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BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION  
SCOPING HEARING

In the Matter of:                    )  
Don Pedro Hydroelectric            )     Project No.  
Project, Turlock Irrigation)     P-2299-075  
District, Modesto                    )  
Irrigation District.                )  
\_\_\_\_\_)

CALIFORNIA STATE UNIVERSITY - STANISLAUS  
STUDENT UNION - EVENTS CENTER  
801 W. MONTE VISTA  
TURLOCK, CALIFORNIA  
WEDNESDAY, MAY 11, 2011  
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JOHN O. COTA  
  
TRANSCRIBED BY:  
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CERTIFIED SHORTHAND REPORTER  
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## APPEARANCES

## FERC

Scott Edigar  
Jim Hastreiter  
Lesley Kordella  
Shana Murray  
Tim Welch  
Frank Winchell

## APPLICANT

Greg Dias, Modesto Irrigation District  
Robert Nees, Turlock Irrigation District

## ALSO PRESENT

Mr. David Avila  
Mr. Dave Baker  
Mr. Bill Bassitt, Stanislaus Economic Development and  
Workforce Alliance  
Mr. Keith Boggs, Stanislaus County  
Mr. Mike Brem, SupHerb Farms  
Ms. Evone Cardenas  
Ms. Kimberly Clauss  
Mr. Michael Cooke, City of Turlock  
Ms. Jan Ennenga, Manufacturers Council of the Central  
Valley  
Mr. Paul Fanelli, Woolf Farming & Processing

## APPEARANCES

## ALSO PRESENT

Mr. Armando Flores

Mr. Don Furman, City and County of San Francisco

Ms. Monica Gutierrez

Mr. Bob Hackamack

Mr. Dan Huber, Foster Farms

Mr. Zac Jackson, U.S. Fish and Wildlife Service

Ms. Teresa Kinney, Office of Congressman Dennis Cardoza

Mr. Patrick Keopele, Tuolumne River Trust

Ms. Lorena Lizzarraga

Ms. Heidi McNally-Dial, City of Turlock

Ms. Julie Means, California Department of Fish and Game

Mr. Lane Menezes

Mr. Marco Moreno, Latino Times

Mr. Dave Muller

Mr. William O'Brien, Stanislaus County Board of Supervisors

Mr. Nick Pinhey, City of Modesto

Mr. Jessie Raeder, Tuolumne River Trust

Mr. Richard Roos-Collins, Tuolumne River Trust

Mr. Chris Shuts, California Sportfishing Protection Alliance

Mr. Ray Souza, Western United Dairymen

Mr. Jon Sturdevant, Tuolumne Sierra Club

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APPEARANCES

ALSO PRESENT

Mr. Jim Theis

Mr. Leonard Van Elderen, Yosemite Farm Credit

Mr. Paul Van Konymenburg

Mr. Mike Wade, California Farm Water Coalition

Mr. Richard Wantuck, National Marine Fisheries Service

Mr. Bryan Whitemyer, City of Hughson

Mr. Wayne Zipster, Stanislaus County Farm Bureau

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1 PROCEEDINGS

2 MR. WELCH: Good morning, everyone. I'm Tim  
3 Welch with the Federal Energy Regulatory Commission. I'm  
4 the Chief of the West Branch in the Division of Hydropower  
5 Licensing.

6 I'd like to take this opportunity to welcome  
7 everyone to the Don Pedro scoping meeting for the  
8 relicensing of that particular project.

9 It's our tradition for public scoping meetings to  
10 begin all scoping meetings with the Pledge of Allegiance  
11 to the flag. So I'd ask you to please rise.

12 (Thereupon the Pledge of Allegiance was  
13 Recited in unison.)

14 MR. WELCH: Thank you.

15 So once again, a warm welcome to everyone joining  
16 us for our first public scoping meeting for the  
17 relicensing of the Don Pedro Project. And as I said, I'm  
18 Tim Welch. And today your master of ceremonies will be  
19 the Project Manager from FERC, Mr. Jim Hastreiter. So  
20 I'll now go ahead and turn it over to Mr. Hastreiter.

21 MR. HASTREITER: All right. Thank you, Tim.  
22 Appreciate that.

23 As Tim said, my name is Jim Hastreiter. And I'm  
24 the Project Manager for the Don Pedro Project relicensing.

25 We have some other FERC staff folks here today,

1 and I'm going to have them introduce themselves as well.  
2 Besides being a project manager, my resource area of  
3 expertise is fisheries biology.

4 MS. KORDELLA: Hi. My name is Lesley Kordella,  
5 and I'm terrestrial wildlife biologist with FERC.

6 MS. MURRAY: My name is Shana Murray. I'm the  
7 recreation and land resource person on the project with  
8 FERC.

9 MR. HASTREITER: And over to my left is Frank  
10 Winchell. He's our cultural resources expert, and all  
11 those folks work in Washington, D.C. And my office is in  
12 Portland, Oregon. So I have the best job in the world  
13 because my boss is 3,000 miles away. And let me tell you,  
14 that's a good thing.

15 Oh, that's right. And I forgot one other -- in  
16 fact, he's our most important person because he's  
17 advancing the slides today. Scott Edigar is with our  
18 Office of General Counsel. He's sitting right behind the  
19 projector. Sorry, scoot.

20 Before we move on, I'd like to introduce and  
21 welcome Teresa Kinney this morning. Teresa is the  
22 Economic Development and Grants Coordinator for  
23 Congressman Dennis Cardoza. And Teresa has some talking  
24 points she'd like to share with us today. So Teresa.

25 Ms. KINNEY: Thank you, everyone. And welcome

1 for being here. I'm going to go ahead and take this time  
2 to read Congressman Cardoza's statement to FERC.

3 "Dear Chairman and members, I urge the Federal  
4 Energy Regulatory Commission to relicense the  
5 hydro-electric facility at Don Pedro.

6 "Modesto and Turlock Irrigation Districts have  
7 willingly and fully participated in the efforts to find  
8 solutions to our region's water and energy needs and have  
9 been good stewards of the environment.

10 "There are some that assert that the FERC process  
11 should be used as a tool to redirect water in order to  
12 address multiple environmental concerns as far away as the  
13 bay delta or even the ocean.

14 "It is important as the Commission moves forward  
15 in its evaluation of this license that the Commission  
16 remain focused on the specific task before it: To  
17 evaluate the impacts of this hydro-electric project. It  
18 is true that there are challenges with the delta  
19 ecosystem. I, for one, have been extremely vocal about  
20 the need for the State and federal governments to consider  
21 all of the factors at play with regards to water quality  
22 and decline of the fisheries in the delta before taking  
23 any further action to restrict water exports out of the  
24 delta. Wastewater discharges, run-off predation by  
25 non-native species, and commercial fishing are just a few

1 examples of the issues that need to be addressed by the  
2 agencies that are working on the Bay Delta Conservation  
3 Plan. There are dozens of State, federal, and local  
4 agencies that are responsible for considering these  
5 various impacts and improving conditions in the delta.  
6 They are in the process of developing a comprehensive and  
7 integrated plan, and their efforts should be supported as  
8 the best way to achieve consensus and practical solutions  
9 that will actually help to improve our water system in  
10 California. These delta issues, however, are not, nor  
11 should they be, the subject to your evaluation.

12 "Furthermore, using the FERC process as a hammer  
13 to restrict water deliveries in the San Joaquin  
14 tributaries in much the same way as the biological  
15 opinions have been used to restrict water exports in the  
16 delta, it is a recipe for conflict and economic havoc to  
17 this region of the state. It is counterintuitive to  
18 reopen the fishing season while commanding much more water  
19 to save the salmon. We know from experience in California  
20 that this approach does not work. Limiting that resource  
21 in the name of curing our state's complex water challenges  
22 not only does not solve our state's problems, but would  
23 also be socially unconscionable, economically  
24 short-sighted, and environmentally unsound.

25 "It is also important that this Commission

1 recognize MID and TID's senior water rights and the  
2 economic investment made by the irrigation districts. The  
3 water and power users have long-standing pre-1914 water  
4 rights and have paid for the entire cost of their  
5 facilities. Both districts have independently elected  
6 directors who are responsible to the voters, not to  
7 absentee shareholders who only want to see a profit. They  
8 have done a good job managing the water resources of this  
9 area in a sustainable manner. The water delivery system  
10 integrates water and power uses, environmental releases,  
11 renewable energy, ground water recharge, and flood  
12 control.

13 "The San Joaquin Valley is one of California's  
14 most economically challenged areas. We are in an  
15 agricultural community that is among the fastest growing  
16 areas in the state. Our demographic profile shows we must  
17 make enormous strides in economic development if we are to  
18 find the jobs to pull people out of poverty. Don Pedro is  
19 one of the few resource tools we have to preserve our  
20 agricultural economy and provide affordable power and  
21 water for our residents and businesses.

22 "Thank you for the opportunity to provide my  
23 comments. I look forward to working with you as this  
24 process moves forward."

25 Additionally, I will go ahead and leave copies

1 for the Commission. Thank you.

2 MR. HASTREITER: Thank you very much, Teresa.  
3 Make sure you thank Congressman Cardoza for participating  
4 in our meeting.

5 MS. KINNY: I certainly will. And I certainly  
6 appreciate you yielding this time for me to speak his  
7 words.

8 MR. HASTREITER: Okay. Next. So I'm going to  
9 start by quickly summarizing our agenda for today. I'm  
10 going to briefly describe who FERC is and what we do, then  
11 move on to a brief description of our ILP process. Then a  
12 representative of the irrigation districts is going to  
13 give a presentation on the project facilities and  
14 operation. And after that, Commission staff will briefly  
15 describe the preliminary list of resources that we've  
16 identified in the scoping documents. And following that,  
17 we'll take formal comment. And if time allows, we'll have  
18 discussion as well.

19 We have some handouts. I want to make sure  
20 everybody got a copy of the scoping document. They're at  
21 both tables.

22 Also, there were two sign-up sheets, one for  
23 speakers and one to show that you were at the meeting. We  
24 have so far 37 speakers. So we're going to be limited a  
25 little bit on time here. And we are probably going to

1 have to limit comments to about five minutes when we get  
2 to that point.

3 But what I am going to try to do -- because  
4 that's really important, that part of it. And that's why  
5 we're here. So I'm going to pick up the pace a little bit  
6 and go through the ILP process pretty fast so we can have  
7 more time for comments.

8 So who is FERC and what do we do? FERC is an  
9 independent federal agency that regulates various aspects  
10 of most types of energy resources we have available in the  
11 United States. FERC is comprised of five Commissioners.  
12 They are appointed by the President and confirmed by the  
13 Senate. The President designates the Chairman of the  
14 Commission. Within the Commission, the Office of Energy  
15 Projects permits and oversees the construction and  
16 operation of energy infrastructure like non-federal  
17 hydropower, natural gas projects, and oil pipelines.

18 Our hydro power program consists of three  
19 components: The Division of Hydropower Licensing, which  
20 authorizes the construction and operation of  
21 hydroprojects. That's the office that all of us are in.  
22 The Division of Administration and Compliance is  
23 responsible for ensuring that projects are constructed and  
24 operated according to the requirements of their license.  
25 And the Division of Dam Safety and Inspections ensures

1 that dams are safe and public safety is maintained at all  
2 projects.

3 FERC's headquarters is in Washington, D.C., as  
4 most of you know. And we also have five regional offices.  
5 San Francisco is the regional office that covers  
6 California. I'm located in the Portland Regional office,  
7 but I do cover projects in California as well.

8 And we're located in the west branch within our  
9 division. Next.

10 So moving on to the integrated licensing process,  
11 the irrigation districts have selected the ILP as their  
12 process for relicensing Don Pedro. The ILP is designed to  
13 provide a predictable, efficient and timely licensing  
14 process that ensures adequate resources and protection.

15 The basic structure of the ILP licensing process  
16 has two time periods: Pre-application or pre-filing, or  
17 post-application or post-filing. The time line in the top  
18 row is pre-filing. It represents the steps taken for the  
19 preparation of a license application by the applicant. It  
20 has four basic steps.

21 The time line in the bottom row is post-filing,  
22 and it represents what the Commission does to process an  
23 application. Again, there's four basic steps. Pre-filing  
24 generally takes up to three years; and post filing,  
25 one-and-a-half years. So from the time of filing the NOI

1 PAD, the Notice of Intent and the Preliminary Application  
2 Document, to when the Commission issues its licensing  
3 decision should take no more than four-and-a-half years.

4 So the initial steps in the pre-filing. The  
5 first step is filing the Notice of Intent in the PAD by  
6 the applicant. The irrigation districts did that on  
7 February 11th. And this initiated the licensing process.  
8 The PAD developed by the districts is a collection of  
9 available information about the project. The PAD also  
10 includes a list of proposed draft study plans. And the  
11 PAD is available on the Commission record.

12 And the scoping document uses the information in  
13 the PAD that essentially represents what is in the PAD.

14 Next.

15 Scoping. Scoping process for Don Pedro Project  
16 began when the Commission issues the Notice of Intent and  
17 Scoping Document 1 on April 8th. In the scoping document,  
18 we provide a preliminary list of resource issues to be  
19 analyzed in our NEPA document and a process plan. A key  
20 part of the scoping process is this meeting. We receive  
21 oral comments, but you also have an opportunity to provide  
22 written comments on the scoping document, comments on the  
23 PAD, and to make study requests. All of those items are  
24 comments and requests are due June 10th. We will issue a  
25 Scoping Document 2 if comments received raise important

1 issues that we consider in the Scoping Document 1.

2 At this time, we're also requesting cooperating  
3 agency status. In other words, if there is an interest by  
4 any of the resource agencies to cooperate with us in  
5 preparation of our NEPA document, this is the time.

6 I'd also like to point out here that Commission  
7 policy doesn't allow a cooperating agency also to be an  
8 intervenor at the same time.

9 Our study request criteria. As the resource  
10 agencies and stakeholders develop their study request,  
11 they must consider and address the Commission's seven  
12 study criteria. Using these criteria helps make sure that  
13 study requests and ultimately the study plans are well  
14 defined. While all seven criteria are important and need  
15 to be addressed, the most critical one in my mind is the  
16 nexus to project operations and effects and how the study  
17 results would inform the development of license  
18 requirements.

19 Study plan development. The districts have  
20 already considered some preliminary study plans, and those  
21 are listed in the PAD, as I mentioned earlier. The next  
22 steps is for the districts to develop proposed study  
23 plans, which are informed by the study requests provided  
24 by the resource agencies and stakeholders.

25 The proposed study plan is due to be filed with

1 the Commission by July 25th. The proposed study plans are  
2 distributed for comment, and a study plan meeting or  
3 several meetings with the stakeholders and agencies are  
4 held to resolve any issues.

5 The districts then file a revised study plan,  
6 which is due November 22nd. Stakeholder comments are  
7 filed and the Commission issues its study plan  
8 determination by December 22nd.

9 There is an opportunity for dispute resolution if  
10 the mandatory condition agencies disagree with the study  
11 plan determination by the Commission. That would occur  
12 immediately after the Commission issues its study plan  
13 determination.

14 Conducting studies and preparing the application.  
15 After the Commission study plan determination, the  
16 districts will conduct the necessary studies. And it's  
17 likely there will be two years of study for Don Pedro.  
18 After each years of studies, a study report is filed and  
19 the stakeholders and parties other parties each review the  
20 information and determine if there is a need to make  
21 changes or modifications during any of the studies.

22 Preliminary licensing proposal. After the  
23 studies are completed, the districts will prepare a  
24 preliminary licensing proposal. Essentially, that's an  
25 Exhibit E in FERC language. Exhibit E discusses all the

1 existing environmental condition and environmental  
2 effects. For Don Pedro, the preliminary licensing  
3 proposal is due no later than December 1st, 2013. The  
4 districts also have an option of preparing a draft license  
5 application. And how that's different than the license  
6 proposal, it includes all the exhibits that are required  
7 in a FERC application, not just the Exhibit E and. It  
8 also would require a draft biological assessment and  
9 historic properties management plan. And then there is a  
10 90-day comment period.

11 Filing the application. This begins the  
12 post-filing process. The districts relicensing  
13 application for Don Pedro must be filed no later than  
14 April 30th, 2014. At this point as I said, the  
15 post-filing process begins and Commission staff reviews  
16 the application.

17 The REA notice, the Ready for Environmental  
18 Analysis. Once our staff finds the application is  
19 adequate and we have all the information we need to do our  
20 NEPA document, we issue an REA notice requesting  
21 interventions, recommendations, and preliminary  
22 conditions. The REA notice is scheduled to be issued in  
23 June 2014. Some of the agency conditions will be  
24 mandatory, and there is an opportunity for the districts  
25 and stakeholders to request a trial type hearing at that

1 point if they so choose.

