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AGENCY SCOPING MEETING
CASCADE CREEK HYDROELECTRIC PROJECT
P-12405-002
JUNE 18, 2009
Tides Inn Conference Room
307 North First Street
Petersburg, Alaska 99833
9:00 a.m.

TEAM COORDINATOR: David A. Turner

APPEARANCES: David A. Turner
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1 P R O C E E D I N G

2 MR. TURNER: It's about 9:00 o'clock by my time.
3 My name's David Turner. I'm with the Federal Energy
4 Regulatory Commission in D.C. Also here with me today
5 is Matt Cutlip. He's our fisheries biologist on this
6 project. We're here to scope the Cascade Creek
7 Hydroelectric Project. Just by a way of introductions
8 and a little housekeeping, this proceeding, or this
9 meeting is being recorded by a court reporter.

10 So please speak up so we -- all we have is two
11 table microphones here. So speak up, speak your name,
12 give your name and your affiliation. And maybe by way
13 of introductions, and just make sure we have everything
14 first off.

15 Maybe we'll go around the room and give our names
16 and affiliations for the record. But we still need to
17 do that when we're giving our -- when we're speaking.
18 And if you haven't, please sign in on the sign-in sheet
19 out in the back.

20 UNIDENTIFIED VOICE: It's being passed around.

21 MR. TURNER: Oh, it's being passed -- great,
22 great. It's being passed around, that's great.

23 UNIDENTIFIED VOICE: We have gone down this row.

24 MR. TURNER: That way, you can sign your
25 names.....

1 (Indiscernible - simultaneous speech)

2 UNIDENTIFIED VOICE: I already got it, pass it on
3 then.

4 (Indiscernible - simultaneous speech)

5 MR. TURNER: Why don't we start -- why don't we
6 start with introductions back here in the corner and
7 just kind of go around real quickly for the court
8 reporter. Your name and affiliation?

9 MR. LONGWORTH: Dick Longworth, no affiliation.

10 MS. CLEMENS: Mary Clemens, Forest Service.

11 MR. LEE: Eric Lee, representing myself.

12 MR. TURNER: I'm sorry, I couldn't hear that.
13 What was your name again? I couldn't hear it.

14 MR. LEE: Eric Lee.

15 MR. TURNER: Okay.

16 MR. FERGUSON: Jim Ferguson.

17 MR. TURNER: Okay.

18 MR. EAGLEY: Warren Eagley, Wrangell Borough
19 Assembly.

20 MR. MITCHELL: Duff Mitchell, Cascade Creek.

21 MS. SMITH: Martha Smith, Petersburg resident.

22 MR. NELSON: Joe Nelson, Petersburg Power and
23 Light.

24 MR. PRUNELLA: Bob Prunella, Manager of the City
25 and Borough of Wrangell.

1 MR. UNDERKOFLEER: Rich Underkofler, Manager of
2 Petersburg.

3 MR. LOWELL: I'm Richard Lowell, with the Alaska
4 Department of Fish and Game, I'm a wildlife
5 conservation, basically.

6 MR. TURNER: Margaret?

7 MS. BEILHARZ: Margaret Beilharz, with the Forest
8 Service.

9 MR. BEERS: Russ Beers, with the U.S. Forest
10 Service.

11 MR. SAVAGE: Chris Savage, District Director of
12 the Petersburg Ranger District, Forest Service.

13 MR. JOHNSON: Shawn Johnson, Alaska Department of
14 Fish and Game, Sport Fish.

15 MR. FLEMING: Doug Fleming, Alaska Department of
16 Fish and Game here in Petersburg, with Sport Fish.

17 MR. FERGUSON: Jim Ferguson, with Fish and Game,
18 Sport Fish, and the state hydro-power coordinator.

19 MR. KLEIN: Joe Klein, with the Department of Fish
20 and Game.

21 MS. WOOD: Kelly Wood, Fish and Game, Shellfish
22 Management.

23 MR. STRATMAN: Joe Stratman, Fish and Game,
24 Shellfish Management.

25 MR. MINEKI: And Joe Mineki, KFSK Public Radio.

1 MR. TURNER: Okay. (Indiscernible).

2 MR. BELL: Good morning, everyone. Matthew Bell,
3 Kake Tribal Corporation.

4 MR. TURNER: Thank you, everybody. As I said,
5 we're here to scope the Cascade Creek project. By way
6 of a little bit of a background, this project's been
7 under a preliminary permit for quite a while. We
8 approved what we've termed our alternative licensing
9 process. We have three different processes. The
10 Cascade has chose and got buy-in to use the alternative
11 licensing process. That was approved back in September
12 of 2007.

13 Part of their purposes under the alternative
14 licensing process is early scoping with the Commission.
15 For our National Environmental Policy Act requirements,
16 we are required to evaluate the effects of any federal
17 action that we may undertake and to solicit comments
18 and make sure we have the issues that are defined, or
19 surrounding this project. And those are the issues
20 that we'll be looking at in our Environmental Impact
21 Statement that we will be producing on this project.

22 So as part of that, we do early scoping, make sure
23 we have those issues defined. And that's our purpose
24 here today is to make sure that we have those issues at
25 hand. We also want to talk about information gaps and

1 what kind of data that need to be addressed to fill
2 those information gaps.

3 In the -- in way of the format of this meeting,
4 I'll give you a little introduction on what we're
5 doing, accomplishing here today. But then I'm going to
6 turn it over to Chris to talk about their proposals and
7 the changes in their proposals that have occurred since
8 the initial meeting that they had with the agencies
9 about a year or so ago. And then we're going to run
10 through the issues that they have identified based on
11 that record.

12 We've reviewed that scoping document that was
13 issued back in May, and we're going to issue a revised
14 scoping document based on the content and the comments
15 that we get here at these meetings and those that are
16 filed in response to our notice.

17 UNIDENTIFIED VOICE: Will you take a question now?

18 MR. TURNER: Sure.

19 UNIDENTIFIED VOICE: Was that your document that
20 was circulated for review in May, or was that Cascade
21 Creek's document?

22 MR. TURNER: It was Cascade -- it was produced by
23 Cascade Creek. We reviewed it, made sure at least it
24 fit our format and our purposes, and so we did have
25 input into it in terms of understanding -- our

1 understanding of the project and the proposals and the
2 issues that have been brought forward.

3 UNIDENTIFIED VOICE: Thank you.

4 MS. SMITH: I've got a question on alternative
5 licensing procedure.

6 MR. TURNER: Okay. Give your name first, please.
7 You are?

8 MS. SMITH: Martha Smith.

9 MR. TURNER: Okay. Sure.

10 MS. SMITH: I understand from the FERC website
11 that the -- the ALP procedure is reserved for, number
12 one, noncontroversial projects, and number two, that
13 the request by Cascade Creek, LLC, was to bundle the
14 three projects together, Swan, Ruth, and Scenery. And
15 is -- is that true, both of those things?

16 MR. TURNER: To the first statement, no, not
17 necessarily.

18 MS. SMITH: Okay.

19 MR. TURNER: Alternative licensing procedures can
20 be applied to any project. It is constructed around
21 the concept of trying to, in a collaborative manner,
22 define the issues, work on the issues, define the
23 studies, gather the information. It doesn't mean that
24 there is a controversy around it.

25 MS. SMITH: Okay.

1 MR. TURNER: To the second part, that is true.
2 They have a permit for all three projects. They've
3 since -- permits for Ruth and Scenery Lake have
4 expired. So this is -- this proceeding is only dealing
5 with Cascade Creek.

6 MS. SMITH: But that alternative licensing process
7 that you approved of, exists for Swan Lake?

8 MR. TURNER: It existed for Cascade as one of the
9 projects that we approved. There was no need to.....

10 MS. SMITH: Okay.

11 MR. TURNER:go back and.....

12 MS. SMITH: Okay.

13 MR. TURNER:redo that.

14 MS. SMITH: Okay.

15 MR. TURNER: Any other questions? Okay. With
16 that, I think I'll turn it over to Chris just to kind
17 of walk through their -- the proposals and some of the
18 change in their proposal. And then, into the issues.

19 MR. SPENS: Okay. Good morning. My name is Chris
20 Spens. I'm the Project Licensing Manager for Cascade
21 Creek. And what I'd like to do this morning is go over
22 schematics to describe the project as well as pictures
23 of the area, aerial photos and similar, in case you're
24 not totally familiar.

25 I might also make mention, because I didn't hear

1 David say, so there's a public meeting this evening at
2 7:00 p.m., if that suits your schedule better, or you
3 need to leave early this morning.

4 We presented this project to Petersburg first in
5 September of '07 as a preliminary application document.
6 And at that time, it was three projects combined, and
7 it was our first initial rollout to the public with
8 regard to what we intended. And that project, with
9 regard to Cascade, included a lake tap or siphon of
10 Swan Lake and then delivery through a power conduit, a
11 combination of tunnels and penstocks that would
12 essentially parallel Cascade Creek as it made its way
13 to Thomas Bay, with the powerhouse near the mouth of
14 Cascade Creek.

15 And the citizenry of Petersburg made it crystal
16 clear to us that that was not acceptable. And
17 likewise, we had considerable agency input and
18 recommendations, and subsequently modified the project
19 such that the powerhouse was now moved approximately a
20 quarter-mile south of the mouth of Cascade Creek. And
21 instead of doing a combination of tunnel and buried
22 conduits, we changed the project to entirely a tunnel
23 project.

24 Likewise, we originally proposed to fluctuate the
25 lake up to 45 feet, which would provide for storage for

1 winter power as well as a range of operating options.
2 Again, it was made clear that that would be not in the
3 community's preference and not agency preference, so we
4 looked at modeling the project to run it essentially as
5 a run of the river project, meaning water would be
6 withdrawn essentially at the same rate that it comes
7 into the system, but nevertheless, still wanted a
8 little bit of extra flexibility with regard to lake
9 level management. So our application, as it stands
10 right now, is for the intent of being able to fluctuate
11 the lake up to 10 feet.

12 It's our observation, mostly anecdotally at the
13 moment, based on terracing of the inlet, that the lake
14 does naturally fluctuate about six feet.

15 I'm going to go through a series of schematics
16 here and kind of show you what we intend at this point
17 in time, beginning with connection to transmission in
18 Petersburg at Scow Bay, crossing the airport, debarking
19 the shoreline, and undersea cable on Frederick Sound,
20 over to a headland just north of Brown Cove.

21 And then for the most part, with the exception
22 about the first quarter-mile, after making shore,
23 utilizing an existing road network that's on the
24 Patterson Delta to one of two alternatives, either
25 continuing as an undersea cable from the existing state

1 dock in Thomas Bay, or to the project site, or
2 utilizing a combination of existing road systems that
3 would be rebuilt, including a new bridge over the
4 Patterson River and a new bridge over the mouth of
5 Delta Creek, and then from Delta Creek on what would
6 essentially be a new road system to the powerhouse
7 site.

8 Now, this is just a schematic crossing the
9 airport, which is an existing utilidor at the moment.
10 And a bit of a closeup here, you'll -- you should
11 notice with this project that there are two alternative
12 routes for both access and transmission, and we'll get
13 to that in a moment here.

14 UNIDENTIFIED VOICE: Are you taking questions?

15 MR. SPENS: Not at this time.

16 UNIDENTIFIED VOICE: Okay.

17 MR. SPENS: Let me run through the overview, and
18 then you're welcome to jump in. This schematic right
19 here shows to different access alternatives. One would
20 be the existing road system, new bridge, to the mouth
21 of Delta Creek. And then shown in black would be a new
22 road segment to the powerhouse site.

23 An alternative would be a dock right in front of
24 the site which would be approximately 150 feet long on
25 fixed pile, and 20 feet wide.

1 Looking at the powerhouse site plan for the road
2 access alternative, it would be our intent to place the
3 powerhouse as low as possible, at approximately plus 20
4 to plus 35 feet above sea level, depending on what we
5 find underneath, to create a tailrace that would be
6 embanked on both sides before discharging in a much
7 more natural form through an approximate 200 foot
8 shoreline setback. And the idea here would be to
9 create a discharge that looked as natural as possible
10 within that 200 feet.

11 Access would come from the road from the south.
12 The powerhouse would be bermed and embanked with tunnel
13 excavation material. The tunnel portal or exit, in
14 this schematic, comes out at elevation about 300 feet.
15 And all the material would be discharged in the
16 surrounding environment, which is topographically
17 depressed or reset compared to what lies adjacent to
18 it.

19 This would be the dock access version, where
20 there'd be a wharf out in front, an access road to the
21 site. And likewise, the transmission line would cross
22 submarine. There'd be no disturbance and no new road
23 corridor lying south of the site.

24 This is a cross-section of what the fill system
25 might look like. The powerhouse would be excavated and

1 set as low as possible, the tunnel excavation material
2 laid upon the hillside, low-slope hillside around the
3 powerhouse.

4 This is the intake site up at Swan Lake. This is
5 the plan view looking down at our proposal. The intake
6 would be constructed as a siphon instead of a lake tap.
7 That would be primarily for safety and security
8 reasons, safety and security in that the intake could
9 be shut off, the power conduit tunnel could be dried
10 out and inspected if need be, or altered. And it would
11 also offer some resistance against a seismic event. It
12 would involve a bunkered or embanked gatehouse or valve
13 house set essentially back into a rock face, which
14 you'll see in subsequent pictures.

15 A lay down area for pipe and materials, and a
16 helicopter landing pad. The siphon would be laid as
17 nine foot diameter steel pipe on the embankment of the
18 lake, extend approximately 60 feet deep at its deepest,
19 and at least 40 feet before the entry, or the screened
20 entry to the system. It would have a substantially
21 secure gatehouse or valve house, with crane and door
22 access, to be able to lift out and replace valving and
23 piping, if needed, and a man tube into the tunnel.

24 Cross sectional view, essentially, it would be a
25 building face, which could either be screened or

1 architecturally blended against the rock face that
2 you'll see in subsequent pictures.

3 The landing area and lay down area would be
4 necessary for construction, but after completion of
5 construction, it could be reduced in size, but still
6 need to maintain the helicopter landing and some
7 equipment maneuvering area.

8 This is a cross sectional view of the tunnel
9 system. The first half of it, the western half of it,
10 the powerhouse near sea level, on the left side, rising
11 to about 300 feet in elevation, and then going into the
12 mountain as an approximately 1,300 foot tunnel at a one
13 percent grade, then a vertical shaft of approximately
14 1,300 feet, which would daylight at the mountain slope
15 top. And this would involve an affected area of
16 approximately 60 to 80 feet in diameter during the
17 construction period. It would require a small helipad
18 and the ability to place a drill system here.

19 And there would be a horizontal tunnel
20 approximately 13,000 feet long. At this point right
21 here, the direction deflects. And then it would
22 continue to the lake siphon shown in the previous
23 schematic. The tunnel would be a drill and shoot
24 tunnel, roughly 12 feet in diameter, with piping laid
25 where necessary and where entering the exiting the

1 tunnel. And this is a composite hydrograph of Cascade
2 Creek, essentially showing the mean discharge over a
3 period of 38 years in heavy, and then the individual
4 water years showing a range of what's been measured or
5 typical so far.

6 To look at it picture wise, this is a Google
7 Earth, looking down. The outlet of Swan Lake is
8 approximately here, Falls Lake is approximately here.
9 The drainage basin that contributes to Cascade Creek
10 beyond the outlet of Swan Lake is approximately this
11 area, like this.

12 Could we turn some lights off? I think for these
13 photos, it's going to be a little easier. That works.
14 Thank you.

15 This is the powerhouse site as you approach by
16 boat. Coming into Thomas Bay, the powerhouse would be
17 located behind these trees, right here. You can see,
18 looking at this hillside, that this is the lowest part,
19 and it's somewhat depressed compared to the areas
20 adjacent. It's also been previously cut or harvested.

21 This tree line up here is about elevation 700
22 feet. We checked it twice in the seaplane yesterday.
23 This is looking northeast at the mouth of Cascade
24 Creek, and a small little island, Spray Island, being
25 over to the left or the portside.

1 This is the existing Forest Service cabin, near a
2 small creek outlet. This is probably a third of a mile
3 south of the mouth of Cascade Creek. This is the edge
4 of the cut that exists in the area. This is
5 approximately where the tailrace would come out here,
6 and the dock, the powerhouse would be behind all these
7 trees.

8 This is looking more head on. These trees right
9 here represent the stream that would lie in front of
10 the powerhouse. The tunnel exit, or portal, would come
11 out approximately midway up, between the sea level
12 elevation and the tree line cut where it changes to old
13 growth.

14 This is the north edge right here of what would be
15 the powerhouse site, in behind these trees. I might
16 also point out that there's two significant drainages
17 on both sides of the powerhouse site that flank it, but
18 there is no drainage as a channel -- a defined channel
19 running through the site.

20 This is looking northward of the site. The mouth
21 of Cascade Creek is just out of the picture, and this
22 is where the cut feathers into old growth as you begin
23 to go up the Cascade Creek corridor, the mouth of
24 Cascade Creek.

