

Tusayan Town Manager,
Holidays in United States

Sat Jul 21 – Wed Jul 25, 2018 (Mountain Standard Time - Phoenix)

	Sat 7/21	Sun 7/22	Mon 7/23	Tue 7/24	Wed 7/25
12am		Overnight 12am - 4am	Overnight 12am - 9:30am	Overnight 12am - 6:30am	Overnight 12am - 1am
1am					Airport arrival 1am - 3am
2am					Flight to Allianta (DL 839) @ Washington, D.C. DCA 3am - 4:41am
3am					Layover Allianta 4:41am - 5:20am
4am		Airport arrival 4am - 6am			Flight to Phoenix (DL 1546) @ Allianta ATL 5:20am - 9:19am
5am					
6am		Delta Air Lines DL 2466 to Atlanta @ Sky Harbor Airport, 3400 East Sky Harbor Boulevard, Phoenix, AZ 85034, USA 6am - 9:45am		Black Mesa premeeting 6:30am - 9am	
7am				Meeting with Department of Interior re: Grand Canyon Water @	
8am	Prep Ten X 8am - 11am		Travel 9:30am - 10:30am	Black Mesa Debriefing w/ principals 9:45am - 11am	Travel @ Tusayan, AZ 86023, USA 9:19am - 1pm
9am		Layover Allianta 9:45am - 12pm			
10am	11am - 1pm Ten X Groundbre 1pm - 2pm Post Ten X 2pm - 6pm E-Travel @ Mesa 6pm - 12am Overnight	12pm - 2pm Delta Air Lines DL 2pm - 12am Overnight	Advocates meeting 10:30am - 12pm Advocates 12pm - 1pm Travel 1pm - 12am Overnight	11am - 12:30pm DC Attorn 12:30pm - 12am Overnight	1pm - 3pm Admin

BLACK MESA PIPELINE

PROVIDING WATER TO NORTHERN ARIZONA



OVERVIEW

2018

Today's working group participants

Town of Tusayan

- Eric Duthie, Town Manager
- Bill McGrath, Brownstein Hyatt Farber Schreck
- Ryan Smith, Brownstein Hyatt Farber Schreck

Stilo Development Group USA

- Federico Pellicoli, President
- Tom De Paolo, Vice President
- Ron Ober, Policy Development Group

Salt River Project

- Chuck Podolak, Director, Water Rights & Contracts
- Ryan Serote, Senior Manager
- Patrick Sigl, Supervising Attorney, Land & Water Rights

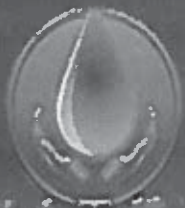
Water Stewards

- Marco Lucich, President
- Kim Tanner, P.E., Principal-in-Charge, Arcadis Design & Consultancy

THE WORKING GROUP

In 2012, Stilo Development Group and Water Stewards began preliminary evaluation of the repurposing of the Black Mesa Pipeline.

In 2017, Salt River Project, Freeport McMoRan and the Town of Tusayan joined the working group to secure an environmentally responsible and economically viable long-term water supply. Repurposing the Black Mesa Pipeline presents an opportunity for better regional water management that is sustainable for both public and private users for years to come.

