UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

Office of Energy Projects

Division of Hydropower Licensing

- - - - - - - - - - - - - - - -x

Public Utility District No. 1: Project No. 13948-002

of Snohomish County : Project No. 13994-002

- - - - - - - - - - - - - - - -x

Calligan Creek Hydroelectric Project

Hancock Creek Hydroelectric Project

North Bend Rail Depot

205 McClellan Street

North Bend, Washington 98045

Wednesday, February 26, 2014

The public scoping meeting, pursuant to notice, convened on the porch of the Rail Depot at 7 p.m., before a Staff Panel:

KELLY WOLCOTT, Project Coordinator, FERC

DIANNE RODMAN, Terrestrial Biologist, FERC

MIKE TUST, Fisheries Biologist, FERC

SEAN O'NEILL, Civil Engineer, FERC

Also present:

DAWN PRESLER, Snohomish County PUD No. 1

KIM MOORE, SnoCo PUD No. 1

SCOTT SPAHR, SnoCo PUD No. 1

KAREN BEDROSSIAN, SnoCo PUD No. 1

JASON COHN, Tollhouse Energy, Black Creek Hydro

SUSAN WILKINS, Local Resident

P R O C E E D I N G S

MS. WOLCOTT: I guess we'll go ahead and get started.

MS. RODMAN: All right.

MS. WOLCOTT: Well, thank you guys for coming out. I sincerely apologize for our severe logistics issues tonight. My name is Kelly Wolcott, I'm an environmental biologist with the Federal Energy Regulatory Commission, and I'm also the Project Coordinator for Calligan and Hancock Creek. With me tonight is Dianne Rodman, a fellow terrestrial biologist; Sean O'Neill, who is a civil engineer; and Mike Tust, who is our fisheries biologist for both of these projects.

We'll start out tonight with a brief presentation from SnoPUD about the projects, and then we can discuss the scoping documents for both, which outline the scoping process, the process for preparing the environmental assessments, and the schedule associated with that; and take any comments or any questions related to the projects.

So I'll turn it over to SnoPUD.

MS. PRESLER: Public Utility District No. 1 of Sno --

MR. TUST: Snohomish County Public Utility District No. 1.

MS. PRESLER: Yes.

MR. SPAHR: So my name is Scott Spahr, I'm the Generation Engineer Manager for Snohomish PUD. Thanks to everyone for coming. And I was going to go through a PowerPoint presentation, but I'm going to keep it very brief on these projects, as I think the bulk of this group is familiar with the context and layout; but if there's questions at the end, we can address those.

So Snohomish PUD applied for preliminary permits on the projects in 2011. They generally follow the license conditions and the general project layout that was previously licensed in 1993 by Hydro West and Warehouser. However, we deviated from those to avoid critical areas on our penstock alignment. The other key features that we've recently added as an amendment to the FLA is upstream passage for fish and a tailrace barrier.

Both projects are run-of-the-river hydro projects; they're each 6 megawatts; Calligan Creek has a penstock that's about 6300 feet, and Hancock Creek has a penstock that is on the order of 7300 feet. Both are located well upstream of Snoqualmie Falls, which is an anadromous barrier; so the fishery is resident trout. They're both located in a commercial forestry area, and the terrestrial resources are consistent with a commercial forest.

In the interests of time, I think I'm going to

conclude my remarks and let other speakers ask questions about the project.

MR. COHN: And you might say we've got the detailed PowerPoint that will be made available to the FERC, which we can also send to any of the attendees here. So it has some aerial photos showing the penstock alignment, so it gives people an idea of what's being constructed.

MS. WOLCOTT: All right. So I guess we will now move on to discussing the scoping documents. We'll start with Calligan and then move on to Hancock. Hopefully this won't take too long, because the resource issues that we've identified are pretty similar in both so far.

So after tonight's scoping meeting, we will be accepting comments on both scoping documents until March 29th, I believe is the date; it's 30 days from the date of the meeting. All comments we receive tonight will go onto the transcript, which will be available in about two weeks on our website for free, for download or for printing; but if you have an immediate need for the transcript, you can make separate arrangements with Dan, the court reporter, and you'll be responsible for any related charges.

