February 21, 2019

US Army Corps of Engineers
St. Paul District, Regulatory Branch
180 5th Street East, Suite 700
Saint Paul, MN 55101

Re: In the Matter of the Application of Enbridge Inc. for a Permit(s) for the
Enbridge Line 3 Expansion Pipeline Project

Dear Corps:

On behalf of the 1,150 members of the Whitefish Area Property Owners Association (WAPOA),
a nonprofit Sec 501c3 member association located about the Whitefish Chain of Lakes in
northern Crow Wing County. We have read and reviewed the Enbridge Inc. (Enbridge)
proposed Line 3 Expansion Pipeline Project in Minnesota, attended several of the public
hearings conducted about by agencies of the State of Minnesota including the Department of
Commerce, Office of Administrative Law, and the Public Utilities Commission.

Why is the Whitefish Area Property Owners Association (WAPOA) interested in the
decisions about the Enbridge crude oil pipeline proposal to locate this NEW, EXPANDED,
replacement crude oil pipeline in their proposed corridor in north central Minnesota?

1. Enbridge’s preferred route would traverse about 35 miles of the Pine River Watershed
through southern Cass County (starting west of MN Highway 371), northern Crow Wing
County, and continue in southern Cass County ending east of MN Highway 6.
   a. Enbridge’s preferred route would cross the west and north branches of the Pine
      River, which flow directly into Upper Whitefish Lake, one of 14 lakes in the
      Whitefish Chain of Lakes;
   b. Enbridge’s preferred route also would cross streams and waterways in Fifty Lakes
      that flow into Daggett Brook and enter the Whitefish Chain of Lakes via Little Pine
      and Daggett Lakes; and
   c. Enbridge Project Manager Paul Eberth reported in December 2014 that Barr
      Engineering, Enbridge’s consulting engineer firm, identified Norway Lake, the
      Whitefish Chain and Roosevelt Lake as three lakes within the lakes area (and
      contained in the Pine River Watershed) that are at risk with an oil spill along the
      proposed Sandpiper route (which is also Enbridge’s proposed Line 3 route);

2. The Whitefish Chain of Lakes is the ninth (9th) largest lake in Minnesota, consisting of:

Post Office Box 342 Crosslake, MN 56442
a. 14 interconnected lakes, 14,200 acres of surface water, 119 miles of shoreland, and
b. the largest component of the Pine River Watershed, a watershed composed of
500,000 acres of land and water;

3. The Whitefish Area Property Owners Association (WAPOA) is one of the largest and
oldest tax exempt, nonprofit lake associations providing services not only for the private
property owners and businesses about the 14 interconnected lakes of the Whitefish Chain
of Lakes, but also “partnering” on water quality matters with another twenty-five (25)
lakes in the Pine River Watershed;

4. The surface water in the Pine River Watershed and the Whitefish Chain of Lakes flows
southerly into the Pine River, which connects with the Mississippi River south of Cross
Lake, and is the source of water for municipalities from Brainerd and Little Falls to
Minneapolis and their families, farms and businesses; and

5. The economic significance of the lakes in North Central Minnesota for travel, tourism,
conventions, destination weddings, and second homeowners is over $700 million
including Hubbard, Cass, Crow Wing and Aitkin Counties. [reference: Source: Univ of MN,

WAPOA unanimously agreed with the September 2015 Minnesota Court of Appeals decision
requiring the Environmental Impact Statement (EIS) on oil pipelines prior to a Certificate of
Need (CN) decision. The Minnesota Court of Appeals decision, reversing the District Court
decision, ruled on not only requiring an Environmental Impact Statement (EIS) be completed,
but also ruled on the importance of the EIS and the environmental sensitivity of the “proposed
new route corridor” area for large oil pipeline CN decisions as follows:

“. . . decision to grant a certificate of need for a large oil pipeline constitutes a major
governmental action that has the potential to cause significant environmental effects.”
[Judge Klaphake opinion Sept 14, 2015: STATE OF MINNESOTA IN COURT OF APPEALS A15-0016]

