

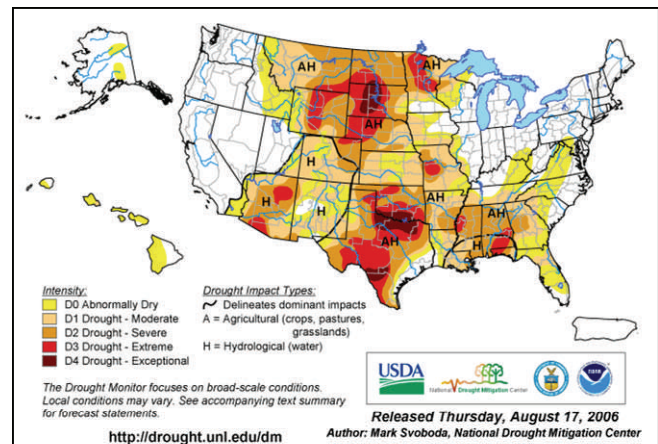
Regional Drought Conditions

With sufficient moisture in most of our region this year, it's easy to forget the drought conditions of 2006. In August of last year, the U.S. Drought Monitor included most of North Dakota in the severe drought category with the southwestern part of the state in an extreme drought. News headlines across the state focused on drought-stricken crops, low river flows and water restrictions.

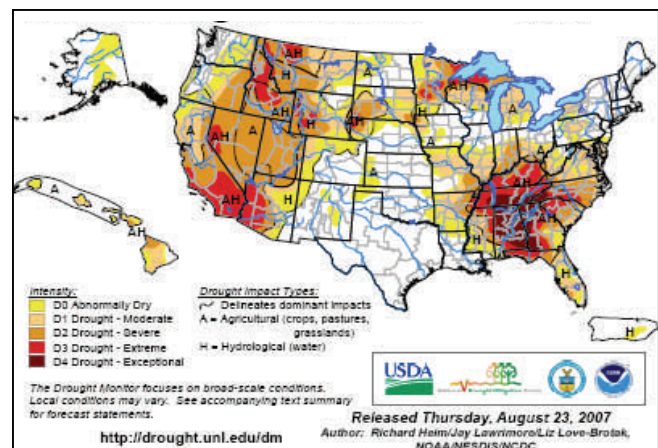
Currently, the U.S. Drought Monitor shows abnormally dry and moderate drought conditions in central and western North Dakota as well as neighboring areas of Minnesota and South Dakota.

Most of the Red River Basin in Minnesota is classified as abnormally dry with the eastern and southern part of the basin in a drought. Areas near the Otter Tail River (a tributary of the Red River) at Fergus Falls recorded little more than a half inch of rain during the entire month of July.*

Drought cycles are part of the ever-changing weather conditions of the northern plains. The Red River Valley Water Supply Project is necessary to prepare our water resources for these extremes and minimize the impact to our communities.



US Drought Monitor - August 15, 2006



US Drought Monitor—August 21, 2007

* Source: *Fergus Falls Daily Journal*



Status Report on the RRVWSP:

Environmental Impact Statement (EIS):

- All studies are complete, and the EIS is ready for print. Reclamation is currently briefing their leadership on the project before it is released to the public.
- The Boundary Waters Treaty work group continues to discuss the necessary steps to comply with the Treaty. EPA and the State Department have provided comments on the administrative draft of the Final EIS. Reclamation has responded to those comments.

Lake Agassiz Water Authority:

- At the August LAWA Board meeting, the main topic of discussion was a letter received from the Congressional Delegation about future legislative efforts. In addition, a 2008 work plan and initial budget were presented for consideration.
- On July 31, a meeting was held with the Tribal Council from the Three Affiliated Tribes to update them on the project.
- On August 2, Garrison Diversion met with the leadership in the Wahpeton area to discuss their need to participate in the project.
- On August 13, Garrison Diversion briefed the Mississippi River Commission on the project and the impacts to the Mississippi River while they were in North Dakota touring the Missouri River system.
- On August 28, a meeting was held with Standing Rock Tribal officials about the project.



Environmental Impact Statement Schedule

January 2007—Supplemental Draft Environmental Impact Statement (SDEIS) released.

April 25, 2007—SDEIS extended public comment period ended.

Fall 2007—Final EIS released. (anticipated)

Fall 2007—Record of Decision by Secretary of the Interior. (anticipated)

