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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

SALINA PUMPED STORAGE PROJECT

Project No 2524-018

TRANSCRIPT OF
MEETING RE: SCOPING DOCUMENT 1

February 15, 2011

1:00 p.m.

Location:

Grand River Dam Authority
Ecosystem and Education Center
420 East Highway 28
Langley, Oklahoma 74350

1 A P P E A R A N C E S

2

3 Ms. Jeanne Sweet-Edwards

4 Mr. Stephen Bowler

5 Mr. Berne Mosley

6 Federal Energy Regulatory
7 Commission, Office of Energy
8 Projects

9 Ms. Jacklyn Jaggars

10 Mr. Darrell E. Townsend, II

11 Mr. Chuck Atkins

12 Grand River Dam Authority

13

14 Mr. Derek Smithee

15 Oklahoma Water Resources
16 Board

17

18 Ms. Jody Johns

19 Long View Associates
20 9507 Broding Lane
21 Midlothian, VA 23112

22

23 Ms. Judith Ausmus

24 Mr. Emman Spain

25 Muscogee (Creek) Nation

1 PROCEEDINGS

2 MR. BOWLER: We're finally ready to go.
3 We'd ask the court reporter to open the meeting.
4 This is the Scoping Meeting for the Salina Pumped
5 Storage Project. And I'll be starting out with a
6 brief presentation and I'll show you what the topics
7 are in a moment. This is obviously a small group --
8 we started the day with some of you.

9 So please feel free to ask questions as
10 we're going along about the process, the milestones,
11 the deadlines so that everybody understands the FERC
12 process. And we'll be trying to gain understanding
13 from you about issues, the scope of the issues and
14 any information that you have for us.

15 MR. TOWNSEND: And, Stephen, we've got a
16 quick Power Point, too, that we've presented that
17 will have those milestone dates on it, just for the
18 record, that we can show the nature of the dates
19 coming up.

20 MR. BOWLER: All right. We may have some
21 overlap on that, but that's fine. Better to have
22 too much than too little of that. So, if that's --
23 do you want to flip through to the next slide --

24 MS. SWEET-EDWARDS: Okay.

25 MR. BOWLER: We're going to run through

1 some introductions including some people who aren't
2 here today because we do have a larger team than is
3 present. And we'll be covering, again, some basics
4 on what this scoping process -- this integrated
5 scoping process is about, the schedules, some
6 details on how and what type of information we're
7 looking for.

8 And then we'll break from the FERC staff
9 talking to let the Grand River Dam Authority folks
10 talk about the actual project operations just so
11 we're all on the same page on how it functions. And
12 we'll come back to the FERC staff for a couple more
13 slides on cumulative effects, and then we'll start
14 in and basically we'll go one at a time and let
15 people make comments.

16 There's obviously not a big restriction on
17 time today, so we just ask people to go in some
18 reasonable order. And then at the end we can have
19 any more discussion, if there are questions about
20 the process. We can also look at Scoping Document 1
21 which is sort of our kick-off of the process, which
22 is available on the table there. And we have a
23 glossy brochure that gives some more information on
24 our process.

25 So going into our team, Jeanne Edwards and

1 I are co-coordinators of this relicensing and review
2 process. And we also both, as resource specialists,
3 will be handling aquatic biota and water resources;
4 water quantity and quality. Back in Washington,
5 also assigned to this project we have the rest of
6 our multi-disciplinary team. Monte Terhar
7 (phonetic) who is a civil engineer; Patty Leppar,
8 (phonetic) who is Family and Cultural Resources and
9 Recreation; and Sarah Florentino, who will handle
10 terrestrial biology and rare, threatened and
11 endangered species.

12 And we have -- traveling with us today we
13 have Berne Mosley who is the Deputy Director of the
14 Office of Energy Projects at FERC. Just to give you
15 some kind of a big picture, FERC deals with a whole
16 range of issues including infrastructure issues and
17 energy markets and energy -- electrical
18 interconnection standards.

19 The infrastructure citing and regulatory
20 inquiry is done by the Office of Energy Projects and
21 Berne Mosley is the deputy director of that office.
22 Within that office, in addition to natural gas and
23 some other responsibilities, are three divisions
24 that deal with hydropower: Licensing,
25 administration and compliance, and dam safety.