25 Here's an aerial view coming out of the Cascade

1 Creek canyon from Swan Lake. The powerhouse site would
2 be over here. There you see the depressional area,
3 sitting behind a row of existing shoreline trees, with
4 the tunnel coming out about midway upslope, the
5 powerhouse site right in here -- right in here.

6 This picture shows the drainages on both sides
7 fairly clearly, looking head on from the water. After
8 this facility was constructed, the visual evidence from
9 the water, if the dock access were approved, there'd be
10 a wharf, a tailrace, and an access lane to the
11 powerhouse, but you would not see the powerhouse. All
12 the tunnel excavation materials would be discharged in
13 this vicinity, and it would be replanted over.

14 This is a view of the intake vicinity, last
15 summer, July. There's a couple very large and
16 significant snow shoots that dump through this area.
17 We were up in the plane yesterday, and we saw that
18 there had been a substantial slide that cut all the way
19 down through the center of it, but not to either side.
20 We would propose that the siphon pipe and valve house
21 be embanked over on this side in the rock wall.

22 This is looking at the extreme right side of the
23 intake area. This is a ground diorite subridge coming
24 off the main system of the Cosmos Mountain here. This
25 is, essentially, the peak of that, with very little

1 evidence of snow storage or snow slide, and quite a bit
2 of maturity to the landscape.

3 This is the rock wall on the right side of that
4 delta, looking at it. This is where the gate or valve
5 house would be embanked, or placed into. Another
6 general vicinity photo.

7 This is at the other end of the lake, the Forest
8 Service cabin kind of give you an idea of the -- what
9 seems to be the only other significant inlet with
10 fisheries potential, unless we hear different.

11 This is looking upstream at Cascade Creek as it
12 comes into Swan Lake, kind of a serpentine channel, the
13 side channels. And this is germane as it relates to
14 lake level fluctuation and potential influences on
15 fisheries life cycles.

16 This is the primary inlet to Swan Lake, at Cascade
17 Creek, and it shows quite a bit of evidence of
18 terracing due to varied lake level fluctuation.

19 This is a small pond or elbow catchment on Cascade
20 Creek, downstream of Swan Lake but upstream of Falls
21 Lake Falls, which we're told may contain fish. This is
22 Swan Lake outlet, looking toward the outlet, right
23 here, as it narrows substantially.

24 This is the outlet of Swan Lake, where part of our
25 proposal would be to place a water barrier, so as to

1 prevent leakage through the boulders, and in a variety
2 of different methods. It would also allow, if need be,
3 a continued low flow supplement. But the primary
4 purpose would be to avoid water loss unnecessarily
5 through the boulders. And it's a very narrow, confined
6 channel, as it begins to tumble down the hill.

7 Summarily, the project is now substantially
8 underground, with the entire power conduct being the
9 tunnel, the gatehouse, and the valve house at Swan Lake
10 being embanked into the bedrock, and the powerhouse
11 being essentially embanked, almost buried with tunnel
12 excavation material, and the surface area around it
13 restored and replanted.

14 The project would be operated very similar to what
15 this hydrograph shows. Water and energy would be
16 withdrawn at essentially the same rate that it comes
17 into the lake, and that would be predicted and followed
18 through lake level monitoring and discharge gauges,
19 with the request to allow fluctuation up to 10 feet.
20 And we would be fully informed and aware that lake
21 level would be maintained as necessary for fish
22 spawning return to inlets and for recreational uses,
23 access to the cabins. We fully anticipate that.

24 If you'd turn the lights on again, please? Thank
25 you.

1 Prior to the scoping meeting, working essentially
2 with agencies and drawing from comments that we
3 received earlier through the PAD process, the primary
4 issues that we anticipate focusing on include the
5 following, and would begin with geotechnical studies.

6 MR. TURNER: Chris, do you want to entertain some
7 questions about the project?

8 MR. SPENS: Oh, sure. Pardon me. That makes
9 sense. If anyone would like to ask questions with
10 regard to what's been presented so far or attempt to
11 clarify any information that I offered, now would be a
12 good time.

13 MR. NELSON: Chris?

14 MR. SPENS: Joe, go ahead.

15 MR. NELSON: Joe Nelson, Petersburg Power and
16 Light. I -- I'm just wondering if FAA had been
17 contacted concerning the overhead transmission line
18 adjacent to the airport? We've had some recent
19 experience about being a distribution line in that
20 area, and I thought it was some pretty stringent
21 requirements, so.....

22 MR. SPENS: I would imagine. No, we have not
23 specifically contacted the FAA. With regard to how we
24 would lay transmission, generally speaking, on overland
25 areas, it would be overhead where allowed and

1 underground where necessary. And I would presume that
2 any airport property would be underground.

3 MR. NELSON: Thank you.

4 MR. SPENS: Over here?

5 MR. TURNER: Margaret.

6 MS. BEILHARZ: My name's Margaret Beilharz. The
7 outlet elevation and depth, do you know how deep it is?
8 Does your bathymetry show you how deep that outlet is,
9 actually? And at your minus ten foot operating level,
10 would you -- would an outlet structure for in stream
11 flows there be gravity feed or would you have to like
12 get it up over the area there?

13 MR. SPENS: Like -- what we're aware of right now,
14 based on watermarking at the outlet, is it looks like
15 it goes up and down about six feet. And even at its
16 lowest elevation, it's quite obvious that it's making
17 its way through the boulders substantially. What we
18 don't know is the depth of the boulder field or fluvium
19 there, to get an idea how far would you need to go to
20 get something firm.

21 It -- our proposal would be one of two or three
22 different forms. It might be a sill. It might be to
23 keep it simple, a grout injection, or chinking between
24 the boulders, I guess you'd say. Whether or not low
25 flows provided by a siphon or a controlled orifice at

1 depth, you know, it really depends on just how porous
2 is that boulder field, and how deep does it go.

3 The objective is to minimize water loss as well as
4 offer any operational necessities, such as low flow
5 requirements. Does that answer your question?

6 MS. BEILHARZ: Yeah, it does.

7 MR. SPENS: All right. Yes, sir?

8 MR. LEE: Yeah. This is Eric Lee. What would
9 happen to Cascade Creek, would it ever dry up? Or how
10 much of the flow would continue going down Cascade
11 Creek after the project was completed?

12 MR. SPENS: What we anticipate -- so this is my
13 projection -- is that we will be required to maintain
14 low flow, for ecological purposes. That doesn't mean,
15 however, in the winter, when it freezes up, that there
16 would be any flow, because that happens. Sometimes
17 flow gets as little as 30 cfs.

18 We, through our gauging investigation, are trying
19 to determine how much area and how much flow
20 contributes to Cascade Creek beyond the outlet of Swan
21 Lake, from the remainder of the basin, and how much
22 more water might be necessary, for ecological purposes,
23 to be drawn from Swan Lake.

24 So the short answer is, we expect a requirement to
25 provide flow, and it will be determined in part by

1 seeing what's already available from the rest of the
2 basin beyond the outlet.

3 MR. LEE: Do you have any idea what the
4 requirement is for minimum flow?

5 MR. SPENS: Not at this point in time, no. I
6 would add that a component of that will, obviously,
7 have to do with the use and enjoyment of Cascade Creek
8 Falls down below, maintaining aesthetics.

9 MR. LEE: Uh-huh (affirmative).

10 MR. SPENS: Anyone else? Please.

11 MR. UNDERKOFLEER: We read -- Rich Underkofler.....

12 MR. SPENS: Yes, sir.

13 MR. UNDERKOFLEER:the Manager of Petersburg.
14 We read in the scoping document that there may be an
15 additional new cabin at Swan Lake. Is that -- is that
16 still your plan?

17 MR. SPENS: What we anticipate is providing one or
18 two cabins, as the Forest Service might request,
19 because we know that we're going to alter the seascape
20 on Thomas Bay, and the existing cabin there, and it may
21 be, either because of construction activities at Swan
22 Lake, if it occurs, or the perception that it's been
23 changed or altered, that the public might like another
24 equivalent opportunity, or at least acceptable
25 opportunity in the environment. So we anticipate one

1 or two cabins.

2 MR. UNDERKOFILER: Up on the lake?

3 MR. SPENS: Wherever the Forest Service requests
4 or requires.

5 MR. UNDERKOFILER: Thank you.

6 MR. SPENS: It could be on Thomas Bay, it could be
7 a different water body for that matter. I don't know.
8 Anyone else? Yes, ma'am.

9 MS. SMITH: I have a question. From.....

10 MR. TURNER: Your name first?

11 MS. SMITH: Martha Smith, Petersburg resident.
12 From the FERC website, it identifies or describes this
13 scoping process as a process of identifying potential
14 impacts the project would have on the environment or
15 the community. And what I am seeing in your
16 presentation is we've got also the environmental
17 impacts. I'm wondering what efforts you have made to
18 study the impacts on the community of Petersburg?

19 MR. SPENS: And that is the nature of this process
20 is to find out, from your thoughts and recommendations,
21 what should we look at? What I'm aware of at the
22 moment is, we need to evaluate potential recreational
23 impacts and how the perception of the desirability of
24 the site is viewed, during both a construction period
25 and an operational period. What sort of effect does

1 that have on the draw and demand for tourism.

2 What I recollect from the last visit in Petersburg
3 in September '07 is this is a very valuable and
4 important area for charter and tours and recreation,
5 fish and game harvesting. It is the backyard, the
6 recreational backyard. So I anticipate that we will be
7 doing a recreational use and impact study, with that
8 regard.

9 MS. SMITH: Could I also request an economic
10 impact study on those people who use that area for your
11 -- for things that you specified -- ecotourism for
12 fishing, for crabbing, or hunting? I think that needs
13 to be included in the economic impact studies.

14 MR. SPENS: Okay.

15 MR. TURNER: I think we're kind of getting into
16 the issues that -- they're relevant issues, but they
17 might come out as we start talking about each of the
18 resource areas. Socioeconomic is a resource area that
19 (indiscernible). Anything more on the, you know,
20 changes in the proposal or the operations? I want to
21 jump into the issues.

22 MR. SPENS: Go ahead, Joe.

23 MR. NELSON: Just.....

24 MR. TURNER: Oh, I'm sorry.

25 MR. NELSON: Joe Nelson, Power and Light. With

1 the siphon, as opposed to the lake tap, is that going
2 to impact the output of the plant or the size of the
3 installed capacity?

4 MR. SPENS: Not that we've identified. That does
5 raise the point that we modified the powerhouse
6 capacity to take advantage of the peaks instead of a
7 more steady flow, or instead of the more steady 400 cfs
8 flow with a managed reservoir, having the capacity to
9 handle, you know, 700 cfs or greater.

10 With regard to siphon over lake tap, to the best
11 of my awareness -- I'm not an engineer -- it doesn't
12 affect the capacity of the plant.

13 MR. NELSON: Okay. Thank you.

14 MR. UNDERKOFLEER: Rich Underkofler, the Manager of
15 Petersburg. I don't -- I'm not an engineer either.
16 Could you explain it in simple terms, the difference
17 between a siphon and a lake tap? Is there a diagram or
18 something that.....

19 MR. SPENS: I regret I don't have a diagram.

20 MR. UNDERKOFLEER: Uh-huh (affirmative).

21 MR. SPENS: But I can tell you, a lake tap is
22 where you tunnel towards the underwater edge of the
23 lake, and at some distance, anywhere from 20 to 80 feet
24 away, you create at the end of that tunnel a sump or an
25 underground room, which is really preparing for an

1 explosion to catch rock.

2 And the tunnel comes through the mountain, goes up
3 to the lake basin, stops at that distance, creates a
4 large room, a drill is drilled, a charge is set, and
5 it's calculated to explode only that thickness of wall
6 which then, by lake pressure, it tumbles into the room
7 or at the catchment at the end of the tunnel. It is
8 quite literally a one shot deal, and there is,
9 obviously, nobody inside of it whatsoever.

10 The challenge with that is, is that activity, in
11 and of itself, opens water to the tunnel, so everything
12 down conduit or downstream has to be ready for that.
13 And unless after valving were installed, there'd be no
14 way to dry out the tunnel.

15 We choose a lake siphon because it is safer to
16 construct, more sure to operate, more predictable with
17 regard to its dimensions and outcome, and it allows the
18 ability to shut off the water entirely and dry out the
19 tunnel.

20 MR. UNDERKOFLEER: Is there a - do you have a
21 diagram of the lake siphon?

22 MR. SPENS: I do.

23 MR. UNDERKOFLEER: Then maybe you could walk us
24 through how -- the mechanics of how that works?

25 MR. SPENS: I do. Okay. First of all, this is a

1 typical tunneled cross section, approximately 12 feet
2 in diameter, and therein, at least at the ends, the
3 siphon end and the portal end to the powerhouse, pipe
4 is laid and then grouted, filled around it.....

5 MR. UNDERKOFLEER: Uh-huh (affirmative).

6 MR. SPENS:to transition. This is what the
7 siphon looks like. This is the lake level right here.
8 This is all native rock and earth material. The pipe
9 is laid over ground, into the lake, to a depth of
10 approximately 40 feet but not deeper than 60. It's
11 brought up to a gatehouse or a valve house.

12 The pipe's churned down into a vertical shaft
13 tunnel, through a barrier right here, transitions to a
14 drill and shoot tunnel. It has a -- what's called a
15 man tube, kind of like a straw, with a ladder inside of
16 it, going down into the tunnel, for inspection or
17 examination.

18 It has a siphon -- air siphon at the top that
19 pulls all the air out of this portion, while this valve
20 is shut off right here. It draws the air out and it
21 draws water in, fills this whole section right here so
22 that this is all filled with water, the entire thing,
23 up here.

24 And once it's brought up over the lake elevation
25 and back down, this valve is open as a siphon and

1 begins to fill the tunnel. Similarly, it can be shut
2 off, and the tunnel drained at the lower end, for
3 inspection or repair, as the case may be.

4 MR. UNDERKOFLEER: So is that -- where you're
5 drawing water out of the lake, is that -- is that like
6 under the surface.....

7 MR. SPENS: Absolutely.

8 MR. UNDERKOFLEER:of the lake, and it's.....

9 MR. SPENS: Yes. The actual intake of the pipe is
10 about 40 feet below the surface, vertically separated
11 to avoid intake vortex or current surface effects. If
12 you look -- if you think about your bathtub when it's
13 draining -- to avoid any type of current, to avoid
14 debris fields, and for the most part, to avoid the area
15 of greatest fishery utilization.

16 MR. UNDERKOFLEER: So is that pipe that's going
17 under the lake, is that under -- is that buried, or is
18 it.....

19 MR. SPENS: No.

20 MR. UNDERKOFLEER:is it lake on the bottom of
21 the lake or something?

22 MR. SPENS: It -- it's laid on the shoreline or
23 the embankment of the lake.

24 MR. UNDERKOFLEER: Okay.

25 MR. SPENS: And then as it comes out, there is the

1 opportunity to bury or embank that portion that is
2 above the water elevation, but to bury it below would
3 require drawing down the lake.

4 MR. UNDERKOFLEER: I see.

5 MR. SPENS: Does that answer your question?

6 MR. UNDERKOFLEER: Yes, sir. Thanks.

7 MR. SPENS: Okay. Anyone else?

8 MR. TURNER: One over here.

9 UNIDENTIFIED VOICE: I'm looking at the fish
10 screen there at the bottom of the siphon pump. Is that
11 going to be adequate to keep fish from being stuck to
12 it? It would seem like it would be a terrific amount
13 of suction involved in the -- in the piping like that.

14 MR. SPENS: Here -- here's what I'm aware of with
15 intakes and screens, for whatever purpose, is the pipe
16 goes into a screen box. It could be any shape --
17 rectangular, cylindrical, pyramid. The screen box has
18 surface area that is many times greater than the cross
19 sectional area of the pipe inlet, and that is to reduce
20 the pressure against its surface across its total
21 aerial extent.

22 And it's slotted or has cutouts or any type of
23 perforation that will allow the maximum of water
24 through, but will not allow whatever you're screening
25 to pass. So if it's small fish, it's sized

1 accordingly. If it's debris, it's sized accordingly.
2 We won't know what it will be until we get through this
3 process in part and see what becomes the condition of
4 the project. We anticipate a fishery screen based on
5 the feedback we've received from agencies so far.

6 MR. TURNER: Why don't you bring up issues.

7 MR. SPENS: Okay. What I'm going to present are
8 the primary issues that we're aware of to date. That
9 by no means suggests that that's all there is or
10 nothing else will be considered, that's hardly the
11 case. I would call these the big ticket items. And
12 you can follow along on page 16, if you happened to
13 have picked up a scoping document.

14 And if you look at potential studies -- it's
15 headlined potential studies -- and this is a
16 condensation of all of the issues that might otherwise
17 be possible.

18 MR. TURNER: I think we ought to go through on
19 page 10.

20 MR. SPENS: You want to go through the whole.....

21 MR. TURNER: (Indiscernible - simultaneous speech)

22 MR. SPENS: Okay. All right.

23 MR. TURNER: (Indiscernible - simultaneous speech)
24 issues -- those are the studies that address the
25 issues.

1 MR. SPENS: All right. All right. Turn to page
2 10. We'll go through the long list. And it -- I am
3 going to give this a very brief overview, because this
4 really is your meeting, your time.