So we'll go over the proposed action; although I think Scott pretty well covered that. So we can move on to the resource issues that we've identified. This isn't exhaustive; this is just a preliminary list that we came up

with based on our review of the application for adequacy. So we can start with geology and soils. And for that, I will turn it over to Sean.

MR. O'NEILL: This is Sean O'Neill with FERC. So SnoPUD proposes the following environmental measures, as relates to Geology and Soil Resources: To develop and implement an erosion and sediment control plan in conjunction with a storm water pollution prevention plan to minimize localized erosion and mass soil movement.

Measures in the erosion and sediment control plan include: Limiting the acreage of ground clearing, installing silt fencing and sediment traps, hydro seeding and employing bio engineering techniques to establish a vegetative cover on bare slopes and to control erosion. Stockpiling unused excavation spoils and controlling them with suitable drainage, erosion and sediment control measures. Promptly replanting cleared soil as necessary, pumping sediment-laden water during diversion construction to vegetated areas and/or siltation ponds. Pumping concrete leachate to holding tanks, identifying certified erosion and sediment control weed for construction, and implementing best management practices.

They also propose installing a system for penstock rupture detection and rapid shut down. To install trench plugs to prevent erosion of the penstock trench

backfill, and possibly install water bars along the penstock corridor to divert runoff and prevent erosion. And they propose to install energy dissipation measures and armor the stream bed with riprap immediately downstream of the diversion structure.

MS. WOLCOTT: All right. This is Kelly Wolcott again, and we'll move on to proposed environmental measures for water quality -- aquatic resources in general.

MR. TUST: This is Mike Tust from FERC. I'll go over Water Quality and Fisheries Resources, proposed environmental measures that SnoPUD is proposing.

For water quality, they propose to minimize turbidity and other negative impacts in aquatic resources for the erosion and sediment control plan, as Sean indicated. They also are proposing to implement the water quality monitoring plan filed with the final license application, which includes provisions for monitoring water temperature and turbidity for five years following initial project operation.

For fisheries resources, they are proposing to provide the following minimum instream flows to protect the fisheries and aquatic habitat in the bypass reach of Calligan Creek. Those would be 2 cfs or inflow, whichever is less, immediately downstream of the diversion structure; and the second one would be 15 cfs from May 15th through

September 14th, and 6 cfs from September 15th through May 14th or inflow, whichever is less, at the downstream spring site, approximately 4800 feet downstream of the diversion.

They also propose to develop and implement ramping rates to protect fish and other aquatic resources from stranding during powerhouse start-up and shutdown. They will design and install mechanical deflectors on the Pelton turbine to provide flow continuation, and avoid fish stranding in the amount of a powerhouse shutdown. They propose to install and operate a sluice gate and a diversion structure to transport accumulated sediment downstream for the protection of aquatic habitat in Calligan Creek. They propose to design, install and operate a self-cleaning fish screen system using current NMS, National Marine and Fisheries Service design criteria, and develop operation and maintenance procedures to prevent fish entrainment at the powerhouse.

They propose to monitor fish spawning habitat near the project impoundment for five years following the initial project operation. They propose to implement a resident trout monitoring program for a period of five years. The monitoring would include annual snorkel surveys during August and September to document abundance, size and age class structure, and evaluate potential population trends tied to project operation. And they also propose to

develop and implement an Instream Flow Adaptive Management Plan that would include provisions for a program to adaptively manage instream flow releases in the project bypass reach based upon the results of the resident trout monitoring program which will be implemented during project operations.

MS. WOLCOTT: I think I forgot to mention that I will also be handling the Terrestrial Resources related to this project. So we'll go ahead and run through these environmental measures, starting with the botanical resources.

SnoPUD proposes to minimize impacts on botanical resources during the project construction and operation per the Erosion, Sediment and Control Plan that we discussed previously. They will also develop and implement a Terrestrial Resource Management Plan that includes the following provisions: Locational adjusting of the project from that previously licensed to avoid wetland habitat; Minimizing the potential project effects through design and construction, which would include the adjustment of the location of the project facilities, burying the penstock and transmission line, and implementing an Erosion Sediment Control Plan. They'll provide compensatory mitigation of habitat, such as wetlands, streams, riparian buffer; that is lost due to project construction and operation,

Develop protection, mitigation and enhancement, PM&E measures for upland habitat in consultation with the Washington Department of Fish & Wildlife to protect any special status species encountered during project construction; and develop PM&E measures for wetland habitat and wetland preservation.

