



Explorer

Lewis & Clark
REGIONAL WATER SYSTEM

FALL 2007

Bids for Two Contracts Opened Same Day

In a first for Lewis & Clark (L&C), bids for two separate contracts were opened on the same day. The two low bids opened on September 20 totaled \$6,484,364. Both bids were below the engineer's estimates.

The first contract was awarded to Welf Construction of Yankton, SD for \$5,497,797 to construct well facilities and revetment (bank stabilization) at Well Sites C and D. For the well facilities, this includes pump houses, vaults, piping and roads for the six wells located at Mulberry Point. The bank stabilization portion of the contract involves close to a mile of "modified stone toe revetment" that will be placed on the river bank in order to protect the wells from

erosion. This type of revetment involves sloping the bank before placing rip rap on it. Three foot of soil will be placed on the rip rap, with vegetation then planted to create a natural view. The primary vegetation planted will be willow poles. In addition, "root wads" will be placed approximately 50' apart. This is where uprooted trees are placed at the base of the bank, just below the water level, with the branch portion extending into the river to soften the impacts of the current.

L&C originally planned to bury revetment further inland and let it "launch" as the bank eventually erodes. However, at the urging of

the National Park Service, and with technical assistance from the Corps of Engineers, L&C agreed to use this unique and more environmentally friendly approach. Construction began in October and the deadline for substantial completion is 7/1/08.

The second contract was awarded to Winter Brothers Underground of Sioux Falls for \$986,567 to construct just over three miles of 16" PVC pipe for the Tea and Harrisburg service lines. This project is part of the "emergency connection" for Tea and Harrisburg. The deadline for substantial completion is 7/1/08.

Seventh Well Drilled

Mark Traut Wells of Waite Park, MN, completed work in September on a vertical well at Site C on Mulberry Point. This is the well that was delayed a year because last fall the contractor hit a boulder field the test drilling did not detect. Using a different drilling head, the well was drilled to 127'. Based on the testing, it is estimated this well will produce three million gallons a day (MGD), which is slightly more than the engineer's original estimate of 2.4 MGD.

Mulberry Point is the primary well field for Lewis & Clark (L&C).

The area is just north of the Vermillion-Newcastle Bridge and is part of SD Game, Fish & Park's Frost Game Production Area. A secondary well field, known as Site J, is located along the banks of the Missouri River a few miles to the west. L&C now has seven production wells (four angle wells and three vertical) that will produce an estimated 19.7 MGD. Six of these wells are located at Mulberry Point with one at Site J. These wells, adjacent to the Missouri River, will draw water from the Missouri-Elk Point Aquifer, which is re-charged by the river.



To reach 45 MGD of capacity, the engineers estimate L&C will need 17 to 19 wells.

Chairman's Report

"Another bump in the road" is a well used saying at Lewis & Clark (L&C). As an original member of the Board, I have seen more bumps than I could have ever imagined at the beginning of the project in 1990. The disappointment and frustration with the bids for the water treatment plant coming in far higher than the engineer's estimate is the latest example, but certainly not the last. Throughout it all we have persevered and we will continue to do so. Not because as directors and staff we have extra special skills, talents or are gluttons for punishment, but rather because this project is so critically important to the region we have no choice but to overcome and press forward. We often lament amongst ourselves that with L&C "nothing ever comes easy," but we realize nothing of great value and importance ever is. I echo the words of our



L&C Director Glen Wollman, Parker Mayor Ron Nelson, Governor Rounds, Chairman Red Arndt and L&C's Troy Larson

late Chairman Charlie Kuehl – "mark my words, this project will be built."

"We have no choice but to overcome and press forward."

-Chairman Arndt

On another note, the legislative sessions are drawing near. In St. Paul, we are again working to swap the State's pre-payment of bond funds for general funds. With L&C being a tri-state project, using the

bond funds has proven to be a challenge. There was zero opposition to the swap plan last year, but disagreements unrelated to L&C prevented the bonding bill from being enacted. There is strong support again this year for the swap, but it

remains to be seen how much general fund money will be available in the bonding bill. In Pierre, we look forward to working with Governor Mike Rounds and the Legislature to pass legislation ensuring the State's pre-payment of its remaining share over the next three years (\$19 million). We are very thankful for the Governor's strong support and advocacy of the pre-payment plan.