2 Our NEPA document. Staff will prepare an EIS for  
3 the Don Pedro Project. The draft is scheduled to be  
4 released in February 2015 and a final one 2015. The EIS  
5 will include staff recommendations for license conditions.

6 And the final step in post filing is the  
7 Commission's licensing decision, the last step. The  
8 Commission would make a decision on the application, and  
9 this will happen sometime in September 2015.

10 So that's kind of the quick blow through on ILP.  
11 Sorry I darted through pretty fast. But again, I want to  
12 leave as much time for comments.

13 Anybody have any questions on the ILP process?  
14 Now is your chance. Or we can we'll be available after  
15 the meeting for a while as well if that works for you.  
16 Everybody has been studying the ILP process. I can tell.  
17 Tim has done a good job. In fact, Mr. Welch is the  
18 godfather of the ILP process.

19 MR. WELCH: Thank you, Jim. Okay. At this  
20 point, we're going to have the irrigation districts give  
21 their presentation, and I'll let them introduce  
22 themselves.

23 So Scott, you need to the switch. I think Bob is  
24 going to stand in back.

25 Mr. NEES: Well, good morning. I'm Robert Nees

1 with the Turlock Irrigation Districts. I'd like to  
2 acknowledge my associates from the Modesto Irrigation  
3 Districts, Greg Dias. Mr. Dias and I have the  
4 responsibility for our respective organizations for the  
5 relicensing of the Don Pedro Project, also referred to as  
6 FERC Project Number 2299. Federal Power Commission gave  
7 or issued -- granted I guess is the better word -- a  
8 license to the two districts for the construction and  
9 operation of the Don Pedro Project effective May 1st,  
10 1966. That 50-year license will run through April 30th of  
11 2016.

12 Just a word or two about the irrigation  
13 districts. We hold the distinction of being the first two  
14 irrigation districts formed in California back in 1887.  
15 That makes us the oldest continuing operating agencies of  
16 our type in the state. One of the first things that was  
17 done was to acquire a series of water rights on the  
18 Tuolumne River to be able to put the waters of the stream  
19 to beneficial use.

20 We acquired the site on the Tuolumne River of an  
21 earlier dam, the Wheaton Dam, built in the 1870, released  
22 it with the La Grange Dam in 1893. The purpose of this  
23 dam was to raise the water level in the stream high enough  
24 to gravity feed two irrigation systems: One going to the  
25 north to the Modesto area and one going south to the

1 Turlock area. Thirty years later, the two districts  
2 cooperated in building the original Don Pedro Dam about  
3 four miles upstream of the La Grange Dam. This facility  
4 added something new for the districts, and that was the  
5 generation of hydroelectricity.

6 This is the Don Pedro Project that exists today  
7 completed in 1971 after about a five-year construction  
8 period. This reservoir has the capacity of holding  
9 2,030,000 acre feet of water. And that would make it the  
10 largest non-state, non-federal reservoir in California.

11 It's first and foremost a water supply project.  
12 It provides water to 200,000 acres of some of the most  
13 prime agriculture lands in California. It also provides  
14 water for municipal and industrial use to the city of  
15 Modesto through the Modesto Irrigation District's  
16 treatment plant near Waterford. The reservoir also is the  
17 flood control facility for the 15,000 acre -- I guess  
18 that's 15,000 square mile watershed.

19 The generation output from the hydroelectric  
20 facilities of this project happen to meet the 211,000  
21 customers of the two districts that rely upon it for their  
22 electric supplies. It is also a source as you would  
23 imagine of clean renewable energy.

24 The dam itself is a rock and earth filled  
25 structure with impervious clay core. It is about 1900

1 feet in width at the top, and it rises 580 feet from the  
2 riverbed. The powerhouse is capable of producing up to  
3 203 megawatts of capacity using four Francis turban  
4 generator units.

5 Three of those units are original with the  
6 facility with the capacity of 45.5 megawatts each. They  
7 are placed on top of the powerhouse. A fourth unit was  
8 installed in 1989, little bit smaller, 31.5 megawatts.

9 Powerhouse is operated from a control room or  
10 remotely at TID's control center in Turlock.

11 The switch yard adjacent to the powerhouse  
12 transforms the generation voltage, the 69KV, for  
13 transmission to the two irrigation district systems.  
14 Those power lines then bring it into the two districts.  
15 And, of course, they're connected to the grid as well.

16 This is a picture of the spillway facility. On  
17 the right-hand side, you see three spillway gates. Those  
18 are 45-by-30 foot gates with the capability of passing up  
19 to 472,000 cubic feet per second if they were to be  
20 opened. Along the left-hand side, this is extending from  
21 the spillway, you see the OG crest. That's about a  
22 thousand feet of concrete weir there. If water rises  
23 above the 830 mark, water automatically spills over. The  
24 OG crest, the spillway gates have been operated only once  
25 in the flood control manner during the history of the

1 project, and that was in 1998.

2 The city and county of San Francisco is a partner  
3 with the districts. They contributed half the cost of the  
4 construction of the reservoir, not the powerhouse, but the  
5 reservoir. They did so to obtain certain storage credits  
6 of up to 570,000 acre feet in the reservoir. So in  
7 essence, they could pre-releases the districts entitlement  
8 and then at a later time withhold a like amount of water.

9 At the same time, by participating in this  
10 project, they were relieved of their upstream obligations  
11 for flood control. These two values provide the great  
12 operational benefits to the city as they operate their  
13 upstream water and power projects.

14 City and county of San Francisco has no ownership  
15 in the project, nor do they own any of the water that  
16 resides therein. The Army Corps of Engineers also  
17 contributed to the construction of the project to obtain  
18 340,000 acre feet of seasonal flood control space or  
19 reservation.

20 The lake itself is 13,000 acres of surface acres,  
21 160 miles of shoreline, about 24 miles long. It is a lake  
22 that is known for its recreational activities.

23 There are two full-service marine's at the lake  
24 where they rent houseboats, ski and fishing boats,  
25 personal watercraft, sell fuel. There's four snack bars

1       operated by those two concession areas, three stores and  
2       an engine repair service.

3               It is known as a house boating reservoir much  
4       like you would find at Shasta or Oroville. There's 257  
5       private house boats on the lake, as well as the rental for  
6       the two concession areas.

7               A variety of water sports and activities could be  
8       found on the lake as you would imagine: Skiing,  
9       wakeboarding, sailing, all manner of water activities.  
10       Fishing is a very popular sport at the lake. It is known  
11       as a bass fishing lake. Numerous tournaments held every  
12       year. There are plantings that take place in the lake.  
13       Besides bass, there's Kokanee salmon as well as trout.

14              The Don Pedro Recreation Agency has the overall  
15       responsibility for administering recreation on the lake.  
16       It is the Department of the Turlock Irrigation Districts  
17       that is under the direction of the Board of Control made  
18       up of a representative from the city and county of  
19       San Francisco, the Modesto Irrigation District and the  
20       Turlock Irrigation District. There are three recreation  
21       areas on the lake: Blue Oaks, Flemming Meadows, and  
22       Moccasin Point, each which has its own boat launching  
23       ramp.

24              Next slide.

25              Annually, there is an average of 400,000 visitor

1 days recorded each year at the facility. Thirty percent  
2 of those come from the Bay Area counties.

3 Camp grounds include 560 camp sites. They're  
4 supported by rest rooms, showers, food lockers, fire  
5 rings, and vehicle pads. There are 108 full-service  
6 hookup sites where RVs can utilize water, electricity and  
7 sewer connections. And also 34 partial hook-up sites just  
8 offer water and electricity.

9 There is boat-in lake-shore camping available on  
10 the lake. This is an activity that's grown in popularity  
11 in recent years.

12 Adjacent to the lake in the Flemming Meadows area  
13 is a swimming lagoon, sandy beach, sandy bottom with lawn  
14 surrounding it. This is chlorinated filtered water, a  
15 safe place for young swimmers.

16 Other features that can be found at the lake, of  
17 course, are group picnic areas like this one, fish  
18 cleaning stations, houseboat repair yard, and so forth.  
19 This is a picture of the fireworks display during the  
20 fourth of July weekend, which has become a common  
21 occurrence at the lake. On a holiday weekend and on many  
22 weekends during the summertime, we can have up to 10,000  
23 or more visitors on the lake at any given time. That's  
24 the size of course of a small city.

25 And then finally, the next picture, this is a

1 picture of the sun setting on the 50-year license for the  
2 Don Pedro Project. Thank you.

3 MR. HASTREITER: Well, I just learned something  
4 about Bob. He's a half-empty kind of guy. Because the  
5 way I saw that, that's a sun rise on the new license.

6 All right. Are we switching back? Okay. So  
7 we're here for scoping tonight. The purpose of scoping,  
8 it's an early part of the NEPA process where we ask  
9 members of the public, non-governmental organizations,  
10 State agencies, federal agencies and native American  
11 Indian tribes to assist us in identifying issues and  
12 concerns that should be included in our environmental  
13 document for the Don Pedro Project. The scoping document  
14 that you all have includes a list of preliminary issues.  
15 We're in the very early stages of this process. So it's  
16 likely this list will change as better information gets  
17 developed as we move forward through the process.

18 Another key purpose is to identify alternatives.  
19 The scoping document identifies the proposed project and  
20 the no-action alternative. Besides identifying issues and  
21 reasonable alternatives, we're also making a request for  
22 information that's not identified in the district's PAD  
23 that would be helpful in identifying issues or evaluating  
24 impacts.

25 Cumulative effects in the scoping document.

1 We've identified four resources that may have cumulative  
2 effects. We didn't include a geographic scope of these  
3 cumulative effects. And we look forward to your input to  
4 help us define the scope of those cumulative effects.

5 Our preliminary resource issues. The scoping  
6 document list these eight resources and describes the  
7 potential effects in quite a bit of detail.

8 So now what we're going to do is just give a  
9 brief summary of those resource issues by resource area.  
10 And after we've completed these brief summaries, we'll  
11 open the meeting for formal comment. We ask that you hold  
12 your questions and comments until after we've finished  
13 describing all our resource areas.

14 So I'll begin with geology and soils and aquatic  
15 resources. And I'll finish up with developmental  
16 resources. Normally, we have our engineers work on  
17 developmental resources, but Jim Fargo, our engineer on  
18 this project, couldn't make the trip.

19 So for geology and soils, there is some overlap  
20 with aquatic resources. So I'm not going to repeat what I  
21 say in geology soils in aquatic resources. We've  
22 essentially identified soil erosion, compaction, gravel  
23 movement, and geomorphic processes as issues in geology  
24 and soils.

25 Also, what I want to stress here, this is sort of

1 a standard list of effects that were included in the  
2 scoping document. And we use the information in the PAD  
3 as well. And so because we use standard effects, some of  
4 them may not be effects, but we're going to learn that  
5 through this process.

6 Aquatic resources. In aquatic resources, we're  
7 looking at stream flows and water quality in the reservoir  
8 and reach down stream.

9 And project effects only fish populations and  
10 habitat, recruitment and distribution of large woody  
11 debris, fish passage, entrainment, stranding and  
12 displacement.

13 Lesley Kordella is going to talk about her  
14 resource areas.

15 MS. KORDELLA: This is a list of preliminary  
16 terrestrial resources that we will be evaluating:  
17 Wildlife resources and special status wildlife species and  
18 habitat, botanical resource and special status plant  
19 species, the spread of noxious weeds or invasive species,  
20 and more specifically with vegetation, wetlands, riparian  
21 habitat, littoral vegetation, and shoreline vegetation.

22 And we move onto the next. This is our current  
23 list of rare threatened and endangered species that we'll  
24 be looking at under the Endangered Species Act. I'll list  
25 them all for you. The Valley Elderberry Longhorn Beetle,

1 the San Joaquin Kit Fox, this long list of plant species  
2 that you see up there, and move on to the next one for the  
3 continuing list. The California Red-Legged Frog, the  
4 California Tiger Salamander, the Vernal Pool Fairy Shrimp,  
5 and the Steelhead.

6 And with that, we'll move on to our next  
7 resource.

8 MR. HASTREITER: And Shana Murray will be  
9 presenting those.

10 MS. MURRAY: Under recreation and land use  
11 resources, we identify the effects of project operation on  
12 water levels for recreation, existing access, future  
13 recreational opportunities, the effects of operations on  
14 water-based recreation activities such as white water  
15 boating, angling, wading at the project, the adequacy of  
16 existing recreation facilities, and the effects of project  
17 operations and maintenance on the condition or use of  
18 roads within the project area.

19 MR. HASTREITER: And moving on, next slide, Frank  
20 Winchell.

21 MS. MURRAY: One more slide. I also have  
22 aesthetics. Again, under aesthetics, we just identified  
23 the condition of again existing project facilities and, of  
24 course, project operations and maintenance activities and  
25 recreation use on aesthetic resources, including the

1 reservoir and downstream reach within the project area.

2 Now it's --

3 MR. HASTREITER: The eyes in the back of my head  
4 didn't work too well. So moving on to Frank.

5 MR. WINCHELL: What we do with cultural resources  
6 is to find out what kinds of what we call historic  
7 properties which are essentially significant cultural  
8 resources that would be considered eligible for the  
9 National Register of Historic Properties. And essentially  
10 what we'd be looking for for the most part would be  
11 archeological sites located within the FERC project  
12 boundary in other parts of the project that could have an  
13 effect on such things as archeological sites, along with  
14 any other kind of sites that the Native American tribes in  
15 the area would consider significant.

16 And then once we get all that information, then  
17 we'll go ahead and produce this Historic Properties  
18 Management Plan that Jim had brought up before that would  
19 help us, the FERC, to meet our requirements under this  
20 National Historic Preservation Act and allow for the  
21 licenses to continue to protect those valuable cultural  
22 resources that would be located within the project area.

23 MR. HASTREITER: Thanks, Frank. And next slide,  
24 Developmental resources will be evaluating the  
25 economics of the project, comparing the economics of the

1 proposed project with other reasonable alternatives and  
2 with alternative energy sources. We'll also look at the  
3 effects of any recommended or proposed environmental  
4 measures on the economics of the project.

5 Next slide.

6 So we're at the point in the scoping meeting we  
7 are going to open the meeting for comments. For the  
8 purposes of the court reporter, when you do walk up to the  
9 mike behind Scott, please say your name and spell it for  
10 the court reporter, and affiliation.

11 MR. WELCH: I just wanted to say one thing. We  
12 sort of reviewed our integrated licensing process. And  
13 one of the reasons it's called the integrated licensing  
14 process is because it seeks to integrate not only the  
15 Commission's licensing authority under the Federal Power  
16 Act, but some of the authorities of other state and  
17 federal agencies that also have responsibilities. It can  
18 tend to be -- relicensing can tend to be a complex thing  
19 in that regard, because not only does the Commission have  
20 to file a Federal Power Act, a lot of other federal  
21 statutes are involved, such as the Endangered Species Act,  
22 the Clean Water Act, the National Historic Preservation  
23 Act. And it's our goal to work with some of the other  
24 agencies, such as the State Water Resources Control Board,  
25 which has to issue the 401 water quality certificate and

1 the National Marine Fisheries Service, which may have to  
2 issue a biological opinion under the Endangered Species  
3 Act.

4 It's our goal under the integrated process to  
5 work with these agencies in order to have them integrate  
6 their timelines into our processing so that all those  
7 other statutes that need to be complied with are completed  
8 by the time we're ready to issue a new license. So we're  
9 going to be striving to work with those other agencies to  
10 get them to integrate their time lines into other  
11 processes.

12 Our goal with the ILP is to issue a new license  
13 before the current license expires. So we're going  
14 hopefully going to great lengths in this particular  
15 proceeding to work with these other agencies to get them  
16 to put their time lines into our time lines so that we can  
17 all work as efficiently as possible as government  
18 agencies. So we just want to make everyone aware that  
19 there are a lot of different government entities involved  
20 in these relicensing besides FERC.

21 MR. HASTREITER: Are there any questions on that?

22 Thanks, Tim.

23 So we have just over 40 speakers, so we've done  
24 the math. We are going to have about five minutes for  
25 everyone to provide a comment. And the thing is if you're

1 not able to provide all your comment, I'm hoping you can  
2 summarize them. But then you need to provide your  
3 comments in writing. And after the comment period, I'll  
4 list an address where you need to file those comments with  
5 the Commission. Or there is an electronic way to do it as  
6 well. So I hope everyone will be patient with us and deal  
7 with this five-minute comment and work hard at summarizing  
8 what you have to say.

9 And in that regard, we do have a time bouncer,  
10 Frank Winchell. And Frank is real good at giving signals.

11 Do you want to say what you are going to do?

12 MR. WINCHELL: Yes. I will try to avoid  
13 gesticulating, but I will stand up in the last minute of  
14 your talk just to remind you that you're starting to  
15 close.