We believe there are important facts and factors the Corps must consider in considering the
Enbridge permit application. Based on our analysis and study over the past four (years), we
can find NO reason to permit a new crude oil pipeline in this Watershed composed on
significant quality surface and ground water, natural resources, and important economic
contributions to the state, regional and local economy, including the following items:

1. **Does Enbridge proposed Line 3 Expansion and Replacement Pipeline Project Need
this new pipeline to be located in this proposed electric transmission corridor that has
NO crude oil pipelines installed at present?**

We find the analysis Enbridge has presented/submitted to the State of Minnesota
inadequate in addressing the ”Need” decision, including:
a. Analyze the completeness and accuracy of factors such as and not limited to – (1) present crude oil contracts, terms and demand, (2) future crude oil contracts, terms and demands, (3) state (Minnesota) and Midwest regional energy need and changes in demand, (4) industry demand and supply facts, and (5) energy conservation improvement projections -- so as to clearly and accurately provide and quantify the “need” that would/should enable proper analysis.

b. Dr. Marie Fagan’s report (who served as an advisor to the MN Department of Commerce) dated September 8, 2017 offered the following:

- **Conclusion:** there is no shortage at Minnesota and Superior refineries with present pipelines serving Minnesota.

- The Dr. Fagan’s testimony goes on to say that, “in light of the serious risks and effects on the natural and socioeconomic environments of the existing Line 3 and the limited benefit that the existing Line 3 provides to Minnesota refineries, it is reasonable to conclude that Minnesota would be better off if Enbridge proposed to cease operations of the existing Line 3, without any new pipeline being built.”

c. Defining the purpose as a system to transport oil from Clearbrook, MN to Superior WI is not reasonable considering the market for the petroleum products proposed for transport via these proposed pipelines; i.e. Dr. Fagan reports that about 85% of the crude oil is destined for Sarnia, Ontario or Joliet, Illinois/Flanagan terminal. Enbridge and its related companies have proposed the “narrow” purpose so as to exclude significant, functional, and environmentally appropriate alternative routes with destinations that leave Minnesota and the Upper Midwest and are destined for foreign markets and company operations in eastern and southern parts of the United States.

- Using data in the FEIS, the distance/length of the Applicant’s Preferred Route plus the length of Line 61 to Joliet, Illinois or Flanagan terminal compared to the length of SA-04; 1551 miles vs 1552 miles; really the SAME!

d. Present crude oil pipeline capacity (bpd = barrels per day) on Enbridge’s Mainline Corridor:

i. Present oil pipeline design capacity from Western Canada to Clearbrook, Minnesota

- 2,850,000 bpd, including the present Line 3 at the present reduced capacity of 390,000 bpd

ii. Minnesota refinery demand; design capacity: Clearbrook terminal via Minnesota Pipeline/MinnCan line to the two Twin Cities refineries (Pine Bend and St. Paul Park)

- 465,000 bpd

iii. Superior, Wisconsin refinery demand; design capacity:

- 50,000 bpd
iv. SUMMARY of “energy supply to the people of Minnesota and neighboring states”

<table>
<thead>
<tr>
<th>Present Enbridge Crude Oil Supply</th>
<th>2,850,000 bpd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota refinery supply capacity</td>
<td>465,000 bpd</td>
</tr>
<tr>
<td>Superior, WI refinery supply capacity</td>
<td>515,000 bpd</td>
</tr>
<tr>
<td><strong>Excess Crude Oil Supply for MN &amp; WI</strong></td>
<td>2,335,000 bpd</td>
</tr>
</tbody>
</table>

2. Are there Natural Environments that would be negatively affected by the proposed Enbridge Line 3 Crude Oil Pipeline?

We believe that the proposed construction along the Enbridge preferred route will impact and affect the natural environments in the area of the proposed route.

ii. **Our Findings and Comments – “natural environments”.** We have not found any independently prepared analysis and research that adequacy provides the details for the present “natural environments” along the about 180 miles (Park Rapids to near Carlton), which is a new corridor without any oil pipelines at present.

iii. Natural environments to be considered in the Whitefish Lakes and Pine River Watershed area

i. Water Resources.

