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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Project Number:
YADKIN AND YADKIN-PEE DEE RIVER : P-2197-073
HYDROELECTRIC PROJECTS : P-2206-030
- - - - - x

Edward C. Smith Civic Center
217 South Main Street
Lexington, NC

Tuesday, January 23, 2007

The above-entitled matter came on for scoping
meeting, pursuant to notice, at 7:05 p.m.

BEFORE:
LEE EMERY, FERC

P R O C E E D I N G S

(7:05 p.m.)

1
2
3 MR. EMERY: Good evening. My name is Lee Emery.
4 I'm from the Federal Energy Regulatory Commission in
5 Washington, D.C. I'd like to thank everyone for coming this
6 evening. It's a beautiful day out here today. I've seen
7 the project. I'm looking forward to a very productive
8 scoping meeting and we spent the last couple of days out
9 seeing some of the project here, some of the areas we were
10 very interested in seeing.

11 Before we get started tonight, I want to say a
12 few words about FERC, Federal Energy Regulatory Commission,
13 the acronym used for them, and what we expect to accomplish
14 at tonight's meeting. I'll have Pat Weslowski start the
15 meeting tonight with her presentation and introduction of
16 the various team members.

17 FERC many of you may know or may not know, but is
18 a federal regulatory agency that has among its many
19 responsibilities of regulation and licensing of non-federal
20 hydroelectric projects. We are required under a variety of
21 federal laws and regulations and our own agency regulations
22 to evaluate the environmental impacts and effects of
23 licensing hydropower projects and scoping is one part of
24 this process.

25 In tonight's meeting we'll be asking you to help

1 us identify and/or further refine the scoping issues we have
2 identified in the scoping document we've prepared for this
3 project. We've sent some of those out and we've got some
4 available tonight, of course, in the back. Your input will
5 help to develop an environmental impact statement that we'll
6 be preparing for this project. Now we're still early in the
7 licensing process. This is the first stage for many of us,
8 although some of the licensees and others have been involved
9 several years already.

10 You will have other opportunities to participate
11 in this process before we, the staff, present our
12 recommendations to the five commissioners at FERC. These
13 five commissioners are appointed by the President and
14 confirmed by the Senate and ultimately are the people who
15 will decide whether the project should be relicensed and how
16 the project should be operated in the future. While Pat
17 Weslowski presents her program, I'll determine how many
18 people have indicated they wish to speak and how much time
19 we can allow so that each person or each speaker has an
20 opportunity to say his or her piece.

21 If you haven't completed a sign-in yet and
22 indicated that you want to speak, please do so now so we'll
23 have a flavor for how long it will be. With that, I'll let
24 Pat start it. I look forward to a productive meeting.
25 Thank you.

1 MS. WESLOWSKI: Thank you, Lee. Can everybody
2 hear me okay? Thank you. We have a brief program this
3 evening to help orient you to the purpose of this meeting
4 and to the project. Our agenda is short. We'll do some
5 introductions. We'll talk about what the scoping process is
6 intended to do. We'll give you the anticipated schedule for
7 the environmental impact statement. We'll tell you about
8 the type of information that we're interested in receiving
9 from you. We'll give you a very brief description of the
10 project. We'll discuss the proposed environmental measures
11 are those are reflected in the draft agreement in principal,
12 which Gene Ellis will talk about in a bit.

13 We'll give you our current concept of the
14 cumulative effects of this project, the Yadkin Project and
15 the Yadkin PD River System. We'll describe the resource
16 issues that we've identified thus far and then we'll turn
17 the program over to you to get your comments.

18 We do have a few ground rules for this meeting
19 that will allow it to move more smoothly. First of all, we
20 request that you show respect to all of the participants in
21 the meeting and I'm sure you will. We will have some time
22 limits. And as Lee said, based on the number of people who
23 signed up and the amount time available, he'll let you know
24 you'll have available to speak. If you do wish to speak,
25 sign in. Even if you don't speak, we hope that you all have

1 signed in. We will be taking you in the order in which you
2 signed in at the first desk.

3 If you brought written comments with you to leave
4 with us, please leave them with the court reporter, who is
5 over on my left and he will make sure those get filed in the
6 record for this proceeding.

7 Now as far as the FERC and our contractor team
8 who are here tonight, Lee Emery has already introduced
9 himself. He's the coordinator of the FERC team. He's a
10 fisheries biologist. My name is Pat Weslowski. I'm with
11 the Louis Berger Group. We are contractors to the Federal
12 Energy Regulatory Commission. We help them prepare their
13 NEPA documents and I'm coordinating the Louis Berger team.

14 Sarah Florentino -- Sarah, would you stand up?
15 Sarah is with FERC and she's a terrestrial ecologist. She's
16 concerned about wildlife and plants and all of those things.
17 Dr. Bernard Hay, who's with the Louis Berger Group, he's a
18 water quality specialist and has considerable experience in
19 sediment transport and sedimentation and bed load issues.
20 Ken Hodge is at the front desk. He's a civil engineer.
21 He's with the Louis Berger Group. He's worked with
22 utilities in the past before coming to the Louis Berger
23 Group, so he's fully conversant with how hydropower projects
24 work.

25 John Hart is down at the Powerpoint presentation.

1 John is a hydrologist. He's with the Louis Berger Group.
2 He has considerable years of experience with HECRAS
3 modeling, which will be an important part of this
4 proceeding. Allyson Connor is with the FERC team.
5 Allyson's a recreation specialist and Leslie Yankey is also
6 on our list. She was here earlier in the day and will be
7 back tomorrow, but she's not here this evening.

8 Now the purpose of scoping, under the National
9 Environmental Policy Act, under FERC's own regulations and
10 various other applicable laws, they require an evaluation of
11 the environmental effects of licensing hydropower projects.
12 Scoping is part of the NEPA process. We use scoping to
13 identify the issues and concerns that need to be addressed
14 in the environmental impact statement. We solicit input
15 from a variety of agencies at all levels of government,
16 tribes, non-governmental entities and the general public,
17 you.

18 There was a scoping document issued on December
19 21st. There are copies available at the front sign-in desk
20 if you haven't picked up one up. The schedule for
21 preparation of the Environmental Impact Statement is
22 January, which we are doing now. We target the release of a
23 Ready for Environmental Analysis, an REA notice, the end of
24 February. And assuming that's issued the end of February,
25 the current target for issuing the draft Environmental

1 Impact Statement is September.

2 Now tonight we're going to be requesting
3 information and listening to your comments. The type of
4 information that is useful to us has to do with significant
5 environmental issues that should be addressed in the
6 Environmental Impact Statement. Other studies in the
7 project area that you may know about that are not in the
8 public record for this proceeding and everything that has
9 been filed thus far by the applicant, by intervenors, by
10 agencies -- all of that information is in the public record
11 and we have access to that. But you may have other studies
12 that aren't and they may be useful to us.

13 Information or data that describes the past and
14 present conditions of the project area, again, that you
15 think might not be available to us yet and resource plans
16 and proposals -- not speculative ones, but concrete
17 proposals that are in the project area or in the project
18 vicinity that we should know about for purposes of our
19 cumulative effects analysis.

20 Now I'd like to turn the program over to Gene
21 Ellis from Alcoa Power Generating who will talk to you a
22 little bit about the process that has been gone through to
23 date.

24 MR. ELLIS: Thank you, Pat. I'm Gene Ellis. I'm
25 the licensing and property manager for Alcoa Power

1 Generating. On behalf of Alcoa, I would like to thank you
2 for joining us here this evening and specifically for this
3 FERC meeting. We've been working on the relicensing of the
4 Yadkin Project for more than four years now and tonight
5 marks another milestone in this process. When we first
6 began the process, we encouraged those with an interest in
7 the future operation of the Yadkin Project to get involved.
8 We've had tremendous amount of community and agency
9 involvement along the way and that participation is leading
10 us to a relicensing agreement that offers important
11 environmental protections and significant recreational
12 benefits to the people of North Carolina.

13 For the past two years, we've been working with
14 representatives from over 25 organizations and agencies to
15 develop this relicensing settlement agreement. We're in the
16 process of finalizing that agreement and when we do finalize
17 it, we'll be filing that with FERC after it's completion.
18 The agreement builds on concepts that were outlined in the
19 agreement in principal that was made available to the public
20 last summer. Our agreement in principal and our final
21 agreement, both reflect the input, involvement and influence
22 of a wide collection of stakeholders from local governments
23 and state and federal agencies to homeowner groups and
24 environmental interests. I'm very proud to say that the
25 progress we've made is significant and we do believe that it

1 represents a true balance of the issues.

2 In the agreement in principal and the work that
3 we've done thus far in the final agreement, we've touched on
4 every major issue that was brought before us -- keeping more
5 water in High Rock Lake to support recreation and enhance
6 fish and wildlife habitats, improving water quality,
7 ensuring the long-term protection of our land and cultural
8 resources, providing a consistent water flow to support
9 downstream interest, enhancing recreation through the
10 development of new swim areas, camp sites, new fishing areas
11 and so on.

12 We look forward to formally submitting that
13 agreement to FERC as we complete it. I'm glad that FERC is
14 taking this opportunity tonight to hear directly from the
15 people that live in this area. I expect some of you would
16 like to see differently than what we are proposing and
17 that's no surprise, but we feel very good about what we have
18 put together thus far and we feel very good about the amount
19 of support that we have gotten for it.

