



EXPLORER

LEWIS & CLARK MOVING FULL SPEED AHEAD!

Lewis and Clark received fantastic news that \$3.8 million of its FY03 appropriation has been restored. The Bureau of Reclamation previously announced it was cutting \$5 million from the \$7 million appropriation. Instead of applying the underfinancing across the board to all projects, as has historically been the case, Reclamation tried to apply the majority of cuts to new starts. The restoration means Lewis and Clark has \$5.8 available for FY03. More importantly, the elected leaders on the federal and state level elicited a commitment from the Administration to provide \$18 million in funding in both FY04 and FY05 for Lewis and Clark and Perkins County RWS. It has not been decided how the \$36 million will be split, but Lewis and Clark will receive the majority.

The foundation of Lewis and Clark has always been the strong

bipartisan support from its elected leaders. They really came through at this critical juncture.



Mayor Munson (right) makes a point to Commissioner John Keys (left), with Red Arndt and Kevin Smith.

Through a series of letters and telephone calls, they convinced the Administration of the importance of this vital water project. The unified effort was truly amazing and they cannot be thanked enough.

Another development is that the Office of Management and Budget decided to review the Final Engineering Report, which has already been approved by Reclamation and Congress. This came as a complete surprise. At no time in previous discussions with

OMB and Reclamation was this review ever mentioned. The impact of this review is that federal funds cannot be used for construction during the review period. However, federal funds can be used for engineering, legal, administration, land acquisition, and test well expenses.

Although OMB officials

indicated there is no timetable in which to complete the review, they pledged to complete the review as soon as possible. Our congressional delegation has written letters urging OMB to expedite the review. The good news is that Reclamation Commissioner John Keys indicated state and local funds can be used for construction during the review period, which prevents any construction delays.

The bottom line is that Lewis and Clark is moving full speed ahead!

DATE CHANGE

The groundbreaking ceremony at Clay County park has been rescheduled for Thursday, August 21, 2003. Details inside on page 2.

CHAIRMAN'S REPORT



Chairman
Charlie Kuehl

Lewis and Clark Rural Water System is going full speed ahead! We were relieved and excited to learn that not only would most of our

FY03 funding that had been cut be restored, but more importantly that the Administration agreed to commit \$18 million to Lewis and Clark and Perkins County RWS in both the FY04 and FY05 budgets. This is an incredible turnaround.

More than the money itself, this signals a commitment to the project on behalf of the Administration. This commitment, and the three years of construction it will allow us to complete, is confirmation once and for all that this dream will become a reality. For that, we have our elected leaders on the federal and state level to thank. They joined ranks and really stepped up to the plate to convince the Administration of the importance of this vital water project. For their efforts, we owe them a great debt of gratitude.

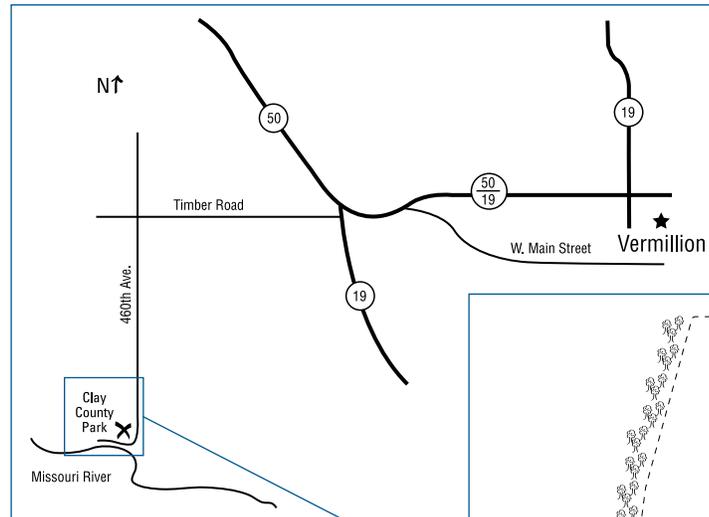
This wasn't the first political battle for Lewis and Clark and won't

be the last. There are still many challenges ahead. Securing additional funding for the project above the floor set by the Administration will not be easy, but starting at a number higher than zero puts our congressional delegation in a much better position.

When you're talking about the need for quality, dependable drinking water for the region, there are no state lines or party lines. It's amazing to see what can be accomplished when everyone works together toward a common goal. Mark my words, Lewis and Clark will be built!