- Water Quality was not adequately addressed by Enbridge in the EIS they submitted to the State of Minnesota and should be analyzed and presented. The analysis should report the data for each of the lakes along the proposed APR, but also the impact of construction, maintenance, repairs and oil spills (anomalies).

- Groundwater significance not fully addressed in an area with shallow aquifers and heavy use of groundwater for human use and consumption. The material does not describe or analyze the impact on populations (quantity, age, young and older, water groundwater quality among other items) for our area.

ii. Walleye Management. The Whitefish Lakes and the entry of the Pine River in Upper Whitefish is the site for the annual spring walleye egg harvesting. Annually, this operation of the Brainerd Office of the MN DNR produces 25 to 70 million walleye fry that are grown in area lakes and rearing ponds and stocked as fingerlings in area lakes and other lakes in MN.

- While there is information about Spire Valley addressed, the Pine River walleye management operation and hatchery is not addressed.

- As proposed, the Enbridge APR would cross the North and West branches of the Pine River, the site of the annual and important egg harvesting
operation, and there is no information about the impacts from construction, maintenance, repairs, and oil spills.

iii. Sensitive Shorelands. Again, this is an area that has been and regularly studied for habitat management relative to fish, migratory waterfowl and birds, and other aquatic plants and animals.

- **Sensitive Lakeshore Survey**, a study of the Whitefish Chain of Lakes, in northern Crow Wing County, completed March 2012 identified the diverse aquatic plant and animal communities in the 14 lake Whitefish Chain of Lakes. Applying their ecological model, the DNR not only identified numerous species, but also pointed out “... 10 primary sensitive shoreland areas to be considered for potential resources protection districts ...”.


iv. Water Quality. Enbridge has failed to address the subject of water quality that is very important to persons in the “Lake District” of North Central Minnesota.

- WAPOA manages an annual 41 lake and at least eight streams (all located in the Pine River Watershed) water quality testing program with water testing completed monthly from May through September, with water quality measured by the Trophic State Index (TSI) that is a measure of water clarity, phosphorus, and chlorophyll-a, which TSI data for these 39 lakes is submitted to the Minnesota Pollution Control Agency (MPCA).
- Enbridge has not provided independent measures or analyses of water quality for the new corridor.

v. Watersheds

- Watersheds have not addressed at all by Enbridge. Major and minor watersheds in this area are extremely important to managing, sustaining and restoring water quality in this area.
- There are serious potentially significant human and environmental consequences for these watersheds, especially those where there are no pipelines and contrast with the impact on present watersheds on the present Line 3 and Mainline Corridor.

c. Impact of Accidental Crude Oil Releases

This area of North Central Minnesota (“Lake District”) has very important and significant natural resources among plants, animals, fish, and lake-based ecosystems and sensitive areas for these natural resources as we described. WAPOA cannot
imagine a project that has more potential for “significant environmental effects” than these pipeline projects and this Line 3 proposal. The lakes of and about the Whitefish Chain of Lakes and the Pine River Watershed, which are some of the clearest and cleanest in Minnesota, along with the area rivers, creeks, and wetlands are all extremely vulnerable to adverse impacts from construction, leaks and spills from these pipelines. Our water resources, including both surface and ground water, are extremely vulnerable to these adverse impacts and threats from construction and spills. Actual incidents that are highly predictable could be devastating to these public waters. The forests, lands and wildlife in the area of the proposed Pipeline are also vulnerable to adverse impacts from predictable oil spills that should be analyzed thoroughly.