20 So I do appreciate this opportunity to speak this
21 evening and I look forward to hearing from all of you and
22 your comments to FERC also. Thank you.

23 MS. WESLOWSKI: Thank you, Gene.

24 We just have a very brief description of the
25 project. This is the location, as you know, on the Yadkin

1 River for development, the High Rock Dam development, Tucker
2 Town Dam, Namus Dam and Falls Dam. That's upstream to
3 downstream. These four developments extend along about 20
4 miles of the Yadkin River. The High Rock Reservoir is a
5 storage and release operation reservoir and the remaining
6 three all run-of-river operations. That is to say flow that
7 goes in goes out of the project, the total of 209 megawatts
8 of installed capacity. There are 26 recreation sites at
9 these four developments. These are existing recreational
10 sites and by agreement, the Yadkin Project releases 900 cfs
11 cubit square feet of water below Falls Dam.

12 The Yadkin Project operates under a headwater
13 benefits agreement that requires this flow be released to
14 the Yadkin PD Project downstream. Headwater benefits are
15 the additional energy production that's possible at the
16 downstream hydropower plants resulting from the regulation
17 of a river at an upstream storage facility, which is what
18 High Rock is.

19 Now the proposed measures we are describing those
20 that are in the draft agreement in principal. In the
21 scoping document that you picked up tonight or that you
22 received in the mail, we have both proposed in the license
23 application of Alcoa as well as the measured proposed in the
24 agreement in principal and we have them in that document in
25 detail. This is just a very brief summary of them.

1 As Gene said, there will be increased minimum
2 flows proposed as measured at Falls Dam. There's an intent
3 to maintain higher summer water levels in the reservoirs
4 within 4 feet of full pool as opposed to 6 feet of full
5 pool. There will be reduced winter draw down levels of the
6 reservoirs. The maximum draw down would be 10 feet.
7 There's an intent to stabilize water levels during the
8 spring spawning season for fish. There's a proposed measure
9 to improve the dissolved oxygen, again, to benefit fish
10 downstream of High Rock Dam and downstream of Namus Dam.
11 There's a proposal to implement with other partners a
12 diadromous fish plan. Diadromous fish are those that
13 migrate between fresh water and salt water. They move back
14 and forth.

15 There is a proposal to implement a rare
16 threatened and endangered species plan. Those being
17 wildlife, plants and fish. One of those species being the
18 Yadkin goldenrod and there is a proposal to monitor that
19 particular species that's specific to your project. There's
20 a proposal to fund the monitoring of fresh water mussels in
21 the Falls Dam tailwater. There's a proposal to monitor and
22 control evasive and exotic plants that tend to spoil your
23 water and interfere with your boating. There's a proposal
24 to implement a transmission line management plan, annual
25 nesting surveys of bald eagles, implementation of an

1 historic properties management plan and a recreation, which
2 has quite a few components to it. These are just
3 highlights. That plan proposes to provide more accessible
4 improvements at recreation sites, to install two accessible
5 public fishing piers, provide a new public recreation site
6 at Rowan County on the Rowan County side of High Rock Lake,
7 to generally improve the portage trails and to review and
8 amend the shoreline management plan within two years of
9 license issuance. That's a very brief description of
10 proposals that are in some cases are somewhat complex, so I
11 encourage you to look at the scoping document for the
12 details of those proposals.

13 In the Environmental Impact Statement, we will
14 assess cumulative effects. The scope of that cumulative
15 effects analysis, as we currently envision it subject to
16 comments that we receive, is as follows. We are looking at
17 water resources, sediments and fishery resources. And we
18 are looking at water and sediments from the upstream
19 influence of the project, downstream of the Scott's Dam and
20 then downstream to the hydrologic influence of the project
21 below Fluid Dam of the Yadkin PD Project. So that's the
22 geographic extent of our consideration of water resource
23 issues and sediment issues. For fisheries issues, we will
24 extend that analysis downstream to the Atlantic Ocean
25 because the fish are coming in from the ocean and moving up

1 to the project and going back.

2 In terms of the timeframe, we'll be looking 30 to
3 50 years into the future. The resources issues that would
4 be included in the environmental impact statement include
5 geology and soils, aquatics, fisheries resources,
6 terrestrial, wildlife and plants, threatened and endangered
7 species -- and we typically those that are listed federally
8 separately -- recreational resources, land use and
9 aesthetics, cultural resources and developmental. Those
10 being the economics of the project.

11 Based on the license application and on the
12 public record that we've seen to date, the potential effects
13 to specific resource issues that have been identified are as
14 follows: shoreline erosion, riparian habitat and wetlands,
15 flood elevations and sedimentation, potential effects on the
16 salinity in the lower PD River estuary and intercoastal
17 waterway, potential effects on water quality, including
18 temperature and dissolved oxygen, potential effects on
19 dradromous species and the restoration efforts for those
20 directed at those species -- shad, for instance -- potential
21 effects on federally-listed rare, threatened and endangered
22 species, again, wildlife, fish, botanical, wetlands and
23 wildlife resources, potential effects on aquatic evasive
24 species, potential effects on shoreline management and land
25 use practices within the project boundary, potential effects

1 on aesthetic resources, on recreational facilities and
2 opportunities, on properties included in or eligible for
3 inclusion in the National Registry of Historic Places, that
4 would be historic properties, and the project economics.

5 Now I'm going to turn the program over to Steven
6 Bowler who will give you the guidelines for providing public
7 comments. Steven.

8 MR. BOWLER: First, I wanted to make sure people
9 in the back can hear well. Okay, thank you.

10 When we saw the venue tonight, we thought about
11 converting it to a musical, but we decided that might not be
12 appropriate. So we'll go with the more traditional calling
13 people up to offer their comments and we'll be generating a
14 formal record. We have a court reporter who will be
15 creating a record of the comments. In order to make that
16 work, I'm going to run through a few request that we have to
17 get that record. Please, if you use any acronyms, please
18 define them for us. Please come to the podiums and speak
19 into the microphone. Please state your name and what
20 organization you represent and if either your name or the
21 organization's name is not a common spelling, please spell
22 it for the recorder. It's going to be in the record and we
23 don't want your name to be spelled incorrectly.

24 After the meeting, you can talk to the recorder,
25 Mr. Katherine, about getting copies of the transcripts. It

1 will be a copy of weeks until they're prepared, but you
2 would obtain them from his company. If you have written
3 comments, you can submit them to him and they'll be attached
4 to the record.

5 Based on the number of sign-ups we've had for
6 speaking, it looks like we can give everybody up to five
7 minutes to speak. I will announce the next speaker and one
8 or two people on deck so you know that you're coming and the
9 one exception to that is our first speaker, the people who
10 signed up from the Davidson County Commissioners agreed to
11 consolidate their time into one 10-minute slot instead of
12 multiple five-minute slots.

13 So the first speaker, if there aren't any other
14 comments, will be Dr. Max Walser and on deck will be Kevin
15 Firquin.

16 DR. WALSER: Good evening. My name is Max Walser
17 and I am representing the Davidson County Board of
18 Commissioners. In fact, all of those commissioners are here
19 and I'd ask you to please stand -- the Board of
20 Commissioners stand up. I want the record to show that all
21 seven members of the Board of Commissioners are here. Thank
22 you.

23 It's appropriate and fitting that I show you my
24 tie only because Ms. Weslowski asked me about my tie when I
25 came up here tonight. And she said are those really your

1 grandchildren? In fact, they are. And I'd like to begin,
2 since she reminded of that, that as I look across this crowd
3 it's a pretty graying crowd and she said this was 30 to 50
4 years. We don't know how long, but my guess is that 90
5 percent of the people in this room will not be living at the
6 end of this license period. That's a pretty sobering
7 thought. So I'm not only speaking for 160,000 citizens
8 tonight, but also for my grandchildren and their
9 grandchildren who cannot speak for themselves.

10 I've had a long-time interest in the environment
11 and the economic well-being of Davidson County. I want to
12 thank Alcoa, Gene Ellis who was sitting over here and all
13 the stakeholders and interested parties who have devoted
14 countless hours to this relicensing process. Davidson
15 County's economy has been hard hit by structural economic
16 changes manifested primarily by a large decline in the
17 county's manufacturing base, especially in the furniture and
18 textile industries. Between 2000 and 2003, total wages in
19 the county decreased by \$106 million.

20 The biggest job losses in the county have been in
21 the manufacturing sector with 7,725 jobs lost since 2000.
22 The county's furniture industry accounted for more than half
23 of these job losses with a net loss of 4,462 jobs since
24 2000. Conversely during this same period, the County saw
25 employment gains in seven economic sectors. Two sectors

1 closely tied to tourism and recreation had some of the
2 highest employment gains. One of the highest net employment
3 gains was 101 jobs in the arts, entertainment and recreation
4 sector. The county has had a net gain of 230 jobs in the
5 accommodations and food service sector, a sector closely
6 tied to tourism.