1 Jeanne and I are here representing the licensing
2 part of that office.

3 The purpose of the scoping, this is sort
4 of the bureaucratic version of it but, in short,
5 we're doing it under NEPA and under FERC's
6 regulations in order to carry out our
7 responsibilities under NEPA and the Federal Power
8 Act. But, in short, this is the process of -- we're
9 starting out into the relicensing process. We need
10 to know what the issues are, what the scope of the
11 issues are, any information that people can bring to
12 the table to help us in our analysis and help all of
13 us stay focused in the discussions.

14 On January 18th we issued the Scoping
15 Document 1. And that's sort of our starting place.
16 That's a proposal to what the issues are, what the
17 scope is and the starting place for discussion.
18 And, again, we issued that document in January, and
19 the scoping process continues into March when we'll
20 ask for any written comments. You can give verbal
21 comments today, you can hand in written comments
22 today, but March will be a deadline for sort of
23 closing the scoping period.

24 After that, we'll start -- the integrated
25 licensing process is really built around the study

1 and negotiation process in developing the studies
2 and agreeing on the studies that are needed to
3 develop the information for an application. But
4 that's -- prefiling is up until the application is
5 filed. And really the key part of it is the study
6 negotiation process which will start -- the planning
7 will start with the March filings and go through
8 September. And then the studies will be carried out
9 by the Authority over basically the next year; after
10 that, that study planning process ends.

11 The studies essentially get distilled into
12 a preliminary licensing proposal, which will receive
13 comments and that will lead to the application. We
14 haven't put in a lot of detail about the postfiling
15 process, but that's just the period in which the
16 Commission staff will use the information in the
17 application and other information from the state to
18 do the NEPA document, the Environmental Assessment
19 in this case most likely, and there will be more --
20 yet more opportunities for comment in that phase.

21 There will be a notice that we're ready to
22 do the document, ready for environmental assessment
23 of which there can be comments, then the draft, then
24 the document. And so there's both prefiling and
25 postfiling input opportunities, and they're also

1 laid out in the glossy brochure.

2 So again the core of the information that
3 we're really after is what significant environmental
4 issues need to be addressed. Have we characterized
5 them well in our Scoping Document, are there other
6 things that need to be there, things that maybe we
7 haven't emphasized too much? At the end of this
8 talk, I'll go through the study request criteria.
9 One of things we'll be asking for in this first
10 round of comments from you is study requests.

11 And there's some specific requirements for
12 how those are described in your filing. We're
13 particularly interested in information that people
14 have or know about that can contribute to
15 understanding these issues and analyzing them. And
16 the Federal Power Act has a requirement that we look
17 at comprehensive plans, regional and state and
18 federal comprehensive plans, that are filed with the
19 Commission in terms of how the project proposal
20 comports with those comprehensive plans. So we want
21 to know about any plans that are either out of date
22 or not filed with us so that we can be aware of
23 those.

24 To get a little bit more specific about
25 the commenting, we have March 21st is the date for

1 comments on the pre-application document that GRDA
2 prepared on the Scoping Document 1 that we issued on
3 January 18th. And, very importantly, for study
4 requests from the state holders. And there will be
5 a meeting which will actually be held by GRDA on
6 their proposed study plan, I believe, on or before
7 June 2nd of this year.

8 And the proposed study plan, let's see --
9 proposed study plan, August 1st and revised study
10 plan, September 15th. And each time there's an
11 opportunity for comment. So I want to focus on the
12 study requests component because that's really the
13 kick-off for the study negotiations that are about
14 to take place, that will take place after the
15 scoping period ends.

16 And there are seven criteria and I will
17 just sort of highlight in each one what the key
18 words are. The first is that on each study that you
19 request, we ask that you lay out clearly what the
20 goals and objectives of each study request are.
21 Second, we request that if you're not a resource
22 agency yourself -- on the second one, we want to
23 know the resource management goals of -- if you're a
24 resource agency or Indian tribe, we want to know the
25 resource management goals of your mission that are

1 met by that study.

2 If you're not a resource agency or an
3 Indian tribe, we want to know what you see as a
4 relevant public interest met by the study that
5 you're requesting. These are basically nexus
6 questions.