16 MR. HASTREITER: All right. Great. So what I'm  
17 going to do is we had sign-up sheets on both tables. So  
18 I'm just going to flip-flop back and forth. And there's  
19 no particular order I'm going to go in.

20 So just because I pick Leonard Van Elderen as the  
21 first person. Doesn't mean he's the most important here.

22 MR. VAN ELDEREN: Good morning. My name is  
23 Leonard Van Elderen. I'm President and CEO of Yosemite  
24 Farm Credit. We're an ag lending cooperative and our only  
25 business is making loan to farmers. We have approximately

1       \$1.3 billion loaned out to farmers in Stanislaus and  
2       Merced Counties. We have a huge stake in the outcome of  
3       this discussion.

4               The majority of our loans are secured by  
5       irrigated agriculture real estate. Stanislaus County, the  
6       vast majority of this farm ground is irrigated with  
7       surface water from MID and TID. These two districts have  
8       provided reliable and affordable irrigation water for  
9       farmers who are owners of our cooperative. The water  
10      provided by Don Pedro allow farmers in this area to raise  
11      the most diverse crops in any area in California and the  
12      nation. The diversity of commodities and farming  
13      operation serves to mitigate the risks to both our members  
14      and our lending cooperative.

15             While other areas of this state have high quality  
16      soils and suitable environment, not all have the most  
17      important ingredient, which is reliable water source. MID  
18      and TID provide a water supply that benefits this area in  
19      many ways, two of which are during profitable periods, the  
20      farm economy in our local area flourishes, along with the  
21      rest of the state. During unprofitable times, the area is  
22      served by affordable and reliable water that flow from Don  
23      Pedro tend to hold their values better. This stability  
24      allows our farmers and members to continue to support our  
25      local economy as money is spent on jobs, seed, fertilizer,

1 insurance, fuel, and other goods and services.

2 In addition to the direct support of our farmers  
3 operation of water and power produced by MID and TID also  
4 serve to support other citizens. We have six offices in  
5 Stanislaus and Merced County. We have 99 employees. Our  
6 employees live in this area, and a part of this great area  
7 is served by TID and MID.

8 The relicensing of Don Pedro and maintaining a  
9 reliable water supply for production agriculture is key  
10 not only to our members and their families, continued  
11 success in their ag operations, but to the continued  
12 success of our organization, Yosemite Farm Credit, its  
13 employees, and families also.

14 The impact of successful ag goes far beyond a  
15 small group. Cities, state, county crops grown in this  
16 immediate area are shipped around the world. However, the  
17 most important human impact of our irrigation water is on  
18 individuals. It's the people that work directly in and  
19 with agriculture.

20 A multitude of jobs are dependant on agriculture  
21 dollars. We respectfully request that you retain an ample  
22 supply of agriculture water from Don Pedro, a supply that  
23 provides everyone the opportunity to grow and prosper.

24 MR. HASTREITER: Does Leonard need to spell his  
25 name? Do you want everybody to spell their name or just

1 say it? So if you would spell your last name, that would  
2 be great.

3 Bryan Whitemyer.

4 Mr. WHITEMYER: My name is Bryan Whitemyer. I'm  
5 the City Manager for the City of Hughson. It's B-r-y-a-n,  
6 Whitemyer, W-h-i-t-e-m-y-e-r. Appreciate the opportunity  
7 to be before you today.

8 Essentially, what we would like is hopefully  
9 during this process that studies are considered and made  
10 knowing that the cities of Ceres, Hughson, Turlock, and  
11 Modesto are partnering together and working actively to  
12 develop a regional service water supply for each city in  
13 conjunction with TID. Currently, Hughson relies  
14 exclusively on groundwater for its municipal water. Over  
15 time, we anticipate that this will continue to have  
16 issues. So the need for surface water is definitely  
17 increasing for us.

18 Surface water is essential to meet public health  
19 and safety requirements for drinking water moving forward.  
20 It's anticipated that Hughson will need approximately  
21 4,481 acre feet of surface water per year for plan  
22 development of the city beyond 2035. Thank you.

23 MR. HASTREITER: Thank you, Bryan.

24 Next is Armando Flores.

25 MR. FLORES: Hello. My name is Armando Flores.

1 A-r-m-a-n-d-o, F-l-o-r-e-s. I'm an attorney located in  
2 Modesto. I also co-own Only Productions (phonetic) and XL  
3 Consultants. In my law practice, I serve primarily small  
4 business owners. And I'm here on behalf of myself and  
5 those small business owners.

6 Don Pedro Hydroelectric Project and the Don Pedro  
7 Reservoirs serve many essential purposes. They include  
8 reliable irrigation water, clean power generation,  
9 domestic drinking water, recreation, flood control,  
10 groundwater recharge, all with environmental concerns  
11 factored in.

12 The essential formulas that define the Don Pedro  
13 Hydroelectric Project that I wish to address are simple  
14 and yet profound in light of today's economic conditions.  
15 And there are two: Available water equals power. Power  
16 equals industry. Industry equals jobs. Available water  
17 equals agricultural irrigation. Irrigation equals food  
18 production. Food production equals jobs.

19 With all economic disadvantages in our region,  
20 the one favorable characteristics of this region is the  
21 certainty of a reliable water supply. If this supply is  
22 diminished, our agricultural-based economy will suffer.  
23 New industry will not be attracted to our region. Our  
24 remaining industries may decide to leave. This valuable  
25 resource that we have and must preserve is well managed by

1 MID and TID. These non-governmental agencies have been  
2 good stewards of our plentiful power and water supply.  
3 They have served the public trust. They have performed  
4 their duties with professionalism, stability, and  
5 reliability. They've earned the right to be relicensed.

6 Thank you.

7 MR. HASTREITER: Thank you, Armando.

8 Next is William O'Brien.

9 MR. O'BRIEN: Good morning. William O'Brien.  
10 O-b-r-i-e-n. I'm a County Supervisor for Stanislaus  
11 County, serve on the Board of Supervisors.

12 Here today -- and I understand and can appreciate  
13 how long the process is to get relicensed. And this is  
14 just the beginning part of it. But I want to make sure  
15 that everybody understands how much that Don Pedro effects  
16 each one of us here at Stanislaus County, whether we think  
17 of it or not.

18 Again, talk about five of the benefits, the many  
19 benefits that Don Pedro has. First and foremost is ag.  
20 The irrigated water that we get comes to our farms and  
21 provides number one economic industry we have here in the  
22 county. Whether times are good or bad, it's still number  
23 one. We have 500,000 people in this county and we are  
24 based on agriculture.

25 Second use is the domestic water that we get.

1 City of Modesto is currently treating and delivering 40  
2 million gallons of surface water a day. Without that  
3 water, we would solely have to rely on groundwater.

4 Third is the electrical production that's coming  
5 off. That's the hydro. Even though the state of  
6 California doesn't consider it renewable, it is renewable.  
7 It's green. It's clean. And it's very important in the  
8 portfolio maintained by MID and TID that provides  
9 affordable reliable energy to residential, business, and  
10 industrial customers.

11 Fourth is the recreational aspects the reservoir  
12 provides. More than 14 million people have visited Don  
13 Pedro Lake since 1971, with 160 miles of shore line,  
14 visitors can enjoy boating, fishing, water sports,  
15 swimming and camping.

16 And finally, Don Pedro provides important flood  
17 control for the people of businesses and farms located in  
18 Tuolumne River watershed.

19 We never think about all the benefits Don Pedro  
20 gives us down here in the valley. The valley is very much  
21 a depressed area. Washington, D.C. doesn't understand or  
22 recognize how bad we have it here in the valley. Even  
23 when times were good, we lag behind the rest of the  
24 county. Agriculture is extremely important to us. And we  
25 have to have irrigated water.

1           Just remember, we put the money up for that. We  
2 built it. We've operated it. And I think we've done a  
3 really good job with it. We should be relicensed with no  
4 problem. Thank you.

5           MR. HASTREITER: Thank you, William.

6           Paul Fanelli.

7           MR. FANELLI: Good morning. My name is Paul  
8 Fanelli, F-a-n-e-l-l-i. I'm with Woolf Farming and  
9 Processing. Thank you for the opportunity this morning to  
10 speak to you and be part of the process.

11           We're a central California-based family farming  
12 company that's expanded into first stage processing with  
13 two local facilities, one in Patterson and one in Ballico. Our  
14 facility in Patterson, Patterson Vegetable Company,  
15 annually produces more than 100 million pounds of frozen  
16 vegetables and vegetable blends from local growers and  
17 ships its products nationwide. It is supplied with  
18 electrical power by TID and employs some 550 local  
19 employees.

20           Our facility in Ballico is Harris Woolf Almonds  
21 and it will annually produce nearly 20 million pounds of  
22 blanched, whole, sliced and slivered almonds grown locally  
23 and shipped both nationally and internationally.

24           It is also supplied electric power by TID, and a  
25 majority of our local growers are members of TID or MID

1 for irrigation and water for their land. We employ some  
2 90 local people there.

3 We're here today to speak in support of the  
4 relicensing application of TID and MID for the Don Pedro  
5 Project. The economic impact of the current utilization  
6 of the resources from the Don Pedro Project is extremely  
7 significant to our firm, our employees, our growers, our  
8 suppliers, and our local communities. With local  
9 unemployment rates consistently above 15 percent and among  
10 the highest in the nation, the economic impact on the  
11 local economy of any significant changes in the current  
12 beneficial uses of the resources of the Don Pedro Project  
13 could be devastating. A decrease of available water for  
14 agriculture will have an impact on the growers and their  
15 ability to produce food to supply both the retail market  
16 and further processing.

17 Ultimately, this means higher food and production  
18 costs which will translate into lower jobs. A decrease in  
19 water from this project that is available for agriculture  
20 and for the benefit of the local communities will also  
21 mean less available for the hydroelectric power generation  
22 that will equal higher cost power for all of us.

23 And that a higher cost power for businesses and  
24 consumers translates into less opportunity to use  
25 available resources to create and maintain jobs and local

1 citizens. Should the Commission consider a modification  
2 of the current use of resources for this project, we would  
3 urge that the Commission conduct an in-depth study of the  
4 economic impact of any such modification by using sound  
5 science to properly evaluate the potential -- any  
6 potential modification.

7 Overall, under the current license, this project  
8 generates a reliable supply of irrigation water for the  
9 benefit of our local growers and affordable power to our  
10 local communities, businesses, and citizens, while  
11 maintaining a balance of sustaining the surrounding  
12 environment providing recreational uses for its citizens  
13 and mitigating the impact of the project wherever  
14 possible.

15 Because both TID and MID are publicly-owned  
16 utilities with local elected directors. They are governed  
17 in a transparent manner with an opportunity for the public  
18 to attend weekly Board meetings and bring concerns to them  
19 regarding the uses of the resources of the project, along  
20 with the needs of growers, consumers, and those concerned  
21 with our environment. From what we've observed at Board  
22 meetings for both MID and TID, they strive to be good  
23 stewards of the resources of this project. And we  
24 encourage the Commission to recognize that this balanced  
25 approach has served all stakeholders well for the past 45

1 years.

2           Given the successful construction, operation, and  
3 ongoing maintenance to this project, we encourage the  
4 Commission to approve its relicensing for the longest  
5 possible period to provide a stable source of water,  
6 power, recreation, domestic water and flood control for  
7 the communities --

8           MR. WINCHELL: Thank you very much. Appreciate  
9 it.

10           MR. FANELLI: -- while maintaining a good  
11 environment.

12           MR. HASTREITER: Thanks, Paul.

13           Keith Boggs.

14           MR. BOGGS: Keith Boggs, Deputy Executive  
15 Officer, Chief Executive Office, Stanislaus County. Last  
16 name, B-o-g-g-s.

17           Thank you, Commissioners, for the opportunity.

18           Over the past few months, I've heard several say  
19 this relicensure process is a once-in-50-year opportunity  
20 to get it right. Honestly, I believe that the existing  
21 Modesto Irrigation District and Turlock Irrigation  
22 District open cooperative has been the essence of right  
23 since initial federal licensure in 1966 by FERC  
24 predecessors and the federal power Commission.

25           As an economic development professional, I

1 believe this almost 40-year operational relationship has  
2 been a critical path to the economic and cultural  
3 well-being of all communities in Stanislaus County and the  
4 region. First and foremost, the water security that this  
5 relationship has afforded us is nothing short of  
6 significant, certainly nothing short of vital. Surface  
7 water and community sustainability as well as agriculture  
8 uses are extremely important. This water serves as the  
9 primary fuel for production agriculture, the cornerstone  
10 of our local economic existence.

11 Case in point, the value of crops grown in the  
12 Stanislaus county are farm gate in 2008 was the highest  
13 ever at \$2.473 billion. The economic multiplier for ag  
14 production is three, meaning that every direct dollar  
15 generated via direct agriculture, an additional three  
16 dollars of economic impact is generated for our local  
17 economy, pushing an overall ag economic impact to well  
18 over \$7 billion. Without water, the life blood, this  
19 relicensure, our economy withers and dies.

20 Finally -- I'm going to skip this stuff.

21 Finally, the recreational and tourism related  
22 industries are invaluable. Tourism, the business of fun  
23 is increasingly becoming a major sector of our regional  
24 economic development portfolio. White water rafting,  
25 canoeing, boating, and other water-based activities help

1 to define our region and beckon thousands of tourism and  
2 outdoor recreational enthusiasts annually.

3 In 2009 dollars, according to the California  
4 Travel and Tourism Association, Stanislaus County  
5 generated over \$388 million in tourism-related spending.  
6 This spending generated over 100 million in local earnings  
7 and accounted for over 4600 directed tourism  
8 sector-related jobs in Stanislaus County. Tax receipts  
9 from this activity included \$4.8 million in local sales  
10 tax and 19.6 million in State of California revenue. The  
11 interesting and perhaps more powerful byproduct of these  
12 Revenue numbers is the importance that place has become in  
13 business location, expansion, retention and relocation  
14 business making. All seem to be looking for that next  
15 boutique local. Place has been as important as being  
16 utility competitive or fee friendly. Enjoying this  
17 beautiful proximity to the Tuolumne and its entire natural  
18 environment helps inspire those recreational interests  
19 into our area.

20 I thank you for your time and attention and for  
21 allowing me to reiterate that we have got it right. Thank  
22 you very much.

23 MR. HASTREITER: Thank you, Keith.

24 For folks that are able to summarize their  
25 comments in five minutes, an easy way to get your full

1        comments on the record would be to give a copy to the  
2        court reporter of your comments, and they will be put on  
3        the official Commission record. So just if someone has  
4        quite a few comments to make, just keep that in mind,  
5        please.

6                MR. WELCH: If you have any specific data or  
7        anything like that, that Keith mentioned, if you want to  
8        give us some numbers to put in the record, we can accept  
9        those.

10               MR. HASTREITER: Okay. Next, Nick Pinhey. I  
11        apologize if I don't get the names right. I have a  
12        terrible name.

13               Mr. PINHEY: You got it. It's Nick Pinhey,  
14        P-i-n-h-e-y. Thank you for the opportunity to speak.

15               I'm the Director of Utility Planning and Projects  
16        for the city of Modesto. And on behalf of the city of  
17        Modesto, I'm here to support the relicensing of the Don  
18        Pedro Project.

19               As was mentioned earlier, the city of Modesto and  
20        the Modesto Irrigation Districts have been partnered for  
21        the delivery of surface water for the city since 1995.

22               Prior to 1995, I would like to point out the city  
23        relied exclusively on groundwater for its drinking water  
24        supply and that reliance on groundwater did create a  
25        serious overdraft condition for the city of Modesto.

1           As we speak today, approximately 43 percent of  
2           our drinking water supply is produced and delivered by  
3           Modesto Irrigation Districts from its diversion off the  
4           Tuolumne River. We are serving -- currently service  
5           population of 265,000 people and the conjunctive use of  
6           groundwater and surface water really allow us to balance  
7           our water needs in a reliable and I think environmentally  
8           responsible manner.

9           Over the last several years, we have been  
10          delivering approximately 79 to 80,000 acre feet of water  
11          per year to our customers. Our water demand is projected  
12          to grow to 120 to 121,000 acre feet per year by the year  
13          2030. That water demand is based upon the build out of  
14          our city's service area.

15          MID is increasing its delivery to the city of  
16          Modesto by an expansion of its regional water treatment  
17          facility. It will provide us an additional 33,600 acre  
18          feet a year of water. This water is needed to meet that  
19          projected demand that I mentioned earlier. Having a safe,  
20          clean, reliable municipal water supply is essential, not  
21          only for protecting public health and safety, but also for  
22          economic development and preserving quality of life for  
23          communities. So we urge you to consider our municipal  
24          industrial needs when looking at the relicensing process.

