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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION  
PUBLIC MEETING

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SACRAMENTO MUNICIPAL UTILITY : PROJECT NO.  
DISTRICT : 2101-084 CALIFORNIA

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PACIFIC GAS & ELECTRIC COMPANY : PROJECT NO.  
 : 2155-024 CALIFORNIA

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

Monday, November 5, 2007

Best Western Placerville Inn  
6850 Green Leaf Drive  
Placerville, California  
7:00 p.m. - 9:00 p.m.

Reported By: Carole W. Browne, CSR No. 7351

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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION  
PUBLIC MEETING  
MONDAY, NOVEMBER 5, 2007, 7:00 P.M.  
PLACERVILLE, CALIFORNIA

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MR. FARGO: I'd like to get started if I could.  
There's a number of people who have come and wish to speak, and right now it's looking like about five minutes is about the time frame that we're looking at for the speakers. I'll let you know if it's looking like you're going close to being over that.

And the court reporter who is sitting up here, she can catch most of what you're saying from the angle she's at, but please just give your name before you start your presentation so she can catch that. And she does have another sheet so she can get the spelling.

If you'd please join me, if we could say the Pledge of Allegiance before we start?

(Pledge of Allegiance.)

MR. FARGO: Thanks. I'm probably going to be adjusting this microphone a little bit for each speaker. Right now I'm trying to adjust it for myself.

We had a little Power Point presentation planned, but we've had a glitch with the projector, so

1 I'm going to go over the notes and I'm going to try to  
2 make available what's really important, and that's the  
3 contact information, because we've already had some  
4 problems in the contacting.

5 This public meeting was planned to go over the  
6 Draft Environmental Impact Statement for the Upper  
7 American River Projects. And by projects, this meeting  
8 includes -- or the DEIS includes the Upper American  
9 River Project that SMUD is the licensee for and also the  
10 Chili Bar Project that PG&E holds the license for.

11 The purpose of the meeting is to hear oral  
12 comments or you can submit, if you wish, written  
13 comments. If you submit written comments to the  
14 court reporter, they'll be attached to the transcript.

15 The transcript eventually will be in the  
16 Commission file and available. If you want your  
17 comments separate from the Commission transcript, you  
18 can do so by handing it to me or the court reporter and  
19 just telling the court reporter or myself that that's  
20 what you'd like is you'd just like them separate, and  
21 we'll separate them from the general transcript.

22 Ground rules for the meeting: I'd like  
23 everyone to try and abide by one ground rule which I  
24 always think is important when I hold meetings and  
25 that's to show respect for other participants. It

1 infringes, sort of, on your First Amendment rights, but  
2 is that a rule we can all buy into? Is there anyone who  
3 can't buy into that? All right. I think it does make  
4 the meeting go a little smoother.

5           Please sign in if you wish to speak. We have  
6 somebody at the front door over there, Pat, and she's  
7 been taking names of the people so far who have signed  
8 up.

9           We'll be taking the comments in the order of  
10 the sign-in, and as I said, we're looking at about five  
11 minutes for speaking time. So unless you've got lots  
12 and lots to say, five minutes isn't too bad of a time  
13 for a public meeting like this.

14           And then, as I said, you can leave the written  
15 comments with the court reporter and it'll be part of  
16 the transcript, or give them to myself.

17           Just as a real quick time frame of kind of  
18 where we've been with this proceeding, we first approved  
19 the ALP for the Upper American River Project, which is  
20 the Alternative Licensing Process, back in 2001, and so  
21 I've been part of that kind of team, although I've been  
22 back in Washington and not flying out and participating  
23 like the locals have, since 2001.

24           The re-license applications were filed in 2005,  
25 and the parties reached a quick settlement in February

1 of 2007. The FERC draft came out September 21st, 2007.  
2 The next milestone we have is November 13th. That's the  
3 milestone for comments on the Draft EIS.

4 There was a few copies -- hard copies of the  
5 EIS available that were on the back table. I don't know  
6 if there are still a couple back there now. I have a  
7 few more in my office and I also have some disks  
8 available. There's also -- I also have more of those  
9 that I can supply you with if anyone still needs a copy,  
10 either a hard copy or electronic copy of the document.

11 The scope of the Draft EIS, we looked at the  
12 project, how it operates under the existing licensing  
13 requirements that are now in the license. We looked at  
14 the conditions of the settlement agreement, and then the  
15 third alternative we looked at is with the staff  
16 measures, additional measures that we added or staff  
17 recommended changes to the settlement agreement. So in  
18 the document, you'll see all three alternatives talked  
19 about in there.

20 SMUD, in their settlement agreement, proposed a  
21 variety of different measures for the Upper American  
22 River Project, measures to protect fish, water level  
23 elevations, a plan to monitor stream flows and reservoir  
24 elevations, measures to protect fish and wildlife, and a  
25 program for the reservoirs and the stream reaches that

1 was a comprehensive monitoring program.

2 Also, they had measures for vegetation and to  
3 establish responsibilities for improving and maintaining  
4 project access roads, a visual management plan and the  
5 storage management plan.

6 For the proposed Iowa Hill development, there  
7 was 12 measures that were proposed by SMUD and adopted  
8 in the settlement agreement. And also, they came to us  
9 as part of the Forest Service's 4(e) conditions.

10 Those 12 measures, 138 through 150, had  
11 measures for protection of aquatic resources,  
12 terrestrial resources, water quality and water  
13 pollution, groundwater monitoring, visual resources,  
14 cultural, road use, spoils disposal, construction noise,  
15 and recreation access.

16 After looking at the various measures that were  
17 proposed in the settlement agreement, we proposed some  
18 changes to the measures that are included in Chapter 5  
19 of the EIS. There's a lot of small changes there in the  
20 wording, but there's also a couple ways, things,  
21 measures that we didn't propose to adopt or recommend  
22 adopting.

23 One of those was on water levels of the smaller  
24 reservoirs. We didn't see that that was a real needed  
25 condition to add to the license.

1           Another one was on the whitewater in the  
2 Slab Creek Reservoir reach. We recommended ways to kind  
3 of redo that article to add some targets for use in that  
4 reach before certain measures were done to change or  
5 modify the Slab Creek Dam.