7 Because of our downward trend in the county's
8 traditional economic base, the county has seen a need to
9 diversify in economic development efforts and look for other
10 ways to bring in revenue and create new jobs. I was
11 encouraged by the net gains in the tourism-related job
12 sectors and felt this was an area the county definitely
13 needed to explore. Therefore, in 2003, the Board of
14 Commissioners voted to fund the Davidson County Parks and
15 Recreation and Tourism master plan that was completed and
16 presented to the Board of Commissioners in June 2005. Since
17 that time, several taskforces comprised of interested
18 citizens have been working on implementation of the
19 recommendations contained in the master plan.

20 I've provided you and FERC with this background
21 information to impress upon FERC the tremendous importance
22 of High Rock Lake and Tuckertown Reservoir as natural
23 resources and tourism assets to Davidson County. These
24 lakes and the surrounding non-project lands will play a
25 vital role in Davidson County's future efforts to develop

1 its recreation and tourism industry. A key element
2 contained in the Parks and Recreation and Tourism
3 development master plan is to pursue the unique opportunity
4 presented in the relicensing process, through FERC, of Alcoa
5 Power Generating, Inc.'s four reservoirs. To this end, the
6 Board of Commissioners adopted a resolution in February 2005
7 supporting the recreation and tourism master plan
8 recommendation requesting APGI to reserve its land holdings
9 in Davidson County for the public benefit and enjoyment of
10 county residents.

11 Davidson County was an active participant in the
12 agreement in principal, AIP, negotiations through July 2006
13 until such time the majority of the Board of Commissioners
14 felt it could not sign the AIP documents to continue
15 negotiations for the final relicensing and settlement
16 agreement. Despite not being able to sign the API, Davidson
17 County is pleased that Alcoa/Yadkin has agreed to make more
18 than 40 percent of its land holdings available for purchase
19 by the State of North Carolina or private groups for the
20 purpose of recreation, game lands or conservation, including
21 2500 acres along High Rock Lake and 2400 acres along
22 Tuckertown Reservoir.

23 I agree with our friend Jason Walser of the
24 Central Land Trust that this is truly the most significant
25 opportunity to preserve open space and natural resources in

1 this generation and that we may never see another
2 conservation opportunity of this scale again. I hope that
3 the final purchase price will be fair and equitable and that
4 Davidson County will seize the opportunity to establish a
5 regional park for its citizens to enjoy on Tuckertown and
6 establish a greenway along the Yadkin River from Boone's
7 Cave State Park to the Wil-cox Bridge at the historic
8 Trading Ford District.

9 Davidson County appreciates Alcoa/Yadkin proposed
10 changes to its operating guide for the spring and summer
11 months on High Rock Lake to help maintain higher and more
12 stable water levels. We realize that the drought in 2002
13 contributed in a major way to low lake levels and we know
14 that there are certain constraints placed on Alcoa when
15 these kinds of events occur. However, the extreme draw
16 downs of 2002 were a travesty that should never have been
17 allowed to happen. The effects were devastating to Davidson
18 County's property values.

19 (Applause.)

20 DR. WALSER: I don't really think they want you
21 to applaud, so don't applaud me any more. The effects were
22 devastating to Davidson County's property values and lead to
23 a number of lake-related business closings, hurting the
24 county whose economy was already in distress. It appeared
25 the county was subjected to these extreme conditions to

1 allow Alcoa/Yadkin to maximum the profits of the power
2 generating sales. To demonstrate the extreme conditions we
3 have photos that we want to leave with FERC that showed the
4 lake levels and all of you that live down there know that
5 you could graze cows on that lake or on the lake bed during
6 that period of time.

7 And of course, the photos show that the lake was
8 in sad shape, drastically reducing activities. We are in
9 fear that similar conditions could return again. Hopefully,
10 the load inflow protocol will keep this from happening,
11 requiring Alcoa/Yadkin to send less water downstream and
12 generate less energy when drought conditions exist. Despite
13 improved proposed operating procedures for High Rock Lake as
14 outlined in the current API, it has been demonstrated that
15 the proposed maximum 10-foot draw down in the winter months
16 remains problematic for High Rock Lake. At 10-foot draw
17 down, 63 percent of High Rock Lake is dry. It is unsafe to
18 travel on the lake at that level, access to the lake is very
19 limited, the effect on fish habitat, aquatic plant
20 development, water quality and sedimentation are negatively
21 affected. The economic disadvantage of the 10-foot draw
22 down effects local business and effects winter property
23 values.

24 When I was chairman of the tourism committee, we
25 were trying to attract the bass masters tournament here and

1 they would not come because of the concern about low lake
2 levels. I understand there's a tournament coming soon,
3 though. That's good.

4 In summary, we feel that a 10-foot draw down will
5 lead to further degradation of the water quality of the
6 lake, given the overall shallow impairment of water in High
7 Rock Lake. Only four of the public access areas will remain
8 useable under this scenario and nearly all the private and
9 commercial facilities would be unusable. We find this to be
10 unacceptable when we are trying to maximum our tourism and
11 recreation industry revenues. There are no restrictions on
12 generation discharges as lake levels fall to the defined
13 minimums and nothing to regulate the maximum allowable
14 fluctuations daily, weekly or even monthly as found at many
15 other regulated hydroelectric projects.

16 Finally, we also find troubling the requested
17 life span of the new operating license to Alcoa/Yadkin. We
18 feel a new 50-year license is entirely too long given the
19 changes that can occur over a half century. Witness the
20 dramatic changes that have occurred with the current license
21 time span, especially with changes in the region's economy.
22 Alcoa is no longer producing aluminum at its manufacturing
23 facility in Baden. We feel that a 25 to 30 year license
24 would be more reasonable. If a 50-year license is granted,
25 then we believe that some sort of benchmarking should be

1 granted every 15 years to review the license to see if goals
2 are still being met and allow for adjustments if necessary.

3 The Yadkin River since the beginning of time has
4 not belonged to any single entity. I grew up on the Yadkin
5 River. The Native Americans who have inhabited this area
6 never claimed it as their own. The river belongs to all
7 those who use it, border it and revere it. No corporation
8 or government or person or any entity should be allowed to
9 dominate this river at the disadvantage of others.

10 Thank you for allowing me time to speak. As you
11 see tonight, High Rock and Tuckertown Lakes are critical
12 assets to Davidson County and deserve the very best planning
13 possible. Thank you very much.

14 (Applause.)

15 MR. BOWLER: Next up Kevin Firquin, first on deck
16 Dick Fisher and second on deck Dean Vick.

17 MR. FIRQUIN: Hi, I'm Kevin Firquin, F-I-R-Q-U-I-
18 N. I represent, TRIP, which is an acronym for the Tourism,
19 Recreation Investment Partnership of Davidson County. It's
20 a group of citizens that are concerned about the well-being
21 of this county and its future. And in many ways, I wish to
22 support the statements of Dr. Walser and address a few other
23 items.

24 First of all, let me say we applaud the work of
25 the many individuals who have participated in this process.

1 We do realize you have an overwhelming task and your efforts
2 should not go unacknowledged. Speaking from a recreation
3 and tourism perspective, we're excited about the
4 availability of a new pier that has been mentioned to better
5 access to water and the fishing opportunities. Thank you
6 for recognizing this need for our residents and for tourism,
7 which Dr. Walser has addressed. However, TRIP also wishes
8 to stress a concern that appropriate water levels and stable
9 water levels are important for the use of High Rock for
10 recreation and for the aesthetic reasons that have been
11 mentioned.

12 An appropriate water level should include and
13 allow access for boating, for public swimming, and for the
14 piers. To this end, we as well many people in this
15 community stress and seek more stable water levels that are
16 most possible for High Rock Lake. We also support to
17 maintain a water quality through a 50-foot string buffer to
18 protect the aquatic life in the river and encourage
19 recreational fishing opportunities.

20 As Dr. Walser alluded, the Davidson County master
21 plan for tourism and recreation recommends the preservation
22 of the lands for use of parks and for greenspace. These
23 lands contribute to the beauty of our county, which we hope
24 will assist in attracting new industry. This economy
25 opportunity will utilize tourism, which has been explained

1 and will impact the overall quality of life for residents
2 today and in the future. TRIP supports the wise ecological
3 use and conservation of these lands that have been discussed
4 and encourages the greenspace areas.

5 While we remember that High Rock Lake was
6 constructed to provide power for the manufacture of aluminum
7 which lead to job creation for residents throughout Davidson
8 County and the region, that currently is not the case. We
9 wish that Alcoa would have considered the opportunities that
10 they now have financially from this area and shared them
11 with the county appropriately and they share, as we share,
12 our most natural resource, which is the water from the lake.

13 The relicensing process has been called a once in
14 a lifetime opportunity. For us, indeed, it is. However, as
15 we're all too aware, this region and our environment are
16 quickly changing. More now than during our parents life and
17 obviously as it will be in the future, TRIP encourages the
18 consideration that this process occur more than once in a
19 generation or two.

20 Thank you for your many hours of work and your
21 willingness to hear tonight the thoughts and concerns of the
22 residents of Davidson County. Thank you.

23 (Applause.)

24 MR. BOWLER: Thank you. Dick Fisher, next Dean
25 Vick and Robert Petree.

1 MR. FISHER: Good evening. My name is Dick
2 Fisher and I am representing the Division 18 in Flotilla 9
3 of Baden Lake of the United States Coast Guard Auxiliary and
4 I am here also on behalf of the Yadkin River Project.

