



Explorer

Lewis & Clark
REGIONAL WATER SYSTEM

SUMMER 2009

\$56.5M in Stimulus Funding “Monumental” Funding Boost Equal to Two Years of Construction

The Lewis & Clark Regional Water System (L&C) received historic news on April 15 that the Bureau of Reclamation (BoR) approved \$56.5M for L&C as part of the American Recovery and Reinvestment Act! The funds are designated for use on Phase 2 of the water treatment plant. It is estimated a total of 600 jobs will be created throughout the three year construction period (not on site at the same time). Chairman Red Arndt, who has been involved with L&C since 1990, said it was “a monumental day in Lewis & Clark’s history, second only to receiving congressional authorization.” In terms of jump starting construction, Executive Director Troy Larson said the funding

“is like a direct injection of energy drink into the system.”

With L&C’s completion already four years behind schedule, the funding makes up two of those years – a most welcome improvement to the construction schedule. By freeing up current funding for other projects, it allows L&C to have ten members connected when the plant becomes operational in 2012, instead of just five. It is expected Centerville, Beresford, Parker, Lennox and South Lincoln RWS will now join Harrisburg, Lincoln County RWS, Minnehaha Community Water Corp, Sioux Falls and Tea in receiving water in 2012. The remaining

ten members also benefit by moving two years closer to receiving water.

With Banner Associates’ Tim Conner taking the lead, L&C’s engineers and staff put in a great deal of time and effort over several months to demonstrate L&C’s construction capabilities. According to the U.S. Department of the Interior, the key criteria used in determining the distribution of the economic recovery funds were that “the projects address the Department’s highest priority mission needs; generate the largest number of jobs in the shortest period of time; and creates value for the American public.”

Treatment Plant Bid Substantially Under Engineer’s Estimate

Lewis & Clark (L&C) received fantastic results on May 21 with the bid opening for Phase 2 of the water treatment plant, which is for the main treatment plant building. With seven bidders, Foley Company of Kansas City, MO,

the same contractor working on Phase 1, submitted the low base bid of \$61.4M. Second place was \$61.8M. This was substantially lower than the engineer’s base estimate of \$96M! Three bid alternates were accepted that

brought the final bid price to \$64.1M. The welcome news was attributed to lower material prices and more competition due to the national economic recession.

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It was in stark contrast to September 2007, the height of skyrocketing material and fuel prices, when the entire plant was bid as one project and came in \$45M over the estimate. L&C was forced to reject the bids and build the plant in phases.

Construction on the 588' x 400' facility (three levels with a combined 377,000 square feet) began in mid-July with the stripping of top soil. The deadline for substantial completion is March 2012. The plant's treatment capacity will be 34 million gallons a day (MGD) and the filter components will have the build out capacity of 45 MGD. Phase 3,

slated for after all 20 members are connected, will expand the plant to the originally planned capacity of 45 MGD.

The \$34.6M savings frees up funding for other projects and essentially makes up one more year of construction.

Combined with the economic recovery funds, L&C's construction period improved an impressive three years over a five week period! However, the improved construction schedule is entirely dependent on receiving continued Federal funding at current levels (see story on page 4).



Illustration of treatment plant entrance.



David Ryan Honored at Annual Meeting

Just over 160 people attended the 19th Annual

Membership Meeting

at the Holiday Inn on May 28. Chairman Red Arndt and Executive Director Troy Larson provided project updates. A video shown highlighting the construction progress made the last six years can be viewed on Lewis & Clark's (L&C) website at www.lcrws.org.

Staff from Senators Johnson, Thune, Grassley, Harkin and Representatives King and Herseth Sandlin provided greetings of strong support and encouragement. Grassley also sent a video greeting.

