

Federal Energy Regulatory Commission

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Case: Sly Creek Transmission Line Project

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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION
OFFICE OF ENERGY PROJECTS

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SCOPING of ENVIRONMENTAL :
ISSUES for NEW LICENSES for : Project Numbers
the WOODLEAF-KANAKA : P-2281-011 and
TRANSMISSION LINE PROJECT : P-4851-005
and the SLY CREEK :
TRANSMISSION LINE PROJECT :
- - - - - x

VFW Post #1747
1901 Elgin Street
Oroville, California

Thursday, June 14, 2007

The above-entitled matter came on pursuant to notice
at 10:18 p.m.

Sly Creek Transmission Line Project
June 14, 2007

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1 From the Federal Energy Regulatory Commission:

2 John Mudre, Project Manager and Meeting Facilitator

3 Matt Buhyoff, Fish Biologist

4 Shannon Crosley, Environmental Biologist

5 Shana Murray, Outdoor Recreational Planner

6 Jeanne Sweet (Edwards), Environmental Biologist

7 Frank Winchell, Archeologist

8 From the South Feather Water and Power Agency:

9 Michael Glaze, General Manager

10 Kathy Petersen, Power Division Manager

11 From Devine Tarbell and Associates:

12 Devin Malkin, Project Manager

13 James Lynch, Project Manager

14 From Pacific Gas and Electric:

15 Forrest Sullivan, Senior Project Manager

16 From the Plumas National Forest:

17 Cheryl Mulder, Hydropower License Coordinator

18 From the California Department of Water:

19 Rick Ramirez, Program Manager, Oroville Relicensing
20 Program

21 Members of the Public Present:

22 Hank Bailey

23 Roger Bailey

24 Mike Melanson

25 Eric Petlock

Sly Creek Transmission Line Project
June 14, 2007

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1 P R O C E E D I N G S

2 (10:18 a.m.)

3 MR. MUDRE: All right. We're going to go ahead and
4 get started. My name is John Mudre. I'm with the Federal
5 Energy Regulatory Commission. And I'd like to welcome everyone
6 here today to our scoping meeting for three hydroelectric
7 projects. And I'm going to go ahead and introduce the FERC
8 staff members that are with me.

9 Frank Winchell on my extreme left. He is Staff
10 Archeologist with the Federal Energy Regulatory Commission.

11 We have Jeanne Sweet to my immediate left. And she is
12 going to be working on the wildlife and plant section of our
13 environmental documents.

14 To my right is Shana Murray, and she will be working
15 on the recreation issues and the land use and aesthetic issues
16 in our environmental document.

17 To her right is Matt Buhyoff. Matt is a fisheries
18 biologist, and he will be working on the fisheries and aquatic
19 resources sections of the environmental documents.

20 Okay. Just a few brief words about who we are and why
21 we're here. The Federal Energy Regulatory Commission is an
22 independent agency that regulates electric power, natural gas,
23 oil pipelines, and the hydroelectric industry. It's composed of
24 five commissioners who are appointed by the President and
25 confirmed by the Senate of the United States. The President

1 designates the chairman of the Commission.

2 The Office of Energy Projects is the part of FERC that
3 administers nonfederal hydropower and gas projects. We're
4 organized into three divisions: The Division of Hydropower
5 Licensing, which is the division that we're in that licenses and
6 relicenses hydroelectric projects, the nonfederal ones, anyway.

7

8 There's a Division of Hydropower Compliance and
9 Administration. And their job is to make sure that once the
10 licenses are issued that the licensee operates the project and
11 does everything in accordance with the license.

12 And we also have a Division of Dam Safety and
13 Inspections that makes sure that the projects are operated with
14 public safety in the forefront.

15 Our main office is in Washington, D.C. That's where
16 we're from. We do have five regional offices that are composed
17 primarily of engineers. And the Regional Office that oversees
18 this project is located in San Francisco.

19 Okay. The Commission can issue licenses that have
20 terms ranging from 30 to 50 years. The licensed projects have
21 to serve the broader public interest. It's not just how much
22 electricity they can generate, but they need to provide other
23 benefits as well, such as recreation, other environmental
24 resources. And so we need to balance the developmental, the
25 generation versus some of these other resources when we issue

1 licenses.

2 In total there are about 2600 licensed and exempted
3 projects throughout the U.S.

4 Just briefly I want to go through the process here.
5 Two years before an existing license expires, the licensee needs
6 to, if he wants to relicense the project, they have to file an
7 application showing that they want to and describing, you know,
8 how the project would operate.

9 And so I guess it was the end of February, or almost
10 near the end of February, South Feather Power a licensee for the
11 South Feather Power Project and PG&E a licensee for the two
12 transmission line projects that we're going to talk about today,
13 filed license applications.

14 So once we got those license applications in, we
15 issued a public notice that states that we did get these
16 applications in, letting people know that, and requesting any
17 comments that people would have or additional study requests.
18 And those were due on May 25th.

19 Also we -- once we get the application in, we review
20 it for adequacy to make sure that everything that's supposed to
21 be in the license as required by our regulations, all the
22 details, are there.

23 And if they are, then we issue a notice that the
24 application is accepted and inviting protests or any motions to
25 intervene. And those are due 60 days after that notice is

1 issued or July 16th of this year. So I guess just about another
2 month from now.