6           For the Iowa Hill development, we recommended  
7 that a wildlife mitigation plan be undertaken and we  
8 also made recommendations about a transportation plan.

9           Chili Bar had a lot of the similar kinds of  
10 measures as the ones that SMUD had proposed for their  
11 project. We had a few plans that we recommended changes  
12 to on Chili Bar. It wasn't too much of an extensive  
13 change from what the proposed settlement plan and the  
14 Forest Service's 4(e) conditions were.

15           As I said, there's copies of the EIS available  
16 in the back. I've got others. You can contact me  
17 directly if you want to get a copy. And there's -- if  
18 for some reason the copies run out or if you want to get  
19 a copy on disk, again, my name is Jim Fargo, and I'm  
20 with FERC in the Washington office. My e-mail is  
21 james.fargo@ferc.gov. You can e-mail me, or, if you  
22 wish to call, it's (202) 502-6095, and I can get one out  
23 to you as soon as possible.

24           Now, the important thing on comments that are  
25 being sent to us at FERC on the SMUD project or the

1 Chili Bar Project is that I can't receive personally any  
2 e-mails from anybody or any letters from anybody.  
3 Everything has to go through the Secretary of the  
4 Commission. So I can give you that address. It's in  
5 the NEPA document, in the front of it. But all  
6 correspondence has to go to the Secretary.

7 And then the project numbers, the project  
8 number for the Upper American River Project is 2101 and  
9 the subdocket is 84. And the Chili Bar Project is 2155  
10 and the subdocket is 024.

11 Again, the comments on the Draft EIS are due  
12 November 13th. You can electronically file. It's not  
13 the ultimate in easiness, but it's not too difficult to  
14 get on our ferc.gov website and electronically file.  
15 You'll just have to create a password -- it only takes a  
16 few minutes -- and then you can attach your file and  
17 electronically file whatever you're trying to get to us,  
18 and that'll go right to the Secretary.

19 What's next with us is that hopefully we'll be  
20 responding to the comments made on the document, both  
21 the comments made in this meeting and the comments that  
22 are filed, and put out a final FEIS in February 2008.

23 So again, the ground rules, let's try to stick  
24 to the time. I'll remind you if you're going over. And  
25 let's try to show respect for the other participants.

1 And that's about what I have here.

2 If I can get the list of names, we can start  
3 with the speakers. At some point in the meeting we'll  
4 take a break. The court reporter will probably be  
5 getting a little tired. And I can just answer some just  
6 general questions and answers about the FERC process or  
7 about, you know, other questions as good as I can answer  
8 them.

9 So let's get on with the speakers. And then,  
10 as I say, at some point we'll take a break and then  
11 we'll have questions and answers.

12 Hilde? I just congratulated her because she's  
13 one of the two private citizens who signed the  
14 settlement agreement, and that takes a lot  
15 of perseverance.

16 MS. SCHWEITZER: My name is Hilde Schweitzer  
17 and I'm an independent signatory to the settlement  
18 agreement.

19 I would like to thank staff for the opportunity  
20 to comment on the projects and extend my gratitude for  
21 your diligence and thoroughness in reviewing the  
22 documents filed.

23 I would also like to thank you for  
24 acknowledging the value of the comprehensive settlement  
25 by noting the relatively minor changes that were

1 suggested.

2           There was one area that concerns us, found in  
3 section 5.1.3, regarding flows for Slab Creek under your  
4 Rationale for Staff Recommendations that I hope the  
5 forthcoming comments by the agencies, NGO's, and the  
6 utilities will help clarify.

7           The settlement agreement was a very  
8 hard-fought, hard-won battle. It was a document that  
9 was the result of mutual trust and its foundation is  
10 based on honesty and integrity.

11           None of the terms were agreed to or entered  
12 into lightly. Flows on Slab Creek were deal breakers,  
13 non-negotiable, Class IV issues and nonstarters, to name  
14 a few terms that the utilities used.

15           Literally, at the last minute in the last week  
16 of negotiations before filing we reached a comprehensive  
17 and mutually agreeable solution to flows on Slab Creek,  
18 in part, because the utilities saw the need, the value,  
19 and the benefit for these flows.

20           The flows were phased in over the life of the  
21 license to take into consideration the difficulty, both  
22 economic and physical, to provide these flows.

23           The completion of the Iowa Hill Project was  
24 used as a benchmark not because it is a necessity to  
25 provide flows for Slab Creek but because its

1 construction would make it easier for the utility to  
2 provide the flows.

3           The agreement allows for up to 15 years to  
4 provide final flows on Slab Creek to allow the utility  
5 time for construction. During this time there are a  
6 number of trigger factors that would determine the  
7 ultimate number of days of flow, including  
8 environmental, boater use, and operational constraints  
9 that would be incorporated into a whitewater boating  
10 plan.

11           The base flow up until year 15 or until  
12 Iowa Hill is completed are six days in below-normal,  
13 above-normal, and wet years. This would increase to a  
14 total of 18 overall water year types if all the triggers  
15 were met from year 15 until license term or until  
16 Iowa Hill is built.

17           We believe that the staff recommendations  
18 regarding flows on Slab Creek are based on a  
19 misunderstanding of the settlement agreement and feel  
20 that the settlement as written covers FERC's concerns as  
21 stated in your rationale.

22           In conclusion, I would like to thank staff for  
23 this opportunity. I would also like to acknowledge our  
24 appreciation of the Forest Service for their commitment  
25 to exercise 4(e) authority for flows on Slab Creek, and

1 I would like to publicly thank both utilities, SMUD and  
2 PG&E, for their outstanding, ongoing commitment and  
3 support of recreational releases on the UARP.

4 The settlement was an historic event for all  
5 parties that came together and submitted a mutually  
6 workable solution for license conditions.

7 I ask FERC to honor that commitment regarding  
8 flows on Slab Creek and accept the terms and conditions  
9 of the settlement as written. Thank you.

10 MR. FARGO: Thanks, Hilde.

11 Ann Wofford.

12 MS. WESLOWSKI: Can you ask people to speak  
13 into the mic?

14 MR. FARGO: Oh, okay. Maybe I can help with  
15 the angle.

16 MS. WOFFORD: Thank you for the opportunity to  
17 speak for the undersigned members of the Apple Hill  
18 Growers Association.

