



Explorer

Lewis & Clark
REGIONAL WATER SYSTEM

SPRING 2011

Administration's FY12 Budget "Guts" Project Would Bring New Construction to a Screeching Halt

There was no love but lots of heartbreak when the President released his proposed FY12 Budget on Valentine's Day, which only included \$493,000 for Lewis & Clark (L&C). An amount that would bring new construction to a screeching halt, as it only covers half the project's annual administrative costs. The tri-state congressional delegation held an unprecedented joint meeting with the Office of Management & Budget last September to emphasize the importance of the Administration proposing "realistic" funding levels for L&C. Combined with President Obama's emphasis on the importance of investing in critical infrastructure needed to generate economic growth, project officials were shocked at the proposed funding. "It is extremely frustrating and disappointing that Lewis & Clark has unfortunately become 'collateral damage' in the war on spending. Proposing a cut is one thing, but this would completely gut the project. The proposed budget is either a testament to how completely broke our country is that we cannot afford even the essentials, or the complete lack of common sense and misguided priorities on the federal level," said Executive Director Troy Larson.

Project officials note with great frustration that the cuts in L&C funding are being made under the guise of saving the taxpayers money. However, the cuts will hurt the taxpayers in two ways. First, the remaining federal cost share of \$194M increases each year for inflation. Last year the remaining federal cost share was \$188.6M, an increase of \$5.4M in just one year during a period of relatively low inflation. Second, it hurts the economy through fewer construction jobs and more importantly economic development opportunities that go unrealized. The cheese factory in Hull, IA that opened a few years ago because of L&C's emergency connection between Sioux Center and Hull is a prime example. That plant currently employs 100 workers and plans to soon expand to 135. It processes 50 truckloads of milk each day from area dairies. "They are cutting without even thinking about what they're doing. It is unbelievable they cannot see without water there is no economic development," said Chairman Red Arndt.

L&C has never fared well in the Democrat or Republican administrations' budgets. In the past, congressional leaders have been able to increase funding through the appropriations process. However, with the two year self-imposed earmark ban that is not an option. L&C officials have repeatedly made



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the case that the earmark ban should not include congressionally authorized projects. As congressional leaders begin to realize the unintended consequences of their broad definition of an earmark, L&C officials are pleased to see growing support among Republican leaders, including vocal earmark opponent Senator John McCain, to exclude authorized projects from the earmark ban. "We sure hope they apply some common sense and exclude authorized projects soon," said Arndt.

Another cause of frustration is that the 20 local members and three States have pre-paid 99.7% of their cost share (a combined \$153.5M) based on the federal government's commitment to pay its share. Those pre-payment funds have



been obligated, so the construction schedule in 2011 and beyond is entirely dependent upon federal funding. "It really makes me question whether the federal government has sold us a false bill of goods and are going to leave us holding the bag. We're pretty upset," said Director Scott Hain of Worthington, MN whose community pre-paid \$3.8M and is now wondering whether they will ever receive water.

"We really need our tri-state congressional delegation, who have been such strong supporters, to figure out a solution," said Hain.

Each member of L&C's tri-state congressional delegation has expressed strong disappointment with the \$493,000 in proposed funding. Although they have one arm tied behind their back due to the earmark ban, they have pledged to explore every possible avenue to try to restore funding so construction can move forward. At recent hearings with the Secretary of the Interior and the Bureau of Reclamation Commissioner regarding the FY12 Budget, Senators Al Franken and Tim Johnson and Rep. Kristi Noem have done a good job of pressing the case for L&C funding.

Lewis & Clark at the Bottom of Reclamation's Funding Priorities

Because of the earmark ban agencies will now decide funding levels instead of elected officials. That does not bode well for Lewis & Clark. The Bureau of Reclamation's (BoR) funding priorities for construction are: 1.) projects "that serve on-reservation needs," 2.) projects "nearest to completion" and 3.) other projects. L&C falls into the last category. While in Washington, DC for the National Rural Water Rally, Executive Director Troy Larson met with BoR officials and the tri-state congressional delegation on February 8 and 9 to highlight L&C's funding needs and discuss BoR's funding priorities. In a follow-up letter to BoR Commissioner Michael Connor, Larson wrote "L&C does not believe the current funding priorities are fair, in the best interests of the general public, utilize limited tax dollars in the most effective

means possible or are consistent with Congressional intent. We respectfully request that BoR reconsider its funding priorities and include....most notably the pre-payment of the non-federal cost share, population served and potential economic development impact." The tri-state congressional delegation has also voiced concern and frustration with these funding priorities and is pressing BoR to consider other criteria.