And finally, managing for noxious weeds.

And to protect Wildlife Resources, they propose to bury the penstock and the transmission line to minimize habitat fragmentation; and to implement the Terrestrial Resource Management Plan that was just described.

And I'll go ahead and I'll also discuss the Recreation and Land Use. For Recreation and Land Use, they propose to minimize road closure during construction, and for Cultural Resources, they propose to implement an Unanticipated Discovery Plan in the event that cultural materials are discovered during construction of the project.

And last but not least, for Aesthetic Resources, they've proposed to use exterior colors for the powerhouse and the fencing materials that minimize contrast with the surrounding environment. They propose to bury the penstock and transmission line, and utilize native vegetation and natural topography to reduce the visibility of the project. And operate lighting at the powerhouse only when required.

So for Alternatives to the Proposed Action, we

will consider and analyze all recommendations for operation or facility modifications as well as PM&E measures identified by Commission Staff, resource agencies, Indian tribes, NGOs, and the public. To the extent that any modifications reduce the amount of power produced by the proposed project, we will evaluate costs and contributions to airborne pollution, considering a range of potential responsible generating alternatives.

We'll also discuss Cumulative Effects which, according to the Council on Environmental Quality: A cumulative effect is the effect on the environment, the results from incremental effect of the action when added to other past, present, and reasonably foreseeable future actions, regardless of what agency, be it federal or nonfederal, or a person undertakes such other actions.

Cumulative effects can result from individually minor but collectively significant actions taking place over a period of time, including hydropower and other land and water development activities.

And based on our review of the application and our preliminary staff analysis, we've identified water quality and fisheries as resources that might be cumulatively affected by the proposed construction and operation.

MS. RODMAN: Kelly, this is Dianne Rodman of

FERC.

I believe that the proposed measures and the cumulative effects for both projects are exactly the same.

MS. WOLCOTT: I believe so, yes.

MS. RODMAN: Okay, right.

MR. TUST: Well, there are different instream flow releases for Hancock than there are for Calligan. That's the one difference, from a fisheries standpoint; so we can highlight that in the Hancock section.

MS. WOLCOTT: Okay. So we determine cumulative effects based on a geographic scope as well as a temporal scope, and our geologic scope of analysis for cumulatively affected resources as defined by the physical limits or boundaries of the proposed actions' effect on resources and the contributing effects of other hydropower and non-hydropower activities within the North Fork Snoqualmie River sub-basin. And because the proposed action would affect the resources differently, the geographic scope for each resource may vary.

At this time we've tentatively identified the North Folk Snoqualmie River and associated tributaries upstream of the confluence of the middle and south fork as our geographic scope of analysis for water quality and fisheries resources. We chose this geographic scope because the construction operation of the project, in combination

with other existing and proposed hydroelectric projects in the North Folk Snoqualmie River Sub-basin may affect water quality and fisheries resources.

Other contributors to adverse effects on water quality and fisheries resources in the sub-basin include logging, road construction, residential development, and consumptive and non-consumptive uses of the water.

And the Temporal Scope of our cumulative effects analysis in the EA will include a discussion of the past, present and future actions and their effects on each resource that could be cumulatively affected. And based on the potential term of an original license, the temporal scope will look at 30 to 50 years in the future, concentrating on the effect of the resources from reasonably foreseeable future actions. The historical discussion will be necessity be limited to the amount of available information for each resource. The quality and quantity of information, however, diminishes as we analyze resources further away in time from the present.

MS. RODMAN: For cumulative resources, if anyone knows of any proposed or ongoing action that could affect aquatic resources, please put that on the record or incldue it in comments, to improve the value of our cumulative resources analysis.

MS. WOLCOTT: All right, and now we'll delve into

the actual Resource Issues that we've identified. Again, this is just a preliminary list that we've compiled based on a first blush look at the license application and our adequacy review.

So we'll go ahead once again and start with Geologic and Soil Resources.

MR. O'NEILL: This is Sean O'Neill from the FERC, again. So the resource identified for Geologic and Soil Resources include the effects from erosion of exposed and disturbed soils, both surface soils and subsurface include on soil resources and proximate surface waters. The effects of shallow landslides on soil resources casued by either construction disturbances or the placement of excavation spoils on steep slopes, and the effects of penstock rupture and resultant large-scale erosion or landslides on soil and surface water resources.