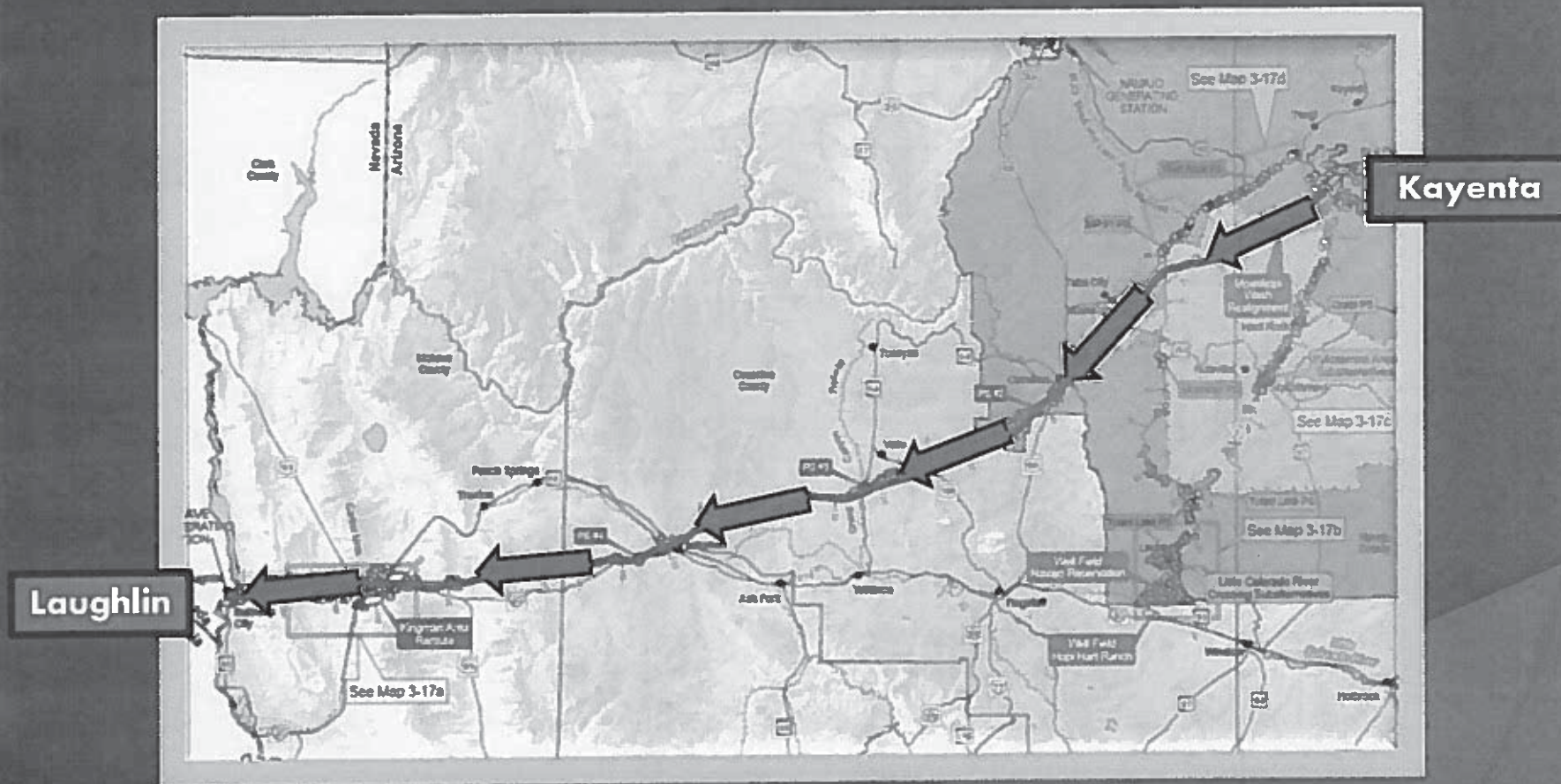


WATER STEWARDS



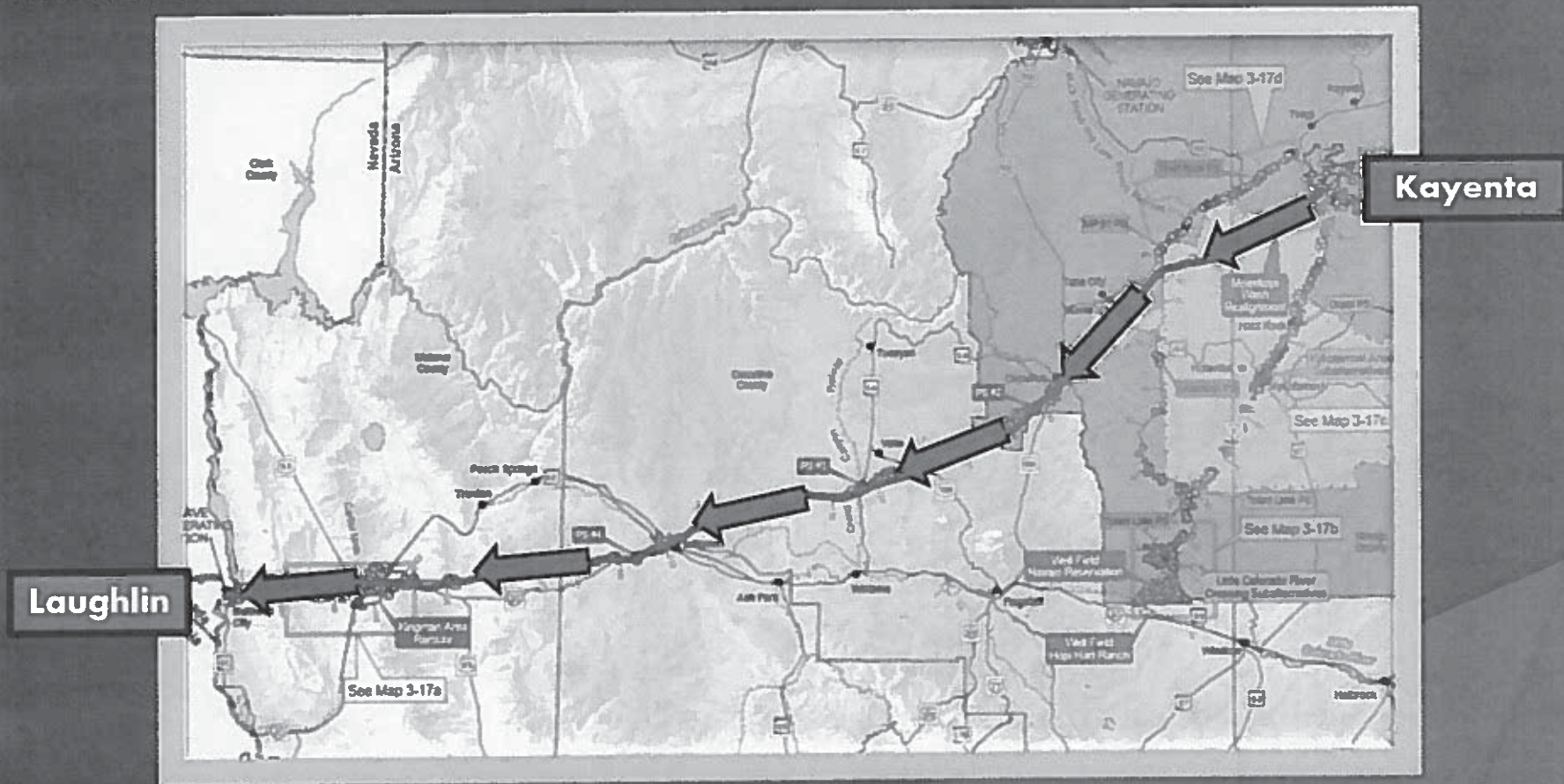
THE EXISTING PIPELINE....

The Black Mesa Pipeline (BMP) was originally constructed in the 1970's to transport coal slurry from the Black Mesa mine in Kayenta, Arizona to the Mohave Generating Station, a coal-fired power plant located in Laughlin, Nevada.