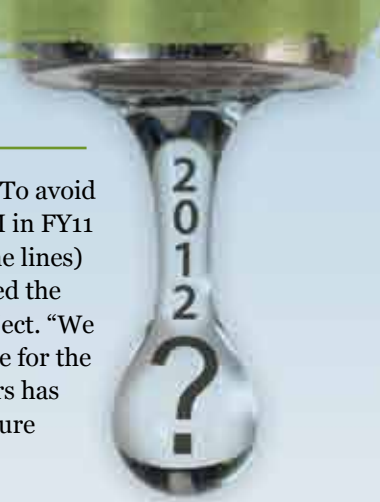
Troy Larson and Rep. Noem discuss unintended consequences of the earmark ban on Feb. 9.



Director Jim Hoyer of Rock Rapids, Sioux Center Mayor Dennis Walstra, Sen. Harkin and Harold Schiebout of Sioux Center discuss on Capitol Hill on March 2 BoR's priorities and the importance of continued funding. Director Scott Hain of Worthington was also in Washington in March and met with Sen. Klobuchar and the staffs of Sen. Franken and Rep. Walz to discuss BoR's priorities. He also emphasized the pre-payment made by the members and how the federal government needs to honor its commitment.

\$6M Needed in FY11 Budget to Deliver Water in 2012

With construction just past the halfway point, Lewis & Clark is poised to begin delivering water in 2012. To avoid taking funding away from other work already underway though, the project still needs an estimated \$6M in FY11 in order to complete work on the meter houses and pipeline commissioning (flushing and disinfecting the lines) so the first eleven members can begin receiving water in 2012. Unfortunately, Congress has not yet passed the FY11 Budget, even though the fiscal year started on October 1. To date \$335M has been spent on the project. “We have come this far and are so close to being able to deliver water in 2012. It would be totally irresponsible for the federal government to leave us short,” said Chairman Red Arndt. While L&C waits, the Board of Directors has established a Funding Task Force of directors, staff, engineers and others to identify steps needed to ensure L&C can deliver water by 2012 and to connect the remaining nine members in a timely manner.



Six Wells Ready to Pump Water Construction Underway on Five More

With work continuing through the winter, Welfl Construction has made good progress on their wells and related facilities contract. Construction on this \$5.7 million project started last July and includes drilling and equipping five new wells along the banks of the Missouri River southwest of Vermillion, as well as equipping six previously drilled wells with pumps and motors. It also includes two pump houses, three vaults, four standby generators, piping, electrical work and roads.

The contractor is poised to meet the April 8, 2011 interim substantial completion deadline to have the six previously drilled wells at Sites C and D equipped and operational to deliver raw water to the treatment plant for equipment testing purposes. November 2011 is the substantial completion deadline for the five new wells. When completed, Lewis & Clark’s “firm” well capacity will be approximately 28 million gallons a day, which is the capacity with its largest well out of service.



Drilling rig set up to drill a 125' deep vertical well at Site A in the Frost Game Production Area.



A submersible pump and motor attached to the end of the the inner column pipe are being lowered into an angle well at Site D. The angle well is 242' in length at a 24 degree angle. The photo below shows the angle well at Site D being test pumped, with the Vermillion-Newcastle Bridge in the background.