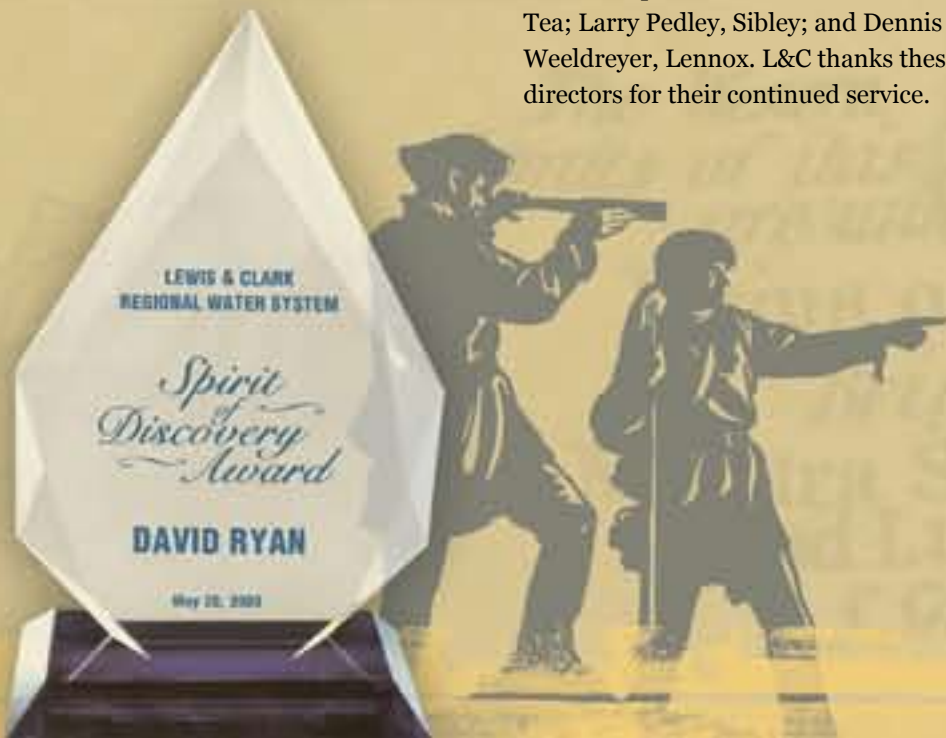
The following directors were re-elected to three year terms on the Board – Red Arndt, Luverne; Dan Cotton, Beresford; Randy Feenstra, Hull; Dennis Healy, Lincoln-Pipestone RWS; Sid Munson, Tea; Larry Pedley, Sibley; and Dennis Weeldreyer, Lennox. L&C thanks these directors for their continued service.

To culminate the evening, the Lewis & Clark Spirit of Discovery Award was presented in a well deserved tribute to the late David Ryan of the SD Department of Environment and Natural Resources. His wife, Cindy, accepted the award on his behalf. David worked on L&C since the early 90s and was a very good friend to the project.

“David played an integral part in the process of securing State approval and funding of the project.”

–Chairman Red Arndt

In his remarks, Chairman Arndt said, “David played an integral part in the process of securing State approval and funding of the project. Along the way, he provided valuable counsel and feedback. He never sugar coated anything. His input is greatly missed, along with his frankness, candor, quick wit and sharp sense of humor. Sadly, David lost his battle with cancer in January and Lewis & Clark lost a good friend.” L&C is very thankful for the many contributions David made through the years toward the success of the project.



Chairman's Report - Red Arndt

Congratulations on behalf of everyone at Lewis & Clark (L&C) to newly elected Senator Al Franken of Minnesota. It took far longer to decide the race than anyone expected, but eight months later Minnesota finally has two Senators again. We look forward to meeting with Senator Franken and sharing with him why L&C is so important to expanding economic development opportunities and improving the quality of life in southwest Minnesota. We hope we can count on his future support. L&C also thanks former Senator Norm Coleman for his past support. Whether it was meeting with him in his DC office, in Luverne or bumping into him at airports, he always knew the details of the project and understood its importance to southwest Minnesota. Our best wishes to him in the future.

On another note, close to 100 officials from L&C's member cities and rural water systems participated in a construction tour on June 12 (see photo below). It was a rainy day and one of the two charter buses even got stuck, but it didn't dampen our enthusiasm. The project owners were impressed to see first hand the good progress being made. We watched a 50' section of 54" diameter steel pipe being laid before the last of it is buried in August. We also saw the large underground reservoir being constructed at the water treatment plant site. Our thanks to Banner and HDR for sponsoring the tour.

Finally, we were thrilled with news on the stimulus funding, but equally disappointed that appropriators used the stimulus funding as a reason to offset the

project's normal appropriation this year (see story on page 4).

We know our tri-state delegation went to bat for us as much as they could and we really appreciate that. Looking ahead, it is critically important this offset be a one time deal. It will cause major problems for L&C in FY11 if we are again looking at Federal funding levels in the teens. We will continue to hammer home the point that L&C can continue to make a significant economic impact, both during and after construction, with appropriate levels of funding.



"We look forward to meeting with Senator Franken and sharing with him why L&C is so important to expanding economic development opportunities and improving the quality of life in southwest Minnesota."

-Chairman Red Arndt



FY10 Budget A Challenge



The wild swings in Lewis & Clark's (L&C) Federal funding continue with the FY10 Budget. Based on feedback from congressional leaders, it was anticipated the \$56.5M in American Recovery and Reinvestment Act funding would not be used to offset the project's annual appropriations. However, that turned out not to be the case. After the Administration only proposed \$2M, in late June the House Appropriations Committee approved \$6M and in early July the Senate Appropriations Committee approved \$16M. The final number to be worked out by conference committee will hopefully be known sometime this fall. L&C received \$27M in FY09.