MR. TUST: This is Mike Tust from FERC. I'll talk about the preliminary resources as we've come up with for water quality and fisheries resources. I just want to note that both of these resources will be analyzed for both cumulative and site-specific effects.

For water quality, we came up with: effects of project construction activities; that is, in water work, excavation and blasting on water quality including temperature, dissolved oxygen and turbidity levels in

Calligan Creek around the project construction site.

The effects of project operations, which would include minimum instream flow releases, ramping, sediment sluicing, and spillway operations on water quality; including temperature, dissolved oxygen, turbidity and total dissolved gas on those levels in the bypassed reach and Calligan Creek downstream of the powerhouse.

For Fisheries Resources, we have effects of project construction activities, the same ones in Water Work, excavation and blasting on fisheries and aquatic habitat in Calligan Creek at and downstream of the project construction site.

The effects of project operations; that is, minimum instream flow releases, ramping, sediment sluicing, and spillway operations on fisheries and aquatic habitat in Calligan Creek from Calligan Lake to downstream of the project powerhouse.

The effects of project operations on upstream and downstream movements of resident fish in Calligan Creek. The effects of project operations on fish entrainment and impingement, and the corresponding injury and mortality, then the effects of project operations on large woody debris and sediment transport, and corresponding effects on fisheries and aquatic habitat downstream of the diversion structure.

MS. WOLCOTT: All right, I will discuss -- this is Kelly Wolcott from the FERC. I'll discuss the Terrestrial Resources, the effects on terrestrial resources that we've identified.

Effects include effects of the buried penstock right-of-way and associated reduction in cover in the movement of small mammals. Effects of project construction and operation on wildlife disturbance. And effects of project construction operation on the introduction and spread of noxious weeds.

And I will continue on and cover Recreation and Land Use, Cultural and Aesthetics and Socioeconomics as well. Well, I believe Sean will cover socioeconomics.

So for Recreation and Land Use, we've identified effects on the project construction operation on recreation resources and public access within the project area, including nearby campgrounds, and Calligan Lake above the diversion structure.

We've also identified effects on the project construction operation on land use in the project area, including commercial forestry and other uses accommodated under the Snoqualmie Forest Conservation Easement, which encompasses a portion of the proposed project.

For Cultural Resources, we identified effects of construction and operation of the proposed project on

historic, archaeological and traditional resources that may be eligible for inclusion in the National Register of Historic Places.

For Aesthetic Resources, we had some initial concerns over visual effects of the project facilities, including outdoor lighting and construction of these facilities along publicly accessible roads and the North Folk Snoqualmie River at Calligan Lake and nearby campgrounds, or in other areas utilized by the public. We're also concerned about visual effects or reduced flows in the bypassed reach of Calligan Creek during project operation, and effects of noise from construction operations such as equipment operation, blasting, traffic, and turbine generator noise on recreation users at nearby campgrounds or other affected areas.

MR. O'NEILL: This is Sean O'Neill again. In terms of Socioeconomics, we've preliminarily identified that effects of the project on local, tribal and regional economies, as well as the effects of construction traffic on local and regional road systems.

MS. WOLCOTT: All right. So now we'll move on to our Request for Information, which is the whole point of our doing these scoping meetings; and we are asking federal, state and local resource agencies, Indian tribes, NGOs and the public to the Commission any information that will

assist us in conducting an accurate and thorough analysis of project-specific and cumulative effects associated with the licensing of this project.

The types of information we are requesting include but are not limited to: Information, quantitative data, or professional opinions that may help define the geographic and temporal scope of the analysis;

Identification of, and information from, any other EA or an Environmental Impact Statement or similar environmental study relevant to the proposed licensing;

Existing information and any data that would help describe the past and present actions and effects of the project and other developmental activities on environmental and socioeconomic resources;

Anything to help characterize existing environmental conditions and habits;

The identification of any state, federal, or local resource plans and any future project proposals in the affected resource area;

Documentation that the proposed project would or would not contribute to cumulative adverse or beneficial effects on any resources. That type of documents can include how the project would interact with other projects in the area and other developmental activities; Study results, resource management policies and reports from

federal and state agencies; local agencies, Indian tribes, NGOs, and the public; or

Any documentation showing why any resource should be excluded from further study or consideration.