5 Our job with the Coast Guard Auxiliary is to
6 patrol the United States shoreline and its inland lakes in
7 conjunction with the United States Coast Guard for marine
8 safety to include patrolling the dams and looking for
9 anything out of the ordinary on the lakes and shoreline in
10 regard to security. Since 9/11, there has been an upscale
11 effort to provide more patrols. We also teach safe boating
12 classes and marine inspections of water craft and work
13 closely with the state fish and wildlife and the local
14 county sheriff departments within each division and
15 district.

16 Our Coast Guard Auxiliary station is located at
17 Baden Shores Resort. Our area of responsibility, along with
18 Flotilla Two at High Rock Lake is Tuckertown Lake, Baden
19 Lake and Lake Tillery. Our division also patrols Blues Lake
20 and Lake Norma. Our association with the Yadkin Project has
21 been of the highest level of backing. We have worked with
22 them for years in helping provide safe boating in their
23 rivers and their lakes. They have helped us in the sheriff
24 departments with grant monies for boats, buoys and radios
25 that will provide better communications for all the

1 departments providing safety on the lakes. Response time,
2 of course, is most important. They have been interested in
3 all of our activities and I can attest, for safety reasons,
4 that their backing has been very much appreciated. Thank
5 you.

6 (Applause.)

7 MR. BOWLER: Dean Vick followed by Robert Petree
8 followed by Harry Hicks.

9 MR. VICK: I'm Dean Vick. I'm with Concerned
10 Property Owners of High Rock Lake. We have been an active
11 member of the relicensing process all along the way with the
12 other coalition agencies from High Rock -- Save High Rock
13 Lake.org, the High Rock Lake Association and the High Rock
14 Lake Business Group. All of our lake organizations have
15 worked together in this relicensing process to enhance the
16 Yadkin Project with water quality, aquatic life, reduction
17 in sedimentation, erosion and to improve economic viability
18 of the lakes for business and for property owners.

19 The fluctuation of lake levels at High Rock over
20 the years has caused great damage to our lake. This new
21 license provides us the opportunity to address these key
22 issues and begin to shape the future for our lake. The 10-
23 foot maximum draw down that's being proposed will continue
24 this fluctuation pattern that we have lived with. The 10-
25 foot level draw down is why Concerned Property Owners of

1 High Rock Lake walked away from the negotiating table and
2 didn't sign the agreement in principal. It was a deal
3 breaker for us.

4 Concerned Property Owners of High Rock Lake
5 accept and appreciate the 4-foot maximum draw down during
6 the recreational season, but we're strongly recommending
7 that you look at reducing the 10-foot winter draw down to a
8 maximum of 6 foot. In the water quality IAG meetings that
9 we had, the issue of dissolved oxygen levels in High Rock
10 was observed also below all four of the dams. The plan to
11 modify the turbines with air-injection systems to raise the
12 dissolved oxygen in the tailwaters provides no improvement
13 to High Rock.

14 Alcoa has taken the position that water quality
15 problems in High Rock come from point and non-point sources
16 in the watershed and dealing with these problems is beyond
17 their scope and requirements of the relicensing process.
18 The dissolved oxygen levels at High Rock should be of great
19 concern of federal and state agencies in this new license.
20 Improved water quality at High Rock will greatly improve the
21 water quality throughout the Yadkin Project and downstream
22 in the PD. To improve the water quality, we must begin to
23 mitigate some of the reasons why we have poor water quality
24 in High Rock.

25 The store and release mode of operation that

1 we've lived with in High Rock throughout the history of the
2 project has contributed strongly to the problems we face.
3 It creates the issue with aeration in the water. It doesn't
4 allow that with natural river flow. Alcoa's obsession with
5 preventing spillage in the operation reduces any natural
6 aeration that might take place during rainfall events.
7 Store and release results in much higher deposit rate of
8 sedimentation and this rich, organic sedimentation also eats
9 up the oxygen level in the lake.

10 Sedimentation also contributes to the lack of
11 aquatic vegetation at High Rock. Draw down of the lake
12 result in shallow water, which heats up more quickly. The
13 warmer the water the less oxygen it holds. Cycling of the
14 water levels has effectively prevented the growth of any
15 aquatic vegetation at High Rock. Aquatic vegetation would
16 enhance photosynthesis of the oxygen and restrain bank
17 erosion.

18 A 10-foot draw down at High Rock with our average
19 depth of being 16 feet, as Dr. Walser talked about, leaves
20 us 63 percent dry. When the water is taken down, what
21 little vegetation we have that's growing on the banks or
22 near the banks dies. When the water comes back up, then
23 oxygen is used to continue the decaying product. Bank
24 erosion is accelerated by the fluctuation of levels that
25 contribute to increased turbidity of the water. The clearer

1 the water would increase the likelihood of aquatic plant
2 live and in turn increase oxygenization.

3 MR. BOWLER: Please draw to a close.

4 MR. VICK: Water quality can be improved at High
5 Rock by maintain this level of 4-foot of full pond in April
6 through October and with 6-foot between November and April.
7 We would encourage you very much to consider reducing that
8 10-foot to a 6-foot to give us more stable water level at
9 High Rock so that we can begin to see better oxygen level in
10 the lake and better aquatic vegetation.

11 (Applause.)

12 MR. BOWLER: Robert Petree followed by Harry
13 Hicks.

14 MR. PETREE: I'd like to ask one question for the
15 last speaker. What's the current use now in the winter
16 months? Do you have any numbers or estimates?

17 VOICE: (Off mike.)

18 MR. PETREE: What's the current winter use?
19 You're talking about the proposed 10-foot draw down in the
20 winter months to a 6-foot -- reduce it to a 6-foot for more
21 use of the water resources. Any numbers on the current
22 usage during the winter months that would support your 6-
23 foot draw down? Do you have any numbers -- 20 percent, 50
24 percent, 200 people, 20 fishermen, 20 boats? Any numbers?
25 Any quantitative information?

1 MR. EMERY: The numbers are in the REC study.
2 They were 7900 recreation days per month during the winter
3 months.

4 MR. PETREE: Okay.

5 MR. EMERY: Somewhere in that area.

6 MR. PETREE: All right. Thanks.

7 VOICE: (Off mic.)

8 MR. BOWLER: Let me just give the third speaker,
9 Yvonne de Cassavaugh.

10 MR. PETREE: I'm Robert Petree, P-E-T-R-E-E. I'm
11 founder and chairman of the board of Save our Lake.org, an
12 organization of nearly 9000 recreational users of High Rock
13 Lake. The membership consist of High Rock Lake homeowners,
14 residents of surrounding communities and thousands of people
15 from about a 75-mile radius, including Winston Salem,
16 Greensboro, High Point, Charlotte. Our common interest is
17 recreation. That's what everybody goes to High Rock Lake
18 for. Our concerns are geared toward boat safety, water
19 quality throughout the entire watershed, protection of fish
20 and wildlife habitat, establishment of beneficial aquatic
21 vegetation at High Rock, the economic impact of future
22 operations of the project on the surrounding communities,
23 every aspect of living, recreation and the environment at
24 High Rock Lake.

25 We've been accused of being a single-interest

1 group of water levels only. Nothing could be further from
2 the truth. We're interested in every aspect. We've been a
3 participant in the relicensing process since the very
4 beginning and helped model or mold every one of the studies
5 that were done. The nearly -- almost every study, the end
6 result recommended higher, more stable water levels at High
7 Rock Lake to improve visual aesthetics, recreation safety,
8 fish and wildlife habitat, protection of the wetlands,
9 improvement of water quality, area economic gains through
10 tourism. The rec study actually recommended improved hazard
11 warnings at High Rock Lake.

12 So far I'd like to say we're happy with the
13 pieces of the AIP that includes low inflow protocol. That
14 was very hugely important to us. We suffered through the
15 drought of 2002. We pulled the animals out of the muck. We
16 lived with the stench of the dying fish. It was ugly and
17 we're very happy with the low inflow protocol. The only
18 problem with it is it's only expected to be invoked three to
19 five times over the life of the license according to the
20 model that's done in the relicensing.

21 We're happy with the DO improvements scheduled to
22 be done for downstream. We're happy with the High Rock Lake
23 operating guide based on water levels only and the extended
24 recreation season. The downstream flow regime being changed
25 from weekly averages to daily averages is very good for the

1 downstream portion of the river.

2 What we're not happy with is nothing in the AIP
3 addresses water quality in High Rock Lake. There's all
4 kinds of things being done to address the tailwaters and
5 downstream, but no specific measures to address the quality
6 of the water in High Rock Lake, lack of protection of the
7 high quality fish habitat and the wetlands, the proposed 4-
8 foot/10-foot scenario could dewater 66 percent of the high
9 quality fish habitat identified in the studies during the
10 summer months when it's most important that it be there. In
11 the wintertime, it's completely dry. It's just mud.

12 We feel that there's inadequate safety and
13 navigation channel markings. We've repeatedly requested
14 lighting, warning buoys on High Rock Lake. There's a lot of
15 activity on High Rock Lake at night, especially during the
16 recreation seasons. I mean the lake supports 1.48 million
17 recreation days per year and a lot of that goes on at night.
18 It goes on in the wintertime. It's a year-round lake as
19 long as there is water in it.

