

VOL 2

SPRING 2003

CHAIRMAN'S REPORT

After many years with Lewis & Clark, Pam Bonrud resigned in January to pursue a new opportunity as Executive Director of the Public Utilities Commission in Pierre. We can't thank Pam enough for her outstanding service to the project.

Pam lived and breathed Lewis & Clark and championed the cause of rural water throughout the region. Her energy, dedication, and leadership helped spearhead the successful federal authorization effort, as well as obtain the first federal appropriation. She was able to build a strong coalition of support for the project at the federal, state, and local levels. We deeply appreciate everything Pam did for Lewis & Clark and wish her the very best in her new position. She will definitely be missed.

While we were sad to see Pam leave, we are excited to have Troy Larson on board as our new Executive Director. There were 66 applicants for the position. Of those, we interviewed six. The Selection Committee unanimously felt Troy was the right person for the job, and the Board of Directors unanimously approved his selection. He has an extensive background in government affairs, public and community relations, and project coordination. His strong communication and organization skills and the leadership he brings to the table will be a great asset to Lewis & Clark. As many of you have seen, he has definitely hit the ground running. Welcome aboard, Troy.

Mark your calendar with the latest announcements on page 4!

FINAL ENVIRONMENTAL HURDLE CLEARED

Lewis & Clark Rural Water System received fantastic news this past March. After a thorough and lengthy review of our Environmental Assessment, the Bureau of Reclamation issued a "Finding of No Significant Impact." It is the green light Lewis & Clark has been waiting for in order to begin construction.

Receiving this ruling, thereby avoiding submitting an Environmental Impact Statement, prevented a two to three year delay in the project. In addition to the Environmental Assessment being completed, the project earlier received approval of its Final Engineering Report and Biological Assessment.

Lewis & Clark is now able to purchase land for the water treatment plant, obtain permanent easements, and begin installing pipeline. A

groundbreaking ceremony is being planned for Saturday, August 23. Until now, the idea of bringing safe, dependable drinking water from the Missouri River to the tri-state region has been just that, an idea. Even though there are future challenges, including securing annual funding, we can all share in the excitement of now knowing that this pipeline will be built. It has moved from dream to reality, and the need for it has never been greater. As the drought continues, people have become more keenly aware of the vital importance of ensuring they have a plentiful and reliable water supply. Water ensures quality of life and provides future economic development opportunities in this region.

It is so easy for us to take water for granted, much like we took our

national security for granted in the past. Water is a finite natural resource. Lewis & Clark is critical to ensuring this region has enough water to meet our future needs. We also must encourage a stronger commitment to water conservation by the general public.

The bottom line is that with this great news the project has never been more viable than it is today. It's full speed ahead for Lewis & Clark!



Press conference in Sioux Falls to announce the FONSI.

Left to right; Madison Mayor Royce Heumers,
Chairman Charlie Kuehl, Executive Director Troy Larson,
and Sioux Falls Mayor Dave Munson.

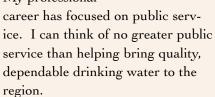
A LETTER FROM THE EXECUTIVE DIRECTOR

Troy Larson,

Executive Director

Hello friends of Lewis & Clark. Words cannot express what an honor it is for me to be a part of the

Lewis & Clark team. I've closely followed and been indirectly involved with the project since its inception. I'm very excited for the opportunity to play a more direct role in this important project. My professional

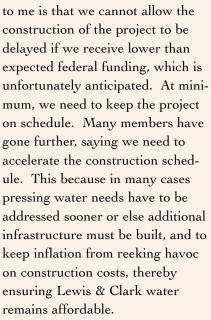


In terms of my background, I grew up on a grain farm near Groton, South Dakota, where my younger brother and mother still farm. I enjoy going back to help out when needed. I received a bachelor's degree in business from Mankato State University. A decade later, while working full-time, I received a master's degree from the University of South Dakota. My wife, Deana, grew up on a dairy farm near Huron. We've been married for thirteen years. She works as a regional marketing manager for Wells Fargo. We have lived near Hartford since 1990. Our six nephews and two cats keep us on our toes.

For the past thirteen years I have worked as a congressional aide, seven years for Senator Pressler and the last six years for Congressman Thune. I served as Thune's state director, overseeing the constituent service operations.

I began with Lewis & Clark on March 14 and there hasn't been a slow day yet. My main focus has

been getting to know the members. I have been spending a lot of time on the road. Keeping in close contact with the membership, listening to their concerns and providing regular updates, will continue to be a top priority of mine. In visiting one-on-one with the members, the main point that has been stressed



As part of our long-range planning, the Lewis & Clark board of directors and consultants will be meeting in June to examine creative ways to keep the project on schedule and possibly even accelerate construction. The members' input during this long-range planning process will be invaluable.

Together as a team we can do so much more than individually. I look forward to working closely with all of you as we go full speed ahead. God bless.