19 (Brief interruption for mic adjustment.)

20 MS. WOFFORD: Thank you for the opportunity to  
21 speak for the undersigned members of the Apple Hill  
22 Growers Association. I'm reading from a letter  
23 submitted to the SMUD Board by the Apple Hill Growers  
24 Association.

25 The Iowa Hill Project is not necessarily a bad

1 project, just an incredibly poorly sighted one. And its  
2 construction poses serious negative consequences on the  
3 ranches and businesses in the Camino area.

4 To the members of the SMUD Board -- this is  
5 dated July 24th, 2007. The undersigned members of the  
6 Apple Hill Growers Association wish to present these  
7 specific concerns regarding the negative impacts of the  
8 proposed hydroelectric pump station slated for  
9 construction in Iowa Hill in Camino, California.

10 Many of you visit the Apple Hill ranches with  
11 your families and are aware of the atmosphere created by  
12 our ranch marketing. Forty-six years of agri-tourism  
13 has kept Camino rural, scenic, and a popular destination  
14 for those seeking a day trip, weekend getaway, or longer  
15 vacation.

16 The proposed Iowa Hill Project cannot help but  
17 irrevocably change the ambiance of this area. With that  
18 change will come blasting, heavy equipment damage to  
19 county roads, dust, threat of fire, loss of habitat, and  
20 ultimately, and most damaging to the Apple Hill Growers  
21 Association, fewer visitors to our area.

22 Tourists visit the Apple Hill Growers  
23 Association ranches to escape from stress. They revel  
24 in the peace and quiet of our orchards, vineyards, and  
25 views. Wonderful experiences for families are created

1 as parents help their children select fruit from a tree  
2 and not from a grocery shelf. Generations of families  
3 come together in their favorite ranch as they have for  
4 many years. Brides dream of celebrating their wedding  
5 day at one of our ranches. The smells from our  
6 bakeshops evoke memories. We have created special  
7 places.

8           The ranches of the Apple Hill Growers  
9 Association operate on a shoestring budget. Most of the  
10 ranches have, at best, a three-month window of  
11 operation, and loss of revenue will force some ranches  
12 out of business.

13           If, during the peak three-month time frame, the  
14 image of a day spent at Apple Hill Growers Association  
15 ranches includes contending with heavy construction,  
16 people will choose another destination for their day and  
17 their dollar. Those ranches with extended seasons and  
18 those open year-round face the challenge of operating  
19 their businesses with a projected five years of SMUD  
20 construction impacting their sales.

21           The Apple Hill Growers Association relies on  
22 farm sales to keep their businesses alive, and the  
23 mechanics of running an agricultural concern are too  
24 costly without a consistently present market. The  
25 construction of the proposed Iowa Hill project can do

1 nothing but make our area less appealing.

2 Background construction noise instead of bird  
3 song does nothing to enhance a picnic, picking berries  
4 or apples, or strolling on the Nature Path in  
5 Upper Apple Hill. Educational school tours of our farms  
6 will be jeopardized if buses are to encounter large  
7 trucks on our narrow roads. Guests arriving to  
8 appreciate our tranquility will abandon us if subjected  
9 to the negative side effects of this project.

10 And this is also written for the Southern  
11 California fires, but you'll understand our sentiment  
12 here.

13 The Ice House fire, started due to SMUD  
14 construction, may have occurred in 1959. Memories are  
15 long, however, and fears of another SMUD-generated fire  
16 are justified. SMUD officials attending the Iowa Hill  
17 Joint Action Committee meetings have been unable to  
18 offer Camino residents any guarantees regarding any  
19 portion of this project, including the guarantee that  
20 another fire will not occur.

21 SMUD officials attending the Iowa Hill Joint  
22 Action Committee meetings have side-stepped the issue of  
23 responsibility in the event of a fire stemming from the  
24 proposed Iowa Hill project, while indicating the  
25 possibility that they would cite their contracted labor

1 as the responsible party. This offers our community  
2 little or no assurance of SMUD's swift and adequate  
3 response on potential insurance claims, and Apple Hill  
4 Growers Association is rightfully concerned about the  
5 real possibility for fire damage or business loss,  
6 without SMUD compensation, stemming from a fire at  
7 SMUD's proposed Iowa Hill Project.

8 SMUD owns the water rights to all of the  
9 Upper American River Project. There was an extensive  
10 list of places under consideration for a new pump  
11 station, and yet Iowa Hill, the only site surrounded by  
12 a community and recognized as a destination spot, was  
13 selected as the most appropriate. Apple Hill Growers  
14 Association wonders why.

15 We urge you, the SMUD Board, to reconsider  
16 Iowa Hill as the correct site for this project. The  
17 Apple Hill Growers Association and the hundreds of  
18 thousands of visitors who enjoy our ranches should not  
19 bear the burden of, or pay the extreme penalty for, your  
20 project.

21 Thank you. Apple Hill Growers Association.

22 Jim Shettler did respond to that letter, and if  
23 FERC would like a copy of his response, I'm sure he'd be  
24 able to provide one. Thank you very much.

25 (Applause.)

1 MR. FARGO: Theresa Simsiman.

2 MS. SIMSIMAN: My name is Theresa Simsiman. I  
3 am a private boater and signatory to the UR Chili Bar  
4 re-licensing settlement agreement. I have come here on  
5 behalf of the private boating community to share my  
6 public comments regarding the Draft Environmental Impact  
7 Statement.

8 And before I continue, I would like the private  
9 boaters in the audience to raise their hands, please.

10 (A show of hands.)

11 MS. SIMSIMAN: As a participant in the UR Chili  
12 Bar settlement agreement, I can relate that the  
13 recreational flow schedules for three whitewater river  
14 reaches -- South Fork Silver Creek below Ice House  
15 Reservoir, South Fork American River below Slab Creek  
16 Reservoir, and South Fork American River below Chili Bar  
17 Dam, were all meticulously written to meet the needs of  
18 various interests, including a natural hydrograph,  
19 energy needs, ecological needs, and recreational  
20 opportunities for the public.