20 We're unhappy with the apparent disregard of
21 mitigation measures directly within the lake in preference
22 for land conservation. We think land conservation is an
23 excellent thing. It should be done on its own merit, not at
24 the expense of natural resource enhancements within the
25 project. We're unhappy with the 410 proposal. You've got

1 the graphic there that shows the disadvantages that we feel
2 the 410 proposal has. If you look at it, you can see the
3 overlay. It's exactly -- almost an exact mimic of what's
4 been done at High Rock Lake for the last 40 years. It's got
5 a 40-year history that proves it doesn't work. The lake is
6 impaired.

7 We'd like to propose that an alternate scenario
8 of a 3/6 scenario, which would minimize the winter draw down
9 to a 6-foot level. It would keep all of the recreation
10 access points available with the exception of four or five
11 access points. There are 27,200 private piers that are
12 responsible for 1.4 million of recreation days that were
13 documented in the rec study. With a 10-foot draw down all
14 of those pier become dry. They all become unusable. The
15 piers that still do have water under them, because of the
16 pier design dictated by Alcoa of a 16-foot ramp, a floater,
17 lines up with a 7 and 1/2 inch per foot slope when the lake
18 is pulled down 10 feet. It's unusable. It's dangerous.

19 Our Topo map shows the areas of the lake that are
20 dangerous for boating. The areas that are completely
21 dewatered. We simply ask that you honor the intent of the
22 Environmental Policy Act, the Electric Consumer Protection
23 Act of 1986. Give equal consideration to recreation, fish
24 and wildlife, the environment in comparison to power
25 production. Thank you very much.

1 (Applause.)

2 MR. BOWLER: Next up Harry Hicks followed by
3 Yvonne de Cassavaugh and John Cassavaugh.

4 MR. HICKS: My name is Harry Hicks. I'm also
5 with Save High Rock Lake.org. I think this boils down to
6 one very simple solution to this. What's the right thing to
7 do? You know, a lot of times common sense gives us the best
8 answers. We hear all the numbers. We hear all the figures,
9 but what's the right thing to do? I've owned lakefront
10 property for about 10 years and been a permanent resident
11 for 8 years and I had the privilege of being in High Rock
12 Lake in 2002 when our lake was turned into a mud hole. We
13 had a lake with an average depth of 16 feet. We released 22
14 feet of water downstream. I saw pontoon boats sit in the
15 mud. I saw heavy stalks of vegetation cover them. I saw
16 fish and wildlife die. I saw business go under, but I don't
17 blame Alcoa. It wasn't Alcoa's fault because they operated
18 under the guidelines that were established for them
19 approximately 45 years earlier and that's a long time to
20 have a license. Forty-five years ago power generation was a
21 main concern for High Rock Lake. Recreation and business
22 use was very small, but things have changed drastically
23 since then.

24 One of the studies that has come about during the
25 process has indicated by the Year 2030 there will be 44

1 percent increase in the population in this area. And of
2 that 44 percent, the study said, there will be a 20 percent
3 increase of waterfront residents and a 20 percent increase
4 in non-waterfront residents. I don't know how many times
5 I've heard judges say to convicted defendants this isn't the
6 sentence I would like to give, but it's what's prescribed to
7 me by law. Well, now is the chance for us to change the
8 laws so that this lake is managed so that it's good for all
9 stakeholders, whether it's recreational, whether it's
10 business, for the fish and wildlife, historic and even for
11 some power generation. So I ask each of you as we're
12 establishing the guidelines for how this lake will operate
13 just keep in the back of your mind what is the right thing
14 to do? We don't want to see what happened in 2002 happen to
15 this lake again. Thank you.

16 (Applause.)

17 MR. BOWLER: Yvonne de Cassavaugh followed by
18 John Cassavaugh followed by Ron Qualkanbush.

19 MR. CASSAVAUGH: Yvonne de Cassavaugh has
20 relinquished her time. I am John Cassavaugh. I'm
21 associated with Carolina Sand, Inc. and I'm a farmer. I've
22 heard mentioned here tonight clean water, fresh air, open
23 space and 50-foot buffers and a variety of other items
24 related to entertainment and sports. I would like to remind
25 you that the true stewards of the land are your farmers.

1 Whatever you do that has a negative effect on farming will
2 effect your grocery bill and that of all of us.

3 Recreation is good, but the farmers have to earn
4 a living, too and that includes the ones along this lake.
5 So please keep that in mind as you develop this plan. The
6 impact on the farmer is very important in the long term.
7 Thank you.

8 (Applause.)

9 MR. BOWLER: After Mr. Qaulkanbush, Gene Creed
10 and George Sauers.

11 MR. QAULKANBUSH: I'd like to be first and I'd
12 like to start off with saying I oppose Alcoa/Yadkin
13 relicensing. In my opinion they've not been good neighbors
14 nor have they been good stewards of or public trust lands.
15 I turned in a couple, three pieces of literature to the
16 recorder here. One is a book that covers sedimentation in
17 the Yadkin River. We've got close to 100 years of
18 sedimentation that's been trapped in the Yadkin River pretty
19 much below Duke Steam Plant to almost up and above Boone's
20 Cave State Park. Thousands and millions of tons of
21 sedimentation that's being ignored.

22 Because of this sedimentation it's displacing
23 water. So consequently, we're having major problems in the
24 upper reaches with flooding. People like John that owns
25 farms, thousands of acres of farmland are being flooded.

1 When the flood recedes, it's bringing back millions of tons
2 of various different debris to our river basin.

3 I'm for higher lake levels in High Rock Lake.
4 The lake is dangerous. There are sedimentation problems
5 down there, too. We ought to have good, high lake levels to
6 support our recreational users, but we also have to have a
7 flood control that the discharge of flood waters is based on
8 incoming flows up in the upper reaches of the river.
9 There's a gauge like 20 miles outside of the project at
10 Yadkin College. I really don't know of any other stream
11 flow gauges from there to dam. There might be a couple.
12 There was one on Abbott's Creek and a friend of mine's son
13 somebody paid him to run down to Abbott's Creek and read the
14 gauge and call him up and tell him what it was. We need
15 more stream flow gauges. We need a better system for
16 discharging flood waters based on what's coming down out of
17 the mountains through Doppler or whatever.

18 Another thing that I give him pictures on is some
19 pictures I took recently of High Rock Dam. We were
20 experiencing floods in the upper reaches of the river basin.
21 I've got pictures that shows one gate open and water coming
22 over the top of High Rock Dam. Now something I gave him is
23 that the ownership of the Yadkin River. And again, I
24 request that the license be denied on this. The Yadkin
25 River was made a public trust for the use and benefit of the

1 people long before a license was granted. The original land
2 grant issued by the King of England went to the high water
3 mark, which made the Yadkin River a royal river when it was
4 gone over to the state respectively, it stayed with the
5 State of North Carolina. Our forefathers of North Carolina
6 enacted laws to protect the citizens against corporations
7 like Alcoa.

8 North Carolina's code -- law, 1885, chapter 212,
9 section 1 provided that the Yadkin Rivers are navigable
10 waters held in trust by the State and is alienable. The
11 statute designated Yadkin River from the South Carolina
12 border to the end of Davidson County as public highway and
13 public trust. In fact, Davidson County used to go all the
14 way up to Highway 40, but because I think of this general
15 statute when they build Idle's Dam, Forsythe County
16 purchased land from Davidson County. July 8, 2003, judge of
17 Superior Court, William Wood, Jr., is now there ordered the
18 judge decreed and declared that the bed and the water in the
19 Yadkin River is a public trust property owned by the State
20 of North Carolina for the use and benefit of the people.

21 These dams were not built in compliance with
22 North Carolina state law. Section 23(b) of the Act amended
23 August 26, 1935 -- and I believe this might be coming out of
24 the Power Act because I took it out of the license agreement
25 -- it shall be unlawful for any person, state or

1 municipality for the reason of building electric power to
2 construct or maintain any dam, water conduit reservoir,
3 power house or other works incidental thereto across on any
4 of the navigable waters of the United States.

5 Then it goes on to say that the Commission shall
6 not find so and if no public lands or reservations are
7 effected, permission granted to construct such dams of the
8 project works in such stream upon compliance with the state
9 laws.

10 These dams are not built in accordance with North
11 Carolina state law at the time they was built. And I think
12 once it's determined navigable waters and the state law
13 exists, it cannot be change and this state law is still in
14 effect as far as I know.

15 Also, in the State of North Carolina, 145.1
16 "There is no adverse possession of property subject to
17 public trust rights."

18 Again, I ask that the license be denied and the
19 project turned back over to people and made into a state
20 recreation facility. Thank you.

21 (Applause.)

22 MR. BOWLER: Jean Creed followed by George Sauers
23 followed by Radford Thomas.

24 MS. CREED: My name is Jean Creed and I'm here
25 for myself as being a property owner, also a supporter of

1 Save High Rock Lake.org. I'm also a member and a officer of
2 High Rock Lake River Rats. I'm going to read my statement
3 and if you all want to know right here is where I live. I
4 got the map right here.

5 High Rock Lake is no longer a remote collection
6 of weekend get-aways and fishing shacks as it was in the
7 1950s. I live full-time and this is my home because it is
8 truly a beautiful and peaceful place when the water is up.
9 It is less than an hour away from no less than four of North
10 Carolina's largest cities, including Charlotte, Winston
11 Salem and a dozen smaller cities such as Lexington,
12 Salisbury, Asheboro and Thomasville. It is highly valued
13 tourism destination and has become the equivalent of a full-
14 time community for thousands living around High Rock Lake
15 and commuting to these cities on a daily basis.