7 Fourth, we want to know, relative to what
8 information exists, what information do you think
9 the study is going to generate, how is it going to
10 add to what's known or is there nothing known, and
11 is it going to fill that gap? We want a sense of,
12 relative to the existing information, how does your
13 request fit in.

14 Fifth, we want to know what the nexus is
15 between -- the first -- earlier I mentioned the
16 nexus between resource and management goals and the
17 requests. Here we're talking about the nexus
18 between the actual influence on the project
19 operations and the study request. In other words,
20 there might be some issue that's important to study
21 in the global scheme of things, but if it can't be
22 affected by the project operations that are
23 influenced by the FERC Licensing Authority, it
24 doesn't have a strong nexus to the licensing
25 process.

1 So here we're asking for what the nexus is
2 between something that could conceivably be a
3 license condition or article, and the study you're
4 requesting.

5 Sixth is a question about methodology, and
6 the more specific you can be about the methodology
7 the better. But it's important that you put it in
8 the context of sort of standard practice, is it --
9 are you proposing something that is the scientific
10 or industry standard, or something that's new and
11 original, and that we'd like it characterized that
12 way.

13 And finally, there is a cost and effort
14 consideration that goes into the study determination
15 process. So we'd like to see some estimate of level
16 of effort and cost, the more specific the better.
17 And why alternative methods, especially those you
18 might become aware of through the negotiations and
19 discussions, aren't sufficient. If somebody
20 proposes a way that something similar could be done
21 at a lower cost, why is the way you're proposing it,
22 if it's more expensive, why is that extra effort
23 necessary.

24 Those are the seven study criterion and
25 those will carry through the process because first

1 GRDA will make an initial proposal based on the
2 study requests, and then after some negotiations
3 they'll make a revised proposal and essentially
4 people get to comment at each point. But the items
5 that can't be resolved through the informal
6 negotiations will come to the Commission for, as my
7 colleague says, the effort for us to call balls and
8 strikes on the differences.

9 And we do that in a formal determination
10 from the Director of the Office of Energy Projects.

11

12 So with that, just to get an introduction to the
13 project operations, we'll hand it over.

14 MR. TOWNSEND: Sure.

15 MR. BOWLER: Before you come up, I just
16 want to mention -- to make sure that everybody knows
17 that we do have a reporter here, Anne Mocha, and
18 this will all be in the public record of the docket
19 for this proceeding.

20 MR. TOWNSEND: I think we've covered most
21 of this on our site visit this morning, so we'll go
22 through it fairly quickly. It's mainly just
23 pictures but, again, this is an aerial view of the
24 Salina Project. You can see the lake in the
25 background, the penstocks in the foreground, the

1 lake back here, so this is the project boundary,

1 essentially what you're looking at. And, again, we
2 think the project boundary for the Salina Project
3 ends right here at the dam. And this is where we
4 went into the powerhouse this morning.

5 Okay. So next slide, please? Just to
6 give you an overall look of where we're at and what
7 we're talking about -- anyway, there's a picture of
8 our watershed. Grand Lake is here, Lake Hudson is
9 here and the Salina Project is in this vicinity
10 here. As you can see, we have a tremendously big
11 watershed for our lakes that goes well into Kansas.
12 Most of that watershed lies in Kansas. Most of the
13 people residing in the watershed are from Missouri.

14 So we've got several states, four states,
15 Oklahoma, Kansas, Missouri and Arkansas. Basically
16 any rainfall events or water falling in this area
17 eventually end up in the Grand Lake on down into
18 Lake Hudson and finally part of that will be pumped
19 back from Lake Hudson into that upper reservoir that
20 we showed earlier.

21 Next slide. Again, this is just trying to
22 orient everybody that's not familiar with where
23 we're at. Here's the Salina Pump Storage, Grand
24 Lake, Lake Hudson, and that's where we were this
25 morning on our site visit. Next slide. For some of

1 you that don't know, and I know we talked about this
2 on the ride over, but GRDA is a state agency. We
3 are not appropriated so we do not receive any
4 taxpayer dollars. And all the funding we receive
5 comes directly from electric sales. So it's been
6 said many times that the rate payers subsidize all
7 of the lake activities and lake costs.