5 Now, the project involves looking at cumulative
6 effects, which is not just this project, as proposed,
7 but other projects that it might stimulate or cause to
8 happen or be enjoined with. Those could be other power
9 producing projects, other transmission lines, other
10 marine related activities that might be associated, for
11 instance, with the construction of a dock, ancillary
12 impacts that might include one time construction
13 impacts and ramping up logistics for that. They may be
14 directly or indirectly related to the project, but
15 they're considered as a whole.

16 To move through the individual issues, I touched a
17 little bit on recreational resources, and our
18 understanding is, it is a choice area. It is heavily
19 used. We've got lots of feedback in that regard. And
20 from day one, when we presented the project, that came
21 to the very top of the list.

22 With regard to the geographic scope, or the area
23 that studies would occur, what we anticipate is the
24 immediate vicinity of facilities, as well as the
25 transmission corridor to Petersburg. In addition, by

1 way of example, if we are looking at mountain goat
2 movement, composition, distribution, that could have a
3 geographic scope that's much bigger than just the
4 project or the project facilities. It might include
5 the ranges around Swan Lake, and possibly some of the
6 adjacent watersheds.

7 MR. TURNER: Let me stop you here, Chris. Based
8 on what we heard and what we saw in the record, the
9 only cumulative resource that we found, as we
10 understood, is recreation. When we look at cumulative
11 effects, we look at how our actions -- and that is the
12 licensing action -- is going to interact with any other
13 actions that may be taking place in that basin, be it
14 forced reactive needs or sightseeing or any kind of
15 plans for that area. And we look at how those things
16 interact, synergistically or opposed.

17 Right now, that was the only resources that -- or
18 the only actions that we saw that were having a
19 cumulative effect, and that was recreation related. If
20 there is others, we're looking for that input. Did we
21 miss something we need to be considering? So give us
22 some feedback on that.

23 UNIDENTIFIED VOICE: Well, you know, preliminary
24 applications are pending for Ruth Lake and Scenery
25 Lake. So is that an example of something you'll need

1 to look in the relationship to this project to those
2 projects?

3 MR. TURNER: It is. In the sense of --
4 historically, the Commission has not necessarily looked
5 at preliminary permits as a action of themselves,
6 because there's -- historically, there are a very small
7 number of -- actually get built, a very small
8 percentage of them, like on the order of 10 percent
9 actually ever come to fruition and have an application
10 put forth before the Commission.

11 So to the extent that an application or a process
12 starts to overlap with this one -- Cascade and Ruth --
13 or Ruth and Scenery Lake would be excellent examples of
14 things we would need to be considering.

15 The disconnect here may not be as equivalently --
16 I think there are legitimate issues in this case. It -
17 - it's not like the typical case that we've had over
18 our history at the Federal Power Commission, because,
19 like I said, most projects never come to be.

20 Unless they come to be, and they're in our
21 process, and we have an application before us, to the
22 extent that they may be overlapping in other
23 applications, they become legitimate issues. But we
24 never really look at them because there's so much
25 unknown. But here, that may be a legitimate fear to be

1 looking at.

2 UNIDENTIFIED VOICE: Maybe.

3 MR. TURNER: Yeah, maybe. I don't know. I'm just
4 going to have to see where -- what falls out and the
5 timing of what falls out in terms of Ruth Lake, how
6 we'll proceed, which applicants are chosen, what time -
7 - timing is underway on those applications, what
8 processes they've used, when they want to get started,
9 and that kind of stuff.

10 MS. SMITH: Martha Smith. I would like
11 clarification of your definition of recreation. If we
12 have families that operate tour boats, that people who
13 pay for those services are recreating, but the families
14 are not recreating, they are working, that is their
15 employment. So are you including those people under
16 recreation?

17 MR. TURNER: When we said recreation, we -- after
18 we looked at this and we understood recreation, we
19 think of it more in terms of what actions are going to
20 be affected by our project. Is -- does Cascade -- is
21 there any plans for expanding recreation around the
22 basin.

23 What you're kind of talking about is a project
24 specific effect on the recreational value, and we would
25 look at that, and that is a legitimate issue to look at

1 it. When we think about cumulative effects, what we're
2 talking about here, are there other things going on in
3 the basin? Is there additional plans for flights over
4 the basin? Or are there timber activities that are
5 planned in the basin that would interact with this
6 action to further reduce the recreational value? Those
7 are the kinds of things we're thinking about when we
8 talk about cumulative effects. But the things you're
9 talking about are really more a direct effect of the
10 project on a specific resource.

11 MR. SPENS: Which we will be getting to.....

12 MR. TURNER: Right.

13 MR. SPENS: as we continue through the
14 issues.

15 MS. SMITH: Okay. I just wanted the definition
16 including sightseeing and recreation.....

17 MR. TURNER: Correct.

18 MS. SMITH: There are too -- too, there's people
19 involved in sightseeing.

20 MR. TURNER: Correct.

21 MS. SMITH: Thank you.

22 UNIDENTIFIED VOICE: I have just another thing for
23 you to consider. The State Department of Natural
24 Resources has plotted a subdivision over there for a
25 future sale of real estate, and I just.....

1 MR. TURNER: Over where?

2 UNIDENTIFIED VOICE: Where is it?

3 UNIDENTIFIED VOICE: Thomas Bay, adjacent -- just
4 south - just south of the site.

5 UNIDENTIFIED VOICE: It -- around Patterson River?

6 UNIDENTIFIED VOICE: Right, at the Patterson River
7 outlet.

8 UNIDENTIFIED VOICE: Just -- there's a potential
9 development there that I just want you to know about.

10

11 MR. TURNER: Okay.

12 (Indiscernible - simultaneous speech)

13 UNIDENTIFIED VOICE: It has roads platted and
14 things like that. Road right of ways.

15 MR. SPENS: Jim.

16 MR. FERGUSON: Yes, Jim Ferguson with Fish and
17 Game. I don't know whether to comment on this now or
18 save it for our comments for later, because we have
19 quite a few, but since you're talking about cumulative
20 effects, if you will recall from our comments on the
21 preliminary application document.....

22 MR. SPENS: Yeah.

23 MR. FERGUSON: We had extensive reference to
24 possible impacts of the multiple projects on -- in
25 Thomas Bay on the input of fresh water into the bay at

1 different times of the year and altering the timing and
2 quantities of flows and thereby altering salinity and
3 freezing in the bay. And I would recommend that if --
4 I'm not exactly sure how to say this -- if maybe the
5 other projects are being considered as to cumulative
6 effect, then maybe you ought to consider that. And we
7 can get into that in more detail, if you'd like. I
8 thought I should bring it -- at least bring it up now.

9 MR. SPENS: To move along, if we may. The study
10 and the evaluation of the project takes place within a
11 temporal scope, or a period of time. And that
12 essentially includes near term impacts -- we might
13 consider those construction impacts, midterm of
14 lifetime, such as operational, and very long term
15 impacts, potential scenarios that might occur over
16 time.

17 Right now, the study is projected to include a
18 period of 30 to 50 years from its inception, which I
19 don't know if, David, you want to speak to whether or
20 not that's typical.

21 MR. TURNER: It is typical in the sense that
22 because the Commission issues licenses for terms of 30
23 to 50 years, and that's why the -- we look at that
24 scope of time.

25 MR. SPENS: Okay. With regard to individual

1 issues, because so much of this project is underground,
2 the geology of the area and a study and understanding
3 is essential, not just for environmental impact
4 purposes, but engineering and structural and cost
5 estimating and so forth.

6 What we're aware of is these are large genetic
7 plutons, granodiorite, exceptionally hard, reasonably
8 stable, but they still include a fractured component.
9 And that's somewhat difficult to map from the surface,
10 but nevertheless, we would evaluate the facilities
11 location with regard to their stability and resistance
12 to reasonably anticipated seismic events or snow slides
13 or debris slides, as the case may be.

14 We know that there's going to be a fairly
15 extensive evaluation of the water discharge and flow
16 regime, lake level fluctuation. Should the proposal be
17 further modified where discharges would be different
18 than what I'm presenting -- i.e., essentially natural
19 fluctuation, that would be evaluated.

20 MR. UNDERKOFLEER: Would you take another question,
21 please? I'm sorry.

22 UNIDENTIFIED VOICE: Okay.

23 MR. UNDERKOFLEER: Did I hear you say.....

24 MR. TURNER: Your name?

25 MR. UNDERKOFLEER:that the powerhouse would

1 be abutted up against a rock wall of the mountain?

2 MR. SPENS: The powerhouse, as we anticipate at
3 present, would lie on ground that first would be
4 excavated downward, and then banked or embanked with
5 tunnel excavation material that comes out of the
6 mountain.

7 So it would be wrapped around by earth material,
8 its roof would be designed to take snow slide over the
9 top of it, and it would essentially be bermed on two
10 sides. It would be open, facing Thomas Bay, but
11 streamed by 200 feet of existing vegetation.

12 MR. UNDERKOFLEER: Well, the reason I'm asking is
13 the -- this is Rich Underkofler, City Manager of
14 Petersburg. And when we did the Tyee Project, we --
15 the plan was to use the rock wall -- the mountain.....

16 MR. SPENS: Uh-huh (affirmative).

17 MR. UNDERKOFLEER:for one wall of the
18 powerhouse.

19 MR. SPENS: Uh-huh (affirmative).

20 MR. UNDERKOFLEER: And it turned out the geology
21 wouldn't support that.

22 MR. SPENS: Yeah, we don't anticipate that
23 opportunity. We.....

24 MR. UNDERKOFLEER: Okay.

25 MR. SPENS: We believe that this is predominantly

1 unconsolidated material at this location. That
2 opportunity does exist, however, at the inlet
3 structure. As you saw in the photos, there was a
4 granitic wall immediately adjacent, and we may very
5 well be able to superimpose the project into that wall.

6 MR. UNDERKOFLEER: We had a big change order,
7 anyway, because we couldn't use that wall.

8 MR. SPENS: Yeah.

9 MR. UNDERKOFLEER: All right.

10 MR. SPENS: Oh, we're going for no surprises.

11 MR. UNDERKOFLEER: Okay.

12 MR. TURNER: Chris, the court reporter just
13 reminded me to please be sure to state your name, so we
14 can actually attribute your comments to you and make
15 sure that we get an accurate transcript. So.....

16 UNIDENTIFIED VOICE: I got a question.

17 MR. TURNER: Just a moment.

18 (Indiscernible - simultaneous speech)

19 UNIDENTIFIED VOICE: I'm worried about the noise
20 from the powerhouse. I know of one out at Blind Slough
21 is much smaller. We used to have a cabin out there,
22 and that line was audible 24 hours a day the whole time
23 (indiscernible). So I'm wondering, how will you
24 mitigate that, because that would really impact the
25 tourism aspect of experience out there. It would -- it

1 would have to be almost silent to really not be
2 obnoxious.

3 MR. SPENS: Do you want me to respond to
4 individual specifics or.....

5 MR. TURNER: Yeah.

6 MR. SPENS: Okay.

7 MR. TURNER: That's fine.

8 MR. SPENS: At -- as it's intended right now,
9 again, the powerhouse would be set below the existing
10 ground surface, it would be dug down. And so on three
11 sides, substantially, and to some extent on the fourth
12 side, the Thomas Bay side, it would be surrounded by
13 earth material, due to the fact that it is placed
14 beneath the existing surface.

15 On the uphill side of the project, it would be
16 embanked with tunnel excavation material -- rock. And
17 the same thing on the north side. It would also have
18 substantially thick cement walls, that they would be
19 thickest on the upslope side, where it functions as a
20 retaining wall, and less than that on the Thomas Bay
21 side.

22 But nevertheless, all walls of the powerhouse
23 would be concrete, all sides would be bunkered as far
24 as line of site, and hence, line of audible noise by
25 earth material.

1 In addition, there would be the 200 foot screen of
2 trees between the bay and the powerhouse. And at this
3 point, we anticipate that the only audible sound is
4 water rushing from the tailrace.

5 MR. TURNER: But noise is a legitimate issue that
6 we should be looking at. And we'll look at it in the
7 EIS.

8 MR. SPENS: With regard to aquatic sources [sic] -
9 - and you can turn to page 12 -- aquatic resources,
10 rather -- essentially, what we're going to be looking
11 at here is lake level fluctuation impacts, fisheries
12 populations, and whether or not any of the operation or
13 a manipulation of lake level has the potential to
14 influence these resources.

15 With regard to terrestrial resources, this is
16 primarily focusing on effects on habitat or both fish,
17 wildlife. It also would involve influences or effects
18 on plant resources. Our approach at the moment would
19 be inventories of what's existing and what's present,
20 and a search for or a screen for threatened or
21 endangered or potentially located extirpated species.

22 A federally listed threatened and endangered
23 species, when we made application for a stream gauging
24 permit, we got feedback from the Forest Service that
25 geographically, in the large region, there are listed

1 species, mostly marine. And at the time the activity
2 was placement of gauges in fresh water system, and
3 there were no identified, threatened, or endangered
4 species, in that regard, specific to Swan Lake or
5 Cascade Creek.

6 With the introduction of the dock access proposal,
7 we would expect that to change, and there will probably
8 be discussion of marine species that are at least in
9 the vicinity, if not known to frequent Thomas Bay.

10 A recreation land use, I think we hit on that a
11 couple of times. And basically, we anticipate an
12 evaluation of what is the use, the frequency, the
13 distribution, and the value of that activity.

14 Aesthetic resources, we take this to mean, what
15 does it look like now, what will it look like during
16 construction and in the future, in its final form. We
17 anticipate doing visual mockups, scaled appropriately,
18 where the project is superimposed on photos of the
19 facilities areas, measured into scale, so you can get
20 an idea what the effects might be.

21 With regard to cultural resources, so far, no
22 information has come to light that we're aware of, that
23 says that any of the location of the project facilities
24 have a history of use or have a cultural, meaning
25 primarily historical or archeological significance to

1 those areas. But nonetheless, we expect to do a
2 thorough search and review of any historical
3 information that may come to light in this process.

4 MS. ESPOSITO: Can I interject a.....

5 MR. TURNER: Please do.

6 MS. ESPOSITO: (Indiscernible).

7 MR. TURNER: Yes.

8 MS. ESPOSITO: My name's Gina Esposito, and I'm an
9 archaeologist with the Petersburg Ranger District.
10 There are a couple locations that I have concerns
11 about. And I can say that now or just provide it to
12 you later, but just off the top of my head right now is
13 Sandy Beach, where your proposed transmission corridor
14 come on to that island.

15 MR. SPENS: Uh-huh (affirmative).

16 MS. ESPOSITO: There is two significant sites
17 there. And then also where it comes into Frederick
18 Sound from the mainland, off that point there, there's
19 significant -- there's a bunch of petroglyph sites
20 there which are very sensitive, prehistoric and
21 eligible for the National Register, and that would --
22 so just to throw that out there now and when you -- at
23 some point.

24 MR. SPENS: But that would be great to know. I
25 might mention that the seaplane pilot yesterday

1 informed us of a utilidor coming ashore north of Sandy
2 Beach that had already been screened, already been
3 utilized, and that we should look at and evaluate that
4 access point. And it would involve a very, very short
5 crossing from the intertidal area to the road right of
6 way.

7 MS. ESPOSITO: Okay.

8 MR. SPENS: And it was partially for some of the
9 reasons you mentioned.

10 MS. ESPOSITO: Right. And then -- yeah, the
11 recreation, I forgot to mention the recreation aspect.

12 MR. UNDERKOFLEER: That -- that's a GCI.....

13 MR. SPENS: Yeah.

14 MR. UNDERKOFLEER:submarine cable that comes
15 in there.....

16 MR. SPENS: Yeah.

17 MR. UNDERKOFLEER:fiberoptic.

18 MR. SPENS: Yeah, that's what he said.

19 MR. UNDERKOFLEER:down -- it's down this --
20 down the road from Sandy Beach.

21 MR. SPENS: I appreciate that.

22 MR. UNDERKOFLEER: That's Rich Underkofler, the
23 City Manager of Petersburg.

24 MR. SPENS: Socioeconomics, I think this gal over
25 here mentioned what might be the potential impacts on

1 area economies -- tourism, charter operations, that
2 sort of thing. Developmental resources, pretty well
3 spoken as it's written.

4 MR. TURNER: Why don't we stop here.

5 MR. SPENS: With regard to proposed protection
6 enhancement measures -- sometimes this is called
7 mitigation -- there are a number of kind of standard
8 protocol items required, probably best represented by a
9 soil erosion control plan would be typical of any
10 substantial project clearing, grading earth.

11 A spill prevention plan, again, with regard to
12 water quality and quality, I want to emphasize that
13 we're looking at fluctuating the lake not more than 10
14 feet.

15 We have had some discussion about the fisheries
16 within Swan Lake, trying to decide what is it, really?
17 All I know to be fact is it was stocked decades ago, it
18 is a sustained population. It is treasured and of
19 great interest locally. We did a lake bathymetry and
20 acoustic mapping, and searched for fish last fall. We
21 got intriguing results, which essentially were less
22 than a few hundred fish, or targets marked within the
23 lake, averaging about four inches in size, which didn't
24 speak to the adult populations, which are presumed to
25 either be near shore, within inlets -- we did find out,

1 by the way, that the lake's 580 feet deep, which is
2 remarkable.