16 Without I-85 within 8 miles or less, commuting is
17 quite successful for all of us. These waterfront homes and
18 lakeside communities represent the most highly valued
19 property in Davidson and Rowan counties, contributed
20 millions to the county's tax base. I might add that I am
21 one of those residents who has seen my property taxes double
22 the first year I lived at High Rock Lake and has increased
23 three times since August of 1998. Oh yes, I am taxed as
24 waterfront property and I would like to be waterfront year-
25 round. The county is not going to give a break on my taxes

1 just because I'm not waterfront year-round.

2 Annual recreation use of High Rock Lake according
3 APGI's recreational study showed that of the 1.48 million
4 recreation days total that 1.4 million of these recreational
5 days were used by 2800 privately-permitted and commercially
6 licensed facilities belonging to High Rock residents,
7 businesses, organizations and lakeside communities. The
8 remaining 80,000 recreation days of usage were attributed to
9 the 13 public access areas. At the proposed 10-foot winter
10 draw down only three of the public access areas remain
11 useable and nearly all of the private and commercial
12 facilities are useable, including my dock and all of my
13 neighbors in this same cove.

14 I live at the neck of the cove and there are 13
15 homes in this cove that would be without water and my
16 \$24,000 pontoon along with all th others would be high and
17 dry. I have, at full pond they call it -- at full pond I
18 have about 11 feet of water at the end of my pier and my
19 pier sticks straight out. If the water goes down 10 feet,
20 that means I have one foot of water to float my pontoon in.

21 Now even if I attempted to store my pontoon at my
22 neighbor's, which is just around the corner, he may have 3
23 feet of water. I still could not take my grandchildren out
24 in the boat and fish due to the hazards in the shallow water
25 even if I could put it out there. I know you think it maybe

1 too cold in the winter to ride, but I ride in an enclosure
2 and it is very warm even on the coolest of days. We still
3 use our recreational days even in the winter. My same story
4 is heard all over this lake. At Christmas, we decorate our
5 boats. We go out. We have a parade. We have a good time
6 and the last couple years since 2002 the waters have been
7 up. We've been able to do this. If you draw the water down
8 like you're planning on drawing a 10-foot water, we can't do
9 that. I can't take my grandson out there fishing on the
10 winter days.

11 People down here fish every single day. I live
12 right there on the little cove. I can see all those boats
13 out there -- the bass boats and all these other people that
14 are coming down here to fish. Now with people being out of
15 work like they are, who knows they may be fishing to eat.
16 But I would just like to also remind you to do the right
17 thing and keep the water level constant. This is my thing.
18 I'd like to keep it at 3 feet, which means my grandsons
19 crappy bed don't float out or don't die. Because me on
20 Friday and he says, Nanny, can I come up and fish? Is there
21 any water in that lake? But also to remind you that
22 grandson is nine years old and in 50 years he will be 59
23 years old. I'll be dead and gone. Like he said, all of us
24 will be dead and gone, but he is nine years old. I have
25 another one that is three years old. I have one that is six

1 years old and we can't do anything about what's going to
2 happen 50 years from now, but I would like for you to
3 reconsider and maybe not give that license quite for 50
4 years. Fifty years is a long, long time.

5 Like I said, I've got the map if you want to see
6 where I live. I live on Abbott's Creek Highway -- I mean
7 Abbott's Creek section of the lake and in 2002 there were
8 dead mussels at my pier and there was something saying about
9 the mussels on down the lake. There are mussels in High
10 Rock Lake. Thank you.

11 (Applause.)

12 MR. BOWLER: George Sauers followed by Radford
13 Thomas and Bruce and Golda Greer.

14 MR. SAUERS: My name is George Sauers and I don't
15 have any notes and I don't have a lake on -- a house on High
16 Rock Lake. I am here to speak in behalf of my grandchildren
17 and my great grandchildren. All that we've been talking
18 about here tonight has been the quality of live versus
19 dollars in Alcoa's bottom line. I would urge the board
20 that's making this decision to err on the side of the
21 quality of life as opposed to the dollar.

22 I would urge our county commissioners who are in
23 attendance here tonight to do what is necessary, including
24 the court system, to preserve the quality of life for
25 Davidson County. And I would urge that every citizen that

1 is in here tonight stand hand-in-hand with our elected
2 officials to see that the quality of life in this county is
3 preserved. Thank you.

4 (Applause.)

5 MR. BOWLER: Radford Thomas, Bruce and Gilda
6 Greer and Kenny Moore.

7 MR. THOMAS: Good evening. Thank you for the
8 opportunity to speak. I'm Radford Thomas. That's R-A-D-F-
9 O-R-D. I am the president of the Lexington Area Chamber of
10 Commerce and also the executive director of the Lexington
11 Tourism Authority. I apologize for my hoarseness this
12 evening. 'Tis the season, I'm afraid.

13 First of all, I'd like to say that we concur with
14 comments of Dr. Walser at the outset. Forty-five years ago
15 few people would have imagined that High Rock Lake would be
16 the recreational and residential area that it has become
17 today and I'd like to ask of those in attendance tonight how
18 many of you would consider yourselves year-round residents
19 of High Rock Lake. I don't think this was envisioned at the
20 time the lake was created. I was born in 1960. Shortly
21 before I was even born. I spent many an hour on that lake
22 growing up fishing, hunting, boating, camping. It's brought
23 a lot of enjoyment to me and a lot of other people.

24 What I would like to say is that from the
25 standpoint of the tourism authority and the chamber of

1 commerce how important High Rock Lake is to our local
2 economy -- the jobs that it supports, the businesses that it
3 supports, the fishing tournaments that participate on High
4 Rock Lake bring overnight stays for our hotels. Those
5 individuals spend money at our restaurants and purchasing
6 gas. All of those kinds of things that support our local
7 job base here in Davidson County and the Lexington area. A
8 one-day tournament alone can bring a tournament of 150 to
9 200 boats, which is 400 people fishing the lake for one day.
10 That becomes very important to us in an area that has
11 struggled with the job losses that we have seen over the
12 past several years.

13 I'd just like to add that through the relicensing
14 process we hope that FERC, in working with Alcoa, will work
15 very hard to ensure the stable water levels in High Rock
16 Lake as you have heard proposed tonight from any
17 individuals, but also the water quality. That's very
18 important to us in High Rock. There's been given a lot of
19 attention to the downstream water quality, but that water
20 quality in High Rock Lake is very important to us as we
21 continue to live and work around High Rock Lake and enjoy it
22 for recreational purposes. Thank you very much.

23 (Applause.)

24 MR. BOWLER: Bruce and Gilda Greer followed by
25 Kenny Moore and Rusty Sloop.

1 MR. GREER: I'm Bruce Greer and I would just like
2 to say that I've been on the lake for about close to 50
3 years and enjoyed the water when we have water, and I'm not
4 going to take up much time. But I just wanted to say that
5 we encourage everyone to back what our commissioners and
6 others have said about the water quality and especially the
7 draw down of no more than 6 foot because we like to see it
8 stay up and see that people can use it in the wintertime as
9 well as in the summertime. Thank you.

10 (Applause.)

11 MR. BOWLER: Kenny Moore, Rusty Sloop and Richard
12 Martin.

13 MR. MOORE: My name is Kenny Moore. I'm a
14 lifelong resident of Abbott's Creek Township and Davidson
15 County where I live on land that's been in my family for 250
16 years of the headwaters of Abbott's Creek. I'm a private
17 citizen. I have in the past served on the Board of North
18 Carolina Department of Natural Resources and Environment. I
19 was a charter member of the Yadkin PD Lakes Association and
20 20 years ago as a county commission in Davidson County.

21 More importantly than that, I spend my summers on
22 a pontoon boat at the Lake. I have a story to recount for
23 you tonight that I think is going to have a great deal of
24 impact and mine is going to be a bit different from the
25 acute conditions you've already found that are deplorable

1 and unacceptable.

2 Twenty years ago the Board of County
3 Commissioners, of which I was part of, was invited by the
4 management of Alcoa down to the country club at Montgomery
5 County to tour the Alcoa Baden Works Plant. We had a nice
6 evening of wining and dining and went for a tour of the
7 smelting plant at Baden Works. We saw how the aluminum was
8 made and smelted. We also went in the control room where
9 the electricity was controlled. It was then that I realized
10 that power generation was what this was all about. We met
11 with those folks and we expressed support for them and their
12 support of our economy and jobs and their business. But we
13 also had similar meetings like this 20 years ago almost to
14 the night and that's when a lot of these organizations were
15 started to talk to them very seriously about the conditions
16 of the water levels at High Rock and the Yadkin PD Lakes
17 region. We were given assurances at that time that this
18 problem would be addressed and would be corrected. We were
19 lied to and in that time, over the past 20 years, I've done
20 some research to find out just what has happened here.