FUNDING:

WHERE WE'RE AT AND WHERE WE'RE GOING

During 2003, we anticipate spending close to \$12.7 million in construction related activities. This includes close to \$7 million in FY03 federal funding, as well as state and local funding. In regard to FY04, President Bush did not include the project in his budget. While this is a disappointment, and will make the task more difficult for our congressional delegation, it's important to remember this is simply the first step in a long budgetary process.

A hallmark of Lewis & Clark through the years has been the strong and effective bipartisan support the project has received from the congressional delegation. Last month the congressional delegation submitted on Lewis & Clark's behalf a \$30 million appropriation request. However, with the federal budget already running a large deficit, which doesn't even include the cost of the war on terrorism or the situation in Iraq, it appears the final number may be well below the requested amount. We will continue to work closely with our congressional delegation on this issue. Regarding future funding, the South Dakota congressional delegation has encouraged us to keep in mind that two large water projects, Mid-Dakota and Mni Wiconi, are nearing completion. Mid-Dakota, which has been receiving roughly \$15 million each year, will be completed in about two years. Mni Wiconi, which has been receiving roughly \$30 million each year, will be completed in about five years. The South Dakota congressional delegation has indicated a large portion of these funds will be redirected to Lewis & Clark upon completion of the projects.

In addition, the board of directors will be meeting soon to discuss long-range planning and strategy. Part of those discussions will include reviewing ways to supplement the federal funding in order to keep the project on schedule, and possibly even accelerate construction.

ENGINEERING NEWS AND NOTES:

BY DAVID ODENS, PROJECT ENGINEER

It has been a while since the last Engineering News and Notes column has been a part of the Lewis and Clark newsletter and it is appropriate to provide an update on the engineering activities in progress. The first big efforts after project authorization were the completion of the final engineering report (FER) and the environmental assessment (EA). These documents were completed in 2002. The Bureau of Reclamation issued a Finding of No Significant Impact in March 2003. This finding was important in that it permitted work to proceed on land acquisition, pipeline design, and other final design activities. This article will highlight several of these activities.

- 1. Aerial photogrammetry of the route from Vermillion to Sioux Falls Aerial photo imagery of the pipeline route and control point surveying was completed last fall before snow cover and after the leaves were off the trees. The images are high resolution stereo pairs that permit preparation of detailed topographic maps with aerial photo backgrounds that are reproduced to scale. The information and photos collected are sufficient to permit development of topographic maps of the entire pipeline route from Mulberry Point to Interstate 90 on the west edge of Sioux Falls.
- 2. Design of Production Test Well at Site D Designs for two alternative configurations of a production test well at Site D have been prepared. The project will be bid in late May and construction is expected to be completed in the fall of this year. The pump test information from this well will provide critical design information for the design of the remaining wells needed for the project.
- 3. Mapping of raw water pipeline route The aerial photos and field survey information were used to develop topographic maps of the raw water pipeline from Mulberry Point to a point near the anticipated water treatment plant site. The field surveys were necessary to locate and identify utility crossings and locate section corners and other survey reference points. The mapping work necessary for preparation on the plans for the raw water pipeline is complete.

- 4. Soil Resistivity Surveys Soil resistivity surveys have been completed on the raw water pipeline routes scheduled for bidding in 2003. The surveys are used to characterize the soils in the area to make a determination of the type of corrosion protection that may be required to protect the pipeline from external corrosion. The data collection effort also included identification of other utilities such as gas lines in the area that may have a cathodic protection system in place that could affect the systems for the Lewis and Clark pipeline.
- 5. 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.
- 6. Interagency Environmental Review Team (IERT) -

An Interagency Environmental Review Team has been formed for the project. This team will review the proposed design for construction activities scheduled in each year and provide input to the design team, particularly in the area of avoidance or mitigation of potential impacts to biological and cultural resources. The initial meeting of the team is scheduled to be held on April 25, 2003.

7. Assistance with land and right of way acquisition -

The engineering team is providing technical support and exhibits necessary for land and right of way acquisitions. The right of way acquisition work is closely coordinated with the raw water pipeline design so that adjustments to pipe alignment can be made to meet site conditions and requirements.

The list illustrates the number of areas in which work is progressing on the project. As the project moves forward, we look forward to providing updates on other final design and construction activities. The progress is encouraging. We look forward to moving the project from paper to pipeline in the ground.

The preliminary plan for the Raw Waterline route extending from the Mulberry Point area to the site of the Water Treatment Plant is on the drawing board with our engineers, Banner Associates. My task is to contact the landowners along that route and work with them in securing easements or

right-of-way to cross their property with our pipeline. These contacts are a continuation of the planning process in finding a suitable pipeline route through Clay County. Construction or temporary easements will



Terry Pellman, Land Acquisition Specialist

be requested in areas where contractors will need short-term access to land adjacent to the permanent easement. In most areas of the pipeline route, the pipeline will be located on private property. Along Highway 19 from the Frost Wilderness Area to Timber Road, we plan to locate the pipeline in the wide highway Right-of-Way for approximately 2 1/2 miles. In most areas in Clay County, permanent and temporary construction easements will

be requested. The site of the Water Treatment Plant north of Vermillion will be secured by the time you read this. With the conclusion of easements for the Raw Waterline this summer, I will continue to contact landowners for the Treated Waterline further into central Clay County toward Beresford and

Centerville. Funding levels will dictate construction, but easement work can be several years ahead of construction activity.