3 UNIDENTIFIED VOICE: Is that deep? Is that deep?

4 MR. SPENS: That.....

5 UNIDENTIFIED VOICE: Is that considered deep?

6 MR. SPENS: Absolutely.

7 UNIDENTIFIED VOICE: Good.

8 MR. SPENS: That's astounding.

9 UNIDENTIFIED VOICE: That's a good thing, then.

10 MR. SPENS: That's astounding. That's a big tub.

11 UNIDENTIFIED VOICE: (Indiscernible).

12 MR. SPENS: So we know we have to kind of
13 blitzkrieg search all of the potential habitat areas
14 within the same few days, to respond to that question.
15 There's a lot of anecdotal information in the cabin,
16 but nothing that's scientifically based.

17 We would have a revegetation plan for areas
18 disturbed, and most notably, where the tunnel
19 excavation material would be discharged. That includes
20 elements to prevent invasive plant species. And timing
21 and deployment, minimize affect -- disturbance on
22 wildlife.

23 With regard to the transmission line and
24 terrestrial resources, the best way I can express that
25 is we would go overhead wherever we could, and we would

1 go undersea or underground wherever we must. And for
2 overland, overhead line construction, there are
3 specific standards to meet avian species impact
4 avoidance requirements.

5 I'm expecting that we're going to hear about
6 federally listed threatened and endangered species in
7 the marine environment, now that we've introduced the
8 dock. Again, with regard to recreation, we anticipate
9 providing cabins. We've also had some discussion about
10 if the dock access alternative was selected, providing
11 public access and use to that dock and providing
12 connecting trails, if desired, south to the existing
13 cabin and north to Cascade Creek.

14 Right now my awareness is the trail system is
15 essentially along the ordinary high watermark, and it
16 was a little bit juicy yesterday. I think that is a
17 reasonable overview.

18 MR. TURNER: Chris has given a very quick overview
19 of the specific effects of what we intend look at in
20 the EIS. I'd like we open up now, maybe walk you
21 through -- well, I'll leave it to you in terms of
22 specific issues or just talk about it at random. It's
23 up to you what you want -- either way works.

24 MR. LONGWORTH: Yeah, Dick Longworth. When you say
25 10 feet of fluctuation, do you mean you've taken a mean

1 of the average lake level, you can either go above it
2 five feet or below five feet, or is it from there,
3 going down 10 feet, or take it from that mean and going
4 up 10 feet?

5 MR. SPENS: What we would anticipate is, if the
6 ordinary high watermark mark at the surface elevation
7 of the lake was 1520, which is what it is on most maps
8 and records, naturally it appears to fluctuate at least
9 six feet, so it would go down to 1514 -- if those turn
10 out to be the elevational standards that are, in fact,
11 accurate, then we wouldn't anticipate drawing it down
12 more than another two feet below 1514.

13 So it -- we would like to have some operational
14 flexibility. And frankly, it would be mostly for local
15 power needs, that it could be drawn down and utilized
16 as storage, and that scenario would most likely occur
17 in the winter, because at the end of the fall season,
18 as things start to freeze up, and discharge is reduced,
19 and power demand locally increases for heating and
20 whatnot, that's really when that additional two feet
21 becomes the most desirable.

22 Inversely, it's possible, with an outlet control
23 structure, that it may be non-impactful to add some
24 storage, some minute storage. You know, one foot or
25 two feet over the entire lake surface of 579 acres is a

1 lot of storage, with a minimal impact. And there is a
2 watermark signature on the shoreline around that does
3 show some extreme events where that may, in fact,
4 naturally be occurring.

5 I guess I'd add, yesterday, flying over, there
6 were very dramatic slides and snow shoots and
7 avalanches coming into the lake. It was about halfway
8 frozen. It didn't look at its maximum full, but it was
9 certainly getting ready to do that in another month.
10 So the additional operational range, two feet on either
11 end of what might be natural is winter storage and
12 maximum storage.

13 MR. LONGWORTH: So it could be 12 feet or 14 feet,
14 then?

15 MR. SPENS: It would be a total of 10 foot maximum
16 fluctuation from normal plus two feet to normal
17 brimfull minus eight feet. Okay? Not more than 10
18 feet, under any managed event. That -- that's not to
19 say that there couldn't be something that happened
20 naturally that alters that. And.....

21 MS. DEMKO: Do you have some data over time?

22 MR. TURNER: Your name, please.

23 MS. DEMKO: Oh, this is Kelly Demko. Do you have
24 some data over time? I mean, we're just like -- you're
25 just kind of looking at the shoreline and see where the

1 water's coming through?

2 MR. SPENS: Right.

3 MS. DEMKO: Have you guys looked at historically?
4 I mean.....

5 MR. SPENS: We are doing that now with stage
6 gauges installed.

7 MS. DEMKO: So you're beginning to do that now?

8 MR. SPENS: Yes.

9 MS. DEMKO: Okay.

10 MR. SPENS: The data we have is discharge data,
11 and the data that we need is verified lake elevation
12 stage at different times of the year. Now, it -- in
13 the alternative, we can find the signatures on the
14 shoreline and survey those elevations.

15 THE REPORTER: Excuse me. I'm not capturing you
16 all's questions, so if you could possibly stand and
17 give your name and then ask a question, probably add a
18 louder voice, it would be greatly appreciated. Thank
19 you.

20 MS. DEMKO: I'll just repeat that I'm Kelly Demko,
21 and my question was, how much past history knowledge do
22 you have of the level of the lake and its natural
23 events that have caused the lowering and the rising of
24 the lake level? You know, we've been keeping some data
25 in the glacier out here through the high school, and

1 some -- I mean, like how many years have we been doing
2 that.....

3 MR. SPENS: That's in the.....

4 MS. DEMKO: 15, 20 years, and they're
5 surprised by some of what they're seeing. So you know,
6 I'm not sure what you'll be able to project in just a
7 years time or -- or I don't know what the time
8 scope.....

9 MR. SPENS: No, you're.....

10 MS. DEMKO: (Indiscernible).

11 MR. SPENS: you're correct. This picture,
12 again, just kind of shows you an idea. There are
13 different elevational terraces of sediment, from
14 discharge, in part, and lake level fluctuation, in
15 part. And we did get a bathymetric survey of this
16 inlet delta, reasonably accurate, for forecasting
17 purposes.

18 And if you look in the water column here, you can
19 see that there is clear marks on the land, showing the
20 effect of lake level fluctuation at it -- and I'm going
21 to say, at least six feet deep, because that's
22 absolutely defensible, but possibly more than that.

23 So now we have stage gauges established that will
24 measure, over time, continuous monitoring, how it
25 moves, how it fluctuates.

1 MS. SMITH: I'm Martha Smith. On Tuesday, the
2 United States -- I believe it's the Council for Climate
3 Studies -- released its comprehensive predictions of
4 climate change impacts in the United States. I have
5 not had time to read that completely. But the
6 predictions for Alaska are for decreased precipitation
7 and gradually declining lake and pond levels. I'm
8 wondering how you plan to incorporate that data in
9 preparing your defense of this project.

10 MR. SPENS: The way I'd respond to that is what we
11 have is what's been measured up to this point. And
12 forecasting, in most scientific realms, is exactly
13 that, it's forecasting, it's not absolutely certain.

14 The way I see that playing out is stipulations on
15 a license that says you must maintain lake elevation
16 that X during these months, Y during these months. And
17 if it differs beyond that, and it's outside of our
18 control, then it's outside our control.

19 But we anticipate that there will be a high and a
20 low that we need to operate within, and that we would
21 only harvest the energy resource to the extent
22 allowable to maintain the lake elevation within those
23 parameters.

24 I could say that I've been made aware that the
25 snow pack this past winter and the winter before have

1 been amongst the highest on record.

2 UNIDENTIFIED VOICE: Uh-huh (affirmative).

3 UNIDENTIFIED VOICE: And it disappeared quicker --
4 I'm sorry to interrupt.

5 UNIDENTIFIED VOICE: That's okay.

6 MS. SMITH: This is Martha Smith again. I have a
7 follow up question. Is there a mechanism -- once you
8 have from FERC, or the guidelines for lake level, is
9 there a mechanism for changing that regulation once the
10 license is granted?

11 MR. TURNER: Okay. This is David Turner with
12 FERC. Yes, they could ask to amend their license, but
13 the license, as Chris said, may specify their operation
14 limits. And if needed, we could ask to amend that
15 license, but that would also go through a environmental
16 review, and ultimately (indiscernible).

17 MS. SMITH: Thank you.

18 MR. SPENS: And conversely, wouldn't it be true
19 that FERC could modify the terms if they had disclosed
20 that potential intent in the original condition?

21 MR. TURNER: Yes, if we had said you wanted to.
22 But we usually define a explicit operational parameter.

23 MR. SPENS: Right.

24 MR. TURNER: We're not going to leave it that open
25 to do it, and we're not going to typically do it on --

1 unilaterally.

2 MR. SPENS: I was -- by way of example, I was
3 thinking of some of the hydrokinetics where there are
4 stipulations based on operational monitoring, that.....

5 MR. TURNER: Hydrokinetics are a unique beast.

6 MR. SPENS: Yeah.

7 MR. TURNER: (Indiscernible - simultaneous
8 speech).

9 MR. SPENS: Yeah. Fair enough.

10 MR. LEE: This is Eric Lee. If Ruth Lake were
11 developed, what would be the market for the Swan Lake
12 power? Would it be rendered moot -- this project be
13 rendered moot, or how would that work?

14 MR. SPENS: I really can't speak to Ruth Lake and
15 how it would be built or marketed or distributed. I
16 can tell you that this project is intended to harvest
17 energy in synch with natural discharge, and this
18 project is intended to provide for local power, if
19 needed or desired, and local backup, if needed or
20 desired, but ultimately, to connect to the North
21 American grid.

22 It serves a near term, calendar wise, purpose as a
23 local resource, if desired. But it -- its power shape,
24 its power curve is really North American.

25 MR. LEE: So this -- so the scope of this project

1 really includes the Bradfield Canal (indiscernible)?

2 MR. SPENS: No, the scope of this project includes
3 connecting it to Petersburg, this permit application,
4 the way its system is set up.

5 MR. LEE: But really.....

6 MR. SPENS: It has other outlets, absolutely.

7 MR. LEE: Yeah, yeah. Okay.

8 MR. TURNER: Has anybody got a comment over there?
9 Are there any issues you guys want to raise?

10 MS. BEILHARZ: Okay. I have a process question.
11 I don't know if you are ready for those, but.....

12 MR. TURNER: Anything.

13 MS. BEILHARZ: Are you -- well, did you -- you
14 sort of look through the studies? I'm sorry, this is
15 Margaret Beilharz, with the Forest Service.

16 MR. TURNER: Why don't we talk about the issues,
17 if there are any issues that we need to be thinking
18 about that haven't been covered in the outline of the
19 issues that we've defined for our EIS. Is there
20 anything we've missed? And then we can turn to
21 information gaps.

22 (indiscernible - simultaneous speech)

23 UNIDENTIFIED VOICE: (Indiscernible), Margaret?

24 MS. BEILHARZ: We had -- we're going to submit
25 written comments, and we already did in more detail.

1 And most of them.....

2 MR. SPENS: Yeah.

3 MS. BEILHARZ:are covered in
4 (indiscernible). There's lots of specifics that can be
5 addressed in the narrative too, under these headings.

6 MR. SPENS: It -- that reminds me, for the general
7 audience, that this process is open till July 20th to
8 receive written comments, submitted either directly to
9 myself or to FERC. So you don't have to get it all in
10 this opportunity or this evening, you have till July
11 20th.

12 MR. TURNER: Do you want to say something Matt?

13 MR. CUTLIP: Yeah, Jim, are you -- this is Matt
14 Cutlip -- are you going to be submitted written
15 comments on your cumulative effects comment in more
16 detail.....

17 MR. FERGUSON: Absolutely.

18 MR. CUTLIP:so we can take a look at that
19 and.....

20 MR. FERGUSON: Absolutely.

21 MR. CUTLIP:we can consider in the scoping
22 document too?

23 MR. FERGUSON: Absolutely.

24 MR. CUTLIP: Okay.

25 MR. FERGUSON: If.....

1 MR. CUTLIP: Thanks.

2 MR. FERGUSON: And I -- and if (indiscernible).
3 But I just thought I -- this is Jim Ferguson with Fish
4 and Game -- I thought I'd go through the document that
5 I've had sitting on my desk since August 21st, 2008,
6 which is the only, at this point, study plan that we
7 have had submitted, and it was, basically, a -- it's
8 the first draft of the detailed study plan for the
9 gauges that were going in, and there's a later draft
10 that we approved.

11 But it was a -- basically, a bullet point list of
12 studies that we did, and to me, is more extensive than
13 what was in the -- what was presented in the scoping
14 document. And I'd just like to run through it quickly
15 -- and we'll certainly get into more detail on it in
16 our written comments -- but just to give an idea of
17 some of the things that were being looked at.

18 And this is the document, August 21st, 2008's
19 study plan and draft that we received. It went out to
20 Forest Service, National Marine Fisheries Service,
21 ADF&G, and additional interested parties -- I'm not
22 sure who those would be.

23 But anyway, there was a section on gauging, which,
24 essentially, we agree with the four location, but it
25 didn't mention lake fluctuations, but I understand that

1 you will be monitoring lake fluctuations, and that's
2 good. There's a section on Swan Lake studies that
3 talked about near shore lake bathymetry and tributary
4 delta mapping.

5 There was a bathymetry study done, and we
6 submitted comments. I have the year of April 10th,
7 2009. We haven't had any feedback from those comments,
8 but we did have some concerns with the methods. And I
9 think probably this -- just to the point here for the
10 moment -- is that the inlet -- or the inlet screen -- I
11 mean, at the -- Swan Lake -- the profile that was done
12 was done to the nearest meter.

13 And we think that, given the amount of fluctuation
14 that could potentially happen, there's a -- we would
15 probably need a little bit more detail than that. In
16 other words, finer resolution. And very possibly a
17 more detailed discussion of the substrate in that area,
18 just to understand what would happen if these lake
19 level fluctuations occurred. And now that I'm hearing
20 there might be even greater fluctuations, potentially,
21 based on wanting to make use of storage there, I think
22 that that issue becomes even more pressing.

23 There was one called shoreline stability. We
24 weren't sure about that one, it must have been a
25 discussion we had that we couldn't bring back to mind.

1 There really isn't a discussion in the scoping document
2 on in stream flows. It may be implied, but you know,
3 if we really are going to determine what those should
4 be, we'll need additional study. Now, we're not -- I
5 don't think at this point, we're really proposing we go
6 as far as something like an IFIM study, given the
7 resources in the creek, but I understand we'll be
8 looking at the -- trying to measure the accretion flows
9 below, I don't know about below Swan Lake, below Falls
10 Lake. So potentially, that could help us answer that,
11 but that definitely needs to be one of our study
12 targets.

13 The next two are potential wetland and watering
14 and ice formation and movement. I'm not -- we weren't
15 100 percent sure about how we'd study those or what
16 particular studies we would want, so I think we're
17 going to skip over those for the moment.

18 There was a discussion about wildlife access and
19 movement moving across the lake, when it's open or when
20 it's frozen, and I think that's of interest to us.
21 Obviously, archaeological resources, that's kind of
22 outside our purview, but that will certainly be done.

23 Then there's a section on Falls Lake studies,
24 talking about flushing rate before and after hydro
25 diversion, which is of interest to us. And

1 particularly of interest to us is -- I think was
2 covered at least briefly -- is that if the flows to the
3 creek are reduced, we don't know exactly what the
4 outlet of Falls Lake is like, we understand it might be
5 fairly porous, in which case, if we had a considerable
6 reduction in flows, we could have a considerable
7 reduction in Falls Lake, a decrease in the volume of
8 Falls Lake, and I think that needs to be looked at
9 pretty carefully.

10 Like double fluctuation and potential influence on
11 temperature, I think there could be some concerns
12 there, but I can't really get too specific on that at
13 this point. We may get more detail in our written
14 scoping comments.

15 Let's see, fishery studies, Swan Lake, Falls Lake,
16 fish population and size distribution. It says scan,
17 but we -- the scanner that was done in the bathymetry
18 study is really insufficient to really say much about
19 the fish in the lake.

20 So, if we really want to look at populations in
21 the lake and distribution, we're going to have to get
22 into a much more detailed study, and I think we can
23 probably have some discussions on that and talk about
24 what techniques we might want to use and then -- but
25 one thing that's of great interest, and I believe on of

1 the folks over here brought it up is the -- the intake
2 area.

3 We're going to want to know if juvenile fish are
4 using that area, because that has a huge -- we're
5 talking about that box for the intake screen -- whether
6 you're trying to screen out adults or juveniles has a
7 huge impact on what that box looks like. There's the
8 mesh size and the size of the box, because of the
9 velocity of the currents that might be coming in -- a
10 very important question.