8 Next slide. GRDA, we're the 20th largest
9 public power utility. As we stated, we've got Grand
10 Lake, which is created here. Pensacola Dam, Robert
11 S. Kerr Dam which is Lake Hudson, and then what
12 we're here today talking about is the Salina Pump
13 Storage facility. So those are our three hydropower
14 projects that we're responsible for. However, we've
15 also expanded -- next slide, please -- we also have
16 two coal-fired stacks located in Chouteau, Oklahoma.
17 And we've recently acquired in '08, I believe, the
18 Red Bud Plant just outside of Oklahoma City.

19 So that collectively is GRDA's
20 jurisdiction and so we are starting to dabble in --
21 in multiple resources as far as electric generation
22 is concerned. Next slide. Again, economic
23 development, you hear quite frequently that GRDA is
24 really -- and the creation of these dams, especially
25 -- is really the economic engine of Northeast

1 Oklahoma. The lakes reside in Delaware, Rogers, or
2 Delaware, and these surroundings counties are one of
3 the fastest growing in the state. So GRDA touts us,
4 we're really, again, the engine that keeps Northeast
5 Oklahoma thriving.

6 Next slide. To give you an idea what type
7 of income is generated by the lakes, from the lakes,
8 those surrounding counties, Ottawa, Mayes, Delaware
9 and Craig, bring in about \$94 million annually from
10 those four counties. So the lakes are a tremendous
11 driving force to local economies for us.

12 The Salina Pump Storage Project, it's a
13 260 megawatt project, six reversible pump turbines
14 which means we not only generate from those during
15 peak hours and during off-peak times, we flip a
16 switch and those turbines reverse and we pump water
17 back up into the upper reservoir. As we mentioned
18 earlier, the lower reservoir is Lake Hudson. That
19 was licensed in 2006. And we're currently working
20 through some of those article requirements of that
21 license on Markham Ferry.

22 Again, we received that license in 2006.
23 Associated with the Salina Project, we have a 161
24 kilovolt transmission line that is within the
25 project boundary for the Salina Pump Storage

1 facility and our license -- as I mentioned when you
2 first arrived, expires November 30, 2015. But the
3 FERC ILP process, as I stated this morning to you in
4 our offices, is a five-year process that we go
5 through with FERC with their Integrated Licensing
6 Process.

7 Another picture of the lake. I think I
8 have a couple of pictures in here, maybe just kind
9 of scroll through them. This is the canal, four bay
10 area at the dam so the penstocks are at the top of
11 that slide. And this is one we've seen many times
12 now. And important dates -- this is the one that I
13 wanted to get up and notice. As has already been
14 stated by Stephen, we have some important milestone
15 dates and due dates.

16 So I'd like to just make these a part of
17 the record and comments on the NOI, the PAD and the
18 Scoping Document 1, which is what you have before
19 you today, and study requests, which is what Stephen
20 talked about earlier, are due on March 21, 2011, so
21 next month.

22 After we receive those, we will be filing
23 a proposed study plan by -- what is that, May 3rd?
24 May 3rd. And FERC will then issue a Scoping
25 Document 2, if necessary, and Steve may elaborate on

1 that. If so, if that's needed, that will be done by
2 May 5th. And then, as was mentioned earlier, we're
3 going to host a study plan meeting on or before June
4 2nd. And I hope our dates are corresponding.

5 MS. JOHNS: So far so good.

6 MR. TOWNSEND: This is what we've come up
7 with, so hopefully these correspond. We can check
8 those afterwards. But ultimately comments due on
9 the proposed study plan are August 1st, and by
10 August 31st we're to file a revised study plan not
11 less than 30 days from the comment on the Proposed
12 Study Plan. A lot of acronyms there and -- so if
13 you don't know what those are, please, ask. Finally
14 we've got comments due on the Revised Study Plan by
15 September 15th and then the Study Plan Determination
16 will be issued by FERC on September 30th of this
17 year.

18 And those dates essentially bring us to
19 the end of activities for 2011. There may be a
20 couple other interim steps in there that as we move
21 forward we may need to address, but these are the
22 major milestones that we need to -- everyone needs
23 to be aware of as they are preparing and working
24 their way through this licensing process.

