September 6, 2006

Watertown Municipal Utilities
901 Fourth Avenue SW
Watertown, SD 57201
Attn: Geoff Heig, General Manager

Re: Watertown South Connector Roadway Project

Dear Mr. Heig:

Thank you for attending the August 8 public meeting for the south connector roadway project. You provided us with vital information regarding the new electrical transmission line along the north side of 20th Avenue South between 17th Street SE and 29th Street SE. You noted that relocating all or a section of the new power line would be cost prohibitive.

As a result of your comments, we have adjusted the design of the south connector roadway from 17th Street SE to 29th Street SE to avoid impacting the new power line. However, that design adjustment causes an impact to the farmstead on the south side of 20th Avenue South. Please see the attached photo of the power line and the farmstead. Also attached is a revised Alignment Options map which illustrates the revised design.

As we refined the roadway design and began preparing the Environmental Assessment for the south connector project, we determined that, at the least, the existing house would have to be relocated on the farmstead and, at the worst, the entire farmstead would have to be purchased. From our discussions with the landowners, the farmstead is not part of an active farming operation and the house is only occupied periodically by members of the family that own the surrounding farmland.

To document the justification of the impact to the farmstead, we request that Watertown Municipal Utilities prepare a brief written statement that would include an approximate cost of relocating a section or all of the new power line from 17th Street SE to 29th Street SE. You may address your response to HDR.

Sincerely,

HDR ENGINEERING, INC.

James Unruh, P.E.
Project Manager

Attachments

Copy to: Terry Keller
Herb Blomquist
Looking west along 20th Avenue South

Photo date: April 7, 2006

New electrical transmission line

Farmstead along south side of 20th Avenue South

Proposed roadway widening

20th Avenue South

North
September 27, 2006

Mr. James Unruh, P.E.
Project Manager
HDR Engineering Inc
6300 South Old Village Place
Suite 100
Sioux Falls, SD 57108-2102

RE: Watertown South Connector Roadway Project

Dear Mr. Unruh:

In response to your letter dated September 6, 2006, regarding the new power line along 20th Avenue SE, we are enclosing estimates from our Consulting Engineer to relocate all or a portion of the line.

We appreciate your consideration in designing around this important transmission line.

If you require any further documentation in this regard, please let us know.

Thank you

Sincerely,

H. G. Hoig
General Manager

HGH:jap

cc: Herb Blomquist
September 23, 2006

Mr. Geoff Heig  
Watertown Municipal Utilities  
901 Fourth Ave. SW  
Watertown, South Dakota 57201

Re: Transmission Line Relocation Estimate

Dear Geoff:

Per your request, the following is an estimate of the two options we discussed to relocate the transmission and underbuilt between 29th Street SE and 17th Street SE. The estimated costs were based on input from Karian-Peterson and our general knowledge of the cost of materials.

<table>
<thead>
<tr>
<th>Option</th>
<th>Est. Cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocate entire 1 mile, stay on north side of road</td>
<td>$115,000</td>
<td>Assumes all poles and conductor can be reused and moved 30' to 50' north. Temporary line would have to be built or generators used to provide service to accounts while construction was taking place. Additional right of way for anchoring may be needed at east end depending option selected. Engineering and project management is included.</td>
</tr>
<tr>
<td>Relocate only 0.25 mile around farm on south side of road</td>
<td>$110,000</td>
<td>Assumes 4 wood laminated self supporting poles would be used for angles. Again line would be moved 30' to 50' north. Engineering and project management is included.</td>
</tr>
</tbody>
</table>

If you have any questions, please contact me.

Sincerely,

Pete Malamen, PE  
Project Manager

A subsidiary of Dakota Electric Association
October 3, 2006
East River Electric Power Cooperative, Inc.
PO Box 227
121 SE First Street
Madison, SD 57042-0227
Attn: Dan Wall

Re: Watertown South Connector Roadway Project

Dear Mr. Wall:

The South Dakota Department of Transportation (SDDOT), with the support of the City of Watertown, is proposing to construct a high volume roadway around the south side of Watertown. The roadway is called the South Connector. HDR is providing design and environmental assessment services for the project. Enclosed, please find an informational brochure regarding the project. Also enclosed is a graphic illustrating the alignments being considered for the South Connector.