11 And again, I think, given that we just heard some
12 comments about possible additional draw downs, that is
13 of great concern to this inland area, so we really need
14 to take a very close look at what the potential impacts
15 could be. Are we going to have, you know, a small
16 falls there? Could there be, you know, erosion, could
17 the habitat change, et cetera. And there's more than
18 one little channel there, too, that we'll need to
19 investigate.

20 There's another one -- let's see, fish access,
21 (indiscernible), I guess I just covered that. Fish
22 passage between Swan Lake and downstream pools. I
23 think our initial assessment is that it's probably a
24 one way trip downstream for the fish, but we're not 100
25 percent sure about that. Certainly the falls into

1 Falls Lake is a one way ride, but we'd want to
2 absolutely confirm that.

3 The next one was stream channel segment, habitat
4 suitability for fish before and after. And we were
5 going to look at habitat along the creek, perhaps maybe
6 a tier two Forest Service type survey, and I didn't see
7 any evidence of that in there.

8 Food production sources for resident fish and
9 potential impacts, we weren't a 100 percent certain
10 about that. (Indiscernible) but I'll skip over it for
11 the moment. We may talk about that later.

12 And there was one on beach (indiscernible)
13 sampling of the saltwater shoreline. I'm not a 100
14 percent sure that's something we're looking for, but we
15 would like to have a very close look taken at the very
16 bottom of Cascade Creek, basically to confirm what we
17 have in the anadromous waters catalog, which is one of
18 our listed plans in the -- I can't remember what it's
19 exactly called -- it's one of our plans listed at FERC
20 -- to either confirm what we have now or extend it, if
21 we find more information about the extent of anadromous
22 fish use down there.

23 I think Rich Lowell's going to have a bit more to
24 say about wildlife, but what's in the document that
25 came to us was just aerial mountain goat Falls Spring

1 surveys, and I understand that there's been some
2 discussion of -- between Rich and the applicant, and
3 that's good. We would certainly like to see that
4 information.

5 And then the final one is project design details
6 operational regime, about the intake, the gatehouse,
7 the powerhouse, the tunnel, et cetera. One thing that
8 we could really use as soon as possible is some kind of
9 operations model on the -- you know, how much is the
10 lake going to change, how much water is going to be on
11 the penstock how much is going to be on the creek, and
12 what do you think the inflow to the lake is, and just
13 basically how are we going to produce power? And at
14 the same time, how much water is going to be going down
15 the creek and how much the lake's going to fluctuate.

16 And those are all -- I think those are all very
17 legitimate. And like I say, this is what I've been
18 looking at before the scoping document came out. And
19 so just to summarize, to date, what we have is an
20 initial bathymetry study that looks at the
21 (indiscernible) position, and we find out it's 580 feet
22 deep, that's impressive. But I think we do need a
23 little more focus on the inlet area of the main
24 tributary.

25 And we have this -- we have the gauging plan, and

1 I understand the gauges are going in. I haven't heard
2 anything formally, but I've heard from some of our
3 local staff that the gauges are going in right now,
4 which is also a good thing. And otherwise, what I have
5 just went down in my list is pretty much what we're
6 looking for.

7 I wanted to look real care -- just for a moment at
8 -- something else I have here I've put together and see
9 if I've covered everything on this list. I guess I'm
10 having a -- just more of a broad comment, and maybe we
11 can talk about this more later on written comments --
12 but I'm having trouble with this run of the river
13 concept, if we're actually changing the natural lake
14 level fluctuation, and potentially the impact on the
15 inlet stream, it just -- I don't know, I guess I've
16 worked on a lot of hydro projects around Alaska, and I
17 just had a little trouble with that concept of calling
18 it the run of the river when, in fact, we are going to
19 alter the natural regime there. That's just semantics
20 potentially, but I think maybe we should call it
21 something else, I don't know.

22 UNIDENTIFIED VOICE: Diversion.

23 MR. FERGUSON: Diversion (indiscernible) small,
24 small storage, whatever, you know, mini storage, I
25 don't know. And the other thing that I'd like to bring

1 up that's just based on what I just heard is that if
2 you're really looking at -- and I think I've already
3 made this point, but I'll reiterate it -- if you're
4 looking at potentially using more storage in that
5 critical period during the winter, what you're hoping
6 for, if you really do that, is that the lake level is
7 going to come back up naturally, due to runoff, in time
8 for the spawners to get up into that area.

9 And that may not happen. We see this on other
10 projects all over Alaska. You know, if you have a
11 very, very late spring, something goes on like that,
12 the fish are ready to go, they can't access the stream,
13 that's a huge issue here. It's probably the biggest
14 issue on this project for Fish and Game, if I really
15 would pick one.

16 And that certainly was the issue when we were
17 talking about the 45 foot draw down in the original
18 project proposal. But I think it's still a legitimate
19 issue and it's certainly, if nothing else, should
20 affect your decision however you want to make, you
21 know, the use of storage on this project. But
22 knowledge is power for all of us, so knowing more about
23 exactly how this area is put together, what the
24 elevations are, what the substrate is, how deep is down
25 to bedrock, and would scour out if the water level

1 dropped, that kind of thing, very important information
2 for us.

3 And I invite other Fish and Game folks, if they
4 have additional comments, to add to what I have,
5 because I certainly didn't cover it all. But that's
6 just, like I say, based on the -- what we have seen
7 from Cascade Creek to date. So, I'll quit with that.

8 MR. STRATMAN: Hi, my name is Joe Stratman, and I
9 work for the Alaska Department of Fish and Game as the
10 Shellfish Management Project Leader for this region,
11 Region 1. I manage the commercial and personal use
12 crab and beam trawl shrimp fisheries in Southeast
13 Alaska.

14 Thomas Bay supports commercial tanner and
15 dungeness crab fisheries, and also, to a lesser extent,
16 commercial red king crab and beam trawl shrimp
17 fisheries. The tanner crab commercial fishery occurs
18 in mid-February and typically lasts 11 days. The
19 commercial dungeness crab fishery in Thomas Bay has a
20 summer season that runs from June 15th to August 15th,
21 and a fall season which runs from October 1st to
22 November 30th.

23 With that in mind, the summer dungeness season
24 began this past Monday. Due to the intense effort in
25 the few -- first -- in the first few weeks of this

1 fishery, it's unlikely that commercial dungeness
2 fishermen will be able to attend tonight's meeting to
3 voice their concerns.

4 The red king crab fishery opens on November 1st,
5 and it typically lasts one to two weeks. And the beam
6 trawl shrimp commercial fishery opens May 1 and runs
7 through February 28th.

8 Thomas Bay is also an area used by local residents
9 for personal use dungeness, tanner, and red king crab
10 harvest, as well as personal use trawl shrimp harvest.

11 Currently, all these personal use fisheries are
12 open year round, with the exception of the red king
13 crab personal use fishery, which is closed, by
14 regulation, the months of April, May, and June. And
15 it's currently closed by emergency order, due to
16 concerns regarding region wide stock health. So that's
17 just a little bit of background information on the
18 shellfish fisheries, both commercial and personal use
19 that occurred in the bay.

20 Shellfish management staff, the Alaska Department
21 of Fish and Game, has concerns with the proposed --
22 this proposed hydro electrics project's potential
23 impacts to these commercial and personal use tanner
24 crab, dungeness crab, red king crab, and trawl shrimp
25 fisheries in Thomas Bay, and also in Frederick Sound,

1 where some of the power plant developed is slated to
2 take place.

3 Even though the newest plan detailed in the
4 scoping document mentions that no dam will be
5 constructed, more fresh water in Thomas Bay, at certain
6 times of the year, may have impacts to well established
7 shellfish fisheries in Thomas Bay and also in Frederick
8 Sound, where some power plant development will occur.

9 This project may have impacts on larval stage crab
10 and shrimp as well as on juvenile and mature crab and
11 shrimp, due to changes in salinity and turbidity.
12 Increasing amounts of surface ice, making traditional
13 tanner crab grounds more difficult to reach, it may
14 affect the prosecution of the tanner crab fisheries,
15 which I mentioned occurs in February.

16 And the potential development to the south end of
17 Thomas Bay, including both alternatives for dock and
18 power line construction and the proposed new outfall
19 for water used to generate power may affect dungeness
20 habitat in Thomas Bay and would most likely displace
21 some number of dungeness crab fishermen.

22 Dungeness habitat and fishing effort could also be
23 impacted in Frederick Sound by the power cable
24 construction in the vicinity of Point Agassiz and
25 Brown's Cove. Sunken power cables may also have

1 impacts on shrimp trawl fisheries with a long history
2 of targeting pandalus shrimp species in Thomas Bay and
3 also in Frederick Sound.

4 Over the next couple weeks, shellfish management
5 staff will further review Cascade Creek, LLC's scoping
6 document, and submit more detailed formal comments,
7 including relevant studies required on this project to
8 our agency representative. And that's all I wanted to
9 say. Thank you.

10 MR. CUTLIP: This is Matt Cutlip. I have a
11 question for Alaska Fish and Game folks. Has there
12 been any water quality investigations out there, or is
13 there any evidence that that lake stratifies or sets up
14 at all in the summertime?

15 MR. FLEMING: This is Doug Fleming, with Sport
16 Fish, Fish and Game. There's not anything current. My
17 files show that there was some work done back in the
18 mid-seventies, a little bit of when the limnological
19 work that was done to potentially find out that there
20 was some, you know, physical measurements as well for
21 stratification.

22 MR. CUTLIP: It -- is that data available?

23 MR. FLEMING: It's not published. It's basically
24 field notes that are on file.

25 MR. CUTLIP: Okay.

1 MR. FLEMING: Yeah, but that will be worthwhile to
2 look through there.

3 MR. CUTLIP: Is there any way we could get that
4 file into the record?

5 MR. FLEMING: I don't see why we couldn't.

6 MR. CUTLIP: Okay.

7 MR. FLEMING: It would have to require photocopy
8 or handwritten notes, for the most part.

9 MR. CUTLIP: Okay.

10 MR. FLEMING: It's not electronic (indiscernible).

11 MR. CUTLIP: I'm just trying to get a feel for
12 what the affect on the environment might be, especially
13 -- I mean, if it does set up at all, how modifying the
14 lake outlet from a surface withdrawal to a deep
15 withdrawal may affect things like the -- and how that
16 might affect Thomas Bay downstream -- you know, the
17 marine -- the saltwater area downstream.

18 So I'm not sure exactly what's proposed in the way
19 of water quality data collection, but I think it will
20 be prudent that something is collected up there to
21 assist (indiscernible).

22 MR. SPENS: You're going to want temperature
23 profiles would be easy to do, and useful and very
24 indicative.

25 MR. CUTLIP: Sure.

1 MR. SPENS: Yeah.

2 MR. FLEMING: Yeah, Doug Fleming, Fish and Game.
3 Earlier, we did, in our initial comments to the PAD
4 back in 2007, I think we did identify two questions
5 about water quality as relating to the different
6 projects as well.

7 And I guess sort of a follow up on what your
8 considerations were, and I'm not a expert in LAKE
9 limnology and all, but I believe that other questions
10 could be -- as far as dissolved gases and things, which
11 would be released as -- it wouldn't be free flowing
12 down to Thomas Bay, it would be interned in a conduit
13 and then released there, so there could be higher
14 saturation gases, depending on the depth, I would
15 imagine, at the intake.

16 MR. CUTLIP: Yeah, I know we identified water
17 temperate DO and TDG as potential parameters that could
18 be affected by the project. So I just want to make
19 sure that there's a means to collect some data, so we
20 have a accurate representation of the existing
21 environment. And then hopefully, we can make some --
22 do some analysis of how things may work under the
23 proposed project operations of EA.

24 So at the very least, you would want to collect
25 some data on those parameters, to the extent possible,

1 right now. There could also be, you know, protocols in
2 place under our license to do some additional sampling
3 after the project comes online, just to verify that
4 those conclusions reached in the EIS are accurate.

5 MR. SPENS: Oh, just a comment for Jim Ferguson.
6 It's unfortunate that we couldn't get the state into
7 the lake yesterday when we flew the plane, the cloud
8 cover was there. But when we went back with the Forest
9 Service and FERC, eased right on in. I took aerial
10 pictures that, to me, are quite dramatic of snow and
11 debris slides coming into the system, and especially
12 into the inlet stream system, upper cascade. And I
13 believe those pictures will show just how dynamic that
14 inlet delta can be, and how readily and regularly it's
15 influenced.

16 We have quite a few photo sets from several years,
17 but nothing that shows that degree of energy and
18 rearrangement. So my thought and comment is, it may be
19 useful, for a season, to very accurately map a geo
20 delta forum, but I'm quite convinced now that it's
21 going to be significantly different than next year.
22 And maybe we need to think a little bit about what is
23 the end game, what is the management ideal, and how
24 could we operate successfully in that dynamic system.

25 I mean, it's really dramatic logs, swept down. So

1 I know what you're getting at, but I'm not sure that a
2 detailed mapping at the moment in time would be the
3 best method. So I'll send you what pictures I have,
4 just to kind of help you think through what else might
5 work.

6 MR. TURNER: (Indiscernible) Doug Fleming.

7 MR. FLEMING: Yeah, it's Doug Fleming, Fish and
8 Game again. Yeah, we're -- I was up a week ago in that
9 area and did see your -- the avalanche.....

10 MR. SPENS: Yeah.

11 MR. FLEMING:debris and all. And I think
12 that that's to be expected in those kind of
13 environments anyway. But I guess part of the -- I
14 guess we've made a lot of comments in the past. This
15 has been going on for a number of years, not everyone
16 may have -- be familiar with it. But anyway, from our
17 perspective -- and we are concerned about that -- the
18 sustainability of that trout population, of course.
19 And certainly, those inlet areas, streams are key to
20 that.

21 So -- and we did present some comments about the
22 bathymetry work, as far as being one meter resolution,
23 which was not very high and all. But anyway, we just
24 want to reiterate that that's one of our concerns with
25 -- if it was obviously run of the river and there was

1 no manipulations in flow, other concerns would be to a
2 lesser degree.

3 But if there is some manipulation, we do really
4 need to understand those -- the life history of the
5 trout population there, which is -- I would say, at
6 best, poorly understood, for a lot of reasons, where
7 the rearings are going on. We have an indication where
8 some of the spawning is occurring.

9 The -- but the importance of the potential of the
10 upper liberal zone, around the fringe of the lake, I
11 think you've heard this before, but anyway, it is -- we
12 just don't know the importance of all those areas. And
13 again, as you mentioned -- Matt mentioned as far as the
14 depth of the inlet, the size of the screen, these
15 things, how it would affect the population.

16 Previously, there have been some trap netting work
17 that's been done in lakes like this, including this
18 lake, and adult rainbow trout caught in hoot traps
19 routinely are taken down to depths of 100 feet or so.
20 So it's not like they're only the upper 30 feet.
21 And like is said, we just feel there's going to need to
22 be adequate studies to prevent -- you know, referencing
23 the potential timing of the operations, and a good
24 knowledge of the life history there, just so there
25 isn't an impact on certain life stages and all.

1 So.....

2 MR. SPENS: It.....

3 MR. FLEMING:and our fisheries -- it is a
4 value fishery. It's one of the places where you can
5 fly to reasonably, a remote setting, it's -- you know,
6 it's got a value as a sport fishery. It's probably the
7 best bang for the buck in the area.

8 And Thomas Bay is a recreational fishery resource.
9 Joe certainly touched on it with the commercial
10 shellfish, and we have king salmon fishing
11 opportunities in Thomas Bay virtually year round, and
12 not only for recreational, but it's also used for
13 commercial trolling as well.

14 And there is also subsistence halibut fishing in
15 Thomas Bay, as well as some level of commercial halibut
16 fishing as well. So the bay -- there are resources
17 there that haven't -- that certainly need to be
18 considered or positions -- it's not just a recreational
19 issue, there are fin fish are other uses. So
20 wintertime trawling and access is -- with icing in the
21 bay, can prevent problems to those that are trying to
22 troll in those areas as well.

23 MR. SPENS: One aspect that I'd appreciate your
24 help on -- this would really be from Fish and Game and
25 the Forest Service -- is understanding, policy wise,

1 how the introduced populations are managed or regarded.
2 And what I've heard you say before is rainbow trout
3 have been introduced to Swan Lake, they were
4 historically stocked.

5 UNIDENTIFIED VOICE: Uh-huh (affirmative).

6 MR. SPENS: That subsequently ended perhaps
7 decades ago, and what remains, naturally sustains. Our
8 inquiry, really, is to find out whether collectively
9 the state and the Forest Service would be interested in
10 enhancement via stocking, and if not, you know, what is
11 your perspective with regard to stocking fish? You
12 know, are you opposed? Neutral? Open to
13 consideration?

14 And how does this mesh or interface with Forest
15 Service policy of -- what I'm aware of, in some
16 wilderness areas, introduced populations are now being
17 considered to be exterminated if they weren't naturally
18 occurring.

19 And what I know everyone's interested in is a good
20 positive fishery, and high quality. And what we'd be
21 interested in is how could we actually enhance what is?
22 And if it is additional stocking, how does that play
23 against access issues for spawning, you know, if
24 there's a steady supply? So we would like to
25 understand what is the policy, what is the preference,

1 and most importantly, what is the best bang for the
2 buck enjoyment wise, and move in that direction.