3 What we do next is prepare what we call "Scoping
4 Document 1," which contains our initial take on what are the
5 important resource issues that we need to look at during the
6 relicensing. And we also conduct the scoping meetings, which is
7 why we're here today, to hear comments from people to let us
8 know if we missed anything, or to hear what they think, what you
9 think, are important issues that we need consider in our
10 environment analysis. And we'll talk a little bit more about
11 that later.

12 We also, if we see any information that we think we
13 need or actually if we don't see any information we think we
14 need, we would send a letter to the licensee requesting this
15 additional information.

16 And then after we get any of that information and
17 everyone's scoping comments and look them over, we could issue
18 Scoping Document 2, which would be a revised version that
19 reflects the issues that we will look at in the preparation of
20 our environmental document.

21 These environmental documents that I'm talking about
22 are going to be an EIS in the case of the Hydro Project, an
23 Environmental Impact Statement, or an Environmental Assessment
24 in the case of the two transmission line projects.

25 And these documents are important, because they inform

1 the Commission's decision on whether and under what conditions
2 to issue a new license for these projects.

3 Once we have all the information we think we need,
4 we'll issue another notice saying that the application is Ready
5 for Environmental Analysis. We call it an REA Notice. And
6 we're anticipating that will be issued sometime near the end of
7 August.

8 And once we issue that, comments and Agency
9 recommendations on how the project should be operated and what
10 sorts of measures are needed, will be due 60 days after that
11 notice. There is a deadline for amendments to the applications,
12 and that's 30 days after the REA Notice.

13 When we do issue our Draft EIS or EA, we will request
14 comments on it. And right now we're scheduled to issue that,
15 our EIS, our Draft EIS, and the Draft EA in February of 2007.

16 And we do want to get people's comments on that to
17 make sure we did a good job, we didn't miss anything. And those
18 comments are due 45 days after issuance for the EIS and 30 days
19 for the Environmental Assessment.

20 The agencies, after they review our environmental
21 documents, they can revise their terms and conditions that they
22 submitted for the project. We have a process whereby we work
23 with the agencies on some of their recommendations under Section
24 10(j) of the Federal Power Act.

25 And then we ultimately issue the Final EIS or the

1 Final EA. And, as I said, that document serves to inform the
2 Commission's decision on whether and, again, under what
3 conditions to use a new license for the project.

4 Once we issue the license, if there are parties to the
5 proceeding, that is, people that have intervened in the process,
6 they can file a request for a rehearing of the order, and the
7 Commission will consider that request in that case.

8 Then briefly the purposes of scoping and why we're
9 here today is to identify significant issues for analysis in our
10 environmental documents, to identify resources that may be
11 cumulatively affected by other actions going on in the watershed
12 or through time, to identify reasonable alternatives for
13 analysis, and to identify issues and resources that don't really
14 require a detailed analysis in our document.

15 We're also looking for information. And this
16 information could be any existing reports, or data that are out
17 there, professional opinion, things we don't know about but that
18 would be important to us.

19 We're also interested in federal, state, or local
20 resource plans; any future project proposals that we don't know
21 about that would be important; and also any information related
22 to potential cumulative effects.

23 We do have a number of resources available to the
24 public to help them participate in this process. Our website is
25 www.ferc.gov. We have sort of a handbook that lays out all the

1 processes, and the timelines, and stuff. And all of this
2 information, or a lot of it, is available on one of the handouts
3 in the back. I think it's titled, "Scoping Comments." But it
4 will tell you how to get on our website and how to access
5 documents relating to this project.

6 You can also what's called, "eSubscribe," which is you
7 sign up one time and indicate what projects you're interested
8 in, and then any time a document goes in or out on that project,
9 you'll get an email letting you know that and giving you a link
10 to the document. And you can look at it and decide whether you
11 want to read it, or download it, or whatever. It's pretty
12 handy.

13 I think everyone saw the sign-in sheets in the back.

14 We do have a court reporter here today. And the
15 purpose of the court reporter over here is to make sure that all
16 of the comments that people give us are accurately recorded so
17 we can place them in the record. That's a good thing. Then the
18 bad thing we will have to make sure that she hears everything
19 that people say and gets people's names right.

20 So before you speak, tell her your name. And if it's
21 hard to spell, then give her some help with how it's spelled.
22 Speak into the microphones. We have two kinds of microphones.

23 The one I'm holding here is one that amplifies the
24 sound so everyone in the room can hear. These other microphones
25 don't amplify any sound, but they go over to the recording

1 device over here. Really the only one you need to worry about
2 is this one in my hand, because we have a microphone in front of
3 the speaker down there that should capture everything. But if
4 people start talking from their seats, that's not going to get
5 in the record. So when it's your turn to speak, we'll have you
6 come up front here, and I'll give you the microphone.

7 Briefly, there will be transcripts available of what's
8 said here today, if anyone wants to review, have it for the
9 record. If you want to get copies, you can speak with the court
10 reporter after the meeting. They also will be available on our
11 website probably in about three weeks or so.

12 Briefly, the agenda, I have this brief introduction,
13 and I'm done with it. And we're going to have Michael Glaze,
14 the General Manager of South Feather Water and Power, he's going
15 to give a brief discussion of the Hydro Power Project and the
16 proposed project just so everyone's oriented and knows the areas
17 that we're talking about. A lot of you may know already. I saw
18 it last night, and it's pretty interesting.