25          Additionally, the city of Modesto is partnered

1 with the city of Ceres, Hughson, and Turlock and actively  
2 working with the Turlock Irrigation District to develop a  
3 regional surface water supply for each city. Currently,  
4 Turlock, South Modesto, Hughson and Ceres rely exclusively  
5 on groundwater for their municipal supplies since it is  
6 not sustainable. We are actively pursuing this project.  
7 This project would require the diversion of or the use of  
8 61,600 acre feet per year for municipal industrial  
9 deliveries. The current projected build out need for the  
10 city of Modesto of that supply would be 17,922 acre feet  
11 per year.

12 So we once again urge you to consider that when  
13 looking at your base line studies for water supply. These  
14 are additional M&I needs that are actively being developed  
15 and considered as we move forward. Thank you very much.  
16 Appreciate the opportunity to speak.

17 MR. HASTREITER: Thank you, Nick.

18 Next is Evone Cardenas.

19 MS. CARDENAS: Good morning, Commission staff.  
20 My name is Evone. That's E-v-o-n-e. Last name is  
21 Cardenas, C-a-r-d-e-n-a-s. I'm a proud resident of  
22 Turlock and business owner of Modesto. I represent  
23 myself, family, and friends.

24 I would first like to note that Don Pedro is the  
25 largest fresh water multi-use reservoirs in California.

1 And because of the use, Don Pedro Reservoir, our  
2 agriculture, it's the county's number one industry,  
3 generating close to 25 billion a year in agriculture  
4 income. Stanislaus County still remains the top ten  
5 agriculture counties in the state.

6 This is possible because fertile  
7 climate-producing soil, the availability of unblemished  
8 fresh water. Water is the life blood of the agriculture  
9 in Stanislaus County.

10 The main issues to be noted are the new mandated  
11 right result in less surface and groundwater to deliver to  
12 MID, TID paying customers for drinking water supply and  
13 agriculture users. Clean hydropower might be replaced  
14 with expensive power resources with tough economic times.  
15 This would be detrimental outcome to our county. Why  
16 change what works for the Central Valley? After all,  
17 water is our life blood. It is obvious that our locals  
18 take pleasant pride in our slogan: Water, wealth,  
19 contentment and health.

20 Please allow the relicense of MID and TID, Don  
21 Pedro Hydroelectric Project to continue to serve us.  
22 Thank you.

23 MR. HASTREITER: Thank you, Evone.

24 Bill Bassitt.

25 MR. BASSITT: Good morning. My name is Bill

1 Bassitt, B-a-s-s-i-t-t. Apologize early on for all of the  
2 redundancy and repetition of the facts and the emotion  
3 here, but I hope it signifies the intent and the  
4 seriousness in which we view this relicensure project.

5 In my position as CEO of the Stanislaus Economic  
6 Development Work Force Alliance, I have the opportunity to  
7 observe happenings in the county in a very unique way.  
8 Our charge at the Alliance is to work with the business  
9 community to bring job-generating businesses into the  
10 county, work with existing businesses to keep them here,  
11 and help them expand and to grow our own new business  
12 through entrepreneurship.

13 We are also charged with identifying job  
14 opportunities for people seeking work in the county. We  
15 oversee training programs and assist job seekers in  
16 preparing for interviews, resume development, and work  
17 readiness skills. We try to put people to work.

18 But we currently have over 43,000 people seeking  
19 work, with several thousand more that are so disillusioned  
20 and frustrated today have given up. While in large part  
21 this extremely high unemployment is a result of the  
22 recession that has been felt around the world and of  
23 greater intensity here, our circumstance could be much  
24 more if not for the strength of our agricultural  
25 production and processing. In a land that would likely be

1 desert without the blessing of modern irrigation systems,  
2 this bread basket of the world flourishes and provides  
3 poor elements in a poor economy for one half-million  
4 residents of Stanislaus County and provides a significant  
5 food supply for the world as a result. As we study the  
6 reality of growing water shortages around the globe, we  
7 realize that water is the limiting factor in feeding the  
8 world. And we feed the world.

9 Here at home, we have had the good fortune of  
10 having had leaders with the foresight to harness the  
11 program potential of our location related to water for  
12 irrigation and power generation. In the early 1900s, the  
13 construction of the first Don Pedro system pre-ordained  
14 the success of our region. That success led to the  
15 construction of the second and current system that has  
16 been the mainstay of our economy for nearly 50 years.  
17 Nearly 50 years of prosperity in this region attributable  
18 to the careful management of water resources, leading to  
19 an abundance of crop water, safe drinking water for  
20 thousands, and moderately-priced electricity to propel our  
21 industrial businesses, all of which provide jobs and  
22 quality of life for our residents.

23 I have to confess, I don't know why it takes five  
24 years to relicense a hydroelectric facility, specifically  
25 one that has been in constant operation for nearly 50

1 years. While I acknowledge the need to perhaps take a  
2 look at how circumstances might have changed, five years  
3 seems inordinately long. It perhaps fits into the same  
4 mind-set that allows the state to declare that energy  
5 produced by large hydroelectric facilities is not  
6 considered renewable. A friend of mine tells me he  
7 shovels ten feet of this non-renewable stuff off his roof  
8 in Alpine County every year.

9           Perhaps the length of time is required for those  
10 that wish to impede the economic development process of  
11 generating living-wage jobs in this county to present  
12 their opposition to a quality of living that we have  
13 become somewhat accustomed to. You see, if more and more  
14 restrictions are placed on these two companies to comply  
15 with ever-increasing objections impacting their ability to  
16 provide safe drinking water, irrigation water and  
17 competitively priced electricity, we will be hard-pressed  
18 to keep the industrial and agricultural base that we have.  
19 And we will have little in the way of positive amenities  
20 to attract companies that want to operate in our county  
21 and provide jobs desperately needed for our citizens.

22           Many years ago, when I first became involved in  
23 economic development, my mentor told me that successful  
24 industrialized nations and regions have developed the  
25 wisdom and practical approach to have an industrialized

1 society and nature peacefully conceivably existing lying  
2 in balance with one another neither acquiescing to the  
3 other. It requires give-and-take. The 50-year experience  
4 of the Don Pedro system that has contributed so much to  
5 our lives and our well-being, while being in balance with  
6 nature, reflects the wisdom and foresight of those that  
7 preceded us and adopted the use of natural resources in a  
8 land that continues to have more potential than most.

9 Speaking on behalf of our Board, staff, and  
10 myself personally, I urge the Federal Energy Regulatory  
11 Commission to consider the enormous economic ramifications  
12 of tampering with a known process that has operated  
13 relatively flawlessly for five decades. Some, I suppose,  
14 would like FERC to require MID and TID to send more water  
15 down the river for a variety of confusing and convoluted  
16 reasons. I would suggest if that is done, we can all sit  
17 and watch thousands of jobs float down the river along  
18 with all of that non-renewable water that is the life  
19 blood of our lives here in the valley. Thank you.

20 MR. HASTREITER: Thank you, Bill.

21 Apparently, Mother Nature is calling. But we're  
22 not going to stop the meeting. If you need a bathroom  
23 break, you can follow Tim Welch. We're going to continue  
24 with the meeting. What are bosses for, right?

25 Next is Lorena Lizarraga. I'm sorry.

1 MS. LIZARRAGA: Hello. It's Lorena Lizarraga.

2 Can you hear me? It's L-i-z-a-r-r-a-g-a. Hello.

3 I'm a student and also a resident. And MID and  
4 TID have been the water providers for this Central Valley  
5 and for farmers and local communities for over 50 years.  
6 Without the leasing, there is no guarantee that our farms  
7 and communities will continue to receive the same service.  
8 We must not jeopardize the livelihood of the Central  
9 Valley. If the lease are given to the private company and  
10 investors, there is no guarantee that our supply and  
11 resources will be the same. And the county will not be  
12 able to intervene.

13 We don't have Don Pedro, we would use the  
14 groundwater, which is more detrimental to our health. So  
15 please give us a chance. As a younger generation, we feel  
16 that we will have the most impact on this. So it effects  
17 all of us. Thank you.

18 MR. HASTREITER: Thank you, Lorena.

19 Patrick Koepele.

20 Mr. KOEPELE: My name is Patrick Koepele.

21 Spelled K-o-e-p-e-l-e. And I represent the Tuolumne River  
22 Trust. The Tuolumne River Trust is a nonprofit  
23 organization representing over 2,000 members in the  
24 Central Valley, Sierra Nevada, and Bay Area communities.

25 The Tuolumne River Trust is the voice of the

1 river. And our mission is to revive the river so it's  
2 safe for drinking, fishing, and swimming, a community  
3 benefit for our children and grandchildren so they may  
4 enjoy its rich recreational opportunities in a river  
5 that's teeming with fish and wildlife. We believe that we  
6 can accomplish that mission while maintaining a healthy  
7 ag-based economy in the Central Valley and a healthy  
8 commercial fishery in the bay and coastal areas.

9 We're interested in finding win-win solutions to  
10 get us there. An example of one such solution is the pump  
11 station at Geer Road, which would leave additional water  
12 in the river for 26 miles from La Grange to Fox Grove,  
13 while continuing to meet an agriculture water needs, the  
14 TID and the water supply needs for thousands of residents  
15 in Turlock, Ceres and Hughson. We're hopeful that the  
16 parties can identify other similar win-win solutions as  
17 this process moves forward.

18 To make this successful, we do need to tackle  
19 several key steps. First, we believe it's imperative that  
20 both the impacts and benefits of Don Pedro Dam are  
21 analyzed not only in Stanislaus County, but also down  
22 through the San Joaquin River to the delta and bay. In an  
23 earlier fact-finding proceeding in 2009, the applicants  
24 and its partner San Francisco argued that the impacts of  
25 any changes in operations to Don Pedro Dam need to be

1 analyzed in the Bay Area.

2 Beyond water supply, commercial and sport fishing  
3 are directly impacted by the health of the river and have  
4 been designated in recent years by pure salmon runs. The  
5 presiding judge in that process agreed that the impacts of  
6 Don Pedro are, indeed, felt in the bay. And we believe,  
7 therefore, that impacts to commercial and sport fishing  
8 industries in the coastal areas should be analyzed as part  
9 of this process.

10 Second, we believe the economic benefits of a  
11 revived Tuolumne River should be closely examined. The  
12 river is a valuable resource for recreation, swimming,  
13 fishing, and boating. Yet, its water quality is impaired.  
14 Fish are known to contain high levels of mercury and the  
15 water has elevated levels of pollutants. But the river  
16 can be improved and truly revived for the benefit of the  
17 community. We expect that the economic benefits of a  
18 revived Tuolumne should be analyzed.

19 With respect to recreation, it is well known that  
20 the project does provide opportunities in the reservoir.  
21 And one important recreational resource that has impacted  
22 is the white water run on the wild and scenic Tuolumne  
23 River upstream of Don Pedro Reservoir. We didn't visit  
24 this site yesterday during the tour, but the take-out is  
25 within the project boundary. And it serves a world-class

1 stretch of white water that tourists travel from around  
2 the world to use. And, yet, it's in terrible shape and  
3 needs to be improved.

4 So we'd like to make sure that's taken a good  
5 close look at. Beyond Don Pedro, stretching from La  
6 Grange to the San Joaquin River is the lower Tuolumne  
7 River Parkway with a mosaic of 26 park and restoration  
8 projects. The parkway is being used more and more and is  
9 vitally important for providing a livable community with  
10 the recreational opportunities for residents and families  
11 to enjoy nature within minutes of their home.

12 The impacts to this important resource need to be  
13 carefully evaluated as well. Thank you.

14 MR. HASTREITER: Thank you, Patrick.

15 Dan Huber.

16 MR. HUBER: Good morning. I'm Dan Huber,  
17 H-u-b-e-r. I'm a Senior Vice President with Foster Farms,  
18 which is a Berkeley integrated poultry and dairy company  
19 in the valley here. And we operate over 100 ranches and  
20 some different production and processing facilities  
21 within the valley and employ over 10,000 people in this  
22 value. Foster families invested in this region for over  
23 70 years, and we're very interested in the outcome of this  
24 relicensing of Don Pedro, hoping it will be unburdened and  
25 not causing any more cost to our businesses out here in

1 the valley.

2           Talked a little bit about Stanislaus County and  
3 the dyer straights it's in relative to unemployment. It's  
4 one of the highest unemployment counties in the state.  
5 And how agriculture goes is how the jobs go in the valley.  
6 And we're interested in keeping it as vibrant as we can  
7 and help that recovery as we go forward.

8           A lot of the agricultural businesses in this area  
9 have been burdened by many different challenges from  
10 regulatory environment. The ethanol mandate here has  
11 driven our costs up on feed by over 200 percent,  
12 increasing our input cost by over 40 percent. The advent  
13 of AB 32 in California here has also increased the burden  
14 in terms of we've invested millions of dollars retooling  
15 our equipment in order to be compliant. And also TID and  
16 MID with the renewable energy mandates have also increased  
17 the cost of utilities throughout the region.

18           These mandates are making us less competitive  
19 with other states and making it more and more difficult to  
20 operate within the state of California. We need to remain  
21 competitive.

22           Don Pedro Hydroelectric Project obviously helps  
23 to grow and achieve our businesses. It provides clean,  
24 safe, and efficient power to the valley. It helps us to  
25 grow our crops and power our homes and businesses. So

1 we're asking that we get an unburdened relicensing of the  
2 project. And appreciate the time and effort. Thanks.

3 MR. HASTREITER: Thank you, Dan.

4 Dave Baker.

5 MR. BAKER: Pass due to redundancy of comments.

6 MR. HASTREITER: Thank you. Paul Van  
7 Konymemburg.

8 MR. VAN KONYMEMBURG: Paul Van Konymemburg,  
9 V-a-n, K-o-n-y-m-e-m-b-u-r-g. Our family farming  
10 organization farms peaches, apples, cherries, and apricots  
11 on 1300 acres within the MID and TID district.

12 One of our ranches is on the Tuolumne River. And  
13 in 1999, we undertook 136 acre riparian forest, swale, and  
14 meadow restoration on the flood plane of the Tuolumne  
15 River. Working in cooperation with the East (inaudible)  
16 Resource Conservation District, the TID, the City of  
17 San Francisco, the Tuolumne River Trust, and Friends of  
18 the Tuolumne, part of this restoration was an effort to  
19 improve the habitat for fish and fowl.

20 And as a part of the scoping, this is one project  
21 of many that have been done over the past 15 years. Part  
22 of the question that I'd like to have in the scoping is  
23 have these theoretical projects that we have been put in  
24 practice over the past 15 years worked. Part of the  
25 argument through the scoping process will be to release

1 additional water for fish and water fowl over for the next  
2 50 years. That's a theory that that will help the fish  
3 and that other predatory fish that have been hampering the  
4 fish population aren't the real issue. It's the lack of  
5 water.

6 We've been a partner in doing a restoration. And  
7 quite honestly, in the twelve years that we've had this  
8 project up and running, I'm still not sure that the  
9 millions of dollars we spent on this restoration has  
10 increased the fish population. And so as we'll talk about  
11 a lot of theories as we move through the scoping process,  
12 but we have to make sure these theories have worked in the  
13 past and is that a predictor of whether they will work in  
14 the future.

15 One of the things -- and I appreciate all of you  
16 being here today. But one critical aspect missing is an  
17 economist. We have people who are wildlife biologists.  
18 We have people who are geologists. We have people. We do  
19 not have the economists on that can study the economic  
20 impact of the Commission's decision on the relicensing of  
21 Don Pedro. It effects farms. It effects factories and it  
22 effects families here in Stanislaus County.

23 I urge you to put the needs of those farms,  
24 factories, and families as just as important or more  
25 important than all the other theoretical decisions that

1 we're going to consider during the scoping process. Thank  
2 you very much.

3 MR. HASTREITER: Thank you, Paul.

4 Don Furman.

5 MR. FURMAN: Good morning. My name is Don  
6 Furman, F-u-r-m-a-n. I'm with the city and county of  
7 San Francisco. We plan on submitting more detailed  
8 comments later.

9 But I did want to point out some aspects of the  
10 project that we're concerned about. Through the Public  
11 Utilities Commission, San Francisco served roughly  
12 two-and-a-half million water users in San Francisco, Bay  
13 Area, San Mateo County, Santa Clara County, Alameda County  
14 and a very thriving Bay Area economy. Our water demands,  
15 our water uses, our efficiencies, and our operations were  
16 very well detailed in 2008. And our (inaudible) PER which  
17 is available online will be submitted to the FERC as part  
18 of this record.

19 Eighty-five percent of our supplies originate on  
20 the Tuolumne River. As the federal government in giving  
21 us rights to build Raker Act rights to build the Hetch  
22 Hetchy Project requires San Francisco to bypass certain  
23 flows to the districts. Those requirements basically are  
24 the cream of the river, if you will, and San Francisco's  
25 share of the river under the Raker Act is wrong.