MARK YOUR CALENDAR

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THIRTEENTH ANNUAL MEMBERSHIP MEETING

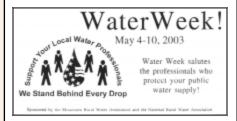
Lewis & Clark Rural Water System, Inc. will be holding its Thirteenth Annual Membership Meeting on Thursday, June 26, 2003 at 7:00 pm. It will be held in the Harvest Room at the Best Western Ramkota Inn, Sioux Falls, SD. Please join us!

LANDOWNER INFORMATION MEETING

Lewis & Clark Rural Water System will hold an Open House at the National Guard Armory on May 14, 2003, from 7:00-9:00 pm. We will review the project's anticipated construction for the next 5 years. This is in follow up to a similar meeting held last year. All interested parties are welcome to attend.

GROUNDBREAKING

A groundbreaking ceremony will be held Saturday, August 23, 2003, at 10:00 am at the Clay County Park near Vermillion, SD.



NEW E-MAIL ADDRESSES: Beginning April 28, 2003

Troy Larson: tlarson@lcrws.org
Lori Seten: lseten@lcrws.org

Terry Pellman: tpellman@lcrws.org

NEWLY ELECTED OFFICIALS

The November elections brought great changes in terms of Lewis & Clark's representation on the federal and state level. We look forward to working closely with each of our newly elected officials. Here is a breakdown of each state.

South Dakota

After many years of distinguished service in the state legislature, Governor Mike Rounds takes the helm in Pierre. Governor Rounds has already voiced his strong support for Lewis & Clark, which is evidenced by the \$2.5 million appropriated for FY03 by the state legislature. We thank Governor Rounds in advance for the leadership he will provide to Lewis & Clark.

Governor Bill Janklow was a longtime advocate of the project while in Pierre. He was prevented by term-limits from

running again, but was successful in his bid for a seat in the House of Representatives. As South Dakota's newly elected congressman, he has indicated his willingness to now be an advocate for the project on Capitol

Hill and with the Administration.
Lewis & Clark cannot thank former Congressman John Thune enough for everything he did for Lewis & Clark, including pushing our authorization and first appropriation through the House. He truly carried the water in the House and we are very grateful for his hard work and dedication.

Iowa

Due to redistricting, veteran lawmaker and long-time project supporter, Congressman Tom Latham, now represents a different portion of Iowa. His district still includes part of the Clay Regional Water System. We look forward to Congressman Latham's continued support.

A warm welcome to newly elected Congressman Steve King, who now represents northwest Iowa. As a member of the state legislature, Congressman King was a strong advocate of the project.



Congressman Janklow met with L&C officials in Sioux Falls in March to discuss the project. Left to right; Director Roger Lamp, Director John Buss, Chairman Charlie Kuehl, Janklow, Director Kevin Smith, and Executive Director Troy Larson.



Senator Johnson meeting with L&C Executive Committee in January to announce the approval of L&C's \$7 million FY03 appropriation. A similar discussion was held by conference call with Senator Daschle in February.

Minnesota

Governor Tim Pawlenty replaces Jesse Ventura in St. Paul. Red Arndt and Don Habicht have met with Governor Pawlenty's staff to make them aware of Lewis & Clark. We welcome Governor Pawlenty to his new post and look forward to working with him. Due to redistricting, veteran lawmaker Congressman Gil Gutknecht now represents southwestern Minnesota. Congressman Gutknecht serves on the Budget Committee. We welcome Congressman Gutknecht to this neck of the woods and are pleased that he has recently voiced his strong support for the project. His leadership will be most welcome. We thank Congressman Mark Kennedy for his past support of Lewis & Clark and are pleased that he will continue to be an advocate for Lewis & Clark.

We also welcome Senator Norm Coleman, who replaces the late Senator Paul Wellstone. Senator

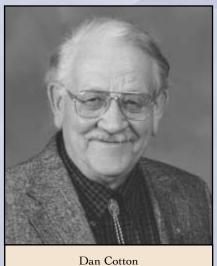
> Coleman's leadership in the Senate will be very important to this project, and we are very excited about his support of our FY04 appropriation request.

Lewis & Clark Rural Water System

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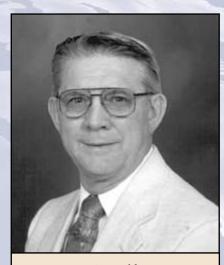
Welcome New Directors!



Dan Cotton Beresford



Sid Munson Tea



Dennis Weeldreyer Lennox