3 MR. FLEMING: I think I can partially answer that,
4 from the state's perspective. As far as for stocking,
5 we don't have a -- in Southeast Alaska, typically,
6 we're not stocking rainbow trout, we don't have a
7 program. There's a few isolated cases where trout are
8 relocated for fishing derbies and things, but we don't
9 have a large scale stocking program we've gone with,
10 like most of our stocking efforts for dealing with
11 salmon in Southeast Alaska.

12 Yeah, the population is -- initial stockings were
13 back in the -- 1957 and 1959 into those lakes. And
14 basically, the situation there would -- it would not be
15 likely that we would be looking at a -- enhancing the
16 population or doing a stocking program. It probably
17 would be.....

18 MR. SPENS: Why would that be? Why would you not
19 want to add.....

20 MR. FLEMING: And this.....

21 MR. SPENS:additional population?

22 MR. FLEMING: Well, like I said, this is -- I can
23 answer that -- I probably would have to go deeper into
24 the policy.....

25 MR. SPENS: Okay.

1 MR. FLEMING: but I don't think I can answer
2 that. And I can just.....

3 MR. SPENS: Fair enough.

4 MR. FLEMING: tell you that as an area
5 biologist, you know, if I am interested in going to a
6 lake and doing some stocking, basically, I'd run into a
7 brick wall. We have a high number of trout populations
8 which are naturally occurring, and costs for doing
9 hatcheries and things is quite high. People in the
10 state realize this is a very big dollar item, so we
11 don't have a stocking hatchery program in the Southeast
12 to allow the enhancement of our populations, they
13 already exist.

14 MR. SPENS: So you don't stock because you don't
15 have a program?

16 MR. FLEMING: We don't -- that's probably part of
17 it. But I -- like I said, I would not be able to
18 answer all that without checking, you know. But
19 currently, no, we don't have lots of lakes we stock
20 with rainbow trout. Here in, say, South Central Alaska
21 and Interior Alaska, we do provide those opportunities.
22 And one of the reasons is, it takes pressure off some
23 of the resident species which are most susceptible.

24 MR. SPENS: Okay. I'll follow up with you.....

25 MR. FLEMING: Sure.

1 MR. SPENS: when I get a chance. We just
2 want to know if that's an option. We'd certainly like
3 to explore that and, you know, make it the best
4 possible.

5 MR. TURNER: Pardon me?

6 MS. SMITH: (Indiscernible).

7 MR. TURNER: Oh.

8 MS. SMITH: Martha Smith. I have a question. It's
9 a pretty big tunnel. It's almost three miles long,
10 it's entirely length is 12 foot in diameter. Could you
11 tell me what the estimated volume of rock removed is?
12 What percentage of it will remain on the mountain? Is
13 it going to be put at shoreline? What are your plans
14 for dealing with that debris?

15 MR. SPENS: 81,000 cubic yards to stay on the
16 mountain, our first preference. Blended into the
17 landscape in the depressional areas along the adjacent
18 hillside and around the powerhouse, affecting a total
19 area calculated in its current form of about 8.3 acres.

20 MS. SMITH: Okay.

21 MR. SPENS: Now, if we were -- it varies in depth
22 in some of the depressional areas up to 20 feet. You
23 know, the common approaches to managing tunnel ex are
24 usually to utilize it as a building material on area
25 road networks.

1 If the road access option was determined to be the
2 best option, and that's how the license read, then we
3 would utilize a lot of that rock on the existing road
4 network within the Patterson Delta and access to the
5 site. I'm also aware that there is an operating
6 mineral resource pit out there that could be backfilled
7 with it. Or there's also the possibility it -- if
8 there were a need or demand elsewhere, shipping it.

9 But there's nothing harder to move than rock, and
10 generally speaking, it would be helpful to keep it
11 where it came from and to disperse it in a naturally
12 arranged geo form and cover back over with vegetation.

13 MS. SMITH: Thank you.

14 MR. TURNER: Any other comments, questions?
15 Margaret?

16 MS. BEILHARZ: No, not at this time.

17 MR. SAVAGE: Chris Savage, with the Forest Service
18 here. I just have a statement I'd like to read for the
19 record. Thank you for the opportunity to comment on
20 Scoping Document 1 for the Cascade Creek Hydropower
21 Proposal. The Forest Service will be submitting
22 written comments that will include more details on our
23 concerns, as they will begin to raise today.

24 The Forest Service will continue to work
25 collaboratively to provide backup resource information

1 and to identify additional city needs, also to identify
2 potential issues and to develop measures for
3 protection, litigation, and an aspect of the resources.

4 Our letter dated December 12th, 2007, commented on
5 the preapplication document. In that letter, we raised
6 many questions on how the proposed project may affect
7 resources. Most of these questions will fall under the
8 issues headings listed in SD-1.

9 Right now, recreation, socioeconomics, cultural
10 resources, hydrological flows, and the scenic quality
11 of the area have the most important resource issues for
12 the Forest Service. Impacts to fishes, as well, is a
13 concern to us. However, we will primarily defer to
14 Fish and Game, to make sure that our concerns are
15 consistent with theirs.

16 One major omission we see in SD-1 is the lack of
17 proposed studies on current and future recreation uses,
18 and those uses are related to socioeconomics, as we've
19 heard today. Additional information on current uses
20 and future trends for both commercial and noncommercial
21 recreation use is needed to analyze the effects of the
22 project and to design appropriate protection,
23 litigation, and hazmat measures.

24 These studies need to be conducted before Cascade
25 Creek, LLC, submits the preliminary draft EA to FERC.

1 We can help you with this in providing what use we know
2 occurs in the basin -- I mean, in the bay -- with our
3 commercial information as well as the use of the three
4 cabins, so we can help you there, and also try to look
5 at trends.

6 Some other things. We do -- you know, seeing the
7 two alternatives for -- to the access to the
8 powerhouse, we do appreciate that. Right now, the
9 Forest Service does not want to comment on which one of
10 these would be our preferred.

11 Looking at the two alternatives, I recommend that
12 whatever comes out of it needs to be consistent with
13 other proposals in the bay. If the preferred
14 alternative looks at a submarine cable, I would hope to
15 see that whatever happens with Ruth Lake is also a
16 submarine cable, so that they're both consistent, and
17 that if -- as well, if it's going to be a road and an
18 overhead power line, that there's only one overhead
19 power line in Thomas Bay.

20 I don't want to see a Cascade Creek power line and
21 then a -- whoever gets the Ruth Lake PAD, another power
22 line. So those two projects have to work together so
23 that there's one consistent corridor along that
24 shoreline.

25 I also want to say that we do appreciate Cascade

1 Creek LLC addressing some of our initial concerns in
2 our December 12th letter by minimizing the draw down on
3 the level. We appreciate you minimizing it to 10 feet
4 rather than the 40 plus feet, and moving the powerhouse
5 away from Cascade Creek.

6 Again, we will be providing more detailed
7 information in our -- in a written letter. And thank
8 you for the opportunity to comment. And then we'll
9 defer any other additional comments to other Forest
10 Service employees in the room.

11 MR. SPENS: Well, we greatly appreciate your
12 district office personnel helping shape this project
13 and identify the key priorities, and give us some
14 feedback on some possible alternatives that will be
15 lesser impacting. Everyone who has participate so far
16 needs to know you have absolutely, positively changed
17 this project. It wouldn't be in its current version
18 without those inputs. And that's our best effort to be
19 as collaborative and as responsive as we can be to what
20 we've heard you say so far.

21 MR. TURNER: Did you have something, Margaret?

22 MS. BEILHARZ: Margaret Beilharz, Forest Service.
23 Just process -- can we talk about this?

24 MR. SPENS: Sure.

25 MS. BEILHARZ: Okay. Currently, there's two

1 proposals for transmissions lines and roads. Are you
2 expecting a license application to include multiples,
3 or do you have that resolved?

4 MR. TURNER: This is David Turner, with FERC. It
5 would be preferable to have it resolved, it is not
6 completely necessary. I think there should be a
7 defined or a preferred alternative out there. And it
8 may be that the Commission makes the ultimate decision.
9 We can look in EIS and lay out the effects and see
10 which one goes, but preferably, I would hope we could
11 reach consensus on what does make the most sense from
12 an environmental cost perspective, from the development
13 point of view. But it's absolutely not necessary, we
14 can look at those alternatives.

15 And ultimately -- I mean, otherwise, it's going to
16 be left to the Commission and the Forest Service
17 (indiscernible) conditions to dictate those
18 alternatives otherwise.

19 MR. SPENS: I.....

20 MR. TURNER: But it does open the question, the
21 need to gather data to answer and evaluate both of
22 those alternatives.

23 MR. SPENS: Yeah, I would speak on that by saying
24 the alternatives are presented because of the feedback
25 that we got from agencies and the public, and most of

1 the time those concerns were in synch, but sometimes
2 they were simply from a different viewpoint, a
3 different preference.

4 I would wholly anticipate that when it comes time
5 to present the draft environmental assessment and the
6 application for the license that it will be narrowed to
7 a single preferred alternative, especially with what I
8 hear Chris Savage say. I mean, it's going to be -- it
9 -- it's going to be a option that works well for this
10 project, absolutely, very mindful of anything else that
11 mind happen with Ruth Lake or otherwise. So I'd be as
12 sure as you can get at this point in the process, it
13 would be a single version come time of application.

14 MS. BEILHARZ: So your alternative, licensing the
15 process, meaning management will facilitate some
16 discussion of the study report results and.....

17 MR. SPENS: Yes.

18 MS. BEILHARZ: All right.

19 MR. SPENS: Yeah, we.....

20 MS. BEILHARZ: (Indiscernible).

21 MR. SPENS: We expect to look at both
22 alternatives, because they are quite different and have
23 different packages and benefits and results, and try to
24 work through early stage, you know, which one are we
25 going to go with now.

1 MS. BEILHARZ: And did you have any more updates
2 on timing of studies before you prepare a draft license
3 application?

4 MR. SPENS: Our approach at this point in time has
5 been to modify the project with regard to the big
6 issues of concern, to bring it to its current state, to
7 hold and conclude this scoping process, and to
8 immediately launch into the most responsive study
9 planning that is seasonably achievable for the
10 remainder of this year, and do the setup for next year.

11 And we see that the rate of the change of the
12 project has been so rapid, you know, that we wanted to
13 narrow it and refine it and scope it, really, before
14 embarking on extensive study. And that -- that's why
15 it is what it is right now. We're trying to not be
16 wasteful, and frankly, reduce the range of issues that
17 might be studied by reducing the impacts of the project
18 through revision. And that is our approach, we're
19 trying to make it fit.

20 MR. UNDERKOFLEER: I have a question. I'm Rich
21 Underkofler, the City Manager of Petersburg. I have a
22 limited number of draft comments that I prepared. I'm
23 listening here today to try to see how to revise this,
24 because my Mayor is intending to present this at your
25 meeting tonight.

1 So I -- I'm hearing this (indiscernible) who I
2 heard talking, and I have a limited number, so
3 (indiscernible). So consider this as a draft. Is
4 there anybody else over here on this side of the room
5 who needs one?

6 MR. TURNER: Are you intending to read this or
7 make a statement, or were you.....

8 MR. UNDERKOFLEER: No, I was just going to
9 summarize it.

10 MR. TURNER: Okay.

11 MR. UNDERKOFLEER: And my Mayor's going to -- I'm
12 going to alter this, based upon what I heard today, and
13 then my Mayor's going to submit it tonight at the
14 meeting. But in general, it's an introductory comment,
15 we will provide more detailed written comments as well.
16 We would request that these comments be filed with the
17 clerk and made part of the public record.

18 We found that the FERC website is not very user
19 friendly. So we'd also like to request for copies of
20 their project documents be provided to our public
21 library, for people to get a -- just in the process of
22 the last six or seven months, our citizenry is having a
23 difficulty getting into the -- getting documents off
24 the FERC website.

25 So there's really two issues addressed here. One

1 -- and it hasn't been spoken about yet --about the
2 delivery of the project power to Southeast Alaska, and
3 then social economic conditions.

4 In first category of -- power delivery to the
5 region. We see that there's potential for problems on
6 SEAPA -- SEAPA is the Southeast Alaska Power Agency
7 generation and transmission system. The power
8 delivered to the SEAPA substation at Scow Bay and
9 Petersburg -- that's where it's going to be going -- we
10 would request that Cascade Creek perform -- when I say
11 Cascade Creek, I mean, Cascade Creek, LLC -- perform
12 system analysis, to identify potential adverse affects
13 on SEAPA's system. How will Cascade Creek ensure that
14 the addition of significant megawatt hours will not
15 cause reliability and frequency problems on the -- on
16 SEAPA's system.

17 Then, reliability and redundancy requirements
18 regarding power proposed for sale in Southeast. Will
19 Cascade Creek be offering firm or interruptible power
20 sales agreements to the Southeast Alaska utilities? If
21 firm, will Cascade Creek provide backup for any power
22 sold to Southeast Alaska utilities in the event of an
23 outage on the transmission line or at the project?

24 If firm, who will Cascade Creek contract with, and
25 at what price, to provide backup in the event of

1 outages? If it's been a -- if the proposal is to have
2 interruptible power sales, of course, these firm
3 questions don't apply.

4 The next question is, will Cascade Creek accept
5 rate regulation by the Regulatory Commission of Alaska?

6 Under its relationship with SEAPA -- that's the
7 Southeast Alaska Power Agency -- what is the current
8 status of Cascade Creek's consultation and negotiations
9 with SEAPA and its members?

10 How will Cascade Creek ensure that no harm results
11 to SEAPA's system with the addition of power flowing on
12 SEAPA's transmission system? Will Cascade Creek pay
13 SEAPA to update its grid to accommodate the additional
14 load?

15 Next, the contract with Wrangell. Please provide
16 a signed copy of the power sales agreement with
17 Wrangell for future delivery of the power. Wrangell
18 assembly members report -- and it's been reported in
19 the local media -- that the cost will be 6.8 cents per
20 kilowatt hour. Is this true? A document that we have
21 says there's no guarantee as to what the rate will be,
22 rather, it's based upon the cost of production. So I
23 just wanted to reconcile that.

24 In terms of its power sales agreement with -- a
25 potential power sales agreement with Petersburg

1 Municipal Power and Light, will Cascade Creek enter
2 into a power sales agreement with Petersburg Power and
3 Light for standby generation when power's not available
4 from SEAPA?

5 Will Cascade Creek pay Petersburg Power and Light
6 for the added cost of diesel generation when upgrade
7 work is in progress on the SEAPA transmission line to
8 handle the higher load?

9 Next, delivery to Kake. We would appreciate a
10 copy of correspondence and any contract with the Inside
11 Passage Electric Cooperative to sell power from Cascade
12 Creek to IPEC -- that's the acronym for them -- for
13 sale at Kake. We'd like to -- we would -- we ask for
14 correspondence and any contract to transmit power to
15 Kake along the Kake-Petersburg Intertie

16 Now, as it relates to Angoon. Reference has been
17 made providing payment to Angoon for -- from the sale
18 of Thomas Bay project generated copy. Please provide a
19 copy of correspondence and any agreement with the City
20 of Angoon.

21 There's been local media that the Cascade Creek
22 will help with the extension of the Southeast Alaska
23 Intertie System. There's a plan in Southeast Alaska
24 that's been promulgated by the Southeast Conference
25 that shows that ultimately, we'd like to have a grid

1 going all the way from Petersburg to Kake, on to
2 Angoon, and along the west side of Admiralty Island, to
3 hook up Hoonah, and eventually be a loop to tie into
4 Juneau.

5 Will Cascade Creek pledge money from project sales
6 for extension of that intertie from Petersburg to Kake,
7 Angoon, Hoonah, and Juneau?

8 Next topic, use of the existing road systems in
9 proximity to the project. What consultations have you
10 with landowners for upgrading and maintaining roads in
11 the vicinity of the project? This is all existing
12 landowners. P&R probably needs to be consulted with
13 that subdivision that they're planning over there.

14 Now, as to social and economic concerns, page 3.
15 This has been mentioned before, local recreation
16 outfitters provides services to clientele for trips to
17 Thomas Bay, and excursions on land in the vicinity of
18 the project. These issues were raised during the
19 September 2007 meetings in Juneau and Petersburg.

20 Please provide copies of correspondence with local
21 recreational outfitters and any proposals that will
22 mitigate loss of revenue due to dislocation associated
23 with construction and operation of the project.

24 I have another point here, cabin in Swan Lake, I
25 think you've answered that. We note reference to

1 additional new cabin at Swan Lake. Please provide
2 documentation of consultation with the Forest Service
3 and any affected landowners.

4 There's another point here that I want to add.
5 There is interest among the recreational people, and
6 perhaps a trail system could be developed in connection
7 with this project for use by people to hike up there.
8 Could there be a trail for recreational use?

9 Access during construction and long term
10 operations. Please provide specifics regarding boat
11 docking, airplane access, and road construction in
12 Thomas Bay. I think you've addressed most of that
13 stuff in your graphics.