21 Therefore, I am pleased to note in  
22 section 5.1.1 and 5.1.2 that of the 70 recommendations  
23 detailed for UR and the additional 26 for Chili Bar,  
24 FERC staff listed no recommendations contrary to the  
25 settlement agreement regarding recreational stream

1 flows.

2           And while it did not make your list of  
3 recommendations in 5.1.1 and 5.1.2, I would like to make  
4 a note of concern regarding the rationale for staff  
5 recommendations found in 5.1.3.

6           Recreational stream flows on the South Fork  
7 American River below Slab Creek is a key interest to  
8 many involved in the settlement process.

9           In fact, when Jim Shettler, assistant general  
10 manager, energy supplies for SMUD, was asked on Capital  
11 Public Radio's talk program Insight to give an example  
12 of one of the thornier issues, he identified Slab Creek.  
13 He went on to mention that it became very obvious that  
14 Slab Creek was an important issue on the table and that  
15 all involved had to roll up their sleeves to be creative  
16 on this front to reach settlement.

17           It is in this regard I respectfully ask that  
18 FERC staff review the written comments to be forthcoming  
19 from SMUD, the agencies, and NGO's, which will further  
20 explain the importance of our agreement regarding the  
21 South Fork American River below Slab Creek.

22           Additionally, at this time I would like to  
23 thank the Forest Service for their commitment to  
24 exercise the 4(e) authority to ensure this part of the  
25 agreement regarding Slab Creek will be consummated.

1 Overall, it has taken quite an effort of give  
2 and take by all parties involved to come to a common  
3 understanding, and I appreciate FERC's commitment to the  
4 integrity of the UR and Chili Bar re-licensing  
5 settlement agreement. Thank you.

6 (Applause.)

7 MR. FARGO: Thanks, Theresa.

8 Robert Coffey.

9 MR. COFFEY: I think I'd defer to the other  
10 speakers. Thank you.

11 MR. FARGO: Okay. Thank you, sir.

12 Mark Stanley.

13 MR. STANLEY: Hi. I'm Mark Stanley. I don't  
14 know if I'll need this mic. Nobody's ever had trouble  
15 hearing me.

16 I'm a private citizen in Camino, and my  
17 comments are strictly dealing with the Iowa Hill  
18 Project. And I have some concerns that I will just  
19 voice a few of them.

20 One of the first statements that I read was in  
21 the executive summary that talked about after careful  
22 consideration by FERC of all relevant economic,  
23 environmental issues, they didn't see any problems with  
24 this.

25 It's a pretty broad statement to make,

1 particularly in light of the fact that none of the local  
2 residents that are impacted by this were ever consulted.  
3 After hearing the last two settlement agreements --

4 (Applause.)

5 MR. STANLEY: -- I brought up another question.

6 FERC and SMUD, I guess, went into great detail  
7 ahead of the game to satisfy, with settlement  
8 agreements, a number of special interest groups. And  
9 from what I understand, part of that agreement is, in  
10 order for them to get the benefits that they've agreed  
11 to, they have to come out in support of the project. We  
12 used to call it bribery, I think.

13 Some of the other -- the two other questions --  
14 areas that I'd like to address is that of the roads and  
15 fire protection.

16 As it relates to fire protection, I'm the  
17 retired chief deputy director for the Department of  
18 Forestry and Fire Protection in California. And really,  
19 the roads play an important part in both those issues.

20 In the report it talks about upgrading the  
21 project roads, the access roads. It talks about  
22 Cable Road being a two-lane road, which it's one lane.  
23 It talks with upgrades being gravel. Later on in the  
24 report it talks about improvements for those roads to  
25 facilitate construction equipment.

1           I just happened to be out there today following  
2 a semi going down Cable Road. You can't get around it.  
3 It's a one-lane road. So strictly improving the road  
4 with gravel is not going to satisfy the requirement for  
5 construction.

6           It also doesn't satisfy the fire issues, both  
7 egress and access for emergency vehicles, for fire and  
8 EMS. You're going to have a significant number of  
9 people doing construction down there with a need for  
10 both fire and EMS services there.

11           So one of the things that we've talked about in  
12 some of our meetings with SMUD is an access road or an  
13 egress emergency exit road. None of this was considered  
14 and, to my knowledge, other than the Forest Service on  
15 the north -- the upper reaches of this project, no fire  
16 service was ever consulted about this project, and yet  
17 SMUD or -- in the project, the EIS, it talks about that  
18 SMUD disagrees that fire is an issue.

19           I'm kind of confused. If they haven't talked  
20 to the fire service, and the fire service is the  
21 experts, how SMUD could come up and say we're not going  
22 to address it because we don't consider it an issue. It  
23 is a significant issue.

24           The other question that I have is on  
25 transportation and roads. Again, some of the statements

1 in there talk about that the roads in the area are not  
2 suitable for biking or walking. It's obvious that  
3 whoever wrote this has never been there. There is a  
4 significant number of people that bike and walk on the  
5 roads day in and day out.

6 I don't think there's ever been a traffic study  
7 that's been done for the area to look at that use and to  
8 look at the impacts that this kind of construction and  
9 work will do. And so to come to the conclusion that  
10 there will be no significant impact seems to be  
11 unfounded. And, therefore, the report isn't being done  
12 thorough enough.

13 Upgrades on the roads, except for the ones that  
14 are identified at Cable and Iowa Hill, which nobody's  
15 quite sure where that one is, and Slab Creek, it doesn't  
16 address any of the normal roads -- North Canyon, Carson,  
17 Larson, those -- and the impact that heavy equipment  
18 will have on those roads.

19 It talks about upgrades in one place, but it  
20 never identifies what those upgrades or what the  
21 maintenance will be or what time frames those will be.

22 That's all I have. Thank you.

23 (Applause.)

24 MR. FARGO: Thanks, Mark.

25 Richard and Judy Morris. I guess you can both

1 come up.

2 MRS. MORRIS: He can go.

3 MR. FARGO: Okay. And you can be ready.

4 Richard?

5 MR. MORRIS: Thank you. I'm going to address  
6 my comments specifically to the Iowa Hill Project and  
7 how it affects my part of the community.