21 I watched from my pontoon boat as the lake levels
22 went up and down. I watched from Baden the smoking out of
23 the smelting plant. I watched a few years when the smelting
24 plant closed down. I found that now Alcoa Corporation has
25 gone to Russia because of the cost of bauxite they can

1 produce aluminum much cheaper in Greenland. I've watched
2 Discovery Channel talk about billion dollar plants Alcoa is
3 building in Russia and offshore. I've also asked why is it
4 that other lakes I know of -- Smith Mountain, Lake Norman,
5 Gaston Lake, TVA -- why these lakes can be operated without
6 these wildly fluctuating water levels? Can anybody answer
7 that question?

8 Well, I think the answer to this is ownership.
9 The root cause of this is Alcoa's ownership of this lake and
10 I am here tonight to tell you and for the record the
11 solution to this, I believe, is to return ownership of the
12 Yadkin PD Lakes area to its original owners. Now that a
13 bold and a radical proposal. I'm not talking about the
14 original owners of the lake bed. I'm talking about
15 returning ownership of this lake to God and mother nature
16 because I don't think that anything is going to improve,
17 nothing has improved in 20 years, until control of this lake
18 is returned to local people and local ownership and local
19 control will address these problems.

20 I would suggest that our local elected officials
21 convene a meeting of national elected officials from
22 Congress, from state legislature officials and to approach
23 Alcoa one final time about finding a resolution to this
24 problem. I believe that this lake is quickly going to
25 become a liability for Alcoa and its stockholders. I think

1 in the near future this is going to be a liability for
2 Davidson County and the surrounding counties. I think it
3 would be in Alcoa's interest and for us to find some way
4 through tax credits or inducements through government to
5 provide a way for Alcoa to transfer ownership to an
6 organization such as the Yadkin PD Lakes organization, a new
7 organization, a 501(c)(3) or 501(c)(6), which can be used
8 for private and for public purposes and for profit purposes
9 can be created and we could have ownership of this lake
10 restored to those that love it and care for it more than
11 some corporation that is in absentee ownership today.

12 I think that that is a proposal that is valid.
13 It's radical. It's bold but I think that, as long as we're
14 standing here before organizations such as you and we're
15 dealing with an absentee owner, we're not going to see this
16 solution addressed. I would also like to say that the staff
17 at the lake, Gene Ellis and his crew I think do a good job.
18 This is not directed at them. As a matter of fact, I'd like
19 to hire them to operate the lake some day if ownership could
20 change.

21 I know this is kind of pie in the sky ideas, but
22 it's time for some different thinking. If this FERC permit
23 is created again and allowed to continue, we're going to be
24 standing here 20 years from now with the same -- not with
25 the same group of people, but with the same issues coming up

1 again. I don't think anything is ever going to change under
2 the status quo. Thank you.

3 (Applause.)

4 MR. BOWLER: Rusty Sloop, Richard Martin followed
5 by Larry Potts.

6 MR. SLOOP: Good evening. My name is Rusty
7 Sloop, S-L-O-O-P. I'm a property owner at High Rock Lake.
8 I'm also a board member of Save High Rock Lake.org. I know
9 some of this is going to sound like I copied Jean Creed's
10 homework, but it needs repeating.

11 High Rock Lake is no longer a remote collection
12 of weekend get-aways, of fishing shacks as it was in the
13 1950s. It is less than an hour away of no less than four of
14 North Carolina's largest cities and dozens of smaller cities
15 such as Lexington, Salisbury, Asheboro and Thomasville. It
16 is a highly valued tourism destination that has become the
17 equivalent of full-time community for thousands living round
18 High Rock and commuting to these cities on a daily basis.

19 The waterfront homes and lakeside communities
20 represent the most highly valued property in Davidson and
21 Rowan counties, contributed millions to the county's tax
22 base. Annual recreational use of High Rock Lake was
23 documented by the recreational use study at approximately
24 1.48 million recreation days, approximately 1.4 million of
25 these recreation days were attributed to use via

1 approximately 2800 privately permitted and commercially
2 licensed facilities along the High Rock residents,
3 businesses, organizations and lakeside communities.

4 The remaining 80,000 recreation days of usage
5 were attributed to the 13 public access areas. At the
6 proposed 10-foot winter draw down only four of the public
7 access areas remain useable and nearly all of the private
8 and commercial facilities are unusable. However, at a 6-
9 foot draw down, only five of the public access areas will be
10 unusable. Alcoa Power Generating, Inc. likes to portray
11 those who live in the communities around High Rock Lake or
12 use it for recreational purposes as a single-interest group,
13 interested only in water levels while purporting the
14 regulatory agencies as representatives of the big picture.

15 In reality, the opposite is actually the case.
16 North Carolina Department of Environment and Natural
17 Resources has participants from water resources, water
18 quality and wildlife resources departments. Each of these
19 areas has a very specific interest that they are there to
20 represent. The U.S. Fish and Wildlife, EPA and National
21 Parks Service representatives also have a very specific
22 interest they are there to protect. The North Carolina Land
23 Trust, South Carolina Coastal Conservation League and
24 American Rivers, again, have a specific interest they are
25 representing.

1 While each of these groups does consider other
2 issues, when the time comes to stand up and be counted,
3 their primary goal is protecting their single interest.
4 Community residents and recreational users, on the other
5 hand, are more interested in the big picture. We certainly
6 don't want to live around or play in a dry, unsafe, ugly or
7 polluted lake. We are the ones that use High Rock Lake for
8 more than a million and a half recreation days each year.
9 We want the fish we catch and eat to be diseased,
10 contaminate free and for them to have a healthy environment
11 in which to live and reproduce. We are the ones who have
12 organized and participated in the annual Big Sweep programs
13 to clean up our waterways. We are the ones directly
14 affected by the community economic impacts of the project.
15 We are riparian rights holders. We are the ones who pay the
16 highest property taxes in the counties we live in. We are
17 the ones who recognize the fact that higher, more stable
18 water levels address the broadest range of identified issues
19 and are willing to continue our quest for the agencies which
20 statutory authority to do the right thing instead of
21 compromising to enhance an unrelated interest. Thank you.

22 (Applause.)

23 MR. BOWLER: Richard Martin followed by Larry
24 Potts followed by Ronny Walker.

25 MR. MARTIN: My name is Richard Martin. I'm a

1 retired physician. I've lived on the lake nine and a half
2 years. I find it a very nice lake. I also want to thank
3 the Save High Rock Lake Association for advertising this
4 meeting because I think that's the only public announcements
5 that we've seen of these meetings.

6 I'm grateful for the fact that the weather has
7 been good this fall and that the lake levels have been up
8 more than usual. However, when it started to drop in
9 October, of course, as usual, the lake was going to down so
10 I pulled my boats, particularly my sailboat because if it
11 gets too low that's no good and then, of course, the lake
12 come back up. But with the history of the fluctuation, I
13 was afraid to put my boats back in, as were other people.

14 We are appreciative of the proposed longer
15 boating seasons as is being proposed, but I would like to
16 say as one or two others have said that the lower level
17 during that period of time should only be 2 or 3 feet down,
18 lessen the fluctuation of 4. This would be more in keeping
19 with better environmental protection. When the lake is down
20 4 feet, I have 2 feet at the back of my floater. Another
21 foot on the other end of it. My sailboat takes 2 and 1/2
22 feet, so I get short changed when it gets that way.

23 I would also remind that when the lake is 4 feet
24 down the very popular High Rock Boat and Ski Club up on the
25 Rowan County side has only about 6 feet at its dock. So

1 when it's down, people are reluctant to go there by boat and
2 since I live in Rowan County where the river and the Creek
3 come together, I'm aware of the traffic that goes up that
4 way and back. When we were subjected to the infamous
5 drought of 2002, their business at the High Rock Boat and
6 Ski Club dropped a minimum of 60 percent. It's a wonder
7 they didn't go under. So I urge 2 feet, no more than a 3-
8 foot limit to the draw down during the boating season. I
9 think the 10 feet winter drop is probably excessive. Six
10 sounds certainly more reasonable.

11 I also would like to give you this CD of pictures
12 of what happened in 2002. One of our neighbors, Linda Bell,
13 who could not be here tonight has taken this and we have
14 other copies, but I think you need to look at this at some
15 point in time to see what the lake looked like back then so
16 that it never happens again. Thank you.

17 (Applause.)

18 MR. BOWLER: Larry Potts.

19 VOICE: Off mic.

20 MR. BOWLER: Thank you. Ronny Walker.

21 VOICE: Off mic.

22 MR. BOWLER: Stewart Andrews.

23 VOICE: Off mic.

24 MR. BOWLER: Hilton Crawley? Ronnie Lowell?

25 Getting down to the end. Max Blinson.

1 MR. BLINSON: Good evening. My name is Jerry
2 Blinson. I'm just a concerned property owner here at High
3 Rock Lake. Being a biology major, I think that Mr. Emery
4 can relate to what I'm about to say. I have been here, an
5 implant from South County to try to avoid Winston Salem city
6 taxes and South County taxes come down here to High Rock
7 Lake thinking everything is going to be good. Taxation went
8 up 50 percent in one year. Not a good scenario.