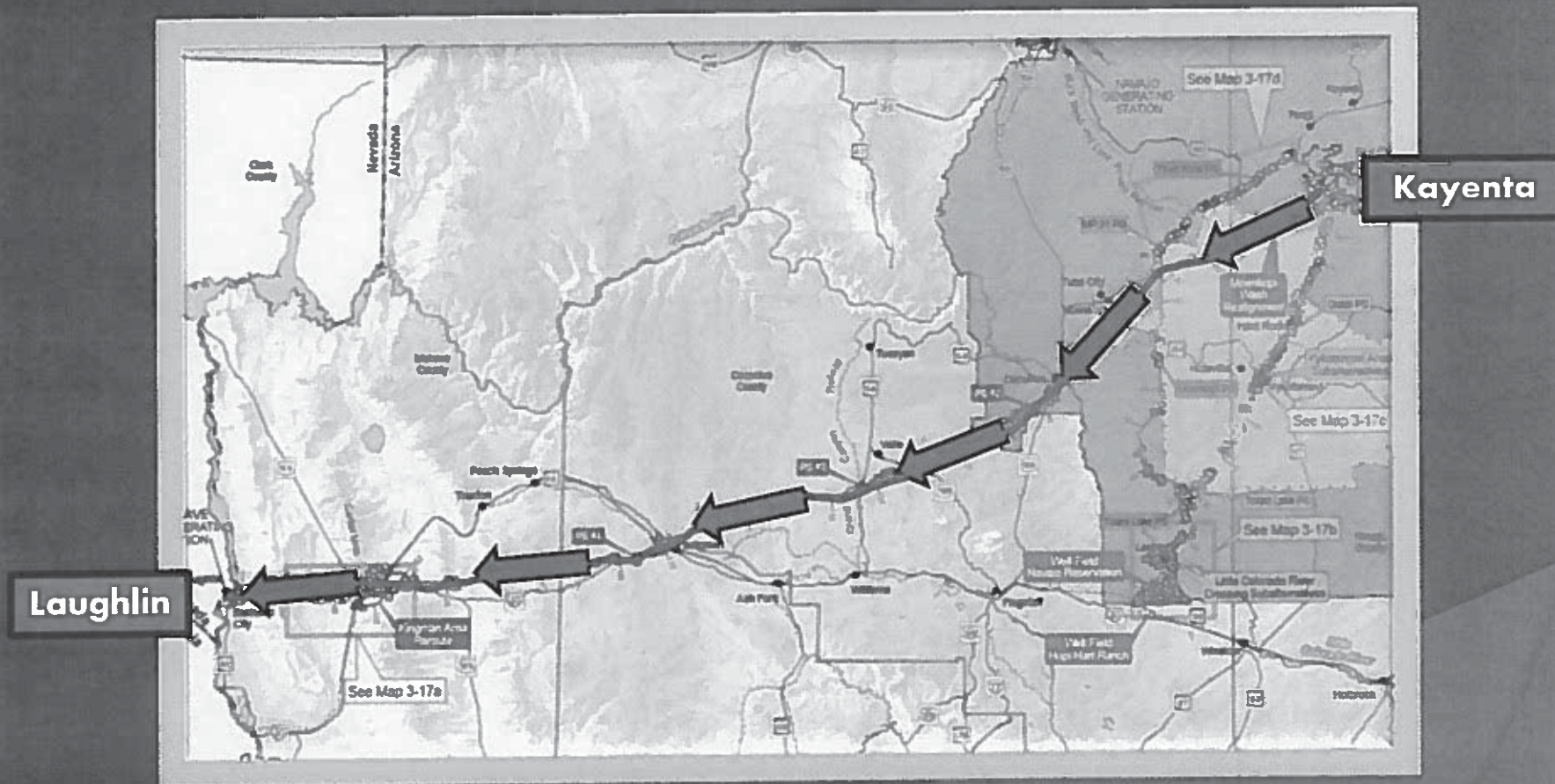
THE EXISTING PIPELINE....

Operation of the Mohave Generating Station in Laughlin was suspended in 2005 due to environmental regulation requisites and decommissioning of the plant was completed in 2012 and the pipeline was filled with water and remains dormant.

