LEWIS & CLARK, RURAL WATER SYSTEM

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System Capacity Expanded By 65%

The Lewis & Clark Rural Water System has expanded its planned capacity from 27.2 million gallons a day (MGD) to 45 MGD, a 65% increase, as a result of an agreement with Sioux Falls to provide the City with additional capacity.

Sioux Falls originally reserved 10 MGD from L&C, but a recent City study found it needed to secure more capacity to address its long-term water needs. After reviewing different options, the City determined the most feasible option was to request an additional 17 MGD from L&C.

A group from L&C was appointed in February to work out the details of a commitment agreement with

"No other long-term project in this region is more important than Lewis & Clark."

-Mayor Dave Munson

Sioux Falls officials. This group was chaired by Vice-Chairman Red Arndt, and also included Chairman Charlie Kuehl, Director Bill Heyer, Director John Buss, Dave Odens from Banner Associates, Jay Cook from Dorsey & Whitney, and Executive Director Troy Larson. The goal throughout the discussions was to accommodate Sioux Falls' request in a way that did not adversely impact the other nineteen members. After seven months of meetings and discussions, the L&C Board unanimously approved the agreement on August 25. Following Sioux Falls City Council action, it became effective on September 30. Each of the other L&C members has been asked to sign the new commitment agreement that is specific to them.

The commitment agreement not only addresses the expansion, but also many other issues regarding the future operation of L&C, such as the formula used to establish future water rates and reserve accounts. Other highlights of the agreement include:



A pre-cast air vacuum vault is lowered into place west of Tea (see air vacuum valve on pg. 6). The diameter of the main trunk line was increased from 48" to 54" to accommodate the additional capacity requested by Sioux Falls.

- Because of the cost efficiencies of expanding the water treatment plant before it is built, rather than expanding an existing facility, Sioux Falls will pay now to upsize it to 45 MGD.
- Sioux Falls will pay now to upsize certain segments of the pipeline to ensure that the 15 MGD of future expansion is maintained in the System.
- It is anticipated that L&C will provide treated water to Sioux Falls by 2012. However, a mutual commitment on the construction schedule for the trunk line ensures L&C will at least deliver untreated water by that time.
- Sioux Falls will pay for future wells and pipes when it determines it needs the additional capacity.
- The members commit to buying an average of 25% of their original reserved capacity (in Sioux Falls' case this would be 2.5 MGD) on a monthly basis.

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Chairman's Report

The FY06 Energy and Water Appropriations Bill is still making its way through the Conference Committee. As has been mentioned, the Senate version contained \$20 million for Lewis & Clark and the House version included \$15 million. SD Senator Tim Johnson is serving as one of the conferees, which will hopefully bode well for the project. Based on feedback from Johnson's office, we are cautiously optimistic that the Conference Committee will be able to hold the Senate's level of \$20 million. It is hoped a final bill

\$10.3 Million Contract Awarded

A \$10,306,324 contract was awarded in September to High Country Pipeline of Penrose, CO, for the second and third segments of the treated water pipeline (TWP 2 and 3). Their bid was well below the engineer's estimate. TWP 2 and 3 are part of the 54" diameter trunk line that will run from the treatment plant near Vermillion to Sioux Falls. This seven-mile

Joint Powers Board Hosts Minnesota Legislators

The Joint Powers Board (four MN members) was pleased to host legislators from the Senate and House Capital Investment committees during their recent tours of southwest Minnesota. It is from the Capital Investment committees that funding for Lewis & Clark is appropriated through the JPB.

The Senate Capital Investment Committee was in Luverne on September 8. Chairman Keith Langseth (Glyndon) was joined by Satveer Chaudhary (Fridley), Wes Skoglund (Minneapolis), LeRoy will be approved soon. Work is already well underway on the FY07 Budget and we will be submitting our funding request in the near future.