8 While we are patently opposed to the Iowa Hill  
9 Project as initially proposed, we recognize that this  
10 project could be built in light of the current national  
11 power situation. As proposed, this massive project  
12 would overwhelm our small community.

13 On a personal level, having the transportation  
14 for this entire project traverse a one-lane rural  
15 neighborhood street would devastate my quality of life,  
16 my family's safety, and property value.

17 I am 65 years old, living on Social Security  
18 and my savings. I do not possess the means or the  
19 inclination to relocate. SMUD has claimed that they  
20 would not compensate me in any way should I find it  
21 necessary to leave my home of 18 years during the  
22 construction phase. Most assuredly, the singlemost  
23 significant investment in my life could be compromised.

24 If during the time of construction any of us in  
25 the project construction access or impact areas should

1 find it necessary to sell our homes or businesses, SMUD  
2 has claimed that any financial mitigation compensation  
3 would constitute a, quote, gift of public funds and  
4 could not be granted.

5 Please identify for us how you would address  
6 that issue if you choose to grant approval of this  
7 project.

8 Also, having participated in several years of  
9 community forums and mitigation brainstorming  
10 subcommittee meetings, many mitigation measures have  
11 been identified and research to reduce the impact on the  
12 community and many of us individually.

13 I feel that, at a minimum, all of these  
14 mitigation measures and committee recommendations should  
15 be adopted as a comprehensive package with no exception.

16 The safety of the children and local residents  
17 living their daily lives during the construction phase  
18 of this project is of paramount concern.

19 I have worked all of my life and pride myself  
20 on many years of community service. The very essence of  
21 my retirement years has been threatened by this project.  
22 It appears that I have no recourse.

23 I acknowledge that progress and changes are  
24 just a normal part of life. However, my neighbors and I  
25 have absolutely no input regarding this project during

1 feasibility and conceptual phases of its current  
2 proposed location.

3 Please consider the impact of this project,  
4 that this project would have on the quality of life,  
5 property value, state of mind, and prosperity of this  
6 entire community.

7 After we wrote that letter, my wife and I, I  
8 was going through the Draft EIS at great lengths and I  
9 came to a section that had to do with impacts of the  
10 roads. And this is in section 5.2.2.2. And I just  
11 scratched out a few comments.

12 The draft assumes that Cable Road is a two-lane  
13 road. It is not. At my house it is narrow, one lane,  
14 on a sharp curve. Altering the road at this point would  
15 have a major impact on me and my neighbors.

16 SMUD, with this report -- the one that I  
17 have -- I do not have your updated one, and I would like  
18 a copy -- is not being honest. They did not look at the  
19 greater area of impact.

20 Thank you very much.

21 (Applause.)

22 MR. FARGO: Thanks, Richard.

23 Judy?

24 MS. MORRIS: No one will believe this, but mine  
25 is going to be really, really brief, because I'm going

1 to submit it written.

2 MR. FARGO: Okay. You can just give it to the  
3 court reporter.

4 MS. MORRIS: And what this is, is a copy of a  
5 letter that I submitted to the Mountain Democrat, which  
6 is our local newspaper, in June of 2007. And I have  
7 copies. I'll save any other comments for later.

8 MR. FARGO: Thank you.

9 Nancy Summers, followed by Jim Summers.

10 MS. SUMMERS: Mr. Fargo, this isn't a comment.  
11 This is really a question of you. And --

12 MR. FARGO: No, no, no.

13 MS. SUMMERS: It can't be asked now?

14 MR. FARGO: No. It has to be your response to  
15 the EIS. We only have, like, two, three people here on  
16 this trip who actually participated in writing the  
17 document, so I can't --

18 MS. SUMMERS: Well, my concern is --

19 MR. FARGO: Just -- yeah. Voice your concerns.

20 MS. SUMMERS: My concern is that I received in  
21 an e-mail a statement saying that FERC has not heard  
22 from community members other than one correspondence  
23 from Nancy Summers. I'm Nancy Summers.

24 MR. FARGO: Right.

25 MS. SUMMERS: Is that true?

1           MR. FARGO: I'm saying that you're the only  
2 person I recall seeing comments from.

3           MS. SUMMERS: That's frightening, because I  
4 submitted four letters to FERC, to Kimberly Bose's  
5 attention, and I'm wondering what happened to them.

6           MR. FARGO: I'm sure they must be filed if you  
7 submitted them to Kimberly Bose. Can you tell me what  
8 dates they were filed?

9           MS. SUMMERS: Yes. Two were written July 16th,  
10 one August 17th, and one June 18th.

11          MR. FARGO: Well, we've spoken several times.  
12 I mean, just -- you can, after the meeting or during the  
13 break, give me those dates. I'll look them up and give  
14 you a call and make sure that those got in the record.  
15 And if they didn't, then you can just have those people  
16 submit them to me and I'll make sure they get in the  
17 record.

18          MS. SUMMERS: Good. I'll submit --

19          MR. FARGO: I get a tickler -- that's another  
20 thing I wanted people to know is that if you get on our  
21 ferc.gov website, it allows you to do something called  
22 E -- what's the -- E-subscribe. You can E-subscribe to  
23 this proceeding, Project 2101, and every time somebody  
24 files something, you'll get a tickler, a little e-mail  
25 popping up on your computer that says somebody filed

1 something, and it'll give you a reference to where you  
2 can look at it if you choose to, or you can just delete  
3 it if it's of no interest to you. But that's what I get  
4 on my computer for all the projects that I manage.

5 And so on this one, I see those ticklers, I  
6 look to see who filed what, and you're the only person I  
7 recall seeing something from. So that's why I know  
8 there hasn't been much information coming from private  
9 citizens to FERC. But if there's a couple other  
10 filings, then let's go through those during the break  
11 and we'll find out.

12 MS. SUMMERS: SMUD told us that anything that  
13 was submitted to them would automatically be sent to  
14 FERC.

15 MR. FARGO: I can't speak to what SMUD said,  
16 but --

17 MS. SUMMERS: Well, obviously, that didn't  
18 happen. And I have in my personal files three letters  
19 that were submitted with CC's to FERC, so I will  
20 resubmit those to you, also. And these are not mine.