1           We're very heavily dependant on storage. We paid  
2 most of the cost for the Don Pedro Project. In exchange  
3 for us doing that, we have the right to store, pre-store  
4 570,000 acre feet of water in that project. That water is  
5 a pre-payment to the districts of rights they have. It's  
6 a valuable consideration on our part, but it's also a  
7 valuable part of their water supply.

8           Bottom line from that is San Francisco is very  
9 heavily dependant on storage. We have very little runoff  
10 from our water supply. We have roughly 15 percent of the  
11 water we serve in the Bay Area comes from our local water  
12 supply.

13           I'm going to avoid the lawyer trip of  
14 interpreting the fourth agreement from you. You're going  
15 to hear the fourth agreement over and over again. It is  
16 available online if people would like to read it. The  
17 FERC EIS was prepared for fiscal requirements in 1996. We  
18 also have to provide requirements. The fourth agreement  
19 spells out the respective rights and the obligations of  
20 San Francisco and the districts as to operation of Don  
21 Pedro. It says that in the event the districts can show  
22 their water rights are being impacted by having to meet  
23 fiscal requirements, San Francisco could be responsible  
24 for up to 51 percent of those flows through adjustments to  
25 our water bank account.

1           As I indicated, we're heavily dependant on  
2 storage and heavily dependent on the water bank.  
3 Consequently as you go through scoping on this project,  
4 the impacts on San Francisco's water supply are a very  
5 important consideration when you do this project.

6           I want to say that San Francisco is not simply  
7 concerned about water supply. We also are concerned about  
8 fish in the lower river. We take our stewardship  
9 responsibilities serious on the river. We have an adopted  
10 stewardship policy. We have recently reoperated our local  
11 projects to provide more natural flows on these projects  
12 to benefit steelhead and a whole range of native species.

13           We're concerned about the condition of riparian  
14 habitats and the healthy ecosystem on the lower river. As  
15 folks who know who have been through the 1996 process and  
16 the 2008 ALJ process, we bring excellent science to the  
17 process. And we continue to bring the best biological  
18 science to this project as we move forward. We have  
19 credible biologists, and we expect them to be listened to.  
20 We hope people consider what they have to say. And we  
21 look forward to working with you as we move through to the  
22 relicensing process. Thank you.

23           MR. HASTREITER: Thank you, Don.

24           Marco Moreno.

25           MR. MORENO: It's always hard to speak in another

1 language, which is not yours. In public, it's worse.

2 Anyway, I want to skip my points number one  
3 because it's a lot of redundance. I want to go with the  
4 president of Yosemite Farm with Supervisor and Bill  
5 Bassitt.

6 My name is Marco Moreno, M-o-r-e-n-o. My point  
7 number two is I'm with the Hispanic Media Latino Times.  
8 And we're doing -- trying to do a good job letting all of  
9 these people especially the farmers and the workers on the  
10 farms. They only speak Spanish and they ask, "Que pasa  
11 con la licencia?" What about the relicensing project?

12 I mean, the whole thing for these guys who do not  
13 come to these kind of meetings are we going to have water  
14 to keep our job? And these people only taking 10,000,  
15 \$11,000 a year. So even those people, even Hispanics or  
16 Mexican decent are very worried about this project because  
17 they hear a lot of things going back and forth.

18 So anyway, on behalf of these people, I urge you  
19 to do relicensing project. And as a resident of this  
20 county, since 1997, and as a journalist, I have witnessed  
21 the shortest water in the small communities. So as a  
22 concerned citizen, I ask you to do a relicense. The  
23 sooner you can, the better for all these people.

24 Thank you very much.

25 MR. HASTREITER: Thank you, Marco.

1 Lane Menezes.

2 MR. MENEZES: My name is Lane Menezes. Last name  
3 is spelled M-e-n-e-z-e-s. And I just wanted to speak just  
4 on behalf of the individual farmers, being a farmer  
5 myself. And my father who just passed away on April 13th  
6 of this year loved the farming community and the dairy  
7 industry, as he was one.

8 This impacts tremendously the lives of the people  
9 in the area. And the farmers are the true  
10 environmentalists. We love the fishes. We love fishing  
11 in the rivers. The kids play in the rivers where it's  
12 safe. But there has to be a balance.

13 And there was said earlier that there has to be a  
14 sound science balance and the economy. And that needs to  
15 be all taken into effect or into discernment.

16 So I just stand before you today asking that all  
17 these factors come together. The best of the minds to  
18 show that this is a very emotional thing and that impacts  
19 a lot of people, a lot of farmers in the area. And we're  
20 all in favor of the relicensing done the right way with  
21 the right effects on the economy and the people and the  
22 animals involved.

23 So I thank you for the time of being able to  
24 stand up in front and I appreciate the opportunity.

25 MR. HASTREITER: Thank you, lane.

1 Wayne Zipser.

2 MR. ZIPSER: Good morning. My name is Wayne  
3 Zipser, Z-i-p-s-e-r. I'm the Executive Manager of  
4 Stanislaus County Farm Bureau and very proud to be a third  
5 generation farmer here in Stanislaus County. Farmed most  
6 of my life in the Turlock Irrigation District and  
7 appreciate all the work that the irrigation district's  
8 done over the years, especially in MID and TID in our  
9 local area.

10 I'm not going to be redundant, like Mr. Baker  
11 said. I don't want to repeat.

12 I'm totally thrilled, however, to hear everyone  
13 get up and speak and talk about agriculture. And it is a  
14 passion for me and the 3700 farm members of the Farm  
15 Bureau. Of those, 1800 are farm families in Stanislaus  
16 County. You heard about the economic impact. You heard  
17 about the \$2.5 billion on farm gate revenue. You heard  
18 about the \$10 billion worth of economic impact to the  
19 Stanislaus County. So you've already heard all about  
20 that.

21 One of the things that's kind of fascinating with  
22 me is we have the opportunity to host Farm Bureau members  
23 from Kansas, from Illinois, from Iowa. And they come out  
24 here, and they're fascinated by our ability to be able to  
25 produce over 200 different types of crops just in this

1 county. And they're fascinated about the gravity system  
2 that works from TID and MID and the value of what that  
3 brings to us. They're fascinated because they can't do  
4 the same thing.

5 We are a huge producer. And California is a \$35  
6 billion agriculture economy for the state.

7 One last thing -- and again, I don't want to get  
8 back into repeating what everyone else has said. Dr.  
9 Vance Kennedy, he's a retired hydrologist from the US  
10 Geological Survey. He's talked about our Hanford Sandy  
11 Loans and about the ability of the flood irrigation to  
12 replenish our overdrafted aquifers and replenishing and  
13 recharge our groundwater. It's important that we remember  
14 that this is as vitally important that we allow the water  
15 to percolate, the groundwater recharge.

16 And so on that, I don't want to get into anything  
17 else that again would be redundant again about what  
18 everybody said, but just know that the agricultural  
19 community is well represented here. Thank you.

20 MR. HASTREITER: Thank you, Wayne.

21 Bob Hackamack.

22 Mr. HACKAMACK: Bob Hackamack. I live in Twain  
23 Hart. Spelled H-a-c-k-a-m-a-c-k. I'm going to quickly go  
24 over two topics. One of them deals with recreation, and  
25 specifically it goes to Section 4.2.5 of your scoping

1 document and deals with the adequacy and access to water.  
2 And the white water recreation is, as Patrick said, world  
3 class on the Tuolumne River as it enters Don Pedro  
4 Reservoir.

5 When your license was issued, there were zero  
6 white water boaters on that river. Now, 50 years later,  
7 there are perhaps 3,000 raft passengers a year, perhaps  
8 500 kayakers and white water boaters coming towards Ferry  
9 at the upper end of your reservoir. And when they take  
10 out their equipment, their rafts, boats, there's no  
11 project facilities for them for the take-out. The  
12 take-out path is ancient road. The access to the parking  
13 area at the bridge is obstructed by a concrete abutment.  
14 It probably has no value at all.

15 So I'm asking you to add into your scoping work  
16 providing a take-out access at the Wards Ferry Bridge  
17 parking, so that the recreational users which are probably  
18 going to increase many fold over what there are now during  
19 the next 50 years can be served.

20 While I'm here, I want to complement the  
21 irrigation districts for two parts of the white water  
22 boating system. And that is Article 52 of the Amendment  
23 of 1987, which talked about removing woody debris. You've  
24 done an admirable job of that. And also Section 53 which  
25 required a toilet to be placed there for the use of the

1 boaters. And the districts done a good job of that. And  
2 those two things are handled by the Don Pedro Recreation  
3 Agency, which is composed of the two irrigation districts  
4 and San Francisco.

5 And that segues into my second item I want to  
6 present to you, and that is that San Francisco, as Don  
7 Furman mentioned, is an important part of the Don Pedro  
8 Project itself. It provided half of the money. They are  
9 responsible for release of half of the water that goes  
10 down for the fish releases. They're involved in the Don  
11 Pedro Recreation Agency. Under the Raker Act, they're  
12 provided daily in the water balance of the river as to  
13 which of the entities have right to how much of the water  
14 flowing that day. And the Public Utilities Commission in  
15 San Francisco is going to soon probably debate on paying  
16 for half of any fish release studies that the Commission  
17 will require to be done for this license that's coming up.

18 So I'm suggesting that you in your scoping look  
19 into making San Francisco a full partner so their views  
20 can be heard, recognized, and taken into account.

21 MR. HASTREITER: Thank you, Bob.

22 Ron Peterson.

23 Richard Roos-Collins.

24 MR. ROOS-COLLINS: Good morning. My name is  
25 Richard Roos-Collins, R-o-o-s-Collins. I'm here as

1 counsel to the Tuolumne River Trust, California Trout and  
2 American Rivers three conservation groups which have  
3 substantial interest in the outcome of this proceeding.

4 Many of our members live in Tuolumne County, but  
5 many, indeed, are customers of the water and electricity  
6 service of the districts. And others are customers of  
7 San Francisco's water and electricity service, and many  
8 more visitors contributing to the economic welfare of this  
9 extraordinary place. Indeed, my wife and I of 34 years  
10 have done our utmost to contribute to the economic welfare  
11 of Tuolumne County and of course of our many visits for  
12 hiking, fishing, camping and boating.

13 I have three comments. The first concerns  
14 cooperating agency status. Jim, you said that it's  
15 Commission policy that an agency must choose between party  
16 and cooperating agency status. Agreed, that's your  
17 policy. But you have options to do things differently.  
18 And indeed, on at least one occasion you have. Saint  
19 Lawrence FDR proceeding in New York you permitted the  
20 State of New York to have both roles. And indeed, you  
21 have an internal procedure where the Office of  
22 Administrative Law routinely participates as a party  
23 litigant and then is recused from decisional status while  
24 other staff, such as you, provide decisional advice to the  
25 Commission.

1           So in our scoping comments, we will ask for the  
2 Commission to vary from your customary policy and permit  
3 federal and State agencies to participate as cooperating  
4 agency status, provided they recuse those staff from the  
5 participation in the proceeding itself.

6           Second, alternatives. It is Commission policy or  
7 at least practice to have three alternatives in the  
8 environmental document: No action, the project  
9 application, and the staff alternative. We will request  
10 in our scoping comments that you consider alternatives  
11 submitted by stakeholders separately from the staff  
12 alternative. We believe NEPA requires this, and we  
13 believe it would benefit the quality of the document to do  
14 so.

15           And thirdly, as to scope, the scope of the  
16 analysis in this document should be broad. It should,  
17 indeed, extend to the ocean geographically. It should  
18 extend economically to water supply and electricity, and  
19 it should extend temporally for 50 years. This isn't  
20 something shocking or even new. Indeed, the law of this  
21 case really confirms that the scope must be very broad.

22           So let me take one statement in your scoping  
23 document and show you how the law of the case requires you  
24 to interpret it. On page 21 in section 422 you say that  
25 you "will look at the effects of project operation and

1 maintenance on fish populations and project reservoirs and  
2 the project effected stream reach, including fall Chinook  
3 salmon." That statement could be interpreted to mean that  
4 you're going to look solely at project effect and solely  
5 within some part of the lower Tuolumne that is directly  
6 under the influence of this project. And if so, you would  
7 not comply with the law of the case. This river has been  
8 studied for 44 years under the original license. And on  
9 multiple occasions during that period, this Commission has  
10 found that other stressors effect the anadromous fish as  
11 well as riverine fish. And those other stressors must be  
12 considered in order to understand what the project effects  
13 are and how to mitigate them.

14 So to read from one order that reaches this  
15 conclusion, and this is your July 2009 order, paragraph  
16 81, the recent decline in runs of fall Chinook salmon in  
17 the lower Tuolumne cannot be solely attributed to the flow  
18 regime acquired by Article 37. Concurrent declines in  
19 fall Chinook salmon runs have been observed elsewhere.  
20 The impact of unfavorable ocean conditions on the survival  
21 of maturing fall Chinook salmon and the effect of  
22 withdrawal of water from municipal and irrigation uses to  
23 many unscreened intakes cannot be discounted. While more  
24 water in the Tuolumne River might have produced greater  
25 numbers of fish, it would not have yielded an increase in

1 escapement if those fish were unable to survive due to  
2 poor conditions elsewhere in the San Francisco Bay and the  
3 ocean.

4 And similarly, in the hearing which occurred in  
5 summer of 2009, the districts and the licensees submitted  
6 testimony on the relative significance of many stressors,  
7 including the project, but also including downstream  
8 stressors outside of the project control on these fish.  
9 I'll quote from Mr. Moyle's testimony. And Mr. Furman, I  
10 promise you, I think very highly of Dr. Moyle. His  
11 testimony stated as a question was: "How do four factors:  
12 One, habitat in the lower Tuolumne; two, combined spring  
13 outflow of Merced, Tuolumne, Stanislaus and San Joaquin  
14 Rivers; three, conditions in the San Francisco estuary,  
15 especially the delta; and four, conditions in the ocean  
16 interact to effect the population of adult spawners of  
17 anadromous fish in the lower Tuolumne?

18 Let me move briefly to water supply. This is not  
19 just about how an increase in flow release might effect  
20 water supply. You also have to look demand reduction.  
21 Again, if you look at the two 2009 hearings, the districts  
22 and the licensee -- excuse me city -- submitted extensive  
23 testimony on demand reduction, relevant topic. We agree.

24 Lastly, let me conclude with a plea not just to  
25 you, as staff, but to all of us stakeholders which is that

1 we proceed on the basis of mutual respect and trust. The  
2 conservation groups that I represent are not here to  
3 oppose the quality of life or the economic enhancement of  
4 this community or, for that matter, agriculture  
5 specifically. Quite the contrary. We're here for  
6 enhancement and we're here for enhancement as well as  
7 beneficial uses of the Tuolumne for recreation and for  
8 fish. Thank you.

9 MR. HASTREITER: Thank you, Richard.

10 Kimberly Clauss.

11 MS. CLAUSS: Good morning. And thank you for  
12 this opportunity. My name is Kimberly Clauss,  
13 C-l-a-u-s-s. I'm actually here today wearing two hats.  
14 I'm wearing the hat of a house boater, a second generation  
15 house boater on Lake Don Pedro.

16 I was actually born in '71 when the project was  
17 completed and our house boat went on the lake in '73. So  
18 some of my best childhood memories and adulthood memories  
19 have been on that lake.

20 And I'm also here actually as a dairy farmer,  
21 third generation dairy farmer in the Turlock Irrigation  
22 District, actually in Hilmar actually about ten minutes  
23 from here.

24 One of the things that I always enjoy each summer  
25 is I drive across that dam. It's an amazing project, the

1 size of the lake itself, the landscape around it. And for  
2 me, there's so many things to enjoy on the lake. There's  
3 house boating. There's boating. There's fishing.  
4 There's camping. There's hiking. But there's also the  
5 things you get to see once the people go home, and that's  
6 the sunsets. And for me, sitting on the front deck of the  
7 house boats, that's one of the most beautiful things you  
8 can see.

9 The size of the lake allows people to enjoy it  
10 without feeling over-crowded. People come from all over  
11 Northern California to enjoy it. You heard earlier that  
12 over 400,000 visitors come each year. But then  
13 unfortunately Sunday comes, and we all have to go back to  
14 the real world. But the neat thing for me is I actually  
15 get to drive back over that dam. And when I drive over  
16 that dam, I see the agricultural valley that water is  
17 provided from that project by the Turlock-Modesto  
18 Irrigation Districts.

19 I'm grateful to the farmers who made up the TID  
20 and MID boards and had the foresight to develop and build  
21 in 1923 and '71 water storage projects for future  
22 generations like myself. They were specifically built to  
23 benefit farmers and electrical users in this area. As  
24 farmers, we realize what a precious resource the water and  
25 power for our operations is.