Now that the agreement between L&C and Sioux Falls to almost triple the City's capacity from the System has gone into effect, I again want to thank everyone on both sides who worked so long and hard to finalize this agreement. In particular, Dave Odens from Banner Associates and Jay Cook from Dorsey & Whitney helped work out the details, and Director Red

segment of steel pipe will run along 467th Avenue from 274th Street just south of Tea to 281st Street just south of Lennox. Construction is expected to begin this spring.

The next contract will be the fourth segment of the treated water pipeline (TWP-4). It is anticipated that an intent to award will be passed on November 17. This

Stumpf (Plummer), Dennis Frederickson (New Ulm), and Dave Senjem (Rochester). The House Capital Investment Committee was in Luverne on October 17. Chairman Dan Dorman (Albert Lea) was joined by Vice-Chairman Denny McNamara (Hastings), Matt Dean (Dellwood), Kathy Tingelstad (Andover), and Mary Murphy (Hermantown).

Doug Magnus (Slayton), L&C's champion in the House, attended both meetings, as did officials from Worthington, Lincoln-Pipestone RWS, Luverne, Rock County RWS, and the JPB's lobbyist, Mike Mahoney. At both meetings,



Arndt who chaired the group kept us on task. This is a monumental agreement.

just over six mile segment of 36" diameter pipe is located west of Sioux Falls and runs north from 12th Street to Benson Road. TWP-4 will serve water to Sioux Falls and is part of the line that will eventually serve Madison. One mile of this segment was originally planned for 30", but was upsized to 36" to accommodate Sioux Falls' additional capacity.

presentations were made by L&C staff and directors regarding the status of construction and funding, as well as the critical need for the project. Last year, the Legislature included \$2 million for L&C in the general obligation bonding bill. The request to legislators in 2006 will be the balance of the State's share of the project - about \$3.3 million.

The legislators asked many good questions and their response was very supportive in terms of trying to push for the remaining funding this session. A special thanks to the legislators and staff members who attended these meetings, as well as to Sen. Jim Vickerman (Tracy) and Rep. Rod Hamilton (Mountain Lake), who were unable to attend the meetings, but have been strong supporters of L&C.

Members of the Senate and House Capital Investment Committees

Test Well Drilled in New Area

A \$58,650 contract was awarded in August to Sargent Drilling of Nebraska to drill a test well and two monitoring wells at Site J, which is located on the banks of the Missouri River about a half-mile west of Clay County Park. Drilling was completed in late October and testing is underway to more accurately determine the capacity that can be expected from this well field. Lewis & Clark purchased 20 acres of riverfront land for Site J this past June after preliminary testing showed it is a suitable well field. Site J is a secondary well field about three miles west of the primary well field at Mulberry Point. Mulberry Point is part of the State's Frost Game Production Area just west of the Vermillion-Newcastle Bridge. One production well and one test well have already been drilled in this area. Tests show these wells will produce more water than initially estimated. A contract is expected to be awarded this summer for additional production wells at Mulberry Point.

Executive Director's Report



Test well being drilled at Site J



Supreme Court granted Lewis & Clark's request for an expedited hearing on our appeal

The South

Dakota

of the Second Circuit Court's decision involving the 250' Rule. Oral arguments were heard by the Court on the campus of Northern State University in Aberdeen on October 4. A ruling is expected in the near future.

In a nutshell, the statute states that if the power of eminent domain is used, the condemning authority must maintain a 250' distance from a dwelling house or other buildings, and may not cross any non-commercial gardens or orchards without the consent of the owner. There is no debate that from 1890 to 1983 a predecessor statute only applied to ditches, canals and other open waterways, not water pipelines. There is also no debate that the 250' Rule only applies to routes for the transportation of water, and not to routes for more dangerous materials, such as oil, gas or coal slurry.

