around the pipe on TWP-1 this past summer

Once TWP-5 is awarded, 68 % of the main trunk line will be completed or under contract. All that will remain are the 22 miles from the Clay County line to the treatment plant north of Vermillion.

The three contractors involved with the 18 miles of pipe installed so far have made or are in the process of making "spot repairs" to correct limited areas where the deflection (roundness of pipe) exceeded 3%. On 54" diameter pipe, this means deflection exceeding 1.62". The corrections are the sole responsibility of the contractors, and are needed to protect the integrity of the 1/2" concrete mortar lining inside the steel pipe.

Preventing deflection is primarily related to the proper compaction of the bedding material around the pipe.

Construction of wells at Sites C and D on Mulberry Point is slated to begin later this summer. Plans and specs were sent to the Bureau of Reclamation for review in April. Construction of the wells will take place between August 15 and November 15. The plans call for two angle wells and a vertical well at Site C and one additional angle well and a vertical well at Site D. One angle well has already been constructed at Site D. The combined capacity for Sites C and D is estimated to be 17.8 million gallons per day.

## Lewis & Clark Rural Water System

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