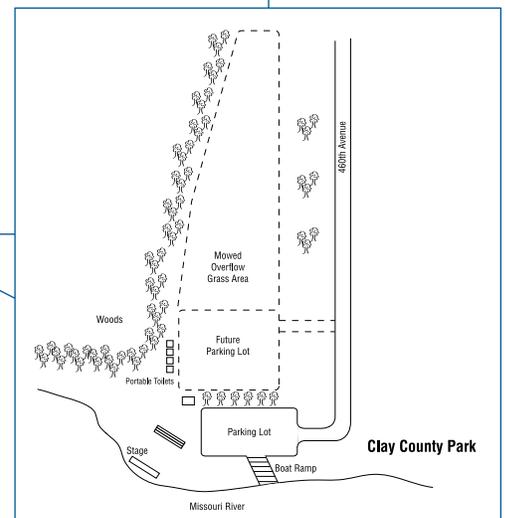
GROUNDBREAKING CEREMONY

The long-awaited groundbreaking ceremony for Lewis and Clark will begin at 10:00 a.m. on Thursday, August 21. It will be held at Clay County Park, a few miles southwest of Vermillion. A lunch will follow the groundbreaking. The public is invited to the celebration.



PARKING

Parking is available and limited to a rough, mowed grass area. Car-pooling is recommended, but not mandatory. Handicapped accessible parking will be provided.



LEWIS & CLARK'S CAPITOL HILL MARATHON

A delegation from Lewis and Clark had a very successful and productive trip to Washington, D.C. on June 9 and 10. Directors included Red Arndt (Luverne), Randy VanDyke (Clay Regional Water), Scott Wynja (Sheldon), and Kevin Smith (Sioux Falls). They were joined by Sioux Falls Mayor Dave Munson, Dave Odens from Banner Associates, Troy Larson, Executive Director, and Lewis and Clark's lobbyist, Larry Kast.



Randy VanDyke and Scott Wynja in front of Congressman Latham's office

The previously scheduled trip to discuss FY04 funding took on added importance with the news received two weeks earlier on Reclamation's funding cut and OMB's review of the Final Engineering Report. During two marathon days, the group had 17 meetings. They met with Senators Daschle, Johnson, and

Grassley, and Congressmen Janklow and King. They also had the chance to meet with staff members for Senators Harkin, Dayton, and Coleman, and Congressmen Gutknecht,

Kennedy, Peterson, and Latham. In addition, the group met with staffers from various House and Senate Committees with oversight of the project. The response from the congressional delegation was exceptionally supportive. They indi-

cated great concern with the recent actions by Reclamation and OMB and pledged to do whatever possible to help.

The group also met with officials from OMB and Reclamation. They were joined by staff members from South Dakota's congressional delegation.

Commissioner John Keys voiced Reclamation's support and commitment to the project, despite the recent funding cuts. Although there was not agreement on every point, the meetings were very constructive and informative.

Two weeks after returning from D.C., the restoration of FY03 funding and commitment for funding in FY04 and FY05 was announced. It was definitely a very important and timely trip.



Troy Larson, Mayor Munson, Red Arndt, Kevin Smith, and Dave Odens in front of the Capitol

IOWA MEMBERS MEET WITH CONGRESSMAN KING

The Iowa members of Lewis and Clark had the opportunity to meet with newly elected Congressman Steve King in Sheldon on May 29. Those attending included; Scott Wynja and Mayor Duane Wahlstrom of Sheldon, Jim Hoye and Gene Metzger of Rock Rapids, Randy Feenstra and Mayor John Kooima of Hull, Denny Davids and Dan Zulkosky of Sibley, Lori Wolkow of Boyden, Murray Hulstein of Sioux Center, and Troy Larson, Lewis and Clark's Executive Director.

This was the first opportunity the members had to sit down with Congressman King to discuss the project. The meeting

was very timely because it was the day after learning of the funding cuts and review of the Final Engineering Report. Everyone had the opportunity to explain the importance of the project to their respective communities. Congressman King asked many good questions, and in no uncertain terms, expressed his strong support for Lewis and Clark. Hearing his steadfast commitment to the project was great news.

The Lewis and Clark delegation that went to Washington, D.C. also had the opportunity to meet with Congressman King on June 10. He again expressed his great concern with the adverse actions of OMB and Reclamation and indicated he would do whatever he could to help.



Lewis & Clark members met with Congressman King in Washington to discuss funding and priorities for the membership. Left to Right; Arndt, Odens, Wynja, King, VanDyke, Larson.

MEMBER PROFILE

Hull Becomes Class A Member

Located in northwest Iowa, the 2000 Census identified Hull as the fastest growing community in Sioux County. With the strong growth, Hull recently surpassed the 2,000 population mark, which qualifies it for Class A designation and a seat on the Lewis and Clark Board. Randy Feenstra, city administrator and Hull native, was recently appointed by Mayor John Kooima and the city council to serve on the Board. At Lewis and Clark's annual meeting, Randy was elected to a three-year term.



Randy Feenstra

Hull struggled for years with poor water quality, which resulted in the city capping its wells about five years ago. The community receives 100% of its water from Rock Valley Rural Water District, but needs more capacity than RVRWD can provide. When Lewis and Clark arrives, they plan to blend the two water sources. Being part of the project will ensure Hull's ability to continue to its strong population growth and economic development expansion.