25 So that's all we've got. If there are any

1 questions, I know we answered some through our trip
2 this morning, but we'll be happy to answer any
3 questions if you have any at this time.

4 MS. SWEET-EDWARDS: I did want to add one
5 thing, that the schedule is in Appendix A of the
6 Scoping Document 1, pages 20 through 22 if anybody
7 is interested in seeing the document for those
8 dates.

9 MR. BOWLER: I just have, I think, two
10 more -- one more slide and then we'll get on to
11 comments and discussion. If we hadn't been last
12 minute I would have taken the time to add proposed
13 to the front of this title, but in our SD -- Scoping
14 Document 1, this is what we proposed as the scope of
15 cumulative effects which are under NEPA, National
16 Environmental Policy Act.

17 Under NEPA we're expected to define the
18 scope of the analysis. And we've proposed that the
19 cumulative -- the one resource that is cumulatively
20 affected is water quality. And we've proposed that
21 the geographic scope for water quality issues
22 extends into the -- includes the upper reservoir and
23 then the tailways of the pump storage process to the
24 extent of the Saline Creek arm of Lake Hudson. And
25 for a temporal scope, as is fairly typical of

1 relicensings because of the potential extent of the
2 relicense, the new license, looking forward 30 to 50
3 years, and then looking at any reasonably
4 foreseeable future actions.

5 In other words, things that if there are
6 plans in place or something like that, we will
7 analyze it. If it's just a very general
8 possibility, we can't analyze everything that's
9 conceivable. So that's what we've proposed that's
10 up for discussion. And I think in a group of this
11 size we can dispense with a lot of these formalities
12 but I do, again, I'll mention that we do have a
13 court reporter today and this will be part of the
14 public record. I think that we won't have an issue
15 with time limits today.

16 But if you choose to speak, and I
17 encourage you to, please provide your name and
18 spelling if it's not an obvious spelling. You can
19 leave anything written with Ms. Mocha and she will
20 record it and then we will take it back to
21 Washington to file it. As it might be easiest with
22 the presentations, if you can print -- if you can
23 provide a printout of yours?

24 MR. TOWNSEND: Okay.

25 MR. BOWLER: And before we move on to the

1 opportunity to comment, are there any questions
2 about procedure, IOP process?

3 MS. JOHNS: Jody Johns with Long View
4 Associates. I know we talked about this some on our
5 drive this morning, but I see in your presentation
6 too, on the process scheduling, and I know it's in
7 Scoping Document 1, too, but I'm just not clear
8 still about the dates for the preliminary license
9 proposal, PLP, and the license application being
10 filed.

11 As I said to you earlier, those are both
12 listed in 2015 and that's the license expiration
13 year. And I think you were talking to me about that
14 it might have been based on a three-year field study
15 program.

16 MR. BOWLER: Right.

17 MS. JOHNS: So I'm just trying to
18 understand if those dates are going to, in fact,
19 change to 2013?

20 MR. BOWLER: I was going to ask, with your
21 license date, how come it doesn't match with your --
22 the time of the year. This is a curiosity. I think
23 your license expires --

24 MS. JOHNS: It expires --

25 MR. TOWNSEND: November.

1 MR. BOWLER: In November, but it started
2 in --

3 MS. JOHNS: January.

4 MR. BOWLER: January. Do you know what
5 the history of that is?

6 MR. TOWNSEND: I do not.

7 MS. JOHNS: That was before you were here.

8 MR. BOWLER: That was just a curiosity
9 thing, that the PAD and everything says that it
10 expires November 3rd. Do you know the answer,
11 Jeanne?

12 MS. SWEET-EDWARDS: I thought that the
13 license application had to be filed three years
14 prior to expiration.

15 MS. JOHNS: Two years. So it would be
16 2013 if it expires in 2015, but this just has us
17 filing the license application in the year --

18 MR. BOWLER: I think we need to check on
19 the schedule to be exact, but I think we used a
20 temporary project that had more extensive studies
21 and that it should --

22 MS. JOHNS: But still you would have to
23 file a license application two years in advance.

24 MR. BOWLER: Right. We'll have to check
25 it, but that's the kind of thing if there's a

1 problem we'll correct it in SD-2 or in a separate
2 filing, either specifically as a process plan or
3 with another filing. But generally the license
4 application has to be filed two years ahead, and the
5 prefiling process is all geared to getting the
6 application ready at that point.