21 MR. FARGO: They're CC'ed to FERC, but who were  
22 they originally to?

23 MS. SUMMERS: SMUD. SMUD Board of Directors,  
24 SMUD Board of Directors.

25 MR. FARGO: Okay. Let's talk about those.

1 Those would have to go to the Secretary, and they could  
2 be filed with your comments during this comment period  
3 and say "Filed under this 2101" and say, "Here's three  
4 letters. We'd like to make these enter into comments on  
5 this proceeding."

6 MS. SUMMERS: Fine. I'll submit all seven  
7 letters.

8 MR. FARGO: But you have my number, so give me  
9 a call if any of this doesn't seem like it --

10 MS. SUMMERS: Well, it just doesn't seem  
11 Kosher.

12 MR. FARGO: -- made sense. I'll be back in the  
13 office on Thursday.

14 MS. SUMMERS: Okay.

15 MR. FARGO: Nancy, now you had another filing  
16 you sent me. Did you want to submit that here?

17 MS. SUMMERS: No, I think that's Jim.

18 MR. FARGO: Jim. Okay. Sorry.

19 MR. SUMMERS: My name is Jim Summers. My wife  
20 Nancy, who was just up here, and I live on  
21 Calypso Court, a private road that is accessed by  
22 Chute Camp Road. Our homesite is above the American  
23 River Canyon and Iowa Hill. Iowa Ridge is very much in  
24 our view shed. In addition, Slab Creek Reservoir Road  
25 runs through a portion of the parcel on which our home

1 is located.

2           The Draft Environmental Statement of September  
3 is 634 pages of painstaking details related to the known  
4 and potential impacts of the existing facilities in the  
5 UARP and the proposed new facility of the Iowa Hill  
6 Project.

7           In addition, there are a multitude of  
8 recommendations and requirements developed by the  
9 preparation committee that are designed to mitigate  
10 these impacts into insignificance.

11           Unfortunately, as detailed and complete as the  
12 document is as to the impacts on plants, wildlife, fish,  
13 frogs, birds, and other fauna, it is woefully inadequate  
14 insofar as to the impact the Iowa Hill Project will have  
15 on the people of Apple Hill, Camino, and the surrounding  
16 communities.

17           Details that are absolutely necessary to assess  
18 these impacts are conspicuous in their absence, and the  
19 few that are mentioned are outdated or misleading,  
20 including some impacts that are listed as positives.

21           While we have written a letter to FERC  
22 detailing a number of instances of the inadequacy of the  
23 DEIS in this regard, this evening time constraints  
24 allows just for one example: Traffic.

25           The DEIS lists two routes that the construction

1 traffic will use to access the project. However, these  
2 routes, we are being told, are not what SMUD is  
3 planning. SMUD has publicly stated that their plan is  
4 to access both the upper and lower sites via  
5 Carson Road, North Canyon Road, Slab Creek Reservoir  
6 Road, and finally, a not-as-yet-built road traversing  
7 private parcels that have recently been purchased by  
8 SMUD.

9 No decision has been announced as to how  
10 Carson Road will be accessed from Highway 50 and no  
11 impacts or mitigations associated with any segment of  
12 this new route are listed in the DEIS.

13 Additionally, while the DEIS states that there  
14 will be 235 construction workers traveling the access  
15 route each day, the fact is the project service traffic  
16 will dwarf the impacts of worker access and no details  
17 of that traffic are mentioned.

18 As an example, the material needed to bed and  
19 protect the impermeable liner of the reservoir will  
20 require importing between 250,000 and 300,000 tons of  
21 rock-free soil that will readily interact with the  
22 bentonite or other clay-producing products.

23 The delivery of this material, along with  
24 required project concrete, will sponsor something in the  
25 neighborhood of 20,000 heavy trucks round trips. That's

1 40,000 events: 20,000 coming, 20,000 going.

2 To those who live on or near the route along  
3 Carson Road, North Canyon Road, Slab Creek Reservoir  
4 Road, and the newly constructed access road, that  
5 converts to a large truck going by your home every two  
6 and a half minutes for the better part of a year. Other  
7 service trucks, fuel trucks, supply trucks, and project  
8 visitors will add to this total.

9 Just this one item will have an enormous impact  
10 on the quality of our air, our roads, the safety of our  
11 families and pets, the safety of many bicyclists that  
12 use those roads to recreate and train, our property  
13 values and our ability to merely indulge in the quiet  
14 enjoyment of our home and our property.

15 Incredibly, this major impact is not even  
16 mentioned in the DEIS. Again, this is just one example  
17 of many overlooked impacts in the DEIS.

18 In terms of dollars and cents, the Iowa Hill  
19 pump storage facility is the largest project ever  
20 undertaken in El Dorado County. There will be major  
21 impacts on the environment and the way of life in  
22 Apple Hill and surrounds. This project deserves a life  
23 of its own, and its negatives and positives must be  
24 discussed and debated fully and openly.

25 SMUD knows much more regarding the details of

1 construction activities than they are divulging in the  
2 application for re-licensing. The suppression of these  
3 details is done purposely so as not to reveal just how  
4 dramatic the impacts will be. Rather, they prefer to  
5 hide this massive project as an earmark or rider buried  
6 within the multitude of details of facilities we have  
7 learned to live with over the last several decades.  
8 While maybe this is legal, it unquestionably does not  
9 live up to the intent of full disclosure under our  
10 environmental laws.

11 We are not asking that this project be  
12 abandoned. We are simply asking that FERC approve the  
13 application for re-licensing without the inclusion of  
14 the Iowa Hill Project. That is a listed alternative.

15 We ask further that FERC advise SMUD to submit  
16 a separate application encompassing the Iowa Hill  
17 Project and its closely related entities only. In that  
18 way, this project can have its deserved hearing.

19 Thank you for your attention.

20 (Applause.)

21 MR. FARGO: Thank you, Jim.

22 Mike DeBord.

23 MR. DeBORD: I'm Mike DeBord. I'm a member of  
24 the Iowa Hill Joint Advisory Committee. I live in  
25 Camino. I live on the ridge within the three-mile study

1 area.