1           Our farm actually started in the 1950s, and today  
2 largely in part due to the sustainable practices that we  
3 use on it because as farmers we have to be sustainable.  
4 On the farming side, we actually are laser leveling our  
5 property so we have proper water coverage. And we're  
6 using less water. We're using minimum tillage techniques.

7           We're also on the dairy side reusing our water  
8 throughout our dairy process using variable speed pumps in  
9 our milk barn and utilizing advice and information from  
10 U.C. Davis and other technical experts so we can be  
11 sustainable as possible, because maximizing efficient  
12 energy and water uses because it takes good business  
13 sense, economically, environmentally, and socially.

14           The Lake Don Pedro Project was created by leaders  
15 who were using good business sense for future planning.  
16 They saw the need to create a project that would develop  
17 more water for agriculture and residents in this area.  
18 "Develop" is the key word here. And that is what our  
19 leaders today need to focus on, not taking our water from  
20 somewhere else. I hope today that good business sense  
21 will be used in the decision-making process so that  
22 citizens who actually help paid for the project will be  
23 able to benefit for many more generations to come.

24           Thank you.

25           MR. HASTREITER: Thank you, Kimberly.

1           I'm going to excuse myself to take care of some  
2 very important business, and Tim is going to take over for  
3 a moment.

4           MR. WELCH: Our next speaker is Michael Cooke.

5           MR. COOKE: Good morning. My name is Michael  
6 Cooke, C-o-o-k-e. I'm the Regulatory Affairs Manager for  
7 the city of Turlock. And on behalf of the city of  
8 Turlock, I would like to welcome you all here this  
9 morning. And please don't forget to spend some money in  
10 Turlock before you leave today.

11           The city of Turlock has a population of about  
12 70,000. We supply sewer and water service to those  
13 residents through about 18,000 connections. We're home to  
14 a number of significant industrial users, such as  
15 Sunnyside Farms, Foster Farms, California dairies. We  
16 have this wonderful integrated production in our area  
17 where the dairies provide the milk that's trucked into  
18 town, where it's processed into higher value products  
19 using electricity from the Turlock Irrigation District.

20           The cities of Ceres, Hughson, and Modesto, and  
21 Turlock are working with the Turlock Irrigation Districts  
22 on a potential surface water project using water from the  
23 Tuolumne River. Like most communities in this area, we're  
24 entirely reliant on groundwater at this time. We have 24  
25 active wells, and we have added recycled water to our

1 portfolio more recently. But we are looking to diversify  
2 our water supply portfolio.

3 Currently, we pump about 22,000 acre feet per  
4 year to supply our residents and industries. That's up  
5 from a peak of about 25,000 five or six years ago. So  
6 we've implemented conservation measures, but we note that  
7 the ground waters in this area has declined over time.  
8 The sustainable yield in the Turlock area is about  
9 24-and-a-half-thousand acre feet. So at 22,000 today,  
10 we're okay. But going forward, we have some serious  
11 concerns about future overdraft.

12 Our recent update to our urban water management  
13 plan projects, we will need about 37,000 acre feet of  
14 water per year in the year 2030, and that includes a 20  
15 percent reduction in per capita use and lower population  
16 projections than we've used in the past.

17 So obviously that's not sustainable using  
18 groundwater only. So we have requested with TID trying to  
19 receive about 17,000 acre feet per year of surface water,  
20 which will reduce our groundwater production and bring it  
21 back to a more sustainable level.

22 As our groundwater has declined, we've lost some  
23 wells over time. But as the water levels have declined,  
24 so has the quality of the groundwater. We've had some  
25 issues with arsenic, nitrates, and volatile organic

1 compounds, such as industrial solvents get into that  
2 drinking water system. And so surface water is critical  
3 to the planned future economic development of our  
4 community to maintain the jobs we already have in our  
5 community, and to provide residents with the quality of  
6 life and high quality of water that they are used to.

7 Finally, the surface water project could have  
8 some environmental benefits by allowing additional flows  
9 in the Tuolumne for a seven-mile stretch. So I think  
10 that's of benefit.

11 And in closing, I'd just like to ask the  
12 Commission to ask the future needs of municipal users and  
13 economic activity in our area as they consider the  
14 relicensing of the Don Pedro Project.

15 Thank you very much.

16 MR. HASTREITER: Thank you, Michael.

17 Mike Wade.

18 MR. WADE: Thank you. Good morning. My name is  
19 Mike Wade, W-a-d-e. I'm Executive Director of the  
20 California Farm Water Coalition. We are California's only  
21 nonprofit devoted solely to agricultural water issues.  
22 And for 22 years, our charge has been to provide  
23 fact-based information on farm water use to California  
24 consumers.

25 It's been clearly defined today that California

1 is an agricultural powerhouse. And the region that we're  
2 in is a large contributor to that. This region accounts  
3 for 7 percent of California's agricultural value on just  
4 two-and-a-half percent of California's irrigated land.  
5 Most of the farm production from specialty crops, the  
6 livestock, and dairy owe their success to water delivered  
7 by Turlock and Modesto Irrigation Districts.

8 If we look back at the history of the project and  
9 the history of agriculture production here in this region,  
10 in 1960, Stanislaus County accounted for about \$137  
11 million in agricultural production. Adjusted for  
12 inflation, today that would be 986 million. But instead,  
13 improved water availability, efficient farm practices, and  
14 other issues have caused local production to grow to an  
15 astounding two-and-a-half billion, far exceeding the  
16 economic growth just through inflation.

17 Furthermore, products grown in this region are  
18 exported to 85 counties around the world. It's one of the  
19 truly bright spots in California's and the U.S trade  
20 imbalance.

21 Now, why is farm production here and throughout  
22 the world and throughout California so important? It's  
23 because our farm production helps drive the California  
24 economy. Several speakers have discussed the economic  
25 impacts of farm dollars circulating through the economy

1 growing from three to five times their farm gate value.

2 But it's much more than that. A recent study of  
3 ours on global food costs shows that families in 28 other  
4 high-income counties pay on average 64 percent more on  
5 food and non-alcoholic beverages than families in the U.S.  
6 pay. That amounts to a difference of about \$3,800 per  
7 year per household. It's an indirect benefit that often  
8 goes unrecognized that's made possible, in part, through  
9 production just in this region. Money that consumers  
10 don't have to spend on food is available for education,  
11 entertainment, recreation, and more.

12 The benefits generated by abundant, reliable, and  
13 affordable farm water supplies are important here and  
14 throughout the United States. Exports help fuel our  
15 economy. And American consumers, thanks to lower food  
16 costs, have more disposable income to enrich their lives.  
17 That's an important aspect that often goes unrecognized.  
18 And we hope that the Commission will consider not only the  
19 economic impacts here in this region, but throughout the  
20 United States and indeed the world generated by California  
21 farm production. The water provided by Turlock and  
22 Modesto Irrigation District is an important part of that,  
23 and it's important for many people just beyond this  
24 region. Thank you very much.

25 MR. HASTREITER: Thank you, Mike.

1           Our next speaker is Jan Ennenga.

2           MS. ENNENGA: Still morning. Good morning. I'm  
3           January Ennenga, Executive Director of the Manufacturing  
4           Council of the Central Valley. E-n-n-e-n-g-a.

5           The Manufacturing Council is headquartered in  
6           Modesto. We represent a variety of manufacturing  
7           interests in California's San Joaquin Valley, which  
8           stretches from San Joaquin County in the north to Kern  
9           County in the south. That would be Lodi and Bakersfield.

10          The majority of our members are involved in food  
11          processing related activities both year-round and on a  
12          seasonal basis. Those members not involved in food  
13          processing are involved in container manufacturing and  
14          other manufacturing of vital parts and components that are  
15          distributed locally, statewide, nationally, and  
16          internationally. Several of our members are also involved  
17          in warehousing and distribution.

18          We represent manufacturing companies which  
19          directly employ thousands of San Joaquin Valley residents.  
20          And based on a regional impact multiplier, the number of  
21          valley residents indirectly employed as a result of our  
22          industries increases three-fold. For every one job in the  
23          food sector, there are three additional jobs in the  
24          supply, service, and professional sectors.

25          One of our best kept secrets in this valley is

1       that we are home to one of the largest most efficient and  
2       most sophisticated manufacturing regions in the world.  
3       Oftentimes, we don't equate farming and food processing  
4       with manufacturing. But there is little question when one  
5       looks at the definition of manufacturing to make goods  
6       from raw materials, especially with the use of industrial  
7       machines. Food and beverage processors take raw  
8       agricultural commodities and transform them using very  
9       complex industrial machines into value products, which are  
10      then marketed throughout the world.

11               According to the 2009 Census of manufacturing,  
12      California's leading manufacturing sector is the food and  
13      beverage manufacturing industries topping three indicators  
14      with their combined values, jobs, value added and value of  
15      shipments. The value of shipments according to the 2009  
16      data was in the range of \$83 billion, just to give an  
17      example of the significance of these industries.

18               The majority of this food and beverage processing  
19      in the state of California occurs in the San Joaquin  
20      Valley, and a large segment in the area serviced by the  
21      Don Pedro Project. In fact, the area serviced by the Don  
22      Pedro Project is a macrocosm of the San Joaquin Valley  
23      food processing technology cluster. It is the primary  
24      private sector industry, and it has national and  
25      international impacts. It is inextricably linked to

1 production agriculture. As you may know, many major food  
2 and beverage companies are located here: Del Monte Foods,  
3 Senica Foods, E&J Gallo Winery, Hilmar Cheese, Frito Lay,  
4 the Wine Group, Foster Farms, and many others who  
5 distribute their products locally, statewide, nationally,  
6 and internationally. Anything that impacts agricultural  
7 production, food production, or food safety impacts these  
8 vital industries and the families and economies here and  
9 abroad that are dependant upon them.

10 The jurisdictions serviced by these districts  
11 have done an excellent job of attracting a variety of  
12 manufacturing industries due in large part to two critical  
13 factors. One, the ability to deliver reliable,  
14 competitively-priced electrical service. And secondly,  
15 the ability to deliver affordable and adequate supplies of  
16 high quality water for agricultural use, including crop  
17 irrigation, raw commodity cleaning, industrial uses, such  
18 as food processing, food safety uses including food  
19 sterilization, and plant sanitation and for domestic use.

20 And that's why we're here this morning. Part of  
21 the scoping process includes reviewing and assessing the  
22 developmental resources of the project. Specifically, the  
23 power benefits of the project and alternatives and the  
24 effects of any recommended environmental measures on the  
25 power benefits and effects of any recommended changes in

1 project operation on other developmental benefits such as  
2 irrigation, water supply, and flood control.

3 As to the first points, it is critical for  
4 manufacturing companies, especially those processing  
5 seasonal and perishable products to have a reliable energy  
6 supply, particularly with the intense competition in  
7 today's global marketplace. A blip in the power supply  
8 can translate into a loss of market share.

9 Additionally, cost is an important consideration.  
10 Food processing is energy intensive. Even slight  
11 increases add up to huge additional expenses. And there  
12 are already a number of factors in play that are  
13 contributing to higher utilities costs, state regulatory  
14 mandates being one.

15 And to the second point, a safe, reliable,  
16 affordable, high quality water supply is essential to our  
17 industries. This is first and foremost because water is  
18 the life blood of agriculture. You've heard that already  
19 several times. And as other speakers have elaborated, the  
20 diversity and productivity of agriculture is entirely  
21 dependant upon having adequate water supplies both for  
22 crop production, soil health, and groundwater recharge.  
23 Again, anything that disrupts agricultural productivity  
24 effects our industry.

25 This valley was transformed 125 years ago with

1 the formation of the Turlock and Modesto Irrigation  
2 Districts. What alternated between a desert and a swamp  
3 depending upon whether it was a dry or wet year is now an  
4 abundant, productive, thriving agricultural region, rich  
5 in resources with an abundance of natural habitat.

6 We understand the challenges you face in  
7 determining the relicensing of projects of this type. We  
8 urge you to base your decisions on facts and sound  
9 science. This will help to protect the economic viability  
10 of the area and ensure that all stakeholders in the  
11 process are properly considered in your final analysis.  
12 The outcome is critical to the very unpinning of our  
13 economy and the long-term interest of our members, their  
14 employees, and the communities in which they live and  
15 raise their families. Thank you.

16 MR. HASTREITER: Thank you, Jan.

17 Our next speaker is Julie Means.

18 MS. MEANS: My name is Julie Means. I work for  
19 California Department of Fish and Game.

20 My last name is spelled M-e-a-n-s.

21 Thank you for this opportunity to speak and  
22 provide some comments on behalf of Fish and Game. We've  
23 been participating to some extent in preliminary meetings,  
24 and we are very interested in the development of sound  
25 science. In the interest of providing sound science for

1 the recommendations for fish and wildlife resources, we  
2 have a couple of comments and then also a couple of  
3 process questions.

4 The process questions are FERC staff  
5 recommendations. We want to know if FERC recommends  
6 requesting a study plan to address compilation of existing  
7 information or do we need to request an additional study  
8 plan?

9 The other one is outside of this relicensing,  
10 FERC ordered the districts to perform two studies in  
11 stream flow and water temperature. These studies are  
12 ongoing and have the potential to provide useful  
13 information, if incorporated into the current study  
14 planning process. Do we need to provide a separate study  
15 plan or can that information be incorporated into this  
16 relicensing?

17 Regarding the scoping document -- oh, process  
18 question also on the meetings. We have provided early  
19 input in some of the meetings. We can't attend all of the  
20 meetings due to furloughs, travel bans, et cetera. And we  
21 want to make sure that the meetings we do attend are very  
22 valuable. So we do recommend that some sort of  
23 documentation be made of the meetings, the comments, the  
24 concerns of the participants so that a very clear and  
25 transparent record for the recommendations is prepared.

1           Scoping document questions, we have specific  
2           recommendations. And we will be providing a letter with  
3           study plans and with comments on the scoping. We do  
4           recommend adding to the geological and soil resources that  
5           the potential effect of project facilities and operations  
6           on distribution mobility, quality and quantity of core  
7           sediment in particular spawning gravel, in the stream  
8           reaches below project diversions and impalements be  
9           included.

10           And the geographic scope would be from the  
11           project facilities to the confluence with the San Joaquin  
12           River.

13           In aquatic resources, we recommend specifying an  
14           assessment of the effects of project operations and  
15           facilities and the duration, magnitude, and frequency of  
16           flows in project affected reaches.

17           Given the geographic scope and the linkage  
18           between operation at Don Pedro and operations at the city  
19           and county of San Francisco's water supply system, the  
20           scope should extend upstream to include Hetch Hetchy,  
21           Cherry and Eleanor reservoirs and extend downstream to the  
22           confluence with the San Joaquin River.

23           Department recommends adding an assessment of  
24           project operations on aquatic habitats. And this should  
25           include not just the active channel, but flood plain

1 habitat and metrics such as water depth, velocity, water  
2 temperature, and the assistant vegetative cover.

3 The Department does recommend also adding an  
4 assessment of the effects of project operations from  
5 facilities on all freshwater life stages of fish  
6 populations in project reservoirs and project effected  
7 stream reaches. This should include anadromous salmonid  
8 adult migration, spawning, incubation, emergence, rearing  
9 and juvenile out-migration, and the metrics of  
10 distribution and abundance where relevant.

11 Following this, the Department will be submitting  
12 prior to the deadline comments. I think that covers it.

13 MR. HASTREITER: Okay. Well, you had three  
14 questions, Julie. Do you want to talk about those now a  
15 little bit? We can do it after the meeting.

16 MS. MEANS: After would be fine.

17 MR. HASTREITER: Okay. Jon Sturdevant.

18 MR. STURDVANT: Good morning. Almost afternoon.  
19 I'm Jon Sturdvant representing the Tuolumne Group of the  
20 Sierra Club. And it's Jon, J-o-n, S-t-u-r-t-e-v-a-n-t.

21 As I was thinking about what to say today, I  
22 thought the timing is everything. If this dam were being  
23 built today, protection of the river and its wildlife  
24 would have a very high priority. But since the time right  
25 now is here, we have a golden opportunity to get it right.

1           There are a couple of items that need attention.  
2       First of all, the geographic scope should include the  
3       river all the way from Preston Falls to the Sacramento  
4       Delta.

5           Secondly, the IES should study and mitigate the  
6       effects of the dam on the salmon and the steelhead. One  
7       needed mitigation is fish passage around Don Pedro and La  
8       Grange Dams.

9           And finally, on an economic opportunity, the  
10      restoration of the salmon will help the commercial salmon  
11      industry, and it will help the sport fishing industry. I  
12      remember my grandfather had a bought out on months landing  
13      and as I child I spent many a time out fishing for salmon  
14      having a really great time. I think a person would have a  
15      hard time doing that now.