The Second Circuit Court ruled that the statute does apply to L&C's pipeline and that the 250' Rule must be measured from the boundaries of the permanent easement (not the centerline of the permanent easement); that a neighboring property owner could object based on the 250' Rule even if L&C is not taking an easement from that landowner; and that a landowner could construct improvements to essentially block the pipeline even after being advised of the pipeline route.

Based upon the legislative history and the practical and logical basis behind the original rule, L&C strongly believes that the legislature did not intend to eliminate the distinction between open waterways and water pipelines when it re-wrote the water laws in 1983. L&C has asked the Court to confirm that the legislature did not intend, with its 1983 amendments, to change the traditional rule that applied the 250' Rule only to open waterways.

An adverse decision by the Supreme Court would delay completion of the project, and increase its cost because of unexpected re-routing of the pipeline. The significance of these consequences dictates that L&C will need to pursue legislative relief in such an event.

It is important to note that this case has absolutely no similarities with the controversy caused by the U.S. Supreme Court's recent decision allowing a Connecticut city's use of condemnation authority to benefit a private for-profit developer. In sharp contrast to that case, L&C is a non-profit corporation whose only purpose is to provide a much needed source of clean and reliable drinking water for the direct benefit of the public.



Member Profile O O O Sheldon, IA

Sheldon truly is "a really nice place," as their slogan so aptly describes. With a population of about 5,000, in western O'Brien County, Sheldon has seen quality growth over the last few years. There have been expansions of two major industries (Maintainer and Rosenboom Machine and Tool) and the addition of another (Prestige Foods). The hospital recently completed a \$5.5 million addition and renovation, and a new \$7 million middle school was completed last year.

Iowa's four-lane Highway 60 Expressway will be on the east side of town and is scheduled to open in November 2006. This bypass gives Sheldon further growth potential. In order to enhance the development opportunities, the City purchased about 100 acres along the Expressway for commercial, light industrial, and residential development. The City is financing the property and infrastructure and the Chamber and Development Corporation is facilitating the development.

Sheldon joined Lewis & Clark because of the poor water quality from their deep wells and limited quantity from their shallow wells. L&C will provide high quality water for the residents and ensure future economic development is not stifled. The City has reserved 1.3 million gallons a day from L&C and plans to use the water in conjunction with their existing wells. Sheldon's current average water use is around 800,000 gallons a day, with a peak of about 1.4 million.

Scott Wynja is a native of the Sioux Center area and has served on the L&C Board since 2002. He attended Western Christian High School in Hull, graduated in 1993 from Dordt College, and has been the City Manager for about four years. Scott and Melanie have two daughters and are expecting a third child in April. They enjoy golfing and a variety of other sport activities.

Pipe Installation Completed on Raw Water Pipeline

The installation of pipe on the raw water pipeline (RWP) was completed in November. This close to nine mile section of steel pipe from the well field to the treatment plant a few miles north of Vermillion, SD, was divided into two contracts. The combined cost of the contracts was \$10.75 million.

Winter Brothers Underground of Sioux Falls worked on the first segment. This segment of mainly 48" diameter pipe has been successfully pressure tested. Where the deflection (roundness of pipe) exceeded specs, the contractor is working to correct it by recompacting the fill in those areas. Some clean up and restoration remains.



High County Pipeline installing 54" diameter pipe under two natural gas lines west of Vermillion.

High Country Pipeline of Penrose, CO, installed the second and third segments of the RWP. Due to above normal rainfall in the area this spring and summer, a two month extension for substantial completion was granted. These segments of 54" diameter pipe still need to be pressure tested, and some clean up and restoration remains.

Expansion continued from page 1

"This agreement will ensure that Sioux Falls' long-term water supply needs are addressed," said acting Public Works Director and L&C Director Kevin Smith. It also provides a number of benefits to the other members, including having excess capacity available that they can draw upon when Sioux Falls is not using it and a firm schedule as to when the trunk line will be completed. Because the City will be the first to receive water, there is also a provision for the members around Sioux Falls (Minnehaha Community Water Corp, Tea, Harrisburg, and Lincoln County RWS), to purchase water from Sioux Falls in the short-term.