19 Then were going to go over, very briefly, what we
20 consider the issues to be, that we identified in our scoping
21 document.

22 And then we get to the important part of the meeting,
23 which is where we take your comments. So we'll try not to waste
24 a whole lot of time before we get to that.

25 And I think with that I'm going to turn the meeting

1 over to Michael Glaze.

2 MR. GLAZE: Good morning. I'm Mike Glaze, General
3 Manager of South Feather Water and Power Agency. South Feather
4 Water and Power is the owner of the South Feather Power Project;
5 therefore, we are the licensee for the FERC license.

6 My purpose is to give you a brief description of the
7 project so that you'll understand where it is, how it functions,
8 and what we're talking about.

9 Essentially the South Feather Power Project is
10 comprised of a series of dams, reservoirs, canals, penstocks,
11 tunnels, et cetera, but they are collectively described
12 essentially by the four powerhouses that generate the power:
13 Woodleaf, Forbestown, Kelly Ridge, and Sly Creek Powerhouses.
14 Combined they have a general generation capacity of about 125
15 megawatts.

16 Occasionally people -- and frequently people, even in
17 the Oroville area assume that we are a part of Lake Oroville and
18 that our water comes from Lake Oroville. So we want to clarify
19 almost immediately anytime we're describing the project that,
20 no, Lake Oroville is a DWR Project. It is a FERC-licensed
21 project because it is hydro project but it is not part of the
22 South Feather Power Project.

23 The South Feather Power Project has facilities
24 essentially on the South Fork of the Feather River above Lake
25 Oroville, except for the Kelly Ridge Powerhouse, which is

1 immediately below the toe of Oroville Dam, but not associated
2 with Lake Oroville. Its water comes around the lake, as you
3 will see momentarily.

4 I want to give you basically a virtual tour, so that
5 you'll have a better understanding of the project to help
6 facility your understanding.

7 Our project begins at the upper reaches of the South
8 Fork watershed, Little Grass Valley Reservoir. We release
9 stored water down the South Fork of the Feather River about nine
10 miles to the South Fork Diversion.

11 Water continues to be released at that point for
12 ecological purposes down the river, but most of the water is
13 diverted through a 2.7-mile tunnel over the Sly Creek Reservoir.

14 We also divert water from Slate Creek through a tunnel
15 of a similar length. Slate Creek is a tributary of the North
16 Fork of the Yuba River. Those two diversions bring water into
17 Slate Creek, which takes it, stores it, and allows it to go
18 through Sly Creek Powerhouse where water [sic] is generated.

19 That water comes out of the powerhouse into Lost Creek
20 Reservoir where we also release water down Lost Creek for
21 ecological purposes. Most of it, however, goes through a
22 3.5-mile tunnel, and then down a penstock to where power is
23 again generated at Woodleaf Powerhouse. Some of the water is
24 released just above the penstock into what we call the
25 Forbestown Ditch for irrigation purposes, but that's not part of

1 the FERC-licensed project.

2 Water is released again out of Woodleaf Powerhouse and
3 goes down the South Fork of the Feather River for ecological
4 purposes again, but most of it is diverted through a
5 3.5-mile-long tunnel where power is generated at Forbestown
6 Powerhouse.

7 That water goes into Ponderosa Reservoir and is
8 released primarily along our Miners Ranch Canal, which is along
9 the south boundary of the South Fork of the Feather River at
10 Lake Oroville and through a tunnel to Miners Ranch Reservoir --
11 Miners Ranch -- yeah, Miners Ranch Reservoir.

12 We also release water there for irrigation purposes,
13 as well as for domestic purposes, to some 7,000 domestic
14 customers that the Agency provides water to. But water also
15 goes through another tunnel, where it goes down a penstock and
16 generates power at Kelly Ridge Powerhouse, again, which is just
17 at the toe of Lake Oroville, Oroville Dam. Wow.

18 I also want to point out that the two transmission
19 lines that PG&E owns, operates, and is relicensing -- and, by
20 the way, Forrest Sullivan, is here and would be delighted to
21 describe his project for you, if you want.

22 But let me just briefly show you that those
23 transmission lines go from Sly Creek Powerhouse, picks up the
24 power at Woodleaf, picks up the power at Forbestown Powerhouse,
25 is joined by the Kanaka Transmission Line, and ultimately brings

1 that power out to PG&E's Palermo Substation.

2 How is that, Forrest?

3 MR. SULLIVAN: That was close to the \$50.

4 MR. GLAZE: All right. Very good.

5 And now the virtual tour. Little Grass Valley
6 Reservoir is the largest of our reservoirs. You can see the
7 vital statistics up there as to its storage and surface area.

8 Recreation facilities are primarily here at the Black
9 Rock Campground and boat-launching facilities, as well as the
10 majority of the camping and boat-launching facilities which are
11 here on the peninsula and on the southeast boundaries, borders
12 of that lake.

13 This, of course, is the dam and the spillway that
14 releases water down the south fork of the Feather River. Sly
15 Creek Reservoir receives most of that water when it's diverted
16 over from the South Fork Diversion. The storage of Sly Creek is
17 about two-thirds of Little Grass Valley Reservoir, but its
18 surface is only about a third of the Little Grass Valley
19 Reservoir.