Electricity Contract Signed

It took close to two years to finalize, but Lewis & Clark (L&C) officials were pleased with the contract that was signed with the Western Area Power Administration (WAPA) in mid-August. As part of L&C's authorization, WAPA will provide L&C with 100% of the electricity needed each year from May 1 to October 31 (irrigation season) for whatever portion of the project is built with the authorized federal and non-federal funds (indexed for inflation) for the original 23.5 million gallons a day (MGD) system. The System was expanded to 45 MGD with the members paying all of the

incremental costs, so whatever percentage of additional funds are needed to complete the expanded project, a corresponding percentage of electricity will need to be secured from a supplemental supplier.

The firm power, which is lower than the rates of other electricity suppliers, is part of the hydro power being produced by the the Missouri River dams. This goes back to the Pick-Sloan program of 1944. Rural water projects have basically taken the place of the unsuccessful irrigation projects originally envisioned by Pick-Sloan. Being a firm power customer of WAPA will result in a significant savings in the cost of electricity each year, which will help

keep water rates down. Construction Administrator Dan Zulkosky, the directors on the Electrical Subcommittee and Banner Associate's Dave Odens put in a lot of time and effort to get this contract done. L&C thanks them, as well as the Bureau of Reclamation for their technical support and WAPA for working together to reach an agreement.

On a related note, after requesting proposals from three electricity suppliers for the supplemental electricity needs of the water treatment plant, discussions are underway to finalize a contract with Clay-Union Electric Cooperative.



Serving the West with Federal hydropower
Western Area Power Administration
An agency of the U.S. Department of Energy



Pipeline Construction Update

As of October, 56 miles of pipeline have been installed with another 23 miles under construction. Good progress was made this summer. Below is a construction update of the projects being built by SJ Louis Construction of Waite Park, MN.

Iowa – Segment 1:

Pipe installation on this just over nine mile segment of 16" and 10" PVC pipe between Sioux Center and Hull was completed in September. This segment was built out of order to serve as an "emergency connection" for Hull. In the short-term, Lewis & Clark (L&C) will purchase water from Sioux Center and re-sell it to Hull. Because water use is lower during the winter, it was agreed Hull will begin purchasing water on May 1, 2008, on a continuous basis until L&C water arrives.

Treated Water Pipeline – Segment 5:

In October, pipe installation was completed on this 16 mile segment of 54" steel pipe. This segment of the main trunk line runs along 467th Avenue from south of Lennox to the Clay County line. The pipe still needs to be pressure tested and some clean up remains.

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Segment 1: L&C's Hull meter house

Segment 5: Trench packing



Segment 5: Joint welding



Water Treatment Plant Bids Rejected

The much anticipated bid opening for the water treatment plant (WTP) was held on September 6. With the engineer's estimate at \$98.5 million (\$108 million with contingencies), Lewis & Clark (L&C) officials were greatly disappointed that the lowest bid was \$142.4 million. Four bids were received, which was more than expected, so there was good competition. There is not one or two main reasons why the bids were so high. Rather, it was a culmination of many factors.

A two day "Peer Review" was held in late September involving a handful of outside engineers. While no "silver bullet" was identified, the team members discussed a variety of ideas to lower the bid price by mainly deferring the construction and purchase of certain components and equipment. The plans and specs went through an extensive week-long Value-Engineering Review in February 2005 that was headed up by the Bureau of Reclamation and involved eleven outside experts at a cost to L&C of over \$100,000. As a result, while some permanent cost savings have been identified, there is not a lot to trim.

The Peer Review team developed four alternatives of how L&C could proceed. After a great deal of research and analysis of these alternatives, L&C's engineers felt accepting the bid will be the least expensive option in the long-run in terms of its impact to L&C's overall construction budget. Delaying the construction or purchase of certain components and equipment will lower the initial bid price of the WTP, but it is anticipated the overall cost will be higher in the long-run once the deferred items are added later. L&C is currently \$42 million under budget overall. If hypothetically L&C accepted the low bid, the project as a whole would still be \$7 million under budget. However, because L&C does not have the financing in place to pay for the WTP over the next

three years, the engineers recommended the bids be rejected. The Board reluctantly rejected the bids on October 25.

The engineers, staff and directors are reviewing what changes to make to the WTP, as well as developing new construction timelines, including the possibility of building the WTP in phases. Phasing helps in terms of being able to pay for the WTP, but adds to the overall cost. It is hoped the Board will be in a position to make final decisions on the changes, timeline and phasing by the end of the year. In the meantime, the schedule for awarding other projects is being moved up to FY08. These projects include the remaining 11 miles of main trunk line in Clay County and the reservoirs near Tea.



