

MEETING SUMMARY

PLACE OF MEETING:	Joe Foss Building; South Dakota Department of Environment and Natural Resources; Pierre, SD
DATE OF MEETING:	May 7, 2013
TIME:	1:00 PM
ATTENDEES:	Steve Craycroft - Keystone Jason Zoller - Keystone Leslie Murphy - SDGFP Gene Galinat - SDGFP Genny McMath - SD DENR Mark Rash - SD DENR John Lott - SDGFP
PURPOSE:	Discuss the feasibility of Keystone using Lake Gardner as a withdrawal source for hydrostatic test water and dust control test water.

SUBJECT OF CONVERSATION

The purpose of this meeting was to discuss the feasibility of the Keystone utilizing Lake Gardner as a source for hydrostatic test water and dust control water. Lake Gardner was identified as potential water source on the South Dakota water allocation permit applications submitted in mid-April. The primary issue is that Lake Gardner is a State owned water managed by South Dakota Games, Fish and Park (SDGFP) as a Game Protection Area. The meeting was held to formally introduce the Keystone XL Project to the representatives of the SDGFP (Ms. Leslie Murphy, Mr. Gene Galinat, Mr. John Lott) who manage the aquatic resources within Lake Gardner so that both parties could identify the options for water withdrawal from the Lake. Ms. Genny McMat and Mr. Mark Rush of South Dakota Department of Environment and Natural Resources (SD DENR) attended the meeting as the permitting leads for the water allocation (withdrawal/discharge) permits.

The meeting started with Mr. Steve Craycroft providing a detailed description of the Project construction process and specifically how the water from Lake Gardner would be utilized during construction. The following are the questions and comments that were discussed following Mr. Craycroft's description of the Project:

- Mr. Rush enquired what was the decision process in determining how/when test water is transferred from test section to test section
 - Mr. Craycroft responded that the degree of the elevation change along the pipeline route is the most significant determining factor in determining the length of test sections and how effectively water could be transferred between test sections.
- There was a general question enquiring when the water withdrawal would occur for Lake Gardner.

- Mr. Craycroft responded that the exact construction schedule has not been determined and is dependent on timing of the Presidential Permit. Mr. Craycroft did state that hydrostatic testing could potentially occur during the winter 2013 (though unlikely), but would more likely occur from September through December 2014. Mr. Craycroft emphasized that there could be a degree of flexibility in the scheduling of the water use from Lake Garner and that Keystone was interested in working with the agencies during the process.
- Mr. Galinat stated that his primary concern would be ensuring that water levels were maintained in Lake Gardner to support the fish populations. Mr. Galinat stated that lake levels can be low in the winter and that winter kills have been recorded due to low water levels. Because of the potential for winter fish kills and also the popularity of ice fishing, Mr. Galinat stated that SDGFP would prefer Keystone avoid water withdrawal from Lake Gardner during the winter.
- Water levels in Lake Gardner are primary driven by winter snow pack, and Rush Creek has a marginal/seasonal flow into the lake.
- The overall sentiment of SDGFP was that Lake Gardner is an important recreational area for Harding County and for the northwest region of the State, and that SDGFP would prefer that any water withdrawal or related actions avoid major impacts on recreational activities.
- Mr. Galinat advised that withdrawal would be preferred during the spring and fall and use of the lake to be avoided during the summer and winter due to the increased potential for fish kills associated with low water levels during these times. This recommendation was also prefaced by saying the withdrawal could only be conducted when adequate water was present within Lake Gardner regardless of the season.
- Mr. Galinat also had concerns regarding the use of the existing access road to the proposed withdrawal location for dust control. The SDGFP would require that the road be maintained in its current condition, that rigorous dust control be applied and that access to the boat ramp via the road would not be blocked or impacted by Keystone activities. SDGFP would require that any road damage be repair to pre-use conditions.
- Mr. Craycroft communicated that Keystone's contractor would maintain the access road and would apply water or a dust palliative (e.g., MgCl or Lignin sulfonate)
- Ms. Leslie Murphy inquired how much water was lost during the hydrostatic test process.
 - Mr. Craycroft responded that water loss in minimal – likely less than 1% of the total volume withdrawn.
- Mr. Galinat estimated the size of Lake Gardner at 200 to 203 acres.
- Mr. Craycroft enquired if there was a mechanism for purchasing the water from SDGFP since the agency owned the water rights for Lake Gardner. Mr. Craycroft also enquired if there were any opportunities for conservation or restoration projects at Lake Gardner.
 - SDGFP responded that they would have to look into the option of selling the water, as well as the potential for restoration projects/funding.

The overall consensus was that the feasibility of water use from Lake Gardner was significantly dependent on the level of the water at the time when Keystone needed to withdraw the larger volumes for hydrostatic testing. As long as there was sufficient water in the lake to support the aquatic resources, than SDGFP did not anticipate that the request for water would be denied. SDGFP emphasized that the agency would prefer if the water was withdrawn during either the spring or fall, to reduce the potential for fish kills due to low water levels in

the winter and summer. SDGFP also stressed that public access to the lake was a primary concern and that any permitted activities should not limit access to the boat ramp located on the southwest side of the lake. SDGFP stated that the proposed discharge location in close proximity to the western shore of the lake was preferred over the discharge location near the ROW.

Mr. Craycroft requested that it would be beneficial if SDGFP could develop a list of conditions by which SDGFP would allow the proposed withdrawal from Lake Gardner. SDGFP agreed to work on developing a list of conditions for Lake Gardner water use by the Project.

On a separate note from the discussions centered on Lake Gardner, Mr. Rush provide a short assessment of some of the other proposed withdrawal locations identified in Keystone's withdrawal permit applications;

- Bad River – only potentially useable in the spring, dry most of the year
- Little Missouri – potential to be used, but very seasonal in flow (fall is the optimal time for use, since it avoids the irrigation season). Mr. Rush recommended using the Monmouth Gauge for the most accurate history on water levels near Keystone's water withdrawal point on the Little Missouri River.
- North Moreau – Not a reliable source
- Cheyenne River – most consistent of the proposed sources
- White River – likely to contain enough water for the proposed withdrawal amount.

Action Items

- Follow-up with SDGFP on their progress developing a list of conditions that would permit the use of water from Lake Gardner for the proposed use.
- An electronic copy of the proposed withdrawal/discharge locations at Gardner Lake was provided to SDGFP. *[email sent 5/9/2013 to Leslie Murphy]*

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