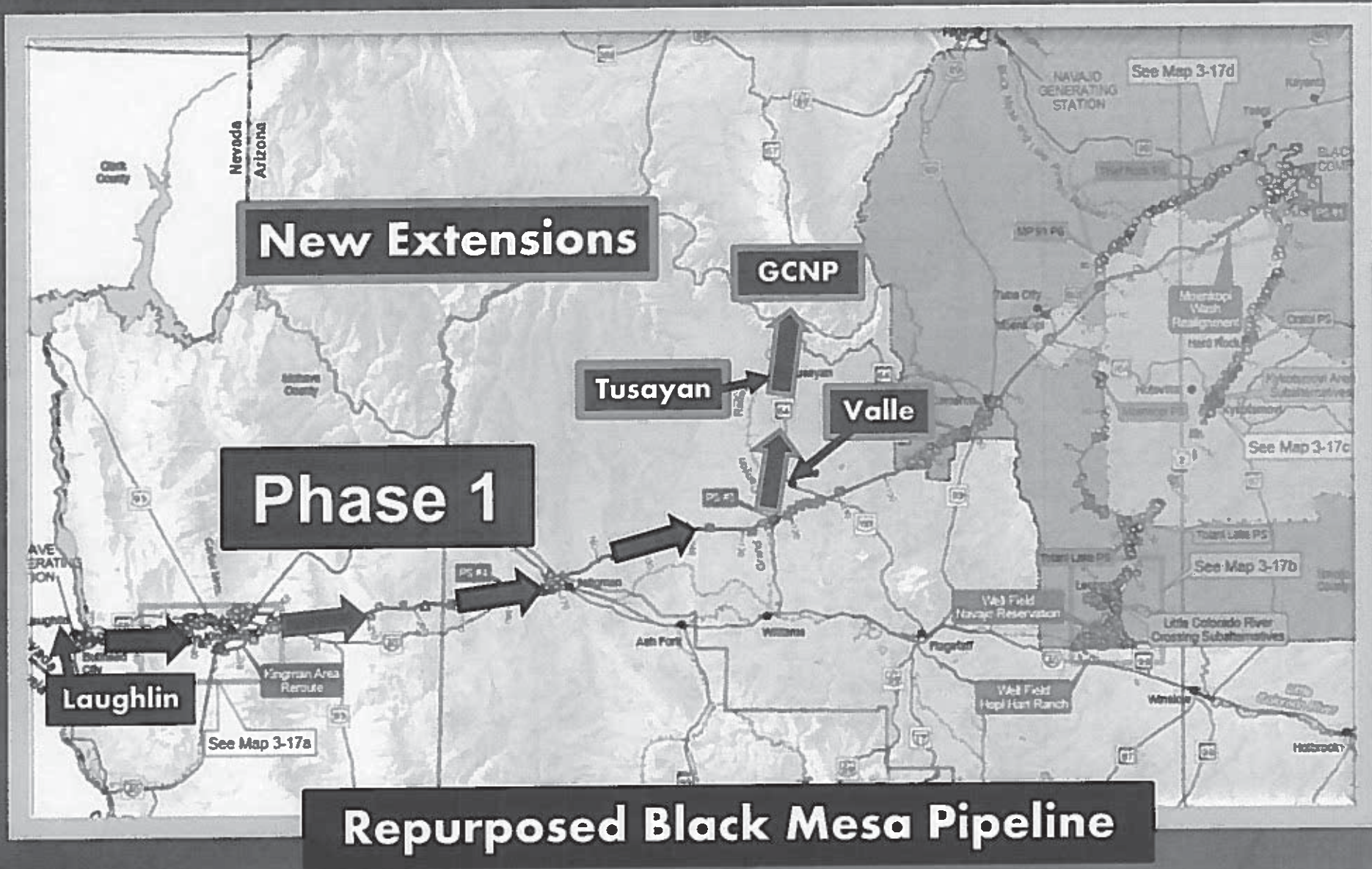


THE EXISTING PIPELINE....