16           Thank you very much for listening.

17           MR. HASTREITER: Thank you, Jon.

18           Our next speaker is Heidi McNally.

19           MS. MC NALLY: Good morning. That's Heidi  
20      McNally-Dial. That's M-c-n-a-l-l-y. Dial, D-i-a-l.  
21      Welcome to our beautiful valley. Thank you for having  
22      your hearing here.

23           I work for the city of Turlock and manage the  
24      Economic Development and Redevelopment Programs. As such,  
25      I work closely with the folks at TID. And I'll keep my

1        comments brief.

2                But as you know, our valley especially has been  
3        experiencing very high unemployment rates. Part of my job  
4        is to help businesses with expansion and also help  
5        businesses land in Turlock or in our area at least to  
6        create jobs and benefit our community.

7                One of the few tools that we have locally in  
8        terms of economic development is our utility rates. We  
9        have a very competitive utility rate here in this county  
10       that helps not only our existing businesses expand, but  
11       also helps quite a bit with recruitment of new businesses  
12       and particularly those businesses that are an asset to our  
13       agricultural community. So all those forces mesh together  
14       really well.

15                And I'd like to give you a couple specific  
16        examples in the last couple years. We had a major  
17        expansion by Sensient Dehydrated Foods. They expanded  
18        120,000 square feet within the city of Turlock, in part  
19        because of the good utility rates. We had U.S. Cold  
20        Storage, which you can imagine relies heavily on  
21        electrical rates in terms of where they locate in this  
22        community, with 210,000 square feet of warehouse  
23        distribution that stores a lot of our local ag products.  
24        A big deciding factor for them was the availability and re  
25        liability and the utility rates.

1           Another project that recently came to Turlock was  
2 a plastics manufacturer. Was Peninsula Plastics. They  
3 had also received the largest Department of Conservation  
4 grant in the state of California and located here not only  
5 because of availability of product and workforce, but also  
6 utility rates.

7           So I'm here on behalf of the city of Turlock also  
8 supporting the relicensing on a multiple level, not just  
9 economic and job creation, but also recreation. We see  
10 the recreational facilities as a benefit to our community  
11 for our existing citizens and those businesses.

12           And also to say that TID has been a good neighbor  
13 and also a good corporate citizen in Turlock. Little  
14 things like helping sponsor an organics certified farmers  
15 market, helping with other programs throughout the  
16 community, whether they be student programs or adult  
17 programs, and a variety of recreation programs.

18           So I want to thank you for holding the hearing  
19 here. And once again strongly support the relicensing.  
20 Thank you.

21           MR. HASTREITER: Thank you, Heidi.

22           Our next speaker is Rick Wantuck.

23           MR. WANTUCK: Good morning. My name is Richard  
24 Wantuck, W-a-n-t-u-c-k. I'm the Regional Supervisor for  
25 Habitat Conservation Division of the National Marine

1 Fishery Service.

2 The National Marine Fishery Service is the  
3 federal agency with primary statutory responsibility for  
4 the conservation of our nation's living marine resources.  
5 As such, we are here today representing the anadromous  
6 fish resources of the Tuolumne River on behalf of the  
7 people of the United States, which includes the entire  
8 commercial and sport fishing industries and all the  
9 related spinoff industries supported by fisheries.

10 Also indirectly, we are here to support the  
11 Native American peoples who have inhabited this region for  
12 eons before the settlement period, after which the  
13 intensive use of resources began and changes began to  
14 occur in our natural resource populations, particularly  
15 the anadromous fish.

16 So I'm here today to touch briefly on three  
17 important issues as we go into this relicensing: The  
18 proper scope and balance of the project and its impacts,  
19 those impacts themselves as they relate to anadromous  
20 fish; and then finally, I wish to pose three questions to  
21 Commission staff that are in need of resolution.

22 The Federal Power Act requires the Commission to  
23 conduct licensing such that it represents a comprehensive  
24 balance to both power and non-power resources in the  
25 Tuolumne River. The anadromous fish resources in the

1 Tuolumne River are part of this balance.

2 Now a word about scope. The impacts to the  
3 fisheries resources from this enormous riverine  
4 development are pronounced and widespread. Thus, the  
5 scope of this analysis in this ILP proceeding must take  
6 into account those impacts over the full geographic range.  
7 This means that the scope needs to look both upstream and  
8 downstream of the project boundaries; upstream to the  
9 historic natural extension of anadromous fish habitats;  
10 downstream to the lower Tuolumne River in its entirety as  
11 well as the San Joaquin River and all the way to the  
12 confluence of the delta. We will be re-submitting our  
13 evidence that supports this proposed scope for the record  
14 in our comments to the pre-application document.

15 Now, what are the impacts of this project on  
16 anadromous fish? First, the dams block anadromous fish  
17 habitat for over 100 miles of their historic range.  
18 Second, the dams inundate many miles of historic  
19 anadromous fish habitat that are now removed from  
20 productivity for anadromous fish. I remind the Commission  
21 staff these are presently unmitigated impacts from the  
22 first license cycle of the Don Pedro Project.

23 Thirdly, the in-stream flow requirements of  
24 Article 37 of the previous FERC license have proven  
25 insufficient to support the anadromous fish in the

1 Tuolumne River, particularly in dry water years. And  
2 thus, steelhead are a federally threatened species under  
3 the Endangered Species Act and Chinook salmon populations  
4 are in steep decline and not currently viable.

5 So through this proceeding, we call on the  
6 Commission to take a hard look at this inequity and to use  
7 its authority to restore the balance for anadromous fishes  
8 in the Tuolumne River during the next license cycle.

9 Finally, in direct connection with these  
10 proceedings, I wish to pose three questions to the  
11 Commission staff.

12 Question number one: What is the status of the  
13 highly interrelated La Grange Hydroelectric facilities?  
14 Under what authority or jurisdiction do they operate? And  
15 if they are not under FERC jurisdiction, why not?

16 Second question: What is the Commission's  
17 response to the 2009 Administrative Law Judge hearing in  
18 federal court before Judge Hardnet?

19 And finally the third question: In connection  
20 with a central issue that arose during that ALJ hearing  
21 which regarded water allocation during drought cycles,  
22 what is FERC's thinking on the notion advanced by TID,  
23 MID, and the city and county of San Francisco that no  
24 reductions in water diversions from the river are  
25 realistic in consideration that this practice is driving

1        anadromous fishes in the Tuolumne River to the brink of  
2        extinction?

3                Thank you very much. If there are any answers to  
4        these questions, I'd like to hear them at this time.

5                MR. HASTREITER: I think at this point we will  
6        address your first question. The other two questions will  
7        be answered in due course as this process moves along.

8                But the reason why I want to answer the first  
9        question that you posed concerning the status of La Grange  
10       and the associated facilities is Larry Thompson of your  
11       staff sent me an e-mail couple weeks ago, and I want to  
12       include that in the project record here just so everyone  
13       understands what your particular questions are concerning  
14       whether La Grange and the associated facilities are under  
15       Commission's jurisdiction.

16               And the short answer is we understand why you're  
17       asking that question, and it's an important question to  
18       get answered. We would first suggest that you work with  
19       the facility's owners to ask those sorts of questions and  
20       see if you can work with them on getting that sort of  
21       answer.

22               Secondly, if you don't achieve satisfaction in  
23       getting an answer that works for you, your path to  
24       achieving the answers to your questions before the  
25       Commission is there's particular rules and procedures at

1 the Commission that interested parties have to follow if  
2 they're asking a question about jurisdiction. And I'll  
3 give the site under the Commission regulations. It's part  
4 385 Rules of Practice and Procedure Petitions Rule 207 and  
5 Section 385.20782. And essentially, your agency would  
6 need to make a formal request to the Commission for a  
7 declaratory order concerning those facilities. And you  
8 have legal folks on your staff. I believe it's Katherine  
9 Kempton. And she needs to look at the Commission Rules of  
10 Practice and Procedure and put that sort of declaratory  
11 request -- request for declaratory order together to the  
12 Commission.

13 MR. WATUCK: Thank you.

14 MR. HASTREITER: Thank you, Rick.

15 The next speaker is Penny Williamson. Penny  
16 Williamson.

17 All right. Moving on, Monica Gutierrez. Pass.

18 Dave Muller. I can't tell if that's a "u" or  
19 "I", Dave.

20 MR. MULLER: Dave Muller, M-u-l-l-e-r. And I  
21 think I'm here representing the old guys. Maybe a little  
22 historical perspective.

23 I'm a life-long resident of TID. That's 75 years  
24 and counting. I've seen a final transition from dry land  
25 farming to irrigation in this area. I've traveled with

1 the army in business enough to realize and appreciate how  
2 really unique we are here.

3 I appreciate the TID foresight and operations in  
4 and the stable governance we've had in our 75 years. We  
5 went from dry farm barley to clovers, corn, both silage  
6 and grain, dry beans, peaches, apricots, melons, tomatoes,  
7 alfalfa, boysenberries, and almonds. We've got beautiful  
8 productive adaptive soils. Good climate, but irrigation  
9 is the key. Without it, we're back to malting barley.

10 I see responsible stewardship with our Don Pedro  
11 water and the TID system. Our irrigation allotments are  
12 given to us with progressive rates. The more you use, the  
13 more you pay per unit. And that makes sense to me.  
14 Conserve as much as you can.

15 We work cooperatively in improvement districts  
16 associations for pipe lines, ditches, pumps, tail water  
17 returns, sprinkler and drip systems. We conserve. We  
18 hate seeing water going not to the ocean. It needs to be  
19 used for productive purposes within our control.

20 Flood control in the back of our place is San  
21 Creek drains 11,000 acres into the TID system that  
22 prevents quite a bit of disruption from downhill.  
23 Two-inch rains raise all kinds of cane up there.

24 We've supported many hybrid development within  
25 the TID system that generate every ounce of every bit of

1 electricity we can. We can support canal lining to reduce  
2 the seepage and the loss in that direction. Just right  
3 next to us is the groundwater recharging station for our  
4 urban friends. Recreational uses at Don Pedro and the  
5 reservoir appreciate those. It's led to a tremendous  
6 reduction in the canal swimming that used to worry us as  
7 parents in just watching people around us.

8 Over irrigation and wastewater, we hear about if  
9 you've seen -- you've seen ground crevs (phonetic),  
10 they're not a pretty sight. We avoid it. We use every  
11 ounce of water we can get and appreciate it.

12 I'm proud of our productive culture and our  
13 stewardship. And I urge relicensing at Don Pedro. Thank  
14 you, sir.

15 MR. HASTREITER: Thank you, Dave.

16 Ray Souza is our next speaker.

17 MR. SOUZA: Good morning. My name is Ray Souza,  
18 S-o-u-z-a. And I'm here representing today Western United  
19 Dairymen, which is a trade association representing  
20 dairymen in California. We represent about 60 percent of  
21 the dairy farmers in California, their families.

22 I'm also speaking on behalf of my own farm and my  
23 own investment I have in California agriculture. I'm  
24 going to keep my comments more narrowly focused today  
25 speaking primarily to the issues of dairy issues alone.

1           California, as you may well know, is the nation's  
2           number one dairy state, overtaking Wisconsin about 2007, a  
3           fact that Wisconsin hasn't taken lightly, I may add.  
4           California Milk Advisory Board -- I'm going to talk to  
5           three different things. I'm going to talk a little bit  
6           about the economic impacts the dairies had in California  
7           and specifically in region. Secondly, give you a brief  
8           overview of how the industry works. And then thirdly,  
9           talk about some of the challenges and opportunities that  
10          we have through dairy here for California and this San  
11          Joaquin Valley.

12           The California Milk Advisory Board in 2008  
13          commissioned a study that indicated that California's  
14          dairy industry provides about \$63 billion of economic  
15          activity in California, most of that being in the San  
16          Joaquin Valley. It also produces about 443,000 jobs that  
17          are directly impacted by dairy production.

18           Now, we tend to think of dairy as a dairy farm  
19          and someone milking cows and that milk goes away and thus  
20          end of story. But the fact of the matter is about 85  
21          percent of the milk produced in California goes into  
22          manufactured product. Not only is it produced as the  
23          drinking milk, but we produce cheese, butter, powdered  
24          milk, which is a rapidly growing industry, as well as ice  
25          cream, yogurt, and other dairy products.

1           Of those dairy products, many of them are  
2           exported around the world. We have a local plant here  
3           producing dried powdered milk. We export to over 70  
4           counties around the world, and California is the number  
5           one powdered milk producer nationally.

6           Now, if you think of dairy powder, that milk has  
7           to be dried. They're a heavy user of TID and the  
8           energy -- the affordable energy that TID can produce here  
9           in the valley. That's why you see California as the  
10          number one powder producer. We produce about 50 percent  
11          of the nation's powdered milk here in California.

12          Locally, Stanislaus County is the third largest  
13          dairy county in the state, in terms of volume beings about  
14          \$350 million and TID does move over into Merced County as  
15          well. So if you add in Merced County, the farm value of  
16          those two counties in dairy production is about a billion  
17          dollars, which is a significant contributor to the local  
18          economy.

19          We have the nation's largest single site cheese  
20          plant here located locally. We have the world's largest  
21          milk plant dryer again here local. So it provides a huge  
22          economic -- has a huge economic footprint over the entire  
23          San Joaquin Valley and specially here.

24          But the problems we're running into now is  
25          competitiveness. California moved in, as I mentioned

1 earlier, into the number one position as far as dairy  
2 production. But we're seeing the dynamics change in dairy  
3 primarily over the production of ethanol. And dairy  
4 ranches are heavily based on dairy on grains, small grains  
5 and large grains both, primarily corn. Of that, dairy  
6 expends about 50 percent -- little over 50 percent comes  
7 from your feed costs. So we have to look for other ways  
8 of being able to remain competitive.

9 We have -- we do see some things that we can  
10 attribute to California and some of the things we have in  
11 California will hopefully remain competitive. One of  
12 those, of course, is weather. We also have had affordable  
13 energy and affordable water. Those are two things we  
14 think will carry us forward as we move forward now.

15 I was just recently completed my work with the  
16 USDA. The USDA appointed a task force to deal with dairy  
17 issues, a national task force where 17 advisors to USDA  
18 appointed to that. I was the only dairy producer west of  
19 Colorado on that Committee. Called the Dairy Industry  
20 Advisory Committee. You can find it at USDA website. We  
21 just published our final report under Secretaries of LSAC.

22 What we find is the competitiveness is going to  
23 be the number one issue as we move into our new farm bill.  
24 We're on the eve of discussing our new farm bill. If any  
25 of you are familiar with farm bills, farm bills are one of

1 the most difficult things that Congress deals with. In  
2 fact, when you mention the farm bill, all of the farm  
3 producing state Congressman seem to disappear and really  
4 don't want to deal with it. We keep trying to push it off  
5 into the next election year. But it looks like we'll be  
6 dealing with that.

7 We see some opportunities due to California's  
8 location. We do have -- we're best located and best  
9 positioned to deal with the export markets. We produce  
10 about 30 percent of the nation's exported dairy products  
11 come from California, which is a very high percentage.  
12 And we see that growing. One of the reasons is our local,  
13 we can get to the ports. We have the best position to  
14 move into the Asian markets. Those markets are growing  
15 the quickest.

16 But the biggest impediment to that is some of the  
17 regulations that we have as well as our cost of  
18 production. So for us to seize those opportunities, not  
19 only for the producers, but for those people that benefit  
20 from dairy production, we're going to have to maintain a  
21 reasonable cost as far as water, reasonable cost in our  
22 electricity, and our power. And for those reasons, not  
23 only for myself but the dairy producers and families in  
24 the state, we encourage you to move forward with  
25 licensing. Thank you.

1 MR. HASTREITER: Thank you, Ray.

2 I have six other people that are on the list.  
3 And I don't know if they wanted to speak, because our  
4 sign-up sheet got full and it might have just flowed over  
5 to the speaker list. So I'll go ahead and give names and  
6 see if anyone on this list wants to speak. And the first  
7 name is Michael Echiborn. Jim Theis.

8 MR. THEIS: My name is Jim Theis, T-h-e-i-s. I'm  
9 a life-long resident of Turlock and had an opportunity to  
10 witness firsthand the benefits that the citizens of  
11 Turlock and Modesto Irrigation Districts have derived over  
12 the past 45 years that the Don Pedro Hydroelectric  
13 projects have been in operation.

14 I'm actively involved in economic development  
15 activities through the Turlock Chamber of Commerce and the  
16 Stanislaus Economic Development Workforce Alliance,  
17 serving on the Board of Directors of both.