2 I'm going to respond first to information from  
3 Mr. Fargo to Bob Penn and myself to give some background  
4 and then I'm going to get into two specific issues.

5 The Iowa Hill Joint Advisory Committee is  
6 co-chaired by the assistant general manager of SMUD and  
7 the Board of Supervisors for El Dorado County. Meetings  
8 have occurred on these topics -- occurred on topics that  
9 SMUD presented to FERC since June of 2006.

10 Through this process, subcommittees were  
11 established on five major topic areas, and the  
12 communities surrounding the proposed project documented  
13 their concerns on the proposed projects submitted to  
14 FERC. 324 individual concerns were documented in a  
15 tracking spreadsheet format, and the full advisory  
16 committee recommended nearly every one of these concerns  
17 be responded to by SMUD.

18 I'm going to provide those tracking documents,  
19 because my understanding from the discussion we had the  
20 other day is that you have not received these. This is  
21 the 324 individual items.

22 According to a SMUD representative, the SMUD  
23 Board of Directors directed staff to evaluate these  
24 concerns and incorporate them into the CEQA process  
25 where applicable.

1           Our community believed that SMUD shared this  
2 community input with FERC so that you would have the  
3 collective benefit of this process and so the CEQA and  
4 the NEPA process, the draft EIS that you referred to,  
5 would be based on consistent information and community  
6 input. However, in a recent discussion with James Fargo  
7 of FERC it was determined that this information was not  
8 passed along to FERC, leaving a huge hole in the  
9 process. Therefore, I submitted a copy of the tracking  
10 sheets for your review and request that they be  
11 incorporated into the final EIS where applicable.

12           In addition, Mr. Fargo advised that FERC has  
13 not heard from our community except for a letter from  
14 Mrs. Summers. I reviewed several pieces of  
15 correspondence from members of the community that have  
16 been sent to FERC.

17           And, for example, one of the ones that -- early  
18 on, when I got involved with this project, there is a  
19 May 10th, 2005 document addressing many of the areas of  
20 SMUD's submittal to FERC that was signed by the  
21 president of the Apple Hill Growers Association,  
22 representatives of the Iowa Hill Project Action  
23 Committee, concerned citizens, growers, all kinds of  
24 people. The signatories go on for a page. I'm going to  
25 give you that document again, because it's directed to

1 you, Mr. Fargo. It's cc'ed to you and to another member  
2 of FERC.

3 MR. FARGO: Let me just clarify that I said  
4 that there hasn't been any comments during the comment  
5 period that was back early this year. Okay? I'm sure  
6 those other documents are in the record.

7 MR. DeBORD: That was just one of the examples.

8 Based on my involvement on the Iowa Hill  
9 Project joint advisory committee and as a member of this  
10 community in proximity to the proposed project, I would  
11 state that there is a very large concern for members of  
12 the community regarding this project. And one of the  
13 most pressing concerns is the clear risk of wildfire  
14 engulfing our community. And that would be accentuated  
15 by the construction of this project.

16 Just for information, so you know where our  
17 community's at, I'm also forwarding a petition signed by  
18 people that have expressed their concerns that want this  
19 project stopped, and our primary concern is fire. This  
20 is a petition from residents in this community.

21 As stated by Mr. Fargo, the process of meeting  
22 with members of the community during this phase, through  
23 our Iowa Hill joint advisory committee, is a little  
24 unusual. It may have advantages, but it clearly has  
25 serious disadvantages.

1           The advantages are that the topics can be  
2 discussed and better understood by both parties. The  
3 disadvantage is that our efforts have been directed to  
4 SMUD, not to FERC, and therefore, FERC may have the  
5 mistaken belief that we are not concerned. Just the  
6 opposite is true.

7           The more we discuss this project, the greater  
8 the community concerns. We ask FERC to hear our  
9 concerns.

10           The two areas I'd like to address, and it's the  
11 one that I had the most concern on -- and I worked on  
12 projects involving Rancho Seco for many years after  
13 Three Mile Island, I was the emergency operations  
14 director for the County of Sacramento during floods --  
15 my biggest concern of all the issues I've dealt with in  
16 emergencies is fire in this community.

17           The draft EIS for the Iowa Hill Project barely  
18 mentions one of the most potentially devastating impacts  
19 on the environment in California: Fire risk. For  
20 SMUD's own analysis, the fire risk classification for  
21 the Iowa Hill project area is extreme fire risk, three  
22 to 19 times the risk associated with the other five  
23 segments of the UARP, according to SMUD.

24           This overwhelming reality was clearly not  
25 factored into site selection for the pump storage

1 project. Adding a five-year major construction project  
2 of this nature and signing agreements to increase  
3 recreational use in this extreme fire-risk area is  
4 unconscionable, especially considering the devastating  
5 effects of the wildfires in California during 2007,  
6 including the Angora fire in South Lake Tahoe in  
7 El Dorado County and the many wildfires in Los Angeles  
8 and San Diego County.

9           Considering the environmental impact from one  
10 of the largest wildfires in Northern California's  
11 history, that is, during SMUD's construction of the  
12 Ice House reservoir many years ago, should have been a  
13 red flag for site selection for construction of a new  
14 pump storage reservoir, especially in an area designated  
15 as extreme fire risk.

16           SMUD states they have no fire prevention  
17 expertise and asked FERC not to require SMUD to develop  
18 a fire-prevention plan. Unfortunately, nothing SMUD can  
19 do will likely change the factors and conditions that  
20 resulted in the extreme fire risk designation for our  
21 community.

22           We respectfully request FERC not license this  
23 project near a fire-sensitive, steep canyon, low  
24 elevation, high wind, dense forest, high vegetation  
25 community. We need to protect our environment, our

1 lives, and our community.

2           The facts do not support taking this  
3 unnecessary risk. Require SMUD to look at other  
4 alternatives, alternative sites or approaches.

5           The last one I want to comment on is on cost.  
6 The cost analysis does not include the new capital cost  
7 of supplying power to pump the water from the Slab Creek  
8 reservoir up to the new Iowa Hill reservoir.