20 Both Sly Creek Dam and Little Grass Valley Dam are
21 rock-filled earthen dams. And immediately at the toe of Sly
22 Creek Dam is Sly Creek Powerhouse. The water comes through a
23 penstock and tunnel which is actually inside the dam coming into
24 the powerhouse at this point here.

25 That water spins the turbine and is released into Lost

1 Creek Reservoir, which is a reservoir the District built, the
2 Agency built, in 1924 as its first domestic water supply. The
3 Hydro Project, of course, was built in the early '60s. Lost
4 Creek Dam and Reservoir were already there.

5 This reservoir serves to also maintain head on the
6 system and sends water -- let me go back to that -- sends water
7 into the diversion structure and tunnel that goes to Woodleaf
8 just around this bend. In the spring and winter frequently Lost
9 Creek is spilling and looks like that. Lost Creek Dam is a
10 concrete arch dam, as are several of our diversion structures at
11 Slate Creek and Forbestown Diversion.

12 Woodleaf Powerhouse receives the water from Lost Creek
13 Reservoir and releases it into a diversion reservoir, Forbestown
14 Diversion Reservoir, and ultimately sends that water on down to
15 Forbestown Powerhouse where the water is then released into
16 Ponderosa Reservoir. Okay. Make the transition. There we go.

17 Again, Ponderosa Dam is a rock-filled earthen dam and
18 backs up water just above the southerly end of Lake Oroville's
19 south-fork arm. The high water of Lake Oroville actually is on
20 the face of Sly Creek -- or Ponderosa Dam, rather. And so the
21 two licenses, South Fork -- or the South Feather Power Project
22 and the Lake Oroville Power Project are overlapping at this
23 point, as well as several others along the canal that takes
24 water from Ponderosa Reservoir to Miners Ranch Reservoir. Here
25 we go.

1 That is the South Fork of the Feather River impounded
2 within Lake Oroville. And the canal that takes water from
3 Ponderosa runs essentially along the southerly boundary across
4 -- or through a couple siphons and ultimately into a tunnel that
5 then takes it to Miners Ranch Reservoir.

6 Kathy would prefer to see this picture running full,
7 but at least it shows you the canal relative to its
8 construction. It's a concrete-walled canal that runs along the
9 southerly boundary or southerly border of Lake Oroville. It
10 brings water to Miners Ranch Reservoir. Miners Ranch Reservoir
11 is our terminal reservoir. We have a domestic water-treatment
12 facility here, which not a part of the power project, that
13 distributes treated water to about 7,000, as I said, 7,000
14 customers of the Agency.

15 Most of the water, however, goes on through the
16 reservoir and into this channel where it goes into the tunnel
17 that takes the water underneath Kelly Ridge and drops it into
18 Kelly Ridge Powerhouse. Kelly Ridge Powerhouse, as I said, is
19 just at the toe of DWR's power facility, Hyatt power facility,
20 here within Oroville Dam.

21 That's the project.

22 MR. MUDRE: Thank you very much, Mike.

23 Does anyone have any questions at this point? If they
24 want to ask them now, we can take a question or two about what
25 we've said so far.

1 (No audible response.)

2 MR. MUDRE: If not, let me go ahead and finish up. And
3 what I'll do now is I'm going to talk about what we identify to
4 be the issues that we look at in our environmental documents.
5 And, again, we'll tell you what we think, but if you think we
6 missed something, that's what we want to hear about later on.

7 First I'm going to talk about the South Feather Hydro
8 Project. And then I'll talk separately about the Transmission
9 Line Projects.

10 So the first resource area that we're considering is
11 geology and soils. And what we determined that we need to look
12 at the effects of the project on sediment production and
13 subsequent streambed siltation.

14 We want to look at the effects of project operation
15 and maintenance on the recruitment of large woody debris to the
16 different stream reaches.

17 With respect to water resources, we're going to look
18 at the effects of project operation on water temperature. And
19 the issues that have asterisks next to them are issues that we
20 consider may be cumulatively affected by other activities going
21 on in the basin. So they're going to be considered also in the
22 context of cumulative effects.

23 We're going to look at the effects of project
24 operations on dissolved oxygen concentrations and the potential
25 for contamination of water resources due to project operations

1 and maintenance.

2 With respect to aquatic resources, we're going to look
3 at the adequacy as the minimum streamflow releases for
4 protection and enhancement of the project habitat and resources.

5 We're going to look at the effects of project
6 operations and maintenance on special-status aquatic species.
7 And we're going to look at the effects of project operations on
8 fish entrainment into canals, conduits, that sort of thing.

9 Also with respect to aquatic resources, we'll look at
10 the effects of project operations on downstream recruitment of
11 aquatic species, on aquatic resource habitat fragmentation, the
12 effects of project operations and maintenance on look at the
13 effects of project operations and maintenance on the
14 availability of the ecologically-suitable substrates for aquatic
15 resources and, finally, the effects of project operations on
16 coldwater habitat.

17 With respect to terrestrial resources, including
18 plants and wildlife, we're going to look at the effects of
19 project operations on special-status plants, on noxious weeds,
20 and nonnative plants.

21 We're going to look at the effects of project
22 operations and current land management practices on riparian
23 habitat and the effects of project operations on mule deer and
24 black-tailed deer habitat and migrations.