i. WAPOA has a major concern about safety. We know that pipeline spills, leaks, fires and other pipeline breaches have occurred in Enbridge operations (over 800 in twelve years; see table below), which is about 180 barrels per week over twelve (12) years. In recent years including this year 2017, Enbridge has had oil spills in Kalamazoo, Michigan (over 1 million gallons of crude oil), Montana, Illinois, and Grand Rapids, MN.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of spills</th>
<th>Quantity of barrels spilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>54</td>
<td>28,760</td>
</tr>
<tr>
<td>2000</td>
<td>48</td>
<td>7,513</td>
</tr>
<tr>
<td>2001</td>
<td>34</td>
<td>25,980</td>
</tr>
<tr>
<td>2002</td>
<td>48</td>
<td>14,683</td>
</tr>
<tr>
<td>2003</td>
<td>62</td>
<td>6,410</td>
</tr>
<tr>
<td>2004</td>
<td>69</td>
<td>3,252</td>
</tr>
<tr>
<td>2005</td>
<td>70</td>
<td>9,825</td>
</tr>
<tr>
<td>2006</td>
<td>68</td>
<td>5,734</td>
</tr>
<tr>
<td>2007</td>
<td>65</td>
<td>13,777</td>
</tr>
<tr>
<td>2008</td>
<td>92</td>
<td>2,842</td>
</tr>
<tr>
<td>2009</td>
<td>103</td>
<td>8,441</td>
</tr>
<tr>
<td>2010</td>
<td>91</td>
<td>34,258</td>
</tr>
<tr>
<td>Total</td>
<td>804</td>
<td>161,475</td>
</tr>
</tbody>
</table>

(Average approximately 25.67 million barrels, or 6.8 million gallons)

d. Multiple crude oil pipelines. Oil companies do not construct a new pipeline corridor for a single pipeline. The Corps should evaluate and analyze the high probability of subsequent oil pipeline construction following an initial pipeline to fully assess the negative impacts on the natural environments of this area.

3. **Are there Socio-economic factors that would be negatively affected by the proposed Enbridge Line 3 Crude Oil Pipeline in the area of the proposed route?**

We believe that the proposed construction along the Enbridge preferred route will impact and affect major socioeconomic factors in the area of the proposed route.
a. **Our Findings about “Lake District” Socioeconomic Analysis.** The area of the proposed route is a significant “economic area” of Minnesota, as the economics related to travel, tourism, conferences, small businesses, second homeowners, and “lake country destination” enterprise is SECOND ONLY to this economics for Hennepin and Ramsey Counties.

b. This corridor from Park Rapids to the intersection with the Mainline system in Carlton County will traverse over about 35 miles through the northerly part of the Pine River Watershed and cross rivers and streams that feed into the Whitefish Chain of Lakes, including the west and north branches of the Pine River that flows into Upper Whitefish and the Daggett Brook on the east that flows into Little Pine, Daggett and Cross Lakes, as shown on the map below:

c. Enbridge Project Manager Paul Eberth made a presentation December 18, 2014 to the Brainerd Lakes Brainerd Lakes Chamber of Commerce members at Breezy Point Resort. During the presentation, as reported in the December 31, 2014 Brainerd Daily Dispatch and Echo Journal editions, Eberth said, "We've employed many engineers and scientists to study the route. Barr Engineering did some studies on the route and studied which watersheds we would cross, and which lakes we would potentially impact, should there be an impact, and the results were that we do cross about 14 different watersheds, but really, we only have the connectivity to about 3 percent of lakes in those watersheds." [emphasis added] Further Eberth reported that Barr has identified Norway Lake, the Whitefish Chain and Roosevelt Lake as three lakes within the lakes area that are at risk along the Sandpiper (which is also the proposed Line 3 route) route, though many other lakes would not be connected to the Pine River, and therefore, less at risk. [Reference: http://www.pineandlakes.com/news/3645448-enbridge-representatives-meet-chamber-members]

d. How significant are “good, quality lakes” to the local economy? The greater Whitefish Chain of Lakes area, along with Pelican Lake that is also located in the Pine River Watershed, is a major tourism area in Minnesota and drives the economy
of this northern Crow Wing County area. “Going to the lake” or “going up north” is a Minnesota quality of life feature, and according to the research “good, quality lakes” are the attraction.