18 And unfortunately, California's reputation of not  
19 being business friendly is well-deserved. And through our  
20 efforts to attract new businesses or the expansion of  
21 existing businesses, one of the few significant positive  
22 attributes that we have to offer is our competitive  
23 electric rates provided by our local irrigation districts.  
24 Any additional restrictions on water uses will have a  
25 negative impact on the local agricultural economy and the

1 ability to produce clean, affordable, hydroelectric power  
2 at critical times.

3 Stanislaus County remains one of the highest  
4 unemployment areas in the nation, at 18.4 percent, and  
5 cannot afford any additional impediment to an already  
6 fragile recovery. TID and MID have been responsible  
7 managers of our water and power resources, and it's  
8 recommended their request for relicensing be approved by  
9 the Commission. Thank you.

10 MR. HASTREITER: Thank you, Jim.

11 Next speaker is Sharon Silva.

12 Mike Brem.

13 MR. BREM: Good morning. My name is Mike Brem,  
14 B-r-e-m. I'm the President of SupHerb Farms, which is  
15 located here in beautiful Turlock. It's nice to be a  
16 speaker right before lunch.

17 It's my pleasure to come before you today to let  
18 you know how important the relicensing of Don Pedro is to  
19 our company. So SupHerb Farms processes frozen herbs,  
20 specialty frozen vegetables, purees, and blends that are  
21 sold to food processors in North America, Asia, and  
22 Europe. We process over 20 millions fresh pounds of  
23 culinary herbs. We are the largest fresh herb processor  
24 in North America and one of the largest in the world.

25 We use a proprietary process that takes a fresh

1 herb and makes a frozen free flowing product that tastes  
2 just like fresh. Our products are sold as ingredients in  
3 products that range from frozen meals to tomato sauces and  
4 salsa to salad dressing and pestos. We also sell  
5 ingredients to food service operators such as restaurants,  
6 colleges, and casinos.

7 We employ 125 people. Most live in Stanislaus  
8 County. And our annual payroll is about \$7 million. We  
9 contract with local farmers to grow a variety of our  
10 culinary herbs from Merced, Stanislaus, and San Joaquin  
11 counties. We started this business in 1992 and built our  
12 processing facilities in Turlock in 1993. This is the  
13 best area in the world to grow herbs. So that's why we're  
14 here.

15 We came here because of TID and the reasonably  
16 priced electricity. It's a very competitive business, and  
17 we want to stay in business. We've enjoyed our  
18 partnership with TID. We think they're great stewards.  
19 We think the relicensing should be done in less than five  
20 years. Thank you.

21 MR. HASTREITER: Thank you, Mike.

22 The next speaker is Jessie Raeder.

23 MS. RAEDER: Hi. My name is Jessie Raeder. I'm  
24 representing the Tuolumne River Trust.

25 And Raeder is R-a-e-d-e-r.

1           I'm here today to ask you to expand the scope of  
2 these proceedings so they are much broader than typical in  
3 relicensing proceedings. When FERC issued the first  
4 license in 1966, it was acknowledged then that the project  
5 has impacts downstream into the lower Tuolumne. The  
6 districts challenged that, but the court upheld that FERC  
7 had the right and responsibility to put conditions on the  
8 license to protect the public resources downstream.

9           In the last -- over the last 50 years, we as a  
10 society have gained a much better understanding of the  
11 impacts that dams have upstream and downstream. And we've  
12 also passed most of our laws that protect our share of  
13 resources, the modern environment movement has happened.  
14 We clean the Clean Water Act, the Endangered Species Act.  
15 And right now the lower Tuolumne River isn't in great  
16 shape. It's an impaired water body under the Clean Water  
17 Act. It's listed as an impaired water body. There are  
18 fish in the Tuolumne that are not safe for human  
19 consumption. They exceed mercury levels. And some of the  
20 fish are disappearing, as we've heard a lot today.

21           So this proceeding is our society's sort of  
22 one-look of how this is going to look for the next 30 to  
23 50 years, and this is our chance to get it right. That's  
24 why we're advocating to really consider all of these  
25 problems together in a comprehensive way so that we can

1 get it right and not have to keep coming back to these  
2 issues.

3 We want to take a comprehensive approach and  
4 consider the full scope of impacts the project has. That  
5 means an expanded geographic scope, an expanded scope of  
6 topics, and a temporal scope that looks into the next 30  
7 to 50 years. So expanding the geographic scope means  
8 analyzing the impacts of the project throughout the lower  
9 Tuolumne, which we've done the whole time.

10 I mean, that's happened in the 1995 proceeding  
11 and the 2009 FERC proceeding. But we want to expand that  
12 also into the San Joaquin River and the delta. There is a  
13 big precedence for this in 1995 and in 2009. The  
14 districts and the city of San Francisco brought up delta  
15 conditions repeatedly as relevant and connected to what's  
16 happening on the lower Tuolumne. And we agree. And  
17 that's why we want analysis of the impacts of the project  
18 to extend into the delta.

19 This is not unprecedented. Other agencies are  
20 considering these interconnected systems as a whole. The  
21 State Water Board just a couple weeks ago expanded the  
22 scope of their proceeding on the southern delta in the  
23 lower San Joaquin River to include the tributaries like  
24 the Tuolumne and to include this relicensing, in fact.  
25 This just makes sense. It makes sense. We know in

1 reality all of these systems are connected and they do  
2 impact each other. So if we are going to come to real  
3 solutions, we should look at it with that in mind and in  
4 that way.

5 I think in 2009 proceedings, which I participated  
6 in, the districts argued that we shouldn't fix what's  
7 happening on the river. It's no use to put more water  
8 into the Tuolumne because the delta is broken. Well, if  
9 we expand the temporal scope, if we really look at what's  
10 going to happen, what could happen over the next 30 to 50  
11 years, hopefully we're going to fix the delta.

12 I think Congressman Cardoza's representative made  
13 that point. There is a lot of processes happening in the  
14 delta right now. So we'd really like the analysis in the  
15 environmental impact statement to consider what might  
16 happen if things actually do get fixed in the delta and  
17 then the importance of restoring the lower Tuolumne so all  
18 of the work and money that's gone into fixing the delta  
19 isn't for not, because we haven't fixed the other parts of  
20 the problem.

21 I want to say a few years ago when San Francisco  
22 was looking at taking more water out of the Tuolumne  
23 River, when they were looking as part of the water system  
24 improvement program, MID and TID argued that San Francisco  
25 shouldn't take more water out of the system because it

1 would have impacts on the lower Tuolumne and down into the  
2 delta. We agree. And we agree that's the case for this  
3 project as well.

4 The districts have also argued that economic  
5 impacts should be considered. And we agree absolutely.  
6 Economic impacts are important, and so we should be  
7 considering it all at once. We should expand the topical  
8 scope of these proceedings to include economic impacts  
9 like water supply, but also all of the economic impacts of  
10 the project, including the negative economic impacts on  
11 the fishing economy of California, on the restaurant  
12 industry in San Francisco, on tourism across the coast.  
13 We should consider all these things together.

14 We'd like you to consider a restoration  
15 alternative. Really look at the possibility of a restored  
16 lower Tuolumne River and what it would mean to the  
17 community, what it would take to get there and the  
18 possibilities that would lead to having both a healthy  
19 agricultural economy and a river teeming with fish and  
20 wildlife, safe for swimming and drinking and fishing and a  
21 beautiful accessible place for people to enjoy. A  
22 restoration alternative could include analysis of the  
23 economic benefits of a restored lower Tuolumne to local  
24 property values and the local tourist economy.

25 The economic benefits of the Tuolumne River

1 parkway should be considered, this mosaic of parks and  
2 public spaces all along the lower Tuolumne for people to  
3 enjoy.

4 There could be analysis and a restoration  
5 alternative of the potential for water conservation and  
6 water recycling both in San Francisco and in the service  
7 area of the districts. The State considers water  
8 conservation and water recycling water supplies source.  
9 And we should be looking at those. These are going to be  
10 important sources as we move forward and have a healthy  
11 agricultural community.

12 And finally, there should be an analysis in a  
13 restoration alternative of the groundwater use recharge  
14 issues and the opportunities to improve groundwater  
15 management. Thank you very much.

16 MR. HASTREITER: Thank you, Jessie.

17 And our last speaker is Zac Jackson.

18 MR. JACKSON: Z-a-c, J-a-c-k-s-o-n. I represent  
19 the U.S. Fish and Wildlife Service. We will be submitting  
20 comments on the PAD and scoping documents and submitting  
21 study plans as well.

22 But for today, I'll just say that my office is  
23 interested in making sure that the project effects on all  
24 life stages of the entire fish communities are clearly  
25 evaluated. Further, we would like to see evaluation of

1 upstream fish passage options and habitat conditions up  
2 there. Thanks.

3 MR. HASTREITER: Thanks, Zac.

4 And we have one more speaker, Chris SHUTES.

5 Mr. SHUTES: Hi. I did sign up.

6 MR. HASTREITER: Yes. Here's the evidence.

7 MR. SHUTES: Tim Welch once said he didn't want  
8 me to have the last word, but here I am again.

9 Chris Shutes, FERC project's director with the  
10 California Sports Fishing Protection Alliance.

11 That's S-h-u-t-e-s.

12 Jessie covered a lot of the material that I had  
13 planned to cover, so I'm going to try to condense as best  
14 I can.

15 I think that it's pretty well understood and  
16 agreed by most parties whatever viewpoint they're coming  
17 from that we need an environmental impact statement coming  
18 out of this process, and that it has to be much more  
19 expansive than what's typically been considered in NEPA  
20 documents that have been put out by the Commission, such  
21 as impacts to power generation and revenues derived from  
22 that. There is a lot of other issues that come forward.

23 And I'd like to add emphasis to the idea that the  
24 Commission needs to pay particular attention to the State  
25 Water Resources Control Board's process for the update of

1 the Bay Delta Plan. The Notice of Preparation that Jessie  
2 referenced came out recently and said that the State Water  
3 Board will require implementation of the narrative  
4 objectives through water rights actions, Federal Energy  
5 Regulatory Commission hydropower licensing processes, and  
6 other processes. They've drawn a direct line between  
7 what's going on here and what's going on in their process.  
8 So the link has been very clearly drawn.

9 I'd like to acknowledge Tim's comment that the  
10 Commission intends to work very closely with the other  
11 regulatory agencies, including the State Board, and ESA  
12 jurisdictional agencies. And I would recommend that the  
13 Commission be very careful and conscientious in following  
14 and understanding the State Board's process, not only for  
15 the 401, but for the update of the water quality control  
16 plan.

17 I'd like to go through a few of the specific  
18 alternatives that I think might be considered in the NEPA  
19 process in analyzing water supply and effects on delta,  
20 effects on delta hydrology of the fisheries and economic  
21 impacts.

22 The Commission needs to do a more robust and  
23 balanced job than was done by the districts in their  
24 testimony in 2009. And one of the best ways to achieve  
25 that would be through a robust NEPA alternatives analysis.

1 So hydrologic analysis needs to consider effects of  
2 proposed changes under wide range of hydrologic scenarios,  
3 not just an extended doubt scenario as was put forward by  
4 the districts.

5 The gallery project that was referenced by a  
6 number of people here. I think should be considered as a  
7 distinct NEPA alternative. There's a lot of opportunities  
8 here, and a lot of people interested in the multiple  
9 benefits of improved domestic water supply from surface  
10 sources and the stream flow improvements that could be  
11 made with no water cost of over 20 miles to the Tuolumne  
12 River to improve summer water temperatures. A base line  
13 analysis of groundwater and the use of water for ground  
14 water recharge by the district should be conducted. And  
15 out of that might come a more complete groundwater  
16 management NEPA alternative.

17 In the delta, several scenarios were suggested by  
18 the 2009 testimony of witnesses for the districts and the  
19 city, reduced exports, reduced exports during critical  
20 life stages for anadromous fishes or different methods of  
21 diversions all might be considered.

22 We've had a scenario suggested that because there  
23 is columns downstream, there's not much benefit in fixing  
24 problems upstream. But if we fix the problems downstream,  
25 then the importance of what's going on upstream will take

1 on -- will become more significant. Also those two are  
2 connected. The State Board envisions possible  
3 improvements in part in the delta as coming from out of  
4 this proceeding explicitly and is looking at different  
5 flow alternatives that may come with this -- with the  
6 State Board's 401 authority as the regulatory basis on  
7 which it may make decisions.

8 Effects on fish passage also need to be  
9 considered.

10 And finally, I would like to ask the Commission  
11 to pay particular attention in this process to independent  
12 research evaluation and examination of not just what's  
13 presented to it, but of the entire ensemble of issues that  
14 are presented in this proceeding. Careful review of the  
15 2009 testimony would be very important.

16 And I'd like to encourage staff to participate  
17 and be present as often as possible at relicensing  
18 meetings in order to gain a complete understanding of the  
19 project and in order to develop a complete record.

20 Thanks very much for the opportunity to comment  
21 today.

22 MR. HASTREITER: Thanks, Chris.

23 We have an individual in the back that I think  
24 wants to take five minutes.

25 MR. AVILA: Yes, I apologize to arriving late.

1 My name is David Avila. That's A-v-i-l-a. And my  
2 comments are directed to the TID Directors and CEO.

3 I would like to bring a new issues to the table.  
4 To maintain the integrity of the United States or we must  
5 challenge the federal authority to regulate businesses in  
6 a sovereign state. I keep a copy of the Constitution with  
7 me at all times, and I've read it. And I find no  
8 authority enumerated to find the federal government to  
9 regulate MID or TID.

10 I'm in agreement with the environmental review,  
11 and I believe that's when we're doing here. But I believe  
12 it should be on a daily basis process, not based on 50  
13 years review.

14 I understand the original Federal Powers Act of  
15 1920 was intended to help states establish reliable  
16 energy. But in character of most government agencies,  
17 they have expanded beyond their constitutional authority.  
18 I would implore TID to proceed with this process, but not  
19 from a defensive position, but from a position of total  
20 authority. I would reject the permit requirement but  
21 establish an association with any legitimate State agency,  
22 organizations, and certainly the California state  
23 citizens. I would invite the federal government for their  
24 input, which would be optional. I will say that any  
25 summer flow above close to zero is not natural, but a

1 fraud on this process.

2 And in closing, to use the famous words or the  
3 renowned words of the lone ranger, the natives are  
4 restless. Thank you.

5 MR. HASTREITER: Thank you, David.

6 Is there anybody else that wants five minutes?  
7 Scott, can I have you -- I have two or three more slides.

8 Just a few administrative things here. So this  
9 ends our formal comment period. And I have two or three  
10 more slides.

11 So on page 29 of our scoping document, we have a  
12 list of comprehensive plans. Section 10 of the Federal  
13 Power Act requires the Commission to consider the extent  
14 to which a project is consistent with federal and State  
15 comprehensive plans for improving, developing and  
16 conserving our waterways effected by a project. So we  
17 provided the list of plans that we feel are appropriate  
18 for this project. And we'd ask the federal and state  
19 agencies that are here today to give us any updates to  
20 those plans that may have happened or if we missed any.

21 Secondly, also in on the scoping document, there  
22 is a mailing list. The mailing list is fairly old. It  
23 needs quite a bit of updating. So if you do want to get  
24 put on the mailing list for this project relicensing  
25 process, I encourage you to contact the Commission. There

1 is an E-mail address on page 29. And you can be added to  
2 the mailing address. And if you know some folks that no  
3 longer have an interest for whatever reason, they can also  
4 be deleted.

5 Next slide.

6 This is just a reminder that on June 10th is a  
7 very important date in this proceeding, that comments on  
8 the PAD are due, scoping comments, study requests, and  
9 cooperating agency requests.

10 And for the folks that want to provide written  
11 comments, you need to clearly show that this for the Don  
12 Pedro Project and the project number and some document.  
13 We encourage you to file electronically. And we have a  
14 brochure on the tables that explains how to file  
15 electronically. It's very easy. I'm not going to go into  
16 the details on it. The brochures provides all that. But  
17 we're trained mightily to reduce paper and go to a wholly  
18 electronic format.

19 MR. WELCH: I don't think there are any more of  
20 these left on the table. We do have a few more we were  
21 trying to save for the evening meeting. But if anybody  
22 really needs one, we do have a few more of these  
23 "Hydropower Licensing: Get Involved, a Guide to the  
24 Public." We just came out with these this year, and I  
25 think they're very helpful for answering basic questions

1       about the licensing process. And as Jim said, you know,  
2       how to e-subscribe and use the Commission's electronic  
3       filing system.

4               MR. FURMAN: Is that available electronically?

5               MR. WELCH: No. How ironic is that? Do have a  
6       few more copies though. Maybe it is. I'll have to look  
7       into that.

8               MR. HASTREITER: So that ends our scoping  
9       process. And we would really thank all of you for coming  
10      today and taking your time to address this important  
11      matter. Thank you very much.

12              (Whereupon the scoping meeting ended  
13      at 11:58 a.m.)

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