25 We're going to consider whether project operations and

1 environmental measures would affect bat-roosting sites that have
2 been identified in the area.

3 We're going to look at the effects of project
4 operations on habitat availability for the foothill
5 yellow-legged frog. And we're going to consider whether project
6 operations and environmental measures would affect
7 special-status birds, including the California spotted owl and
8 the northern goshawk.

9 We're going to look at the effects of the project on
10 threatened and endangered species, including the bald eagle, the
11 valley elderberry longhorn beetle, and the California red-legged
12 frog.

13 With respect to recreational resources, we're going to
14 look at the adequacy of the existing and proposed public-access
15 facilities and effects of project operations on recreational
16 opportunities, also the ability of existing recreational
17 facilities to meet current and future demands.

18 We're going to look at the effects of project
19 operations on quality and availability of flow-dependent river
20 recreation opportunities, and this would include things like
21 whitewater boating, angling, and swimming.

22 We will also look at the consistency of the proposed
23 action and alternatives with the Plumas National Forest Land and
24 Resource Management Plan, the recreation opportunities spectrum
25 classifications, and the Sierra Nevada Forest Plan Amendment.

1 With respect to land use and aesthetic resources,
2 we'll look at whether the project is consistent with the Plumas
3 National Forest Land and Resources Management Plan; the Plumas,
4 Butte, and Yuba County general plans, and any other pertinent
5 plans or planning efforts.

6 We'll look at the effects of project operation on
7 wildlife -- or wildfire risk and fire management and also
8 whether access roads to the developed recreation areas need to
9 be improved.

10 Also we'll consider the effects of traffic associated
11 with recreational use on the project-related roads, consider
12 whether specific measures are needed to ensure that project
13 features are compatible with the visual setting, and we'll look
14 at the effects of project operations and outside development
15 pressures on reservoir and shoreline management.

16 Also under land use and aesthetic resources, we'll
17 look at the effects of project operations, including maintenance
18 activities and transmission lines on aesthetic resources in the
19 project vicinity.

20 We'll consider the potential effects on law
21 enforcement and fire management demands in the project area due
22 to construction and maintenance of recreation facilities.

23 And evaluate the consistency of the proposed action
24 and alternatives with the Plumas National Forest Land and
25 Resources Management Plan and the Sierra Nevada Forest Plan

1 amendment.

2 There are some cultural resources in the area so we
3 will consider the effects of continued project operations or any
4 changes in operations or facilities on historic, archeological,
5 and traditional resources that may be eligible for inclusion in
6 the National Register of Historic Places.

7 And, finally, we'll consider the developmental
8 resources, which is basically the effects of the proposed
9 mitigation and enhancement measures on project economics.

10 And that's it for the South Feather Hydro Project.

11 Any comments that you send in on this project should
12 state on the first page, "South Feather Power Project, FERC
13 Number 2088," just to make sure that the comments get into the
14 right place. As I mentioned before, we do have lots of
15 projects, so we need some way of telling everything apart. All
16 these details -- you don't need to write it down -- they're in
17 the handouts that were in the back.

18 And, again, all scoping comments must be submitted no
19 later than July 16th. We're almost done, but I just want to go
20 over the resource issues we've identified with respect to the
21 two Transmission Line Projects of Pacific Gas and Electric
22 Company.

23 And we'll start with the botanical and wildlife
24 resources, and we'll consider effects of project operations on
25 special-status plants, noxious weeds, and nonnative plants and

1 on special-status bats.

2 We're going to consider whether the proposed project
3 operations and environmental measures would affect
4 special-status amphibians and reptiles, whether the proposed
5 project operations and measures would affect special-status
6 raptors, including the California spotted owl and the northern
7 goshawk; and also the effects of project operations on mule deer
8 habitat and migration routes.

9 We also need to consider impacts on threatened and
10 endangered species, and we'll be looking at whether the proposed
11 project operations and measures would affect the
12 federally-listed bald eagle and also the valley elderberry
13 longhorn beetle.

14 With respect to recreation, we'll look at the effects
15 of the proposed action and alternatives on the recreational
16 access to existing and future recreational activities within the
17 project area.

18 And, again, we need to consider historical and
19 archeological resources. And we'll be looking what the effects
20 of project operations and proposed measures on archeological and
21 historic sites of concern to Native Americans.

22 With respect to land use and aesthetic resources,
23 we'll consider the effects of project operations on wildfire
24 risk and fire management; the effects of traffic associated with
25 recreational use on project-related roads; whether specific

1 measures are needed to ensure that the project features are
2 compatible with the visual setting; and whether the proposed
3 project is consistent with the Plumas National Forest Land and
4 Resource Management Plan and other pertinent plans and planning
5 efforts.

6 The same thing with the comments, you need to indicate
7 which project you're commenting on, either the Woodleaf-Kanaka
8 Junction Transmission Line, the Sly Creek Transmission Line, or
9 both, if you want to comment on both. And, again, the details
10 are provided on the handouts in the back.

11 And that's the end of what I have to say. So now
12 we're at the good part of the meeting. And so let me hear what
13 you people think. And judging for the sign-in sheets, the
14 first speaker today will be Eric Petlock.