- Based on research completed by the University of Minnesota, Extension Service, during a recessionary period, travel and tourism spending in the four (4) counties (Aitkin, Cass, Crow Wing and Hubbard Counties) was over $700 million annual spending on travel and tourism, as shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Traveler Exp</th>
<th>State Revenue</th>
<th>FTE Jobs</th>
<th>Direct Jobs</th>
<th>Indirect Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crow Wing</td>
<td>$294,295,204</td>
<td>$135,953,389</td>
<td>7,218</td>
<td>5,029</td>
<td>2,189</td>
</tr>
<tr>
<td>Aitkin</td>
<td>74,257,356</td>
<td>30,992,479</td>
<td>1,556</td>
<td>1,158</td>
<td>398</td>
</tr>
<tr>
<td>Cass</td>
<td>245,867,979</td>
<td>113,581,822</td>
<td>6,033</td>
<td>4,202</td>
<td>1,831</td>
</tr>
<tr>
<td>Hubbard</td>
<td>99,248,707</td>
<td>45,849,199</td>
<td>2,431</td>
<td>1,692</td>
<td>739</td>
</tr>
<tr>
<td>Total</td>
<td>$713,669,246</td>
<td>$326,376,889</td>
<td>17,238</td>
<td>12,081</td>
<td>5,157</td>
</tr>
</tbody>
</table>


- In fact, the combined travel and tourism annual expenditures in Aitkin, Cass, Crow Wing and Hubbard Counties exceeds every Minnesota county except Hennepin and Ramsey Counties.

e. Seasonal, second homeowners in this area and North Central MN are the largest increasing impact on the local economy

Impact of Second Homeowners; own the largest number of homes (shown in the table below as Non-Commercial Seasonal Residential and Recreational (“Non-Comm’l Season Res & Rec”), which also have the largest EMV; exporter of property tax revenue to other parts of State of MN

<table>
<thead>
<tr>
<th>Type</th>
<th>Property Type Name</th>
<th>Economic Market Value</th>
<th>% of Total Econ MV</th>
<th>% of CW County</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Residential</td>
<td>$728,685,619</td>
<td>28.4%</td>
<td>15.8%</td>
</tr>
<tr>
<td>03</td>
<td>Non-Comm’l Season Res &amp; Rec</td>
<td>$1,667,931,773</td>
<td>65.0%</td>
<td>41.5%</td>
</tr>
<tr>
<td>06</td>
<td>Commercial</td>
<td>$57,910,536</td>
<td>2.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td>14</td>
<td>Comm’l &amp; Resort Season Rec</td>
<td>$27,401,800</td>
<td>1.1%</td>
<td>25.4%</td>
</tr>
<tr>
<td>97</td>
<td>Total Agriculture</td>
<td>$72,335,646</td>
<td>2.8%</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>$12,038,277</td>
<td>0.4%</td>
<td>5.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,566,303,651</td>
<td>100.0%</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

The area of the proposed crude oil pipeline corridor -- “Lake District Corridor” -- is unlike every other corridor. This area has valuable natural resources, significant socio-economic factors, and does not need the threats of construction and highly probable crude oil pipeline leaks.
WAPOA appreciates this opportunity to submit our comments about impacts to water resources in the Pine River Watershed and the greater Whitefish Lakes Area.

Regards,

Thomas N. Watson  
President (2003-2008)  
Director, Land use & Government Relations  
Whitefish Area Property Owners Association  
39195 Swanburg Court  
Pine River, MN 56474

cc: WAPOA Board of Directors  
    Local governments in the Whitefish Lakes area