And as I mentioned earlier, we'll be accepting comments on the Scoping Document 1 through March 29th, 2014. We have information in the scoping document as to how to go about filing comments. You can file them electronically or via standard mail with the Commission, just make sure that you indicate which projects; for this it would be the Calligan Creek Project, and the docket number which is provided.

And if we don't have any questions on how to file comments, we can move on to the preliminary EA preparation schedule that we've put together. Like I said, we are planning to do an EA as opposed to an Environmental Impact Statement or an EIS; that's what we're looking at right now. And our proposed schedule is as follows: We're having the scoping meetings right now, and then depending on what comments we receive from Scoping Document 1, we may then issue a second scoping document, and we would aim to do that in April.

Also in April we would issue our Ready for Environmental Analysis Notice in which we would solicit the filing of comments, recommendations and Agency terms and

conditions. Now those would be due 60 days afterwards; so we're looking at a June 2014 time frame. And then we would look to issue the draft EA in October, and we would have a 60-day comment period on the draft EA, and those comments would be due in November. And then we would look to issue the final EA sometime in April, 2015.

MS. RODMAN: This is Dianne Rodman, FERC.

Kelly, were you intending to have a 60-day comment period or a 30-day comment period?

MS. WOLCOTT: I'll have to double-check; it might be 30. I might have had a typo in here, so I will double-check that and post a correction as necessary on the FERC website.

Thank you, Dianne,.

So we've also enclosed our proposed EA outline, which shows what the table of contents would look like and what the EA structure would look like. So we will also be looking at comprehensive plans; we do have a list of comprehensive plans for the State of Washington, and we've identified the following list of comprehensive plans that might be relevant to the area that we will look at in our analysis, when putting together the EA.

So with that, -- oh, and we also have our mailing list, and if that needs to be updated, then please let us know. I have a sign-in sheet that we can pass around if you

would like to be added to the mailing list, we will be more than happy to do that as well.

So if anyone has any Calligan Creek-specific questions, we can move on to Hancock. Like I said, since these projects are very similar in terms of location and I think overall resource effects are similar across-the-board with some minor variations, we can go ahead and do that, if that's okay with everyone.

All right. So moving on to Hancock, like I said, much of what we discussed in Calligan applies here as well; the facilities are slightly different, but I think with few exceptions, the resource issues are the same. a lot of the environmental measures are the same, but we can in the interests of time --

MS. RODMAN: Can we just spotlight the differences between --

MS. WOLCOTT: Yes, we can do that. I think that sounds like a plan to me. So we'll just go ahead and highlight where they're different. So I think we can start with --

MR. SPAHR: Did you want to just go through --

MR. O'NEILL: Yes. In terms of the minor changes to Geologic and Soil Resources, Proposed Environmental Measures for the Hancock project, SnoPUD has not proposed to potentially install water bars along the penstock corridor,

and they have proposed to bury the penstock at grade in certain locations susceptible to the trench collapse from shallow ground water sources.

MR. TUST: This is Mike Tust from FERC.

In terms of water quality, SnoPUD has proposed the same measures as what was outlined in Calligan. For fisheries resources, the only difference -- they proposed the same measures as was for Calligan; the only difference is that they propose minimum instream flows to protect fisheries and acquired habitat in the bypass reach as, the first one is 5 cfs or inflow, whichever is less, from October 16th through June 14th. And the second one is 20 cfs or inflow, whichever is less, from June 15th through October 15th. This is at the diversion.

And that's the only difference from Hancock and Calligan for fisheries resources.

MS. WOLCOTT: Okay, and it looks like the terrestrial resource, the proposed measures are the same for terrestrial across-the-board; but there are some differences when we get into discussions about Recreation and Land Use. For Recreation and Land Use for Hancock, they do propose to minimize road closure during construction, but they also propose to implement a penstock recreation access program to manage public access within the cleared penstock corridor.

And Cultural Resources is the same, and it looks

like Aesthetics is also the same. So very slight differences here. And we'll move on to the Resource Issues, because I think those might be slightly different, too, for some resources.

Did they have different resource issues for Aquatics or Geology and Soils?