14 Please show these proposed project facilities on a
15 map with identification of local landowners. What's
16 missing on your map is a defining who owns what over
17 there, in terms of public, private landowners.

18 Please be more specific than your response at the
19 September 2007 meeting in Petersburg, that you will use
20 eminent domain under the Federal Power Act. I can tell
21 you, this doesn't fly very well, and any private
22 property owners are going to want some consideration,
23 perhaps some trade out of the retail electricity.
24 That's what we've encountered with Ruth Lake.

25 Consistency with the local land use plan. Is your

1 proposed transmission line alignment from Sandy Beach
2 to Scow Bay consistent with the local land use plan?
3 This is the Petersburg local land use plan. I know it
4 would probably be an issue if you try to tie in there
5 at Sandy Beach Point, and probably one I'd encourage
6 you to.....

7 MR. SPENS: Drop that message.

8 MR. UNDERKOFLEER: Okay. Now, is there an
9 alternative alignment for the transmission line? We've
10 seen documents that show an alignment coming into
11 Kupreanof Island for transmitting this power. And if -
12 - I didn't see that presented here today. I saw some
13 discussion of that in a draft agreement with Wrangell.
14 It says that that would be much less expensive if we
15 tie into Kupreanof, with a submarine cable over there
16 on the east side of Kupreanof Island, because in terms
17 of its connection with the proposed Petersburg to Kake
18 intertie. If there is an alternative alignment, we'd
19 like to see how that's going to hook up into the SEAPA
20 transmission system.

21 MR. SPENS: What you saw is what we proposed.

22 MR. UNDERKOFLEER: So there is no alternative
23 alignment going over to Kupreanof?

24 MR. SPENS: Not at this point in time, because
25 there's nothing to connect to.

1 MR. UNDERKOFLEER: Okay. Waste management during
2 construction and operation. Please provide a full
3 disclosure regarding how you will manage hazardous
4 waste on this site, solid waste and sewage, spoils
5 disposal. There's probably muskeg over there that, you
6 know, requires special handling, how are you going to
7 get rid of it? And the fuel supply.

8 And then, finally, impact on air, land, and sea
9 transportation system over here on -- in Petersburg in
10 Mitkof Island. We need a disclosure how this is going
11 to affect our airport, our road system, our ports --
12 you know, our port facility, bringing -- if there's
13 going to be any impact on Alaska Marine Lines for
14 bringing materials up.

15 I found I skipped over one. We would also -- I
16 say construction crews and affects on Petersburg, we
17 would -- chances are people would be residing over here
18 during construction operations. We'd like to have --
19 provide a -- and during the studies -- we'd like to
20 have a disclosure of the proposed study and
21 construction schedule, including the -- any demands, so
22 we can forecast the demands on our local government
23 services.

24 Now, if you want me to sanitize this before
25 tonight.....

1 MR. SPENS: Any way it comes, we'll utilize it.

2 MR. UNDERKOFLEER: Okay.

3 MR. SPENS: You bet. Just as a general reference
4 comment.....

5 MR. UNDERKOFLEER: Yes, sir.

6 MR. SPENS:with regards to goods and
7 services and labor force and local contractors and so
8 forth, our desire and intent is to utilize and employ
9 local populations wherever feasible. And if you prefer
10 that we avoid you, we could do that too.

11 MR. UNDERKOFLEER: No, we were just talking about
12 housing.....

13 MR. SPENS: Yeah, we.....

14 MR. UNDERKOFLEER: Housing.....

15 MR. SPENS: It.....

16 MR. UNDERKOFLEER: Right.

17 MR. SPENS: The idea is to integrate the project
18 with the community as best we can.

19 MR. TURNER: This is David Turner. We're going to
20 have to look at those kinds of construction types in
21 the EIS and define the workforce and -- it's some
22 legitimate issues in terms of what kinds of.....

23 MR. SPENS: Right.

24 MR. TURNER:(indiscernible) you put on the
25 infrastructure. With regards to your e-library or your

1 getting stuff off the FERC web page, I can give you my
2 name and number, and if there's folks there that are
3 having problems, we can work through the e-library,
4 which is our documentation system. I can help with you
5 that. But we've been trying to make refinements, and
6 it is a little confusing at times, but it's the best
7 we've got. And it's actually serving a whole lot
8 better than the U.S. Mail is, so.....

9 MR. SPENS: Yes.

10 MR. TURNER: And it is reducing, so.....

11 MR. SPENS: I'd add that the library feedback that
12 we get is they prefer links to our website information
13 than to FERC. And apparently, space is a factor, I
14 don't know. But that's the instruct we got. We were
15 going to provide hard copy, and they said no, we'd
16 actually like to have links.

17 MR. UNDERKOFLEER: Well, and quite frankly, we used
18 your link to get the scoping document.

19 MR. SPENS: So.....

20 MR. UNDERKOFLEER: We didn't -- we didn't get it
21 from FERC, we got it from his website.

22 MR. TURNER: Oh, really?

23 MR. UNDERKOFLEER: So -- and we have provided --
24 we've put it on a link on our website.....

25 MR. TURNER: Uh-huh (affirmative).

1 MR. UNDERKOFLEER: from the city, and we have
2 it at the library. So.....

3 MR. TURNER: Maybe after.....

4 MR. UNDERKOFLEER: we need to collaborate for
5 public information, planning purposes.

6 MR. TURNER: Maybe after the meeting, we can talk
7 about what specific problems you're having. Maybe it's
8 -- I mean, it's up there.

9 MR. UNDERKOFLEER: Well, Margaret [sic] could
10 probably -- Margaret?

11 MS. SMITH: Yeah, I.....

12 MR. UNDERKOFLEER: How did you -- Margaret [sic]
13 has been -- did you navigate there?

14 MS. SMITH: Martha Smith.

15 MR. UNDERKOFLEER: Or Martha -- sorry.

16 MS. SMITH: As a private individual, I find the
17 FERC website very intimidating. I think the purpose is
18 to restrict public input, not to facilitate public
19 input. But I would suggest -- I'm also a member of the
20 Library Board -- and I would suggest that while you're
21 in town, you assist the librarian so the library can
22 become a direct recipient of all of the proceedings,
23 and they can print those on and off, as available, in a
24 readable form for the public.

25 UNIDENTIFIED VOICE: Right.

1 MS. SMITH: So not every individual has to have a
2 FERC ID number in order to access FERC documents.

3 MR. TURNER: Well, just to be clear, you don't
4 have to have an ID to access it. Anybody can go on to
5 e-library and pull things up.

6 MS. SMITH: Uh-huh (affirmative).

7 MR. TURNER: To file something electronically is a
8 totally different story.

9 MS. SMITH: Right.

10 MR. TURNER: And that may be what you're actually
11 having the biggest problem with, as opposed to actually
12 accessing the data. So maybe after the meeting, we can
13 walk through that, some of your questions.....

14 MS. SMITH: Uh-huh (affirmative).

15 MR. TURNER: I've just got to make up time to
16 here.

17 MR. UNDERKOFLEER: And some of these documents were
18 never filed with FERC.

19 MR. TURNER: That's true.

20 MR. UNDERKOFLEER: You know, so.....

21 MR. TURNER: Yeah.

22 MR. UNDERKOFLEER: And that's like he was referring
23 to through Fish and Game, and I don't think the scope
24 of that study last year, that -- you know, we -- it
25 wasn't available for public review.

1 MR. TURNER: I do have a question for you in
2 regards -- you said that there was some interest in
3 developing a recreation trail. Do you have an idea of
4 where you would be starting from, to, where, what kind
5 of.....

6 MR. UNDERKOFLEER: No, it was a generic idea, and I
7 would yield to the Forest Service, where that might be
8 best. It's an idea that came up on the Ruth Lake
9 application. We would like to have -- if you're going
10 to do something over there, give us something for
11 recreational use.

12 MR. TURNER: Well, recreation is definitely a
13 issue that we look at for our projects where it makes
14 sense to do. I mean, we expect to provide that kind of
15 recreation for useful public resource. So it is.....

16 MR. UNDERKOFLEER: Because they like to hike. We
17 go in kayaks over there, and they want to make up for
18 that.

19 MR. TURNER: Okay.

20 MR. UNDERKOFLEER: Okay.

21 MR. TURNER: Any other questions?

22 MR. MITCHELL: I do.

23

24 MR. TURNER: Yes, sir?

25 MR. MITCHELL: Yes, I had some questions based on

1 this. I'm Duff Mitchell with Cascade Creek. I realize
2 that Petersburg is a member of SEAPA, along with
3 Ketchikan and with Wrangell, they have Wrangell
4 representatives here. The way this is written, it --
5 is the Mayor or you representing SEAPA in your comments
6 here? I'm just trying to get clarification.

7 MR. UNDERKOFLEER: The Mayor -- this is the Mayor's
8 comments. We draft -- Joe and I drafted it. Joe is a
9 member of the SEAPA board.

10 MR. MITCHELL: Right. And I'm just --I'm
11 just.....

12 MR. UNDERKOFLEER: So I am -- and I'm out of a job
13 after this month, so you won't have to worry about me
14 anymore.

15 MR. MITCHELL: Okay. And I was just curious what
16 the other request for contractS with Kake, Wrangell,
17 Angoon, and others, would that seem fitting, since the
18 municipality has direct relationships with those
19 particular municipalities to use that forum also to --
20 with your amicable relations with them to obtain that
21 information?

22 MR. UNDERKOFLEER: I think it should be a part of
23 public record with FERC. That's what the request is.
24 And our relationships are not that good with some of
25 those people.

1 UNIDENTIFIED VOICE: It goes both ways.

2 MR. MITCHELL: Thank you.

3 MR. TURNER: Jim?

4 MR. FERGUSON: Yeah, a couple of -- Jim Ferguson,
5 with Fish and Game, just a couple things. One is if
6 you're out of a job after a month, it might not help,
7 but I'd be happy to sit down with you this afternoon
8 and show you the secret shortcuts on how to use the
9 FERC e-library, because once you know them -- there's a
10 few to know -- once you know them, it's not so hard.

11 MR. UNDERKOFLEER: This -- I'm saying this on
12 behalf of some people in Petersburg that -- I've had --
13 not have a -- I have a person to get me in there,
14 but.....

15 MR. FERGUSON: Okay. (Indiscernible). Got it.
16 Now.....

17 MR. UNDERKOFLEER: It's our residents who are
18 having a problem.

19 MR. FERGUSON: Yeah. I use the thing everyday, so
20 it's.....

21 MR. UNDERKOFLEER: Yeah.

22 MR. FERGUSON: I know the few, little, you know,
23 things you've got to -- if you don't know them, it's
24 difficult, if you know them, it's easy.

25 MR. UNDERKOFLEER: Yeah.

1 MR. FERGUSON: Yeah.

2 MR. UNDERKOFLEER: Sue here handles our access
3 (indiscernible).

4 MR. FERGUSON: But I'd be happy to.....

5 MR. UNDERKOFLEER: Okay.

6 MR. FERGUSON:sit down. Anyway, and the
7 other is a more process related -- maybe continue on
8 from Margaret Beilharz's comments. The process from
9 here on -- and maybe I'm getting ahead of you -- you're
10 (indiscernible). So we're going to be providing
11 scoping comments around July 20th, I believe is the
12 deadline.

13 And then my understanding is what's going to come
14 back are detailed study plans from Cascade Creek, LLC.
15 And at that point, we'll probably -- we'll have a
16 dialogue on refining those. And I know that under the
17 ALP, things are a bit looser, but -- and maybe my --
18 the second part of my question is -- maybe to FERC is,
19 how will it proceed from that point so that we get a
20 complete set of study plans that are supposed to cover
21 all the issues that we're concerned about, or at least
22 what Cascade Creek is interpreting as being our
23 concerns? What happens at that time? You know, can we
24 go back and forth as many times as we need, or do we
25 have one or two rounds, and that sort of thing?

1 MR. TURNER: Well, this is David Turner. And
2 that's the advantage, if you will, of the alternative
3 licensing process. We leave it to the applicant and
4 the parties here under the communications protocol to
5 kind of work those things out in terms of the studies.

6 The next place that you will see us involved
7 formally is in the review of the preliminary draft EA
8 in soliciting a recommendations for -- preliminary
9 recommendations for that licensing. So there's a lot
10 of work, I anticipate, leading up to the development of
11 that PDA -- or preliminary draft of the environmental
12 assessment.

13 So I would hope that Cascade would have a number
14 of meetings and try to work through those study plans
15 to address all these issues that come out of SD-2. But
16 it's critical, I think, to make sure that we have all
17 those issues defined, and that's what this scoping
18 meeting's all about.

19 You had another part of that question, I thought,
20 and I (indiscernible).

21 MR. FERGUSON: Well, I think you've -- this is
22 Jim, again -- I think you've answered my question.
23 It's kind of I expected, but I guess my follow up to
24 that would be the -- maybe I'm saying the obvious, but
25 it may not be considering with -- you know, we've had

1 fairly infrequent interactions at this point, but I
2 just want to encourage frequent and very open
3 interaction between Cascade Creek and our department
4 and also with the Forest Service, and that goes for us
5 at the Forest Service too, particularly at this point,
6 because it's very -- you know, what comes out the other
7 end that's obviously very dependent on, you know, just
8 how well we refine this down to where everyone is okay
9 with it. And I just want to encourage that, I'd like
10 to see contact. And will there be a website, Chris?

11 MR. SPENS: We do have an informational website
12 for the general public.

13 MR. FERGUSON: And it'll be.....

14 MR. SPENS: And we will update with whatever comes
15 in, and I believe it is up to the moment, at its
16 current state.

17 MR. FERGUSON: Uh-huh (affirmative).

18 MR. SPENS: And just to respond, I think it's safe
19 to say that things will get pretty intense, pretty fast
20 now. I mean, it -- to really defined the target's been
21 important, and to really have a project that we feel
22 solid about that makes sense, that fits a lot of the
23 key concerns reasonably, I think now we have something
24 that we can really launch intensive investigation on.

25 MR. FERGUSON: Uh-huh (affirmative).

1 UNIDENTIFIED VOICE: When does your current permit
2 expire?

3 MR. SPENS: it will be three years from February
4 14th, '08.

5 UNIDENTIFIED VOICE: Okay.

6 MR. TURNER: February.....

7 MR. SPENS: Actually, it backs up to the first.

8 MR. TURNER: Yeah.

9 MR. SPENS: Yeah, it's a letter issued.....

10 MR. TURNER: So January 31st, 2011.

11 MR. SPENS: Yes.

12 UNIDENTIFIED VOICE: Before we leave the issues,
13 from my perspective, as a trust resource biologist, I
14 wondered if there was any data or issues surrounding
15 wildlife use of that area? Do you have any data?
16 Generally characterize it, and I thought you guys were
17 only proposing sensitive species characterizations, and
18 I just want to make sure that you're going to give us
19 cover type mappings, and some of that other to
20 characterize the habitat you're going to be disturbing.

21 MR. SPENS: I -- I've got a pretty good feed from
22 ADF&G folks here in Petersburg with regard to what they
23 have in prior studies and what have you. I feel like
24 we've got a pretty good focus with regard to moose and
25 mountain goats, and I have a little bit of information

1 about prior habitat enhancement activities.

2 As far as habitat mapping per se, I think that's
3 going to be a pretty much totally new endeavor.

4 UNIDENTIFIED VOICE: New endeavor, but one you are
5 going to undertake?

6 MR. SPENS: Yeah, it's up to their.....

7 UNIDENTIFIED VOICE: He's been trying to -- he's
8 raised his hand a couple times. But I think this is
9 the man (indiscernible).

10 UNIDENTIFIED VOICE: Well, yeah. No, I'm
11 (indiscernible).

12 (Indiscernible - simultaneous speech)

13 MR. LOWELL: My name is Rich Lowell. I'm a local
14 area wildlife biologist for the Wildlife Conservation
15 Division. And before I get any further divorced from
16 the remainder of staff, we submitted rather substantial
17 comments regard to wildlife concerns in the state's
18 package, which is available to the public. Without
19 belaboring all those, I'll just reiterate here what
20 some of our primary concerns are in the discussions
21 that I've had with Chris with regard to these issues.

22 I think from a wildlife perspective, our concerns
23 are focused on primarily on the -- what -- intense and
24 chronic disturbance during the construction phase. I
25 think that the actual operation's probably somewhat of

1 a lesser concern, but it's that intense chronic
2 disturbance during the construction phase that gives
3 us some concerns.

4 The potential impacts to both wildlife populations
5 themselves and wildlife user groups, whether they're
6 consumptive users -- hunters, subsistence utilization,
7 or simply viewing. Deer, moose, mountain goats, fur
8 bearers, marine mammals, waterfowl are all likely to be
9 impacted to some degree with regard to at least
10 construction if not operation.

11 As I said, we're particularly concerned with
12 what's likely to be intense and chronic disturbance --
13 helicopter flights to get equipment and personnel up to
14 the lake itself, float plane traffic to get personnel
15 up there, drilling, blasting, trucking of the tunnel
16 debris, if that becomes an option that it would be
17 moved by the road system, could that have, you know,
18 additional impact?