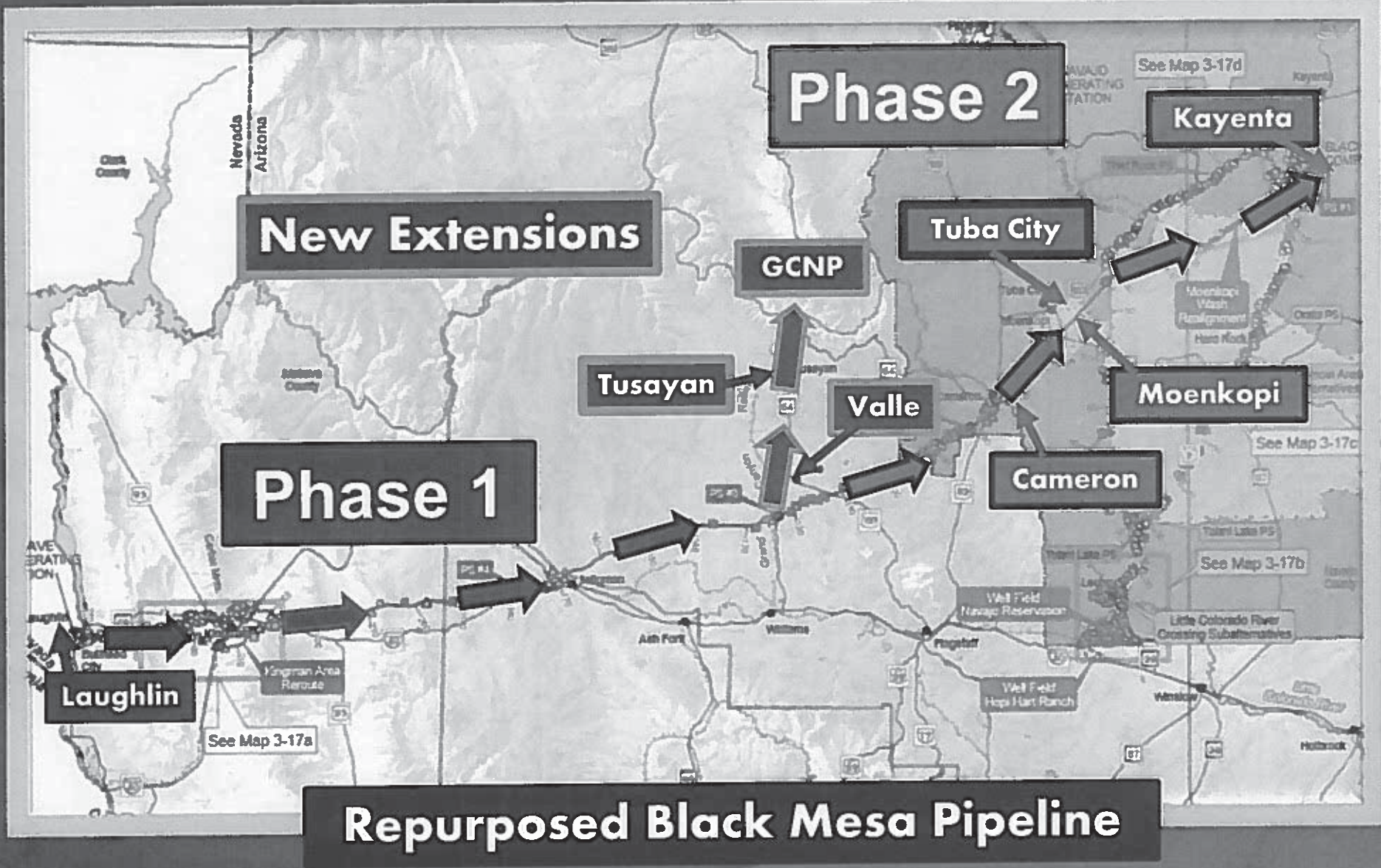
The working group intends to repurpose the Black Mesa Pipeline to provide domestic water to users in Northern Arizona. Control of the assets of the pipeline was secured from its current owner, the Oneok Corporation, in 2016.



REPURPOSED & NEW PIPELINE



REPURPOSED & NEW PIPELINE



HOW WILL THIS BENEFIT THE PUBLIC?

This innovative water delivery system benefits many different stakeholders and in a variety of ways:

- || An Alternative to Groundwater Withdrawals ||
- || No Cost to Taxpayers ||
- || Less Expensive Water Cost to End Users ||
- || Economic Development ||
- || Affordable Housing for Tusayan ||
- || Natural Gas Possibility for Tusayan and GCNP ||

DUE DILIGENCE TO DATE

Our team has worked tirelessly over the past five years assembling a capable team to compile a projected cost budget for the repurposed pipeline.

Hard Cost Consulting Firms include, among others:

- Pipeline Transmission: Jomax Construction; Enbridge Northern Pipeline; Kinder-Morgan; Chapman; Edgen Murray and others.
- Pump Stations: Cornell Pump; Muniquep Inc.
- Holding Ponds: GSE Environmental
- Power Lines: APS; Edison Power Construction
- Intake Structures: Ranney Water Collectors



CORNELL PUMP COMPANY



RANNEY
Collector Well



EDGEN MURRAY

DUE DILIGENCE cont.