MR. O'NEILL: One second. This is Sean O'Neill with the FERC. The only difference in the Hancock project relative to Calligan is we have not identified as potential resource issues the effect of shallow landslides on soil resources at the Calligan Creek site.

MS. WOLCOTT: Okay.

MR. TUST: This is Mike Tust for FERC.

In terms of water quality and fisheries resources, preliminary effects, they are the same as Calligan, for Hancock.

MS. WOLCOTT: It looks like the same is true for Recreation and Land Use, as well as Cultural, and Visual looks to be the same as well.

MR. O'NEILL: Socioeconomics have also been identified the same, between both projects.

MS. WOLCOTT: And then the same analysis -- we've identified the same cumulative effects of water quality and fisheries resources in Hancock as we did in Calligan. We're going to be processing these two in tandem. We were sort of

debating whether to do one monster EA versus two individual EAs, one for each project. And either way you slice it, it's going to be a lot of work.

So in the interest of bookkeeping, I think we've decided to have each project have its own EA, so it will pull up easier on the docket.

So with that, we'll go ahead and take any questions or comments anyone has, and I'll open up the floor.

@ MS. WILKINS: I'm Susan Wilkins. I had a question about -- and you may have addressed this -- Hancock Creek, you do cross the Hancock Creek Bridge to get to the raptor campground. Will that be closed during camping season? Do you know?

MS. WOLCOTT: That I'm not sure. Our recreation expert, Ken Wilcox, wasn't on the trip. I'll have to ask him that.

MR. COHN: I would have to say that the bridge isn't going to be closed, because that's our access to -- this is Jason Cohn with Black Creek Hydro. So the bridge will be our access to our hydro project; and also Hancock does timber harvest up there, so they won't be closed.

MR. SPAHR: This is Scott Spahr with Snohomish PUD, and I'll reflect the same thing, that we have no plans to close the bridge.

MS. WILKINS: I have a second question, about the comprehensive plans. What about the King County Comprehensive Plan, does that come into play in all this? Because it's not listed.

MS. RODMAN: King County may not have requested that the Commission consider that plan as a comprehensive plan.

MS. WILKINS: Does it still have to be adhered to, even if it's not on the list?

MS. WOLCOTT: My understanding of comprehensive plans -- this is Kelly Wolcott -- is that if an entity would like a comprehensive plan to be considered by FERC for any action that we're analyzing, they have to file it with us; and then we review the plan and then there's some sort of --

MS. WILKINS: There are criteria.

MS. WOLCOTT: There are criteria that it has to meet.

MS. RODMAN: Criteria -- right. To meet.

MS. WOLCOTT: In order for us to accept it, and then it officially becomes a comprehensive plan that's recognized by FERC.

MS. RODMAN: This is Dianne Rodman again. I'm thinking that a county plan cannot be considered a comprehensive plan. I believe it has to be federal or state, or possibly an Indian tribe, if you've got tribal

lands involved. However, all of our licensees are required to comply with any federal, local or state laws; so I think that outside of our license, any of our licenses would have to comply with those plans.

Also, I believe that King County does have some permitting authority that ties in with the Coastal Zone Management Act, and in order to get the federal consistency with the Coastal Zone Management Act, they have to satisfy King County.

MS. WILKINS: Okay. Thank you.

MR. SPAHR: Can I add to that?

So Scott Spahr, SnoPUD, and just so you know that we have met with King County as part of our due diligence, we talked with them about the projects before we acquired the sites; we tried to identify if there were any fatal flaws; and then we actually applied for and received conditional use permits from King County, indicating that they're consistent with zoning, and we've been, applied for and received shorelines substantial development permits for both projects.

And we've also applied for building and grading permits.

MS. WILKINS: Thank you.

MS. WOLCOTT: Does anyone have any other questions or comments?

MS. BEDROSSIAN: I just have one comment. Karen Bedrossian from Snohomish County PUD, and regarding recreation at both Hancock and Calligan, public access will be consistent with Hancock Forestry management, access on both projects on the penstock.

MS. WOLCOTT: Very good.

Okay. Well, if we don't have any other questions, comments, remarks, I guess we can go ahead and close out the meeting. And I thank you all for your time and above all, your patience and your fortitude. And I wish you all a very good night.

(Whereupon, at 7:35 p.m., the scoping meeting concluded.)