15 If you'll come up, Eric, and maybe spell you are name
16 and tell us about your affiliation.

17 MR. PETLOCK: Petlock is P-e-t-l-o-c-k. And I'm here
18 representing American Whitewater today.

19 And this project is unique project from our
20 perspective in that, unlike most hydro projects, we have a
21 situation where the existing operation of the project actually
22 has a tremendous benefit to the whitewater recreational
23 community, mainly because of the fact that water is stored in
24 Little Grass Valley throughout the summer. And, as I understand
25 it, that's largely for recreational purposes for recreational

1 users of the reservoir throughout the summer, and homeowners.

2 And then in the early fall that water can then be
3 transferred and run through the project. And so essentially
4 what that does is it creates a fabulous whitewater boating
5 opportunity in September and, depending on the water-year type,
6 even into October, which is kind of unique to California because
7 most of our rivers are -- even dam-controlled rivers are
8 generally done running by that time of the year.

9 And so to have this sort of pristine, kind of higher
10 altitude-type of run with, you know, wonderful scenery and fall
11 colors and all of that, it's actually quite a unique opportunity
12 here in the West and in California.

13 So when this process got started, it was a -- what
14 seemed to us it was going to be slum dunk, that, hey, it's
15 already there; there's already this great opportunity. And so
16 it's kind of a no-brainer as far as we were concerned.

17 But once we started in with the relicensing process we
18 conducted a series of flow studies on other reaches throughout
19 the system. And to our surprise we found additional, very
20 high-quality whitewater recreational sections of river, if you
21 will, you know, between dams.

22 And so as we started looking at that we realized that
23 there is also other very high-quality -- potentially very
24 high-quality recreation.

25 As we've gotten into the process, I think things have

1 gone pretty well in terms of our relationship with the licensee
2 and the agencies, and I think there's been a fairly, fairly good
3 communication and cooperation.

4 However, at this point we're starting to feel a little
5 bit of concern. And the concern is in regard to perhaps
6 changing baseflows throughout the project. And obviously just
7 from a purely whitewater recreational standpoint, not
8 considering anything else, the problem with this is that it
9 takes away that water that we would otherwise have available in
10 the fall throughout.

11 It basically creates a situation where you have
12 nonboatable flows. You raise the baseflow, but it's still at a
13 nonboatable flow. And we use a lot of that water up during the
14 summer. And then in the fall there's not much of it left.

15 So stepping back and looking at the bigger picture and
16 looking at the question of, well, you know obviously there are
17 other considerations on this project besides whitewater, as much
18 as I hate to admit that. But the fact of the matter is, is that
19 we have all these other considers that we have to look at and
20 all these other needs that we need to balance.

21 And I think from the Agency's point of view, they are
22 trying to do that and balance some of the issues that have been
23 identified. The big ones on this project are, of course, the
24 foothill yellow-legged frogs and then the other one that's been
25 identified recently are habitat issues for native trout, fish in

1 the system.

2 And so we -- our position at this point is that we --
3 American Whitewater is a, quote, environmental organization. We
4 have a specific agenda, but we also like to think of ourselves
5 as being, you know, more openminded and willing to look at the
6 big picture.

7 But the issue on this question I think really boils
8 down to the question of: What are the effects or the problems,
9 in simple English, that are being identified in terms of what
10 would generate the need for having a change in the way that
11 baseflows operate in the system? So specifically: What are the
12 identifiable, quantifiable effects or problems, negative effects
13 or problems of the current operation of the system?

14 Can we specifically identify those and quantify those?
15 And then do we have a target, a specific, quantifiable target,
16 that will then become the new goal for a change in the operation
17 of the system?

18 And I think that there were a couple of things that we
19 were concerned with in that matrix of decisions. And one of the
20 major ones being that when you look at the yellow-legged frog
21 through other projects that we're also involved with like, you
22 know, Rock Creek-Cresta on the North Feather and some of these
23 others, what we're starting to really zero in on is the
24 yellow-legged frogs have this sensitive time of the year when
25 they're setting up, laying eggs, breeding. And what were

1 finding is that in a lot of these hydro projects the real
2 bugaboo in the system is ramp-down rates during spring pulses.

3 And so we get these very erratic sort of jump up in
4 flows and then very quick ramp-down rates that are not anything
5 like what you would see in a natural hydrograph.

6 The other issue that we're looking at on this
7 particular reach, and this is true in other reaches as well, is
8 the introduction of nonnative species, for example, brown trout
9 and on the North Fork of the Feather, for example, there is
10 smallmouth bass.

11 So we have these other sort of exogenous effectors
12 that have come into the system and that are probably having some
13 kind of an effect that hasn't really been studied or quantified
14 and yet time and time again it seems as though the immediate fix
15 or the immediate effect is sort of a reactionary-type of
16 approach without really having the ability to break out of the
17 matrix.

18 What are these -- how are all these different
19 components fitting together, and what are the real effectors?

20 So if we -- for example -- and I'm not necessarily
21 saying that this is so, but just as an example -- if we raise
22 the baseflows on the South Fork of the Feather and we increase
23 available habitat for brown trout, are we really actually going
24 to have an effect on yellow-legged frog survival rates by
25 increasing the baseflows, or are we going to have an effect on

1 survival rates of native rainbow trout fry with the presence
2 of...