Chad Huwe and Les Van Roekel

Chad Huwe and Les Van Roekel Join the Board

Sioux Falls City Engineer Chad Huwe and Hull City Administrator Les Van Roekel have been appointed to the Board of Directors – Chad

last August and Les last November. Chad takes over for Kevin Smith and Les replaces Randy Feenstra. Lewis & Clark (L&C) is very pleased to have Chad and Les on the Board. The knowledge and experience they bring to the table already have been a great asset. Chad is originally from Colton, SD and has a BS in Biology from USD, a BS in Civil Engineering from SDSU and a MS in Environmental

Engineering from SDSU. He is married and has five children. Les is from Boyden, IA and has a BS in Business Administration from Northwestern College. He is married and has two children. In addition to family activities, Chad enjoys playing basketball and Les prefers the golf course.

L&C extends its sincere thanks and appreciation to Kevin and Randy for their several years of dedicated service on the Board. They both served with distinction on the Executive Committee, as well as on other committees. In addition, they each made a handful of trips to Washington to help lobby for the project. Their many contributions have certainly helped bring L&C to where it is today.

Big Sioux River Crossing a Big Challenge

Morgan Contracting is constructing Minnesota – Segment 1 (MN-1), which is a nine mile stretch of 24" steel pipe that starts a short distance on the west side of the Big Sioux River and heads east. The contractor started with the Big Sioux River crossing on February 10. By the 14th they concluded because of the higher than expected flow of the river, as well as porous soils below the river bottom, their plan to build a diversion dam to create an open cut trench on about half the river and then do the same on the other side was no longer feasible. The photo below shows the partially completed dam, which was later removed. Morgan feels they need to bore under the river, which will add significant cost. It is Lewis & Clark's position that the additional cost is Morgan's responsibility.

The engineers designed the pipe for this crossing to be "beefed up," as any leak or failure here would be very expensive and time consuming to repair. Morgan has considered less expensive pipe materials that bend easier and would require a shorter bore, but they have a lower pressure rating. Morgan is still developing a

plan to bore under the river that maintains the "beefed up" design. In the meantime, they will begin installing 24" pipe on other parts of the segment in April, likely saving the river crossing for last. They plan to have two construction crews. The substantial completion deadline for this project is July 1st, which includes an "emergency connection" for one of Rock Rapids' two connections. That deadline is certainly in question.



24" pipe ready for installation near Springdale Lutheran Church.



Walls Go Up on Water Treatment Plant – Phase 2

Phase 1 Ready to Go

Foley Construction worked through the winter on the main treatment plant building (Phase 2) and have put up the walls around the solids contact basins area. They have been pouring concrete, which was slow going in the freezing temperatures, for the floors and walls of the recarbonation, filter, chemical feed and reclaim/equalization basin areas on the north side of the plant. In addition, they have been installing the equipment for the solids contact basins and process piping in the lower level pipe gallery. They have also been doing a fair amount of electrical and mechanical work. The substantial completion deadline on this \$66M contract is March 21, 2012.

Foley met the substantial completion deadline on Phase 1 (in background of large photo below), which they reached in late December. This \$23M project includes the three million gallon underground reservoir, high service pump station, electrical switchgear building and three backup generators. They need to finish minor punch list items before reaching final completion.



Hello, Meriwether and William! 47-foot-tall pre-cast panels, manufactured by Gage Brothers of Sioux Falls, being erected.



Workers installing radial troughs for one of the four solids contact basins.



72" steel pipe, largest in the entire System, will carry water from the plant to the reservoir/pump station.



Using concrete booms, an estimated 25,000 cubic yards of concrete have been poured so far (roughly 3,100 truck loads).

Tea Pump Station Construction on Schedule

Eriksen Construction officials are confident they are on schedule to meet the September 2011 substantial completion deadline. Construction on the Tea pump station continued through the winter, albeit at a slower pace. The focus through the winter has been installing the process piping in the lower level. Red “pump cans” (right) will house the eight 350 hp high service pumps. Electrical work also continued through the winter. In April they plan to pour the concrete top slab that will cover the lower level, as well as resume masonry work on the walls. This station will eventually pump water to twelve members: Tea, Harrisburg, Lincoln County RWS, Sioux Falls, Minnehaha Community Water Corp, Rock Rapids, Luverne, Rock County RWD, Lincoln Pipestone RWS, Worthington, Madison and Sibley.