It is unknown whether this is a one year offset or will continue in the future. L&C's member cities and rural water systems have urged their respective congressional leaders to oppose any future offsets. Not only do such wild swings in funding make it very difficult from an engineering and planning standpoint, but offsets eventually will again put construction far behind schedule. The longer it takes to complete the project, the longer critical water needs go unmet and the more expensive the project becomes for taxpayers due to inflation.

Although L&C could have put more funding to good use and is disappointed with the offset approach used for this budget, it is thankful for the continued strong support and leadership from its congressional delegation. The numbers could have been much lower without their hard work. Project officials look forward to working with congressional leaders to further make the case for increased Federal funding in the future.

Last Segment of 54" Pipe Nearing Completion

Don Kelly Construction (DKC) is nearing completion on Treated Water Pipeline – Segment 8/7B in southern Clay County. They have one mile to go on this 11 mile segment. This is the last mile of the 54" main trunk line between the Missouri River and Sioux Falls.

Unusually wet weather and higher ground water tables have slowed progress recently, but DKC expects to have the last of the pipe buried sometime in August. They will then pressure test the pipe and complete land restoration. The deadline for substantial completion is November 2009.

Water Tower Bid Under Budget

Bids were opened on July 22 for a 3 million gallon composite water tower. L&C officials were pleased that the low bid of \$5,040,000 from Landmark Structures of Ft. Worth was below the budgeted amount of \$5,885,000.

The tower will be located in southern Sioux Falls along 85th Street on land owned by the City, directly east of Lincoln County RWS's two water towers. L&C and Sioux Falls both needed a 1.5 million gallon water tower in the same area. In a cooperative partnership to make the most efficient use of resources, L&C and the City are splitting the construction costs of a 3 million gallon water tower. Because Federal funds are being used, the tower will be owned and operated by L&C, with Sioux Falls using half the storage capacity for their normal operations.

Three million gallons is the largest capacity water tower manufactured in the nation, with only roughly 15 in operation. The tower will be 184' high and the bowl will be 116' in diameter. To put the size into perspective, the composite water tower near Roosevelt High School in Sioux Falls has a capacity of 1.5 million gallons. The pedestal will be concrete and the bowl is steel. Construction is expected to begin this fall. November 2011 is the deadline for substantial completion.



DKC lowering a 50' section of 54" pipe onto an air release valve vault with a 100 ton crane near the Vermillion River.

Bank Stabilization Project Receives National Recognition

Secretary of the Interior Presents Prestigious Award



Left to right: Dave Odens, Banner; Ted Hall, BoR; Bill Brinker, HDR; Bill McDonald, BoR Acting Commissioner; Deanna Archuleta, Deputy Assistant Secretary, Department of the Interior; Ken Salazar, Secretary of the Interior; Chairman Red Arndt; Faye Streier, BoR; Jim Kangas, BoR; Kevin Schulz, Welfl Construction; Tom Powell, Lake Region Contracting.

At a ceremony in Washington, D.C. on May 7, Lewis & Clark (L&C) was presented with the Partners in Conservation Award from U.S. Secretary of the Interior Ken Salazar. This prestigious national environmental award recognizes L&C for stabilizing one mile of Missouri River shoreline south of Vermillion to protect the project's primary well field from erosion. The bank stabilization project, which was completed in July 2008, was a cooperative effort with the Bureau of Reclamation (BoR), National Park Service, Army Corps of Engineers, U.S. Fish & Wildlife Service and the SD Department of Game, Fish & Parks. In making the nomination, the BoR noted this project "exemplifies how local sponsors, state government entities and Federal agencies can cooperate to achieve critical conservation goals." Secretary Salazar's citation noted "The partners on the stabilization project came with diverse interests, but cooperatively discussed options and agreed upon a solution which would maintain the values of the National Recreational River while protecting vital infrastructure."

This section of the Missouri River is designated as a National Recreational River. Instead of placing exposed rock revetment to stabilize the river bank, L&C incorporated a unique and environmentally friendly approach – vegetative stone toe revetment. It involved sloping the river bank, covering the 51,000 tons of rock revetment with soil and then planting vegetation on top, thereby providing a natural looking river bank that allows wildlife access to the river. It also involved jutting "locked logs" into the river as a buffer against the current. A total of 118,000 willows, cottonwoods and dogwoods were planted, as well as native grasses. It is the first time this technique has been used on a large river and agency officials expect it will spur similar projects throughout the nation.



Workers planting willow trees in December 2007 before the revetment was covered with soil. The photo below shows a current view of the bank stabilization.





Walls Going Up On Pump Station & Underground Reservoir

Foley Company is making good progress on Phase 1 of the water treatment plant. They completed the 2' thick concrete floor of the three million gallon pump station and underground reservoir and started pouring the concrete walls. The walls of the wet well portion are 3' thick (the pump station will be on top of the wet well). The exterior walls of the clearwell portion of the reservoir are 22" thick and the interior baffle walls are 1' thick. Phase 1 also includes an electrical building and standby generators.