3 So I think that when we -- as we go forward in this,
4 it's really going to be -- the agencies really need to be able
5 to give us some kind of a well-thought-out, well-supported
6 documented case for what they see as being the real problem and
7 how they think that the problem is going to be fixed by their
8 solution.

9 And then that finally needs to be weighed against what
10 are the available recreational opportunities that are going to
11 be displaced by that. And, if so, what is the balance? For
12 example, if we saw a ten-percent increase in the number of
13 rainbow trout of a given size and weight within the reach in,
14 say, ten years, does that affect -- is that an important-enough
15 effect to mitigate the fact that we have this loss of other
16 important recreational opportunities that we've already
17 demonstrated a tremendous demand for.

18 So I think in the big picture, American Whitewater, we
19 would like to see the continuation of the current operation of
20 the system in that we have this great recreational opportunity
21 in the fall.

22 And while I don't think anybody would argue that we
23 may be able to have some marginal effects on, you know, aquatic
24 habitat, I think our real question is: Does that marginal
25 effect -- is that beneficial and important enough to mitigate

1 for the loss of the existing recreational opportunities. Thank
2 you.

3 MR. MUDRE: Thanks, Eric.

4 Our next speaker will be Roger Bailey.

5 Oh, before Roger speaks I have want to -- I'll do it
6 in a minute. Sorry.

7 MR. ROGER BAILEY: My name is Roger Bailey. And I am
8 a resident here in Oroville. And I've observed this community
9 for more than 30 years and I've been involved to a more-or-less
10 degree of watching the South Feather Water and Power evolve over
11 a lot of that time.

12 And while I've not lived here all that time until more
13 recently, I've been in pretty close observation of the economic
14 conditions that are here and watched the progress of what was
15 formerly the OWID and now the South Feather Water and Power.

16 And over that time I've watched them make a lot of
17 tough decisions, the right decisions to develop that agency into
18 something that's contributing to the community.

19 I thought it was interesting to comment, if I may, on
20 some of the overheads that were presented here, John, that I
21 don't think I saw anything that really addressed the economic
22 benefits to the community. I may have missed that.

23 But it seems to me that's a very important issue. The
24 community, both being Oroville as well as the county. And I'm
25 sure that you're probably aware that Butte County is one of the

1 poorer counties in the State of California.

2 And I believe this county is looking very strongly to
3 try to improve its economic situation. And there are things
4 that are improving it. But one of the most valuable resources
5 we have here is the water. And that water has the potential to
6 bring a lot of benefits to the community.

7 Clearly if you have an agency that's locally operated
8 and run, that can efficiently provide both power and water to
9 the residents of the community as one efficient operation. And
10 I think we have that operation to oversee and running both.
11 There are obviously a lot of efficiencies in that.

12 So we're very much in support of the renewal of that
13 license. And I think by way of comment, I would ask you all to
14 look at things that can be provided through the South Feather
15 Water and Power that will bring more benefits to the people that
16 live in this community.

17 And that's generally my overview of it. Again, I want
18 to really emphasize that it's about the perception of and the
19 goal of achieving greater economic benefit here locally to the
20 County of Butte and to the people of Oroville, as well as
21 planning to meet the other goals that I think are all very
22 honorable. So that's my statement. Thank you.

23 MR. MUDRE: Thank you very much.

24 Our next speaker will be Hank Bailey.

25 MR. HANK BAILEY: Good morning. I'd like to ask what

1 is the affiliation of the previous commentator? What is his
2 association when he refers to "we"? What is --

3 MR. PETLOCK: (Inaudible due to distance from
4 microphone.)

5 MR. HANK BAILEY: What organization do you represent?

6 MR. PETLOCK: American Whitewater.

7 MR. HANK BAILEY: American Wildlife?

8 MR. PETLOCK: Whitewater. The "we," that I'm
9 representing is the general white water boating community at
10 large.

11 MR. HANK BAILEY: Thank you.

12 I didn't hear what the affiliation is of the panel. I
13 assume that you are an instrumentality of the Federal
14 Government, Department of Interior?

15 MR. MUDRE: No, sir.

16 MR. HANK BAILEY: You have oversight from the
17 congressional Natural Resources Committee?

18 MR. MUDRE: We're with the Federal Energy Regulatory
19 Commission, and it's an independent agency that's part of the
20 Department of Energy.

21 MR. HANK BAILEY: Thank you.

22 I have a prepared statement here that I'd like to
23 read. I recently had cataract surgery a couple of days ago and
24 my visual acuity is a little bit out of balance --

25 MR. MUDRE: Could you --

1 MR. HANK BAILEY: -- because both my eyes are not in
2 synchrony.

3 My name is Hank Bailey. I'm a retired Industrial
4 Engineer from a major aerospace contractor. I am the owner and
5 developer of a small reforestation tree farm in the foothills of
6 the Sierra southeast of Oroville.

7 Over the past 12 years I have attended most of the
8 joint board of directors and management personnel of the SFW&P
9 agency, formerly known locally as the OWID. I am very much
10 favorably impressed with the qualifications and dedication of
11 the current board members and management personnel.

12 The agency is a duly-constituted agent of the people
13 of the State of California. It is a vital part of the lifestyle
14 and economy of Butte County and the City of Oroville. I am
15 convinced that the agency and their consultants who have
16 prepared this application for renewal of the 50-year license
17 have made a Herculean effort over the past five or six years to
18 document compliance with all laws and regulations governing the
19 use of our natural resources. And I might add it's been at
20 considerable expense to the agency to prepare this application
21 for relicensing.