7 MS. JOHNS: Thanks.

8 MR. BOWLER: And it definitely, the
9 process we're entering in now, between now and
10 September, I believe was -- and the ultimate
11 determination from our office director, that is all
12 -- it's just like the slide we saw at the end of the
13 GRDA presentation laid out. Any other questions
14 about procedure? Okay.

15 I do want to make sure, it looks like
16 everybody has signed up. We just have a couple of
17 GRDA staff, but Mr. Smithee, do you wish to make any
18 comments?

19 MR. SMITHEE: I do not, Steve, thank you.

20 MR. BOWLER: Okay. Next would be Judith
21 Ausmus.

22 MS. AUSMUS: Not at this time, no comment.

23 MR. BOWLER: Okay.

24 MR. SPAIN: Yes. Your mailing list here,
25 this is in Cherokee Nation or the Tribal Nation,

1 were they notified of these open meetings or
2 anything like that? Some tribes have cultural
3 resources that are in or near waterways. I don't
4 know if a lot of people understand that some of the
5 tribes have some summer ceremonials that go on and
6 water is one of their cultural -- their TCPs
7 (phonetic), you know, considered cultural resources
8 of the tribe. And some of these tributaries may be
9 affected by water issues and things like that. So I
10 think a lot of us should have been like on the list
11 for, you know, the scoping meetings. I don't know
12 if they were notified or not.

13 MS. SWEET-EDWARDS: They were notified.
14 If you look on the calendar 30 days into this
15 process, there's -- an informal consultation begins.
16 I have a list of 17 Indian tribes who may have had
17 interest in the project and were notified. I could
18 share the list with you verbally or you could --

19 MR. SPAIN: Yeah, and I apologize, that's
20 probably --

21 MS. SWEET-EDWARDS: It was not in there.

22 MR. SPAIN: I wasn't aware of the meeting
23 until a few days ago myself. I have a supervisor
24 that mentioned that I should be here. I was just
25 trying to explain that some of them may be

1 interested because they may have cultural resources
2 that may be affected by water usage. So, you know,
3 in some of the facilities and things like that. that
4 was basically my comment, besides the list.

5 MS. SWEET-EDWARDS: Thank you for the
6 comment. I appreciate it. These are the 17 tribes
7 that are undergoing -- continuing with informal
8 consultation. I apologize if I get these -- the
9 names wrong. Caddo Nation, Muscogee (Creek) Nation,
10 Osage Nation, United Keetowa Band of Cherokee,
11 Wichita and Affiliated Tribes, Miami Tribe of
12 Oklahoma, Eastern Shawnee Tribe of Oklahoma, Quapaw
13 Tribe of Oklahoma, Cherokee Nation, Peoria Tribe of
14 Oklahoma, Ottawa Tribe of Oklahoma, Shawnee Tribe,
15 Delaware Tribe of Indians, Modoc Tribe of Oklahoma,
16 Seneca-Cayuga Tribe of Oklahoma, Alabama Quassarte
17 Tribal Town -- I'm sorry?

18 MR. SPAIN: Quassarte Tribe?

19 MS. SWEET-EDWARDS: Q-u-a-s-s-a-r-t-e, and
20 the Alabama Coushatta Tribe of Texas. And the staff
21 continues to consult with these tribes through
22 telephone calls and written correspondence.

23 MS. JOHNS: Are there any tribes that
24 you're aware of beyond those that you think might
25 have an interest in the project area?

1 MR. SPAIN: I think it's Thlopthlocco,
2 T-h-l-o-p-t-h-l-o-c-c-o. I think their headquarters
3 are in Wetumka.

4 MR. ATKINS: Hughes County.

5 MR. BOWLER: Thank you. Anything that
6 doesn't come to mind now that comes to mind later,
7 can you give that to us, either formally or
8 informally?

9 MR. SPAIN: Yes.

10 MR. BOWLER: Any other comments? We don't
11 have any other speakers. What I'd like to do is run
12 through a little bit more information that's in this
13 Scoping Document 1 and I'll just quickly summarize a
14 couple of the things that we propose in here and see
15 if there are any comments. I know there's a few
16 corrections that need to be made. We have a couple
17 Salina Creeks that should be Saline. But if you
18 can, if you find any other issues like that, you can
19 notify us of those and we'll get those corrected one
20 way or another.