It is our understanding that East River Electric Power Cooperative owns the distribution power line on the south side of existing 20th Avenue. The design calls for relocation of the distribution line to approximately 80 feet south of its existing location as indicated on the enclosed graphic “Public Utilities Impacts”.

We are currently preparing an Environmental Assessment on Segment 1 of the South Connector project. Separate Environmental Assessments will be prepared for Segments 2A and 2B. To adequately address the impacts of the project, the cost of relocating the power line needs to be determined. Could you prepare a rough cost estimate for relocation of the power line? Other helpful information would be the age, capacity, and condition of the existing power line.

Please address your response to me and feel free to contact me if you have any questions.

Sincerely,

HDR ENGINEERING, INC.

James Unruh, P.E.
Project Manager

Enclosures
Project: Watertown South Connector  Project No: 39319
Date: 11 08 06  Subject: utility relocations
Call to: James Unruh  Phone No: (605) 977-7740
Call from: Todd Copland and Dan Wall  Phone No: 605-256-8029
East River Electric Power Cooperative

Discussion, Agreement and/or Action:
Specific relocation costs for the distribution power line along the south side of 20th Avenue have not been determined. Generic costs would be:
- $100,000 per mile for relocations
- $30,000 per mile for removals
- $10,000 to $12,000 additional for power line to follow a roadway curve.

For Segment 2A, there are some significant switching structures/mechanisms just south of the Highway 20/U.S. 212 intersection that could be impacted by the proposed South Connector. East River Electric will provide HDR with additional information.
November 15, 2006

Mr. James Unruh, P.E.
HDR Engineering, Inc.
6300 S. Old Village Place
Suite 100
Sioux Falls, SD 57108-2102

RE: Watertown South Connector Roadway Project

Dear Mr. Unruh:

Per your request, we enclose two copies of aerial photos of your Segment 2A of the Watertown project, with East River’s existing transmission line drawn in. On one of the copies, we have overlaid the various project options.

Items in Segment 2A of your project, which I would like to bring to your attention are:

A. The poles numbered on these aerial photos, #68 through #73A, are owned by the City of Watertown and through a Joint Use Pole Agreement, dated October 12, 1998, East River’s transmission line shares the structures with Watertown’s transmission line.

B. On the west end of Segment 2A, East River has four line switch structures. (Pole numbers 77A, 78, 79 and Pole #1 for East River’s line described as Sec7-Tap2) These three switch structures are the starting point of East River’s transmission line, which serves the Cities of Waverly, Rauville and Florence. As this is the only transmission line serving these Cities, relocation of these facilities to accommodate your project could possibly result in electric outages to these Cities. Likewise, East River’s poles #79, 80, 81, 82 and 83, located north of the switch poles, are part of the line serving the three Cities and relocation of these facilities will likewise cause outages for the Cities.

C. Pole #80 has both East River’s transmission line and the City of Watertown’s east-west transmission line located on the structure

We recently reviewed, over the phone, East River’s existing transmission line involvement in Segment 1 of your project. I want to reiterate several points that were discussed at that time.
A. East River’s transmission line does run along the south side of this project. East River does have easements for its line, which we believe is located on private property. With the exception of one pole for each of the two pole structures originally built to support the line conductor crossing over the railroad. (The railroad was subsequently removed and as a result single pole structures are all that is needed in the future)

B. There are three areas within Segment 1, which, in their present state, will not allow East River to move its transmission line 80 feet to the south. (Beginning on the east end of Segment 1 and going west)

1. There is a farmstead, comprised of a house, barn and silos. However, you indicated in our phone conversation that the house, barn and silos would be removed to accommodate your project.

2. The sewer lagoons located in the middle of Segment 1.

3. The residence with the berm built around it.

If you have any questions about this information feel free to contact me or Ken Booze, East River’s Planning/Design Engineer, at this office.

Sincerely,

Dan Wall, Manager
Transmission/Engineering Services

DW/jc

Enc.

cc: Bob Johnson