22 I attend the monthly meetings prescribed by law as a
23 member of the public and as a customer of irrigation water
24 distributed by SFW&P to my tree-watering system. I have on
25 occasion expressed concern or disagreement with decisions or

1 intended policy adjustments of the agency. Board members or
2 management personnel have always explained the objections with
3 patience and civility to my concern.

4 To my knowledge, SFW&P has always met or exceeded
5 regulatory or financial obligations. Currently there is concern
6 in Washington that some holders of licenses to exploit natural
7 resources are defrauding the Federal Government by not paying
8 their obligations.

9 In the event that the Commission elects to award this
10 license to some other entity to generate electric power and
11 distribute water from the Feather River, that entity would be
12 sorely pressed to meet the degree of both competence and service
13 to the community of Butte County that SFW&P provides.

14 A copy of this letter is provided to the panel for
15 inclusion in their minutes. And I've signed it, of course.

16 Thank you for the opportunity to address you. And I
17 will yield -- pass this to the next person.

18 MR. MUDRE: Thank you. Thank you very much.

19 At this point I want to correct an oversight from
20 earlier. I forgot to identify the sixth member of the FERC team
21 that's here, that's going to be working on the preparation of
22 the environmental documents. And Shannon Crosley is in the back
23 of the room, and you probably saw her when you came to sign in.

24 But Shannon will be writing and working one
25 terrestrial and the threatened and endangered species portions

1 of both the Transmission Line EA and the South Feather Power
2 Project EIS.

3 That's everybody who signed up to speak today.

4 All right. If anyone else would like to, now is your
5 opportunity. Anyone?

6 (James Lynch raises hand.)

7 MR. MUDRE: Yes.

8 MR. LYNCH: My name is Jim Lynch. I'm a member of the
9 consulting team for South Feather Water and Power Agency, and I
10 just wanted to bring a couple of points to your attention.

11 The first is that today South Feather filed two
12 letters with FERC on this process. The first letter was a
13 reflection of a commitment South Feather made to resource
14 agencies during recent discussions to rerun a study. That
15 letter just tells you we're planning to do that and plan to have
16 the information to you by September 1st.

17 The second letter is comments for your consideration
18 on a recent request for additional information by the State
19 Water Contractors and Metropolitan Water District. And those
20 comments were filed with you on May 23rd at the request of the
21 initial -- your initial request for information.

22 Those are the two items I want to bring up to your
23 attention.

24 Also in the application there are a couple of items
25 that we say we're continuing with. One is a study of water

1 temperature at Kelly Ridge Powerhouse in the lower project
2 facilities, that -- we're continuing with that. We've said we
3 would have that information to FERC by November 1st, or at least
4 a summary report. We would collect the data, talk to agencies
5 about the information, in particular, Fish and Game and State
6 Board, have that information to you. We still plan to be on
7 that schedule. We'll try to accelerate it some and give you an
8 update of where that is.

9 Secondly in the application we said we would continue
10 discussions regarding flow-related measures with resource
11 agencies and other interested parties. We've had a series of
12 meetings on that. We said we would get you a summary report by
13 July 1st. We're still planning to do that.

14 We don't have any additional meetings scheduled at
15 this time. We would welcome additional meetings. We feel it's
16 a good way to go and very productive. But we still plan to get
17 you a summary on that by July 1st.

18 I don't believe -- there are no other information
19 items that we've committed to you -- except for one. I
20 apologize.

21 At a recent meeting the Forest Service gave us some
22 comments on one or two of our recreation measures. We plan to
23 work with the Forest Service over the next, hopefully, the next
24 few weeks. It appears those comments can be resolved, and we
25 would get to FERC some revised measures on those two measures.

1 Okay.

2 MR. MUDRE: Thank you very much, Jim.

3 I also want to thank South Feather Water and Power for
4 their assistance in conducting the site visits that we had
5 Tuesday and Wednesday. They were very informative, and we
6 appreciate you doing that for us.

7 Anyone else care to offer comments at this point?

8 (No audible response.)

9 MR. MUDRE: If not, we'll go ahead and adjourn this
10 meeting. Again, I want to thank everyone for coming, and we
11 appreciate your participation in this matter.

12 (The Scoping Meeting was concluded at 11:21 o'clock a.m.)

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1 CERTIFICATE OF OFFICIAL REPORTER

2

3 This is to certify that the attached proceedings before the
4 FEDERAL ENERGY REGULATORY COMMISSION in the Matter of:

5

6 Name of Proceeding: Scoping of environmental issues for new
7 licenses for the Woodleaf-Kanaka
8 Transmission Line Project and the Sly
9 Creek Transmission Line Project

10

11 Docket Nos.: Project Numbers P-2281-011 and P-4851-005

12

13 Place: Oroville, California

14 Date: Thursday, June 14, 2007

15 Time: 7:00 o'clock p.m.

16

17 were held as herein appears, and that this is the original
18 transcript thereof for the file of the Federal Energy Regulatory
19 Commission, and is a full correct transcription of the
20 proceedings.

21

22 Nancy Palmer, CERT 00121

23 Official Reporter

24

25