21 But I particularly wanted to mention the
22 issue list that we have laid out starting on page
23 10, I believe, Section 4.2.2, or 4.2 starting with
24 Geology and Soils. This is the list of issues and
25 I'll just run through it quickly. On Geology and

1 soils, we've identified possible effects of sink
2 hole development and lost of project water as a
3 result. Aquatic Resources, possible entrainment and
4 impingement of fish.

5 And effects of continued operations on the
6 fisheries, particularly the bass fisheries, has been
7 identified as an important recreational resource.
8 Effects of continuing project operations and
9 maintenance on aquatic species such as the Arkansas
10 Darter and other state listed species.

11 Effects of operations and maintenance and
12 recreation on the spread of invasive species
13 particularly the Zebra Mussel. Underwater quality,
14 this is the one we highlighted, it's potentially a
15 cumulative effects issue. And looking at the
16 dissolved oxygen concentrations in Holway Reservoir
17 and the effects of operations on the tailwater
18 downstream of the powerhouse in the lower lake.

19 Under Terrestrial Resources, they've
20 identified potential issues as the effects of
21 continued project operations and maintenance on
22 terrestrial species such as the bald eagle, the
23 Oklahoma salamander, mountain plover, and the
24 prairie mole cricket and other state listed species.
25 Also effects of project operations and maintenance

1 on recreation -- and of recreation on native and
2 nonnative plants, wildlife, including wetland and
3 littoral habitats and associated wildlife in the
4 project area.

5 Under Rare, Threatened and Endangered
6 Species, effects of continued project operation and
7 maintenance such as road maintenance, rights-of-way,
8 vegetation management on federally threatened and
9 endangered species such as the Ozark cavefish, gray
10 bat, America burying beetle, piping plover, and
11 least tern, potentially occurring in the project
12 area.

13 MR. SMITHEE: Are you taking questions if
14 one jumps to mind?

15 MR. BOWLER: Yes.

16 MR. SMITHEE: Why the discrepancy on T and
17 E and Terrestrial Resources between state-listed
18 endangered species and federally-listed endangered
19 species, what's the federal government's role in
20 protecting the state-listed species?

21 MR. BOWLER: The state-listed species, we
22 would -- the federal species, obviously, we're
23 responsible for addressing under the Endangered
24 Species Act. The state-listed species can be of
25 concern to resource agencies and they can be of

1 concern even though they're not covered by the
2 Endangered Species Act, so we do pay attention to
3 those issues and counting on a degree of concern
4 from the state agencies and the issues that come out
5 of looking at the state-listed species, it would
6 vary from species to species and issue to issue the
7 degree of which they would get treated in the
8 environmental document and potentially the
9 conditions in our license.

10 MR. SMITHEE: Clearly the federally-listed
11 species I get. It was just the state-listed
12 species, you know, we've got some state-listed
13 species that are common in other places.

14 MR. BOWLER: Yeah, I'd say the federal
15 species it's very clear we have the consultation
16 process with Fish and Wildlife. With the state
17 species, it's really a case by case.

18 MR. SMITHEE: Okay.

19 MR. BOWLER: And exactly the type of issue
20 you're raising could be a factor if it's a
21 state-listed species that is very important, very
22 rare, but it's not federally listed and there's very
23 specific issues to a project, it might get a fair
24 amount of attention. If the context is sort of the
25 opposite of that, it might not get much treatment.

1 MR. SMITHEE: And while I'm monopolizing
2 your time, on the water quality question and you
3 mentioned exclusively dissolved oxygen -- is
4 dissolved oxygen the primary issue or are there
5 other water quality concerns that just didn't get
6 mentioned?

7 MR. BOWLER: Well, that's a question I
8 would refer back to you, whether there are other
9 issues that the state agencies are aware of that
10 they would like to see treated in these studies.
11 And that could be reflected both in your comments on
12 the Scoping Document and if you make a study
13 request.

14 MR. SMITHEE: Okay. This just mentioned
15 dissolved oxygen specifically and uniquely. I
16 wondered what the reason for that was.