There are many other consulting services over and above actual construction and they include:

Soft Cost Consulting Firms include, among others:

- Right-of-Way: Universal Field Services; Pipeline Equities
- Legal: Moyes Sellers & Hendricks; Fennemore Craig; Gammage & Burnham, Covington & Burling
- Permitting: URS Corporation
- Feasibility Analysis: Medallion Ventures LLC
- Public Affairs: Policy Development Group



URS TESTING
LABORATORY



COVINGTON
COVINGTON & BURLING LLP

FC

P.D.G.
POLICY DEVELOPMENT GROUP

MEDALLION

TIMELINE

BLACK MESA WATER PROJECT TIMELINE

ID	Task Name	Duration	Start	2019	2020	2021	2022	2023	2024
1	Easement Acquisition/Restoration	540 days	10/1/18	[Bar]					
2	Phase 1 Engineering Study	180 days	10/1/18	[Bar]					
3	EIR and Permitting	720 days	10/1/18	[Bar]					
4	Existing 18" HP Pipeline Assessment/Inventory	180 days	10/1/18	[Bar]					
5	Pump and Pressures Modeling	90 days	10/1/18	[Bar]					
6	80% Construction Plans	180 days	6/1/19	[Bar]					
7	100% Construction Plans and Approval	180 days	2/1/20		[Bar]				
8	Place Raw Water Intake Facility	720 days	12/1/20		[Bar]				
9	Place new 18" HP Pipeline Replacement	830 days	10/1/20		[Bar]				
10	Rehab Existing 18" HP Pipeline	540 days	10/1/20		[Bar]				
11	Place Booster Station Pumps and Storage	600 days	11/1/20		[Bar]				
12	Place Staged Water Storage Facilities	480 days	12/1/20		[Bar]				
13	Install Power Transmission Lines	540 days	2/1/21		[Bar]				
14	Excavate and Install New 10" Tusyan Pipeline	720 days	10/1/20		[Bar]				
15	Install Power Transmission Lines	540 days	2/1/21		[Bar]				
16	Startup, Test, and Commission	90 days	11/1/23					[Bar]	
17	O&M Management Transfer	30 days	2/1/24						[Bar]

Project: &&Vector Video Schedule
Date: 7/17/18

Task	[Bar]	External Tasks	[Bar]	Inactive Summary	[Bar]	Finish-only	[Bar]
Milestone	[Diamond]	Project Summary	[Bar]	Manual Task	[Diamond]	External Tasks	[Diamond]
Summary	[Bar]	Split	[Dotted]	Duration-only	[Dotted]	External Milestone	[Bar]
Rollup Task	[Bar]	Rollup Split	[Dotted]	Manual Summary Rollup	[Diamond]	Progress	[Bar]
Rollup Milestone	[Diamond]	External Milestone	[Diamond]	Manual Summary	[Diamond]	Deadline	[Diamond]
Rollup Progress	[Bar]	Inactive Milestone	[Bar]	Start-only	[Bar]		

WORKING GROUP GOALS

- **Town of Tusayan** – Secure a sustainable and responsible water supply that will enable the town to transition from groundwater withdrawal
- **Salt River Project** – Assist with sustainable water supplies to help resolve water rights disputes in northern and central Arizona communities.
- **Freeport McMoRan** – Enhance economic development and assist in development of sustainable water supplies in northern Arizona.
- **Stilo & Water Stewards** – To facilitate a sustainable, economically viable and environmentally responsible groundwater water supply in Northern Arizona.

OTHER POTENTIAL BENEFICIARIES....

- Arizona cities and towns
- Native American Communities
- Grand Canyon National Park
- Kaibab National Forest
- State of Arizona

POTENTIAL NPS ALTERNATIVES

- **Current project**
 - Estimated cost: \$137 million
- **Public-private partnership**
 - Federal participation amount to be determined
- **Purchase water**
 - Eliminate \$137 million in capital costs and ongoing operation & maintenance costs
 - Working group estimates NPS cost-per-gallon to be less than if GCNP were to build a new system

NEXT STEPS

- Schedule a meeting in Denver for the working group to continue this dialogue with regional and local NPS staff