19 Other concerns, there are some old growth reserves
20 established in the area, and we would urge Cascade, LLC
21 [sic], to minimize impacts to those old growth
22 reserves. They were hard fought. You may be pushed
23 conflicting directions with regard to, you know, some
24 people don't want the dock, they want the road. the
25 road would go through an old growth reserve. So I

1 understand you're caught between a rock and a hard
2 place.

3 With regard to the power line corridor, or if it
4 does skirt the delta at the mouth of the Patterson
5 River, there may be some issue with waterfowl raptors,
6 and again, with the alignment of the power corridor.
7 Again, seek to minimize the impacts to those old growth
8 reserves, because under either option, it looks like it
9 would traverse a portion of an OGR on the way to its
10 entry point into Frederick Sound, where it goes
11 underwater.

12 I have been talking directly with Chris. We are,
13 I think, out in front of many others in that we have
14 been talking about a collaborative Fish and Game and
15 Cascade look at mountain goats. Mountain goats are
16 notoriously sensitive to these types of disturbances --
17 helicopter over flights. They're very important to the
18 local community, both with regard to commercial guiding
19 activity and subsistence use.

20 In fact, I leave this meeting, and I go into a
21 meeting with Forest Service to discuss other issues
22 concerning goat management in the area. So that's one
23 of our priorities, we've jumped out in front. Mr.
24 Spens has been very receptive. We're currently putting
25 together a -- collaboratively, a study plan for looking

1 at radio collaring some goats in that area, getting
2 some information on seasonable movement patterns.

3 Are there ways that we can identify areas that are
4 sensitive to goats, important winter range, kidding
5 areas, so that we can mitigate potential flights or
6 into the area, route them around kidding areas? Those
7 types of things where we are currently lacking the
8 information to suggest ways that we might minimize
9 those impacts.

10 So it's obviously a very important, not just for
11 state, or if you will, recreational hunting, but also
12 federal or subsistence hunting for goats, moose, black
13 bear, and deer. The delta at Patterson -- or the mouth
14 of the Patterson is an important waterfowl area.
15 Impacts to raptors -- there are some actual ospreys
16 nesting there, which is kind of rare for Southeast,
17 because of the high prevalence of bald eagles, which
18 tend to rob ospreys and make them not viable in this
19 area.

20 Are the things we can do to enhance habitat there
21 for moose? We've discussed this, Chris and I, about
22 doing some thinning in some of the second growth
23 patches that are closing in, reaching
24 ****(indiscernible)**.

25 Other issues surrounding access, if there is a

1 road access, is the preferred route over the dock? How
2 will the increased access by hunters impact wildlife
3 populations, and to the contrary, are there, for
4 security reasons, the possibility that access may be
5 restricted? That areas utilized by hunters and
6 trappers might suddenly become unavailable to them.

7 With regard to changes in salinity and icing in
8 the bay, Thomas Bay is an important fur bearer trapping
9 area, wolverine, wolves, martin, otter. Access is
10 currently naturally limited by extreme drops in
11 temperature that leave that portion of the bay to
12 freeze over. Is that likely to become more prevalent,
13 as we're dumping more water, fresh water in there
14 during the winter months?

15 Marine mammals, this is getting a little bit
16 outside my purview, we've got a branch of Fish and Game
17 that deals with marine mammals. But there is a seal
18 haul out adjacent to Ruth Island, straight across from
19 Cascade Creek, what are the potential impacts there?

20 In -- I -- unless I just -- let me quickly look
21 here and make sure that I haven't overlooked anything.
22 Again, these comments have been provided as a part of
23 the state's initial package. We will continue to
24 evaluate the information that comes out of the
25 proposal, and we'll be commenting further as the

1 project takes shape and we get additional information
2 on the operational plan and the selection of specific
3 routes.

4 As far as the transmission corridor, as it leaves
5 the power plant, from a wildlife perspective, I would
6 favor the underwater route across Thomas Bay. However,
7 that may conflict with other staff -- Commercial
8 Fisheries Division, in particular. So we need to get
9 together in house and decide, all right, here are the
10 tradeoffs on our side with regard to wildlife. What
11 are the tradeoffs with regard to shrimp beam trawling
12 or moorage of boats dropping anchors around that power
13 line, impacts to crabbing, those types of things? So
14 we've got some in house discussion that we need to work
15 on before we can provide solid comments. So we'll feed
16 off any additional information that you provide.

17 And I'd just like to thank you, from a wildlife
18 perspective, for what appears to be an honest interest
19 in pursuing some of these things that will benefit our
20 ability to manage wildlife, not only with regard to
21 that specific project, but also provide information
22 that will be of utility region wide, for example, with
23 goat management. So.....

24 And that's basically what I have. If anybody has
25 any questions specifically to me with regard to

1 wildlife, then I'll be happy to entertain those.

2 Otherwise, I'll pass it back.

3 MR. TURNER: This is David again. Not specific to
4 you, but you mentioned the old growth reserves. That
5 kind of goes to what I meant in terms of the cover type
6 mapping and understanding.....

7 MR. SPENS: Uh-huh (affirmative).

8 MR. TURNER:what kinds of habitat you're
9 going to be disturbing, when you're going to be
10 disturbing them. So we need to be able to know and
11 quantify the overall acreage, but what is the
12 characteristics of those acreages, so -- and the
13 relative value of those. So you need to work with
14 ADF&G to figure out that and then include that in your
15 application as well.

16 MR. SPENS: Yeah, and I understand you to say that
17 the operational plan is really going to be critical as
18 far as assessing the potential impacts, whether they're
19 freshwater discharge related or people and presence,
20 that sort of thing. But you really need that pretty
21 much first thing.

22 UNIDENTIFIED VOICE: I have a question about the
23 sea floor of Thomas Bay. Is it primarily sand
24 composition, substrate?

25 MR. SPENS: Not coming off the beach. Like it --

1 at the powerhouse location, it's sedimentary until you
2 get off the shelf, and then it plunges very rapidly.
3 At the deepest point in the route that we would
4 propose, it's about 180 feet deep. So it comes off the
5 shelf, plunges into what looks like a rock sided
6 canyon. And then, as you head toward the mouth of the
7 Patterson, all of a sudden, you hit the fluvial
8 sedimentary front, and it shallows out very
9 dramatically. It's actually a lot of cable to go a
10 fairly short distance because of that.

11 UNIDENTIFIED VOICE: Is it -- are you planning on
12 burying it in the sand, laying it on the rock, or have
13 you not.....

14 MR. SPENS: The convention for installation is to
15 bury it beginning at the intertidal area, typically to
16 a depth of 100 or 120 feet, so you get beyond the
17 convenient anchorage depth, and then for the most part,
18 laying on the bottom at the greater depths, and
19 likewise on the return.

20 We would be very interested in knowing if there's
21 been any significant incidents with undersea cables
22 that exist in the area. You know, the connection to
23 Tyee right now includes an undersea cable, and if
24 there's been any operational incidents with regard to
25 fisheries or anchoring or what have you, we'd certainly

1 like to know about that, because we're not able to find
2 any. It doesn't mean there aren't any, it's just that
3 they're not documented and available.

4 So our awareness is undersea cabling is pretty
5 common throughout the Southeast for various different
6 purposes. We just heard mention of a fiberoptic coming
7 ashore. There are conventions for installation to
8 provide for safety and hazard abatement. And we
9 followed those conventions unless it needed to be
10 modified for some specific reason in Thomas Bay.

11 MR. TURNER: Any other questions, comments?

12 MR. DEMKO: Are they evolving to the comments
13 section? Or are we still in the agency questions in
14 this period?

15 MR. TURNER: You're welcome to insert your
16 comments if you want.

17 MR. DEMKO: Oh, great, because I've been here a
18 while, and my butt's getting tired. My name is Jim
19 Demko, resident. I've been here for about 20 years. I
20 intend to be here as long as my body holds out. I
21 turned 56 today, and I have longevity in the genes, so
22 I expect to be around for a while, with any luck.

23 I've explored the entire area of what we're
24 reviewing today, and I'm familiar with that, just a
25 matter of background. Also as a matter of background,

1 I've had enough experience in physics and the ecology
2 of the area to come to my personal conclusion that the
3 Cascade Creek will be able to engineer a project that
4 minimizes the impacts to meet the letter of the law --
5 and I'm sure with technical discussions that we're
6 involved in today will be bypassed eventually, we'll
7 get past those.

8 And I'm going to jump right past those to frame
9 what I believe is the -- I think we all know what is
10 going to be the big crux of the issue here, and that's
11 the public, not the geological or wildlife issue.

12 If we were discussing locating this project in
13 Yosemite today, either you people would be laughed out
14 of town, or this discussion would be involved with tens
15 of thousands of folks.

16 John Dure, a man -- most part of a century ago,
17 compared this area to Yosemite, and I think it -- we
18 need to discuss that -- I think it is indisputable that
19 geologically the comparisons of this scale are similar
20 and relevant, the difference being only in location.

21 The other aspect of the value of any gem, of
22 course, is rarity. And I think it is also beyond
23 dispute that Thomas Bay and this coastline is rare,
24 infinitesimally rare. I think the only difference
25 between this and Yosemite is that currently, we don't

1 have a half a million people visiting this area
2 annually. And the fact is that many of us live here
3 because of that dynamic. And that many of us who live
4 here are willing and have a background in defending
5 that dynamic, and we will continue to do so.

6 Personally, I will do whatever it takes to defend
7 that dynamic. I will also enlist with any local
8 organization that is formed to oppose this project. If
9 none forms, I will form and personally lead that. I
10 can promise you that we will also engage with any other
11 environmental organization -- (indiscernible) be SEAC,
12 which I have had experience as a board member of,
13 Sierra Club, or whatever national organization is
14 required to oppose this project.

15 When I was young, my father told me about Bucks
16 Rules, which is kind of an offshoot of, what, shall we
17 say, Murphy's Law. And basically, a Bucks Rule says
18 that men -- those that have the bucks makes the rules,
19 which is the other side of the equation here -- less
20 side, equal side, magnificent limited resource, as it
21 is, intact. On the other side of the equation, we have
22 LLC. I don't care what name you put in front of LLC,
23 the bottom line, the equation it frames, LEC [sic] --
24 LLC is the same. Bucks Rules.

25 I have no doubt that you have the background and

1 the financial forces to continue this fight as long as
2 it remains profitable. And I have no doubt, under the
3 current situation, the value of alternative sources of
4 energy, that we'll be in this fight as long as it
5 takes.

6 And I think the other part of the equation, in
7 between the equal signs there, is the big time factor.
8 And part of that, obviously, is public awareness on a
9 grander scale.

10 So all I'm saying here, in the big, big, is that
11 we will continue to fight this, as a matter of values
12 that are outside of the financial interests of a
13 limited number of individuals. We might be a limited
14 number of individuals right here on this rock,
15 defending this -- our home land at this time, but we
16 will do our best to enlist as many individuals in our
17 cause as we can.

18 And this is not the way I expected to spend my
19 birthday, by the way, but like I say, I got another 20,
20 30 years, I'll make up for it somewhere along the line.
21 And I don't know whether I'll be back this evening, but
22 I promise you that I will have a -- formal witness
23 statements to be submitted to you and to the press now,
24 and as long as it takes to pursue this fight. Thank
25 you very much.

1 MR. TURNER: Thank you.

2 MR. DEMKO: I'll see you.

3 MR. TURNER: Anybody else have any questions,
4 comments, any other issues we need to talk about?

5 UNIDENTIFIED VOICE: I don't understand, where are
6 you marketing this power? I mean are you going to
7 market the power? I mean, it's 23.....

8 MR. SPENS: Everything from local to.....

9 UNIDENTIFIED VOICE: Local -- how much do we use
10 locally. (Indiscernible).

11 MR. SPENS: You could explore that with your own
12 power providers. What I would tell you is that it's a
13 long term project. It has the ability to provide for
14 local need, local backup. It is, by its power shape,
15 intended primarily for export, and we see that as a
16 project in process coming along in Southeast Alaska as
17 a planning and development and establishing of
18 interties connecting the communities of Southeast
19 Alaska, and ultimately connecting to Canada and the
20 lower United States. And that is a plan and a program
21 and an objective in the legislation, in the local area
22 plans, in the power policies of Southeast.

23 And whether it's this company or the next company
24 or a public entity, that -- that's really what's
25 underway is an effort to develop renewable energy to

1 provide locally as well as to provide in the greater
2 sense of geography.

3 MR. LONGWORTH: I wonder, at what capacity we have
4 to sell it -- 80, 90, 99 percent, to make it feasible -
5 - is there any feasibility there?

6 MR. SPENS: There's a range of scenarios.....

7 MR. LONGWORTH: I don't -- I just.....

8 MR. SPENS:all dependent on what evolves
9 next.

10 MR. LONGWORTH: And who pays -- who's paying for
11 the, you know, transmission lines and the interties and
12 things like that?

13 MR. SPENS: It's a combination of public and
14 private endeavors.

15 UNIDENTIFIED VOICE: I don't think you got his
16 name.

17 MR. LONGWORTH: Oh, Dick Longworth.

18 UNIDENTIFIED VOICE: Dick Longworth.

19 MR. TURNER: Any other questions? Well, before I
20 close, I just want to reiterate that you're open to
21 file written comments. We're asking those to be filed
22 with Cascade as well as the Commission by July -- yeah,
23 I'm sorry -- by July 20th, 2009. They will be
24 incorporated and considered into the record. We'll
25 issue a second scoping document, as necessary, to talk

1 about those changes.

2 And if you want to be on the mailing list for the
3 Commission, I encourage you to submit your name to the
4 Commission so that we can put you on our official
5 mailing list.

6 UNIDENTIFIED VOICE: How do we do that? Do we do
7 that today?

8 MR. TURNER: No, you need to go and submit a
9 letter to the Commission and ask to be put on the
10 mailing list that way, because what comes -- when
11 you're put on the mailing list, you're there until you
12 ask to be taken off the mailing list. You're going to
13 get everything that's filed with the Commission or
14 issued by the Commission. So.....

15 UNIDENTIFIED VOICE: (Indiscernible) that's just
16 around the corner.

17 MR. TURNER: Oh, well, no -- but in any case, it'd
18 be -- there's instructions on -- in the scoping
19 document on how to get on the mailing list, at least,
20 there should be.

21 MR. UNDERKOFLEER: Here it is, it's on page 23.

22 MR. TURNER: Yeah, on 23. So if you follow those,
23 you can get on the (indiscernible) mailing list.

24 MR. PRUNELLA: I have another question.

25 MR. TURNER: Sure.

1 MR. PRUNELLA: How do we.....

2 UNIDENTIFIED VOICE: State your name, please.

3 MR. PRUNELLA: Bob Prunella of Wrangell. How do
4 we get -- when -- copies of Forest Service comments and
5 Fish and Game comments that relates -- whether to
6 Cascade and to you simultaneously -- in other words, I
7 would like to keep in the loop on their comments.

8 MR. TURNER: They.....

9 MR. PRUNELLA: Because they were public, and so
10 are we.

11 MR. TURNER: Right. The -- anybody that signs up
12 for any e-notification on our e-library system will get
13 anything that's filed with the Commission or is
14 submitted -- or issued by the Commission. In the
15 prefiling stages, participants are not necessarily
16 required to file their information with us. The -- in
17 response to you, studying the comments by Cascade, LLC,
18 they might just correspond directly between the --
19 those parties. I think Cascade Creek, LLC, is making
20 an attempt to include those on their web page, but I'm
21 not sure about that, what might be the better source.
22 Once they file that license application with us, then
23 that entire record will be submitted on the Commission.
24 But that's kind of late in the game, I understand. So
25 I would work with Chris and them to make sure you're

1 getting copies of whatever's filed.

2 Anything else? Or is everybody concluded? None.

3 All right. Then.....

4 MS. FLANARY: I just would ask about Chris's
5 mailing list. That's a separate mailing list than the
6 FERC mailing list, correct?

7 MR. TURNER: Yes, it is.

8 MS. FLANARY: All right.

9 MR. SPENS: Yeah, we keep a mailing list on our
10 website.....

11 MS. FLANARY: Uh-huh (affirmative).

12 MR. SPENS:and we will try to keep that
13 updated, and that's a good cross connect with everyone
14 that's been involved so far.

15 MS. FLANARY: And is that with -- at the last
16 meeting that you have here when people sign their name,
17 their address, email?

18 MR. SPENS: Yes, yeah.

19 MS. FLANARY: So people who sign there should
20 still be on your list, then?

21 MR. SPENS: They should. I would tell folks
22 coming this evening, you know, please do sign in so we
23 can check and see if anything's changed as far as your
24 contact. You know, I went through it about three
25 months ago, and oh, about five percent of it changed.

1 MS. FLANARY: Uh-huh (affirmative).

2 MR. SPENS: So I'd -- I -- I'm always concerned
3 about someone says, I signed up in September 2007, how
4 come you didn't contact me? Well, your email changed
5 or your address changed.

6 MR. UNDERKOFER: That's Susan Flannery, Petersburg
7 Power and Light.

8 MR. TURNER: Anything else? With that, I'll move
9 to adjourn the meeting, and I appreciate everybody's
10 input and time.

11 (Off record)

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