Model of water treatment plant

Updated Website Launched

In conjunction with the recent name change from "Rural" to "Regional," Lewis & Clark (L&C) has updated its website. The website address is www.lcrws.org. Please check it out, including the photo gallery. L&C thanks Insight Marketing Design for their great work on the new website.



www.lcrws.org



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Senators Grassley and Johnson Meet with Project Officials

Lewis & Clark (L&C) was honored to separately host Senators Chuck Grassley and Tim Johnson in its Sioux Falls office. On August 29, over 20 project officials met with Senator Grassley, the majority representing L&C's five Iowa communities of Hull, Rock Rapids, Sheldon, Sibley and Sioux Center, including Hull Mayor John Kooima and Sioux Center Mayor Dennis Walstra.

Project officials provided Grassley with a construction update and reiterated the importance of L&C, particularly to northwest IA. They also thanked Grassley for his past support and efforts, and asked that he urge the Office of Management & Budget (OMB) Director to increase project funding in the Administration's FY09 Budget, which is in the process of being developed. Former Iowa Congressman and gubernatorial candidate Jim Nussle was recently confirmed by the Senate as the new OMB Director. Nussle is already familiar with L&C, which will hopefully bode well for the project.

According to Grassley, "Lewis & Clark is critical to the economic well being of rural communities. The System will serve thousands of citizens who need a high quality water supply, and is doing so in a cost efficient manner. Great progress is being made every day to make this project a reality for those in the region, and I commend those involved who work hard to see it done in the most effective way."

"Lewis & Clark is critical to the economic well being of rural communities ."

-Senator Chuck Grassley

On October 11, a small group of L&C officials warmly welcomed Senator Johnson back for a long over due project update. This was his first official meeting in the southeastern part of the state. Johnson had been scheduled to meet with L&C in late December, but his brain surgery prevented him from doing so.

Johnson jokingly apologized for being so late. L&C officials thanked Johnson for his steadfast support, including

his efforts to increase funding in the Senate's FY08 Budget, and provided him with updates on construction, the importance of increased federal funding, and the water treatment plant (WTP). In terms of FY08 funding, L&C is in the Senate bill for \$28 million and the House bill for \$22.3 million (L&C received \$21 million in FY07). Johnson indicated he will be on the Conference Committee that works out the differences between the Senate and House bills and firmly stated "much less than \$28 million will be unacceptable." He also made it clear that in future years it's important to get to the \$35 million level as quickly as possible. "The need for more money is very apparent," he said. In terms of the higher than expected bids for the WTP, Johnson said, "The problem will be solved. It's just another bump in the road."

Along with Senators John Thune, Tom Harkin, Norm Coleman, Amy Klobuchar and Representatives Stephanie Herseth Sandlin, Steve King and Tim Walz, L&C continues to be thankful for the strong bi-partisan support and leadership provided by its congressional leaders. As is often said, when it comes to providing drinking water to the region there are no state lines or party lines.



Senator Johnson and Chairman Arndt

"The need for more money is very apparent."

-Senator Tim Johnson



Mayor Kooima, Hull City Administrator Les Van Roekel, Senator Grassley, L&C Director Randy Feenstra and Hull Councilman Russ Gool

Pipeline Construction Update - *continued from page 3*

Treated Water Pipeline – Segment 6/7A:

This segment of the 54" trunk line begins at Highway 46 (northern Clay County line) and goes 11 miles south along 467th Avenue. Construction began in September and the deadline for substantial completion is 11/1/08.

Treated Water Pipeline – Segment 9:

This 8.5 mile segment of 36" and 30" steel pipe is being built out of order to serve as a short-term "emergency connection" for Tea and Harrisburg, with Sioux Falls being the originating source of water. Construction began in September in this more urban area south of Sioux Falls along 85th Street. The deadline for substantial completion is 7/1/08. It is hoped a water sales agreement can be reached as soon as the service territory-related court cases involving Lincoln County RWS (LCRWS), Sioux Falls and Tea are resolved. LCRWS is the current provider of water to Tea and Harrisburg.

Segment 9: Construction in a more urban area south of Sioux Falls



Segment 6/7A: Turnouts and valves for future pump station near Beresford.

The open pipe on the right side of the photo is the start of the line that will eventually go east to Beresford and into Iowa.



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