17 MR. MOSLEY: It isn't that we flag D-O as
18 something of concern to us, but there may be other
19 issues that, for the purpose of the scoping meeting,
20 other water quality issues may be raised and, if so,
21 then we need to consider those --

22 MR. SMITHEE: So D-O is already on the
23 radar screen --

24 MR. MOSLEY: Right. And there may be
25 others. You may, just as Steve said, you may bring

1 some information that we don't have.

2 MR. SMITHEE: Okay.

3 MR. BOWLER: Exactly. Okay, thank you.
4 Any other comments on what we've gone through so
5 far? Okay.

6 I believe I was up to, under the Rare,
7 Threatened and Endangered Species section, effects
8 of improvements to an associated recreational use of
9 project recreational facilities on federally-listed
10 species such as the American burying beetle.
11 Recreation resources on land use. Adequacy of
12 existing recreation facilities and public access
13 within the project boundary, and relative to
14 recreation demand and including barrier-free
15 facilities. And then effects of project operations
16 on recreational use.

17 Under Cultural Resources, effects of the
18 proposed project on historic, archeological
19 resources within the area of potential effect.
20 They're listed and may be eligible for inclusion in
21 the National Register of Historic Places. Effects
22 of the proposed project on properties of
23 traditional, religious and cultural importance to an
24 Indian tribe.

25 Identification and development of measures

1 to resolve adverse effects on historic and other
2 National Register-eligible cultural resources within
3 the area of potential effects. And on the topic of
4 developmental resources, effects of proposed project
5 -- with proposed project and alternatives, including
6 any protection, mitigation and enhancement measures
7 on project economics.

8 So those are the issues, based on our
9 reading of the PAD and other information that we're
10 aware of, those are the things that we've proposed
11 as issues. Those issues could be, depending on the
12 information needs and the degree of severity, could
13 be treated in a variety of different ways ranging
14 from extensive studies to less information-intensive
15 analyses. And that's what we'll be talking about
16 through the study planning process.

17 But first we need to be as clear as we can
18 on what the issues are so we can encourage people to
19 give us feedback on those. The only other thing I
20 might mention is at this point the only information
21 we have on studies is the applicant's proposal from
22 the PAD, which is, I believe, on page 8. And in
23 their PAD -- and these are very preliminary, but the
24 items included at this point are under water
25 resources, water quality at Holway Reservoir,

1 evaluate dissolved oxygen concentrations in the
2 reservoir, the effects -- and the effects of project
3 operations on dissolved oxygen and on the tailwater
4 downstream of the powerhouse.

5 Under rare, threatened and endangered
6 species, to conduct a reconnaissance-level survey of
7 potential RTE -- rare, threatened and endangered
8 species' habitats within the project boundary.
9 Recreation use to update information on public
10 recreation of the project by conducting a
11 recreation facility inventory and use study of the
12 project, including inventory of all facilities and
13 evaluation of public use of the project for
14 recreation.

15 And on cultural resources, the historic
16 and archeological research study to conduct a
17 cultural survey of the project. So that basically
18 summarizes most of what's proposed in the Scoping
19 Document 1 -- or in the pre-application document.
20 And, again, for March 21st, we hope for comments on
21 the Scoping Document, the pre-application document
22 and the study requests that address the seven
23 criteria.

24 And, again, when it comes to the stage of
25 -- if we come to the stage of having to make a

1 determination where studies haven't been resolved --
2 sort of everybody hasn't come to an agreement
3 informally on these studies, the Office Director
4 will use those seven criteria to evaluate and
5 determine how the Commission comes down on the
6 different -- among the different views on how the
7 studies should be carried out.

8 Any other comments? Well, we've been here
9 -- probably been going almost an hour. We're an
10 hour and ten minutes past our starting time. Is
11 there any indication that any other organizations or
12 individuals might be coming?

13 MS. JAGGARS: I just got an e-mail from
14 Fish and Wildlife that said they intended on
15 participating but won't be able to come, but will
16 provide written comments.

17 MR. BOWLER: With no evidence that anybody
18 else is going to come in the next 15 minutes, I
19 think we're safe in closing the meeting then. Thank
20 you.

21

22

End of Proceedings

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