Hull:
**"Where Great
Ideas Are Born"**

ENGINEERING NEWS AND NOTES

By David Odens, Project Engineer

A lot of things are happening on the engineering front. The restoration of a significant portion of the funding for Fiscal Year 2003 and the promising outlook for funding in 2004 has shifted the emphasis of the efforts from looking at the effects of prolonging schedules and re-evaluating costs, to wrapping up the final design of the first segment of the raw water pipeline so that construction can move forward this year. In addition to the final design activities, the engineering team has been working with the Interagency Environmental Review Team and developing the preliminary plans and designs for the construction phases we hope to see advertised for bid in 2004. The highlights of recent activities are summarized as follows.

1. Production Test Well at Site D

Bids have been received and accepted for the Production Test Well at Site D. The test well will be an angle well designed to provide a pumping capacity of approximately 2,000 gallons per minute. Construction on this well is expected to begin in mid to late August of this year.

2. Design of Raw Water Pipeline Segment 1

The design of raw water pipeline segment 1 is nearly complete. This project will consist of construction of raw water pipeline from well site D, north to the north edge of the Frost Game

Production Area. This segment of water line will include nearly 3,000 feet of 30" diameter pipe, approximately 1,200 feet of 36" diameter pipe and approximately 4,000 feet of 48" diameter pipe. Plans and specifications for this project were submitted for review on July 15, with the goal of opening bids and awarding a construction contract by September 30.

3. Development of design criteria for various pipe materials

Engineers are working to identify the most suitable pipe materials to use for the raw water pipeline and develop the criteria to be met by each of those materials in terms of corrosion protection, pressure ratings, bedding and installation requirements, and long term operation and maintenance considerations.

4. Interagency Environmental Review Team (IERT)

An Interagency Environmental Review Team meeting was held in Yankton, SD, on June 24. This meeting provided an opportunity for all participants from the agencies to meet and work with the project team to review the environmental agreements and requirements established for the project, become familiar with the scope of construction proposed for this year, and take a walking and driving tour of the proposed construction area.

13th Annual Membership Meeting

The 13th Annual Membership meeting was held at the Ramkota in Sioux Falls on June 26. It was attended by close to 100 people. Chairman Kuehl thanked everyone for attending. Newly hired Executive Director Troy Larson shared a little bit about himself and introduced a number of special guests. Words of support and encouragement were shared on behalf of each member of the congressional delegation. Dan Heard, from Wells Heard and Halse, gave a review of the project's annual audit. Chairman Kuehl gave his report on the numerous activities and milestones achieved this past year. Pam Bonrud was recognized for her outstanding service to Lewis and Clark as its long-time executive director. She received a standing ovation, thanked everyone for her many



Chairman Kuehl presents a Lewis and Clark print to Pam Bonrud

enjoyable years, and indicated she'll always be an advocate for Lewis and Clark. It was a great annual meeting and a fun time was had by all.

LEWIS & CLARK FOCUSES ON LONG-RANGE PLANS

Lewis and Clark held a long-range planning session in Sioux Falls on June 2. There were over 50 in attendance. Although the main focus was to have been on long-range issues, it was a timely opportunity to discuss the bad news received from OMB and Reclamation a week earlier. Congressman Janklow and Senators



Dan Cain from Cain Consulting Group facilitates the discussion at the long-range planning session.

Daschle and Johnson addressed the members by speakerphone. Each expressed their desire to fight hard for Lewis and Clark and encouraged the members stay the course.

In terms of long-range issues, the main concerns involve "time" and "money." Anticipated federal funding shortfalls will cause delays. The delays add uncertainty when water will be delivered and how much the project will cost. In an attempt to keep the project on schedule, consensus was reached on two key issues.

First, the members agreed to change the construction schedule. A "tri-state, phased" design was adopted. Construction will take place simultaneously in each state. In order to address critical needs, "strategic connections" will be built among certain members so that water can be exchanged. The strategic connections will eventually become part of the

completed system. The project will be built in phases so the members receive some of their water initially. Full capacity will be achieved incrementally, as reservoirs and pump stations are added.

Consensus was also reached to pursue supplemental financing.

It's now clear to the members that the pipeline cannot be built by waiting for the federal funding to arrive. The supplemental financing, which will most likely be in the form of bonds, will not replace federal funding, but rather make up annual shortfalls. The bonds will be paid back using a portion of future federal grants. Lewis and Clark will essentially be borrowing against its future federal grants. The details are still be worked out, but going down this road will require a strong commitment on the part of the members.

Changing the construction schedule and pursuing supplemental financing are proactive efforts by Lewis and Clark to remove some of the uncertainty. Instead of sitting in the wagon and letting the congressional delegation pull it along, these initiatives are an attempt to get out of the wagon and help pull.

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WASHINGTON D.C. TRIP



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