9 Secondly, I'm a wanna-be bass fisherman and I
10 live in a cove. I'm not going to tell everybody where my
11 secret honey holes are, but actually every year for the past
12 13 years I have watched High Rock Lake draw -- the water be
13 drawn off of the beds where the bass cannot spawn. The bass
14 fishery here at High Rock Lake has drawn fisherman literally
15 from every state in the union to the Bass Masters Classic.
16 The economic impact for those two bass tournaments that were
17 held in succession year after year was in the millions of
18 dollars just in a few days. The people that were affected
19 by the lake being lowered down -- I'm a property owner,
20 supposed to be a land-lake resider. I could not see the
21 water literally from my house because it was pulled down to
22 the point to where in the back of my cove in Crow Creek you
23 could not see the water because it was at such a level that
24 it was literally out of sight.

25 The thing that concerns me is that it is a

1 travesty from a wildlife standpoint. We had deer that were
2 literally getting stuck in the mud trying to get water to
3 drink. They were being attacked by coyotes and literally
4 being eaten alive trying to get a drink of water because the
5 water level was so low. We had ducks dying of botulism from
6 eating the dead fish that died. We had a terrible fish kill
7 from crappie. The striped bass population was knocked down
8 tremendously. It's just a real travesty from a biological
9 and ecological standpoint for me to think of my nine-year
10 old daughter being faced with a 50 year licensing when this
11 part of the country is changing from an economic and a
12 development standpoint with unreal speculation as to how
13 much it's going to change in the next 10 to 20 years.

14 We're going to have water to be able to provide
15 for these people from a reservoir standpoint from drinking
16 and that kind of thing. We're handing out building permits
17 in this county and other counties here in North Carolina
18 like handing out beers in a bar. But they're not thinking
19 about 30 years down the road where is the water going to
20 come from to sustain all these people that are coming into
21 this area. North Carolina is a natural drawer to the people
22 here in the United States of America because of its beauty
23 and in the past it was a good conservation-minded state. I
24 think that what has been seen and recognized here in the
25 last four or five years has been very saddening from a

1 ecological standpoint. There is no erosion control with a
2 10-foot draw down in the winter. We're looking at sediment
3 just building on an annual basis. I had to literally have
4 my cove dredged when I moved down here in '95 -- excuse me,
5 in '94. I had 8 foot of water at that time, which was a
6 minimum requirement imposed by Alcoa to have a pier put in.

7 I probably have maybe 4 or 5 feet now because of
8 the erosion that has elapsed in the last 13 years. Fifty
9 years, in my opinion, is a very long, long time considering
10 the amount of changes that this state and this country is
11 going through. The population is just going out of sight.
12 People are living a lot longer. There are too many people
13 coming here now that are going to expect the natural
14 resources and we're not going to be able to have that if
15 it's being regulated by a corporation as opposed to the
16 people.

17 I don't know what has happened to "We the
18 People." That is my main concern for the relicensing on a
19 50 year basis is that we the people are being forgotten and
20 the dollar is come first as opposed to the citizens of the
21 area. Thank you.

22 (Applause.)

23 MR. BOWLER: We do have some more time. Is there
24 anybody else who would like to speak.

25 VOICE: You called my name a little while ago.

1 Can I still speak here?

2 MR. BOWLER: Certainly. Would you just wait one
3 second? Please give your name to the recorder.

4 MR. CRAWLEY: My name is Milton Crawley and I'm a
5 damn Yankee, but I'm not going back.

6 (Laughter.)

7 MR. CRAWLEY: I came down here. You couldn't pay
8 me to go back. But I came down here 50 some years ago. In
9 fact, I've been down here longer than some of you people are
10 real rebels and I wasn't married. So I looked around to
11 find the best looking girl I could find and I married her
12 and I bought a big piece of land on the Yadkin River right
13 near the Salisbury pump station, 20 some feet above the
14 level of the river and the kind old lady that I bought that
15 land and house from she said I'll be honest with you.
16 Sometimes the river comes up and it goes over the road, but
17 you can drive through there. Well, she was right, but she
18 didn't know how right she was because it came up over your
19 head. It came up 20 and 30 feet. It came up into my house
20 and I called him up. Well, I took my wife with the birth of
21 our last son I took her to the hospital on a boat. That's
22 no kidding. We had this big spread in the local paper about
23 it. Crawley's last son. That boy is in Russia now. I took
24 him to the hospital on a boat. When I got there, I told the
25 doctor I said I got some birds to feed. I raised peacocks

1 and pheasants. He said you better hang around. This is
2 going to happen any minute. Sure enough 20 minutes later --
3 if I had listened to my wife, I'd been in a real problem.

4 But anyway, the one thing that really ticked me
5 off was that about three years ago, right at the start of
6 the Iraqi War the river came up and it came up at a very
7 rapid rate. And I called the dam. That's just one word,
8 but it could be damn dam.

9 (Laughter.)

10 MR. CRAWLEY: And I talked our celebrity who
11 spoke first here and I said would you please open one of
12 your gates and let some water out. The water is coming into
13 my house. He said it wouldn't make any difference. See, up
14 in New England where I came from, we know that water runs
15 downstream.

16 (Laughter.)

17 MR. CRAWLEY: But some of them don't know that
18 here.

19 (Applause.)

20 MR. CRAWLEY: And I called that rascal 38 times.
21 Would you please open the gate? You're ruining my house.
22 Wouldn't help. You know the only time I ever saw a gate
23 open in the 50 years I've lived here -- over 50 -- was today
24 when they were demonstrating that they would open.

25 (Applause.)

1 (Laughter.)

2 MR. CRAWLEY: Other times they were about that
3 much. Thank you.

4 (Applause.)

5 MR. BOWLER: Please give your name to the
6 recorder.

7 MR. SEWELL: I'd like to say good evening to
8 everybody. My name is Ron Sewell. I'm a new person to this
9 area. I've been here about five, six years. I've joined
10 the Coast Guard Auxiliary in this area. I was a member in
11 Burlington before I came here. My concern -- I hear what
12 everybody's saying and I understand where everybody stands.
13 But one thing that I want to stress as being the past
14 commander of High Rock Lake Coast Guard Auxiliary is I want
15 everybody to remember put on their life jackets. I want
16 everybody to remember that them floating logs when you're
17 doing 90 miles an hour on a sea duke can impale you and kill
18 you. We have boating safety courses for young kids and
19 older adults that need them. A lot of you all probably know
20 more about boating than I do, but I do know that there's
21 been too many people drowned on this lake. If we lose one
22 person on this lake, it's too many. So all I ask is that
23 you folks keep that in mind and be safe. Thank you.

24 (Applause.)

25 MR. BOWLER: Please give your name to the

1 recorder.

2 MR. McMAHAN: Yes, my name is Steve McMahan and
3 I'm from Davey County right across the river. I live on
4 Yadkin River. I did fill out as sheet to be heard tonight.
5 I don't know what happened to the sheet, but I'm a landowner
6 on the Yadkin River and I know most of you all are
7 landowners on the lake and your main concern is the level,
8 the lake level. Whereas, a resident of the river right
9 above Boone's Cave, my biggest concern is sediment problem
10 that's in the river. It's also continues on into the lake.
11 2002 we definitely saw the sediment problem because of the
12 drought.

13 Some research has been done. This sediment is
14 not going to go away. The only way to get rid of this
15 sediment is to remove it from the river basin and opening
16 the river back up. Twenty years ago, 25 years ago, there
17 was boat traffic every weekend by our property from people
18 coming up to fish from High Rock Lake. Now you very seldom
19 ever see a boat because it's impossible to come up the river
20 from High Rock Lake unless there is a time period where we
21 have some rain. Here in the last two weeks we've had some
22 rain, so the river is up. The lake is up. They've gone to
23 projects to look at. You don't see the -- I call it the
24 disease that we have in our lake and in our river and it's
25 called sediment. It's not going to move out of High Rock

1 Lake. It's going to settle into the lake. If don't remove
2 the sediment before it enters the lake, it's going to keep
3 pushing and pushing and pushing. So your piers and property
4 eventually you'll have a sand barge in front of it.

5 I have pictures here I'm going to turn in showing
6 the sediment problems that located in front of our property,
7 not counting the flooding problems we have due to the
8 sediment displaced in the water when it does flood. I'm on
9 the river. I know it's going to flood. But it floods now
10 more often than it ever has in the last two years or five
11 years than it ever did the first 20 years. I've lived on
12 this property for 36 years. If it did not flood at I-40, it
13 did not flood at our property. Now it does not flood our
14 property and it floods to tremendous at our property. It
15 does not flood at I-40, but it will flood at our property.
16 So this sediment needs to be removed before it continues on
17 into the lake. Thank you.

18 (Applause.)

19 MR. BOWLER: Anyone else want to speak -- sheet
20 or no sheet?

21 (No response.)

22 MR. BOWLER: Before I hand it back to Lee to say
23 some concluding remarks, let me just again mention that the
24 comment period for written comments is open until the 26th
25 of February and there's a sheet out at the front desk that

1 has the mailing address for the Secretary for the Federal
2 Energy Regulatory Commission, which is the place you would
3 mail those written comments. You can also, if you're
4 electronically inclined, you can go to the website and e-
5 File them at www.FERC.gov.

6 And with that, I'll let Lee say a few concluding
7 remarks and thank you very much for your comments.

8 MR. EMERY: I want to thank everybody for
9 participating this evening. Some good comments. We heard
10 you. We'll consider some of these factors in our scoping
11 issues and thanks again. Have a good evening.

12 (Applause.)

13 (Whereupon, at 9:00 p.m., the above-entitled
14 matter was concluded.)

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