Chairman Kuehl said the agreement is "a major step in more ways than one." Mayor Dave Munson remarked, "Sioux Falls understands that the most efficient way to plan for water supply is on a regional level where many communities and water systems benefit. No other long-term project in this region is more important than Lewis & Clark."

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Treated Water Pipeline-1 Completed Ahead of Schedule -

S.J. Louis Construction of Waite Park, MN, completed installing pipe on the first segment of the treated water pipeline (TWP-1) in October, well ahead of schedule. Pressure testing and some clean up and restoration remains. The contract for this nine mile segment of 54" and 36" diameter steel pipe was \$10.7 million. TWP-1 is located west of Sioux Falls and runs along 467th Avenue from 12th Street to just south of Tea. 85th Street divides the two diameters of pipe. The four miles of 54" pipe south of 85th Street is

part of the main trunk line that will run from the treatment plant near Vermillion to Sioux Falls. The five miles of 36" pipe north of 85th Street will serve water to Minnehaha Community Water Corp, and is part of the line that will eventually serve Sioux Falls and Madison.

Tech Notes -

It has been said that the only thing certain in life is change. That definitely has been the case with the development of Lewis & Clark this past year. As populations and water demands shift, it is necessary to respond to changing needs in the design of the System.

The first changes recently evaluated were changes in membership and member demands on the Iowa branch line. A portion of the pipe was decreased one size, but these changes did not impact capacity in the core system.

The next change that occurred was in the total design capacity of the System to supply the additional water requested by Sioux Falls. Total capacity to Sioux Falls was increased from 10 million gallons per day to 27. A portion of this capacity will be delivered to the water distribution system reservoirs in the southern part of the city, and the balance will be delivered to the water purification plant site as originally planned. To maintain the existing future expansion capacity in the System, it was necessary to upsize the trunk line from 48" diameter to 54", and to upsize portions of the pipeline that are routed on the south and northwest sides of Sioux Falls.

Other aspects of the System that will be expanded to accommodate the additional water needs include the well field, treatment plant, treated water pumping station, and treated water reservoirs. Current design of the well field is being developed for the number of wells necessary to meet the original System demands. The well field capacity necessary to provide the additional water can be added as the future demands are realized.

The treatment plant expansion was evaluated to determine whether it is more

By Dave Odens, Banner Associates, Inc.

feasible to construct a larger plant during initial construction or to build the plant at the size originally planned and then expand it when Sioux Falls needs the additional water. An analysis showed it was appropriate to construct the larger facility now. With all these changes, Sioux Falls will pay the incremental costs to upsize the System, so the other 19 members are not impacted.

Changes are a fact of life and provisions are made to enable changes to occur. As construction progresses though, certain things are more difficult if not impossible to change. Fortunately, the changes that have been made were identified just in time. Responding to change can be a challenge, but L&C's directors and engineers have adapted well and will continue to do so.





- Construction tour: Director Roger Lamp, Madison City Engineer Chad Comes, L&C's Dan Simon, Director Bill Heyer, L&C's Troy Larson, Madison Water Superintendent Jerry Mikel, Director Dennis Weeldreyer, Madison Councilman Jerry Johnson, and Madison Mayor Royce Hueners.
- Directors Weeldreyer (Lennox), Lamp (Lincoln County RWS), and Heyer (Madison), size up an isolation gate valve used on segment one of the treated water pipeline west of Tea.
- (3) 48" isolation gate valve being installed at 85th Street, southwest of Sioux Falls, where the 36" diameter pipe expands to 54".
- Air vacuum valve west of Tea. These valves are placed at high points to keep the water flowing smoothly by allowing air to escape from the line, and to let air in when necessary for pipe maintenance and repair. Smaller diameter lines will have smaller air vacuum valves.

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