9           SMUD repeatedly states that they will use wind  
10 power to supply this power. Currently, SMUD has only  
11 13 windmills but has plans to increase the number of  
12 windmills to a maximum of 67. SMUD states that each of  
13 these three-megawatt windmills cost approximately  
14 \$4.14 million. Accordingly, the cost of 67 windmills,  
15 which is their cap, would total \$277 million in  
16 construction costs.

17           SMUD states that this cost was not included in  
18 their cost analysis to determine the economic  
19 feasibility of the Iowa Hill Project. Why?

20           If wind power is the stated source of the  
21 pumping of the power -- of the water up to the new  
22 reservoir, then this additional capital cost should be  
23 included in the Iowa Hill cost analysis. Even then, it  
24 appears that the windmill electricity production at a  
25 maximum would only produce perhaps 200 megawatts when

1 the wind is blowing sufficiently.

2           Since the proposed Iowa Hill Project is a  
3 400-megawatt plant and is a power consumer, not a power  
4 provider, additional generation facilities appear to be  
5 needed to operate this project. Factoring the capital  
6 cost of the planned windmills or other needed  
7 power-generating facilities could easily make this  
8 project cost-prohibitive.

9           I'll leave you copies of these, too. I'm going  
10 to leave you copies of information I supplied on many of  
11 the topics in writing, and hopefully they'll be included  
12 in the process. Thank you.

13           (Applause.)

14           MR. FARGO: Thanks, Mike.

15           Bob.

16           MR. PENN: Good evening. My name is Bob Penn.  
17 I've lived in the county about 37 years, the last  
18 32 years in Camino, where I operate, with a great deal  
19 of joy, a small Christmas tree operation.

20           First of all, I'd like to, as a community,  
21 welcome our folks from Washington, Jim and your staff.  
22 Thanks for coming out to our community and listening to  
23 our concerns. Unfortunately, it's not a topic that we  
24 all receive and would like to talk about, but we're  
25 forced to do so to protect our living standards.

1 I had planned, because I thought it was part of  
2 my responsibility, to give a brief history of this  
3 project. I'm going to cut that very short so as not to  
4 take up more time for other people who want to get up  
5 and speak to the project.

6 So very briefly, we learned of this project in  
7 October of '04, three years ago. And at that time there  
8 was a nucleus of about eight to ten people who organized  
9 initially the Iowa Hill Action Committee. And we -- our  
10 first effort was to organize what turned out to be an  
11 unsuccessful attempt, speaking on many occasions in  
12 front of the SMUD Board, to delete the Iowa Hill Project  
13 from the re-licensing of the Upper American River  
14 Project. Again, that was unsuccessful, much to the  
15 delight of the SMUD staff, I guess.

16 In the year of 2005 and '6, we, as community  
17 members, attended many meetings at schools and other  
18 venues to air our concerns and voice our opinions on the  
19 project. We felt that our concerns fell on deaf ears as  
20 to requests to relocate and look at different sites and  
21 to eliminate, again, eliminate and make it stand on its  
22 own the Iowa Hill Project under a separate license.

23 However, then, with the -- our county  
24 leadership putting their signatures on the settlement  
25 agreement -- incidentally, I think some of those

1 signatures are the result of some perceived fear of the  
2 inevitability of this project, given SMUD's size, their  
3 deep pockets filled by rate payers, and the need  
4 nationally for power, frustrating many of our attempts  
5 to say, "Please, help us protect our environment."

6           During the last -- the last 18 months we've had  
7 countless meetings, committee meetings, on the  
8 mitigation process. Following the signatures placed to  
9 the settlement agreement, we were successful in  
10 convincing SMUD to start immediately the mitigation  
11 process that was planned to have started right after the  
12 SMUD Board determined they wanted to build the project,  
13 so we're thankful for that, that we were able to do  
14 that. And I think, in retrospect, it was time well  
15 spent.

16           Those issues, the five issues coming from  
17 visual impact, noise, socioeconomic, and primarily  
18 transportation, as well, but the biggest one that's been  
19 spoken to here several times this evening is the fire  
20 issue. That by far is the major concern of everyone  
21 here.

22           Coincidentally, I would ask, out of curiosity,  
23 of those people who raised their hands here about  
24 enjoying the portion of this that puts more water in the  
25 river for rafting, how many of you live in the fire

1 danger area of this project?

2 (A show of hands.)

3 MR. PENN: And you still endorse it? You're on  
4 the ridge, you're nearby and on the ridge where your  
5 home could well be a subject of a fire. Interesting.

6 Did you attend the meeting where SMUD  
7 officials, risk analysis people told us that, on the  
8 question, "What would we do in case our houses burn  
9 down?" were you there when they told us, "Well, you  
10 should contact your insurance company"?

11 UNIDENTIFIED SPEAKER: Bob, you presume that we  
12 endorse it, when we don't.

13 MR. PENN: Okay. Very good. I appreciate  
14 that. Thank you.

15 As I say, of the five issues, the one of the  
16 greatest concern is fire. In particular, as has been  
17 mentioned before, the Angora fire at South Lake Tahoe,  
18 now the fires in Southern California -- you'll hear more  
19 about that, of course.

20 The Iowa Hill Project, if built, would be the  
21 biggest project this county has ever seen. The problem  
22 is, there's very little benefit that flows to the  
23 residents of El Dorado County. We are told that we can  
24 bear the brunt of the headaches of the construction  
25 phase, but we enjoy none of the benefits. There's a

1 little bit of money that slides to the county, but it's  
2 insignificant, in particular, since our county officials  
3 accepted a flat dollar amount, where they should have  
4 accepted or demanded a percentage of the revenues. It's  
5 ludicrous.

6 In particular, folks, if you care to review the  
7 section on socioeconomic conditions, frankly, the people  
8 who signed that document should be ashamed of that  
9 section in the agreement.

10 (Applause.)

11 MR. PENN: This project is big and complex.  
12 There are many unknowns. But what we do know is that  
13 the site-selection process did not include huge negative  
14 impacts for the surrounding communities.

15 We do know that the success rate nationwide of  
16 pump storage facilities is not good. We do know that  
17 there will be fires in that canyon. If this project  
18 goes to construction, there will be fires. The question  
19 is, will they put them out fast enough.

20 The loss -- the risk of loss will go up high  
21 with the introduction of rafters. That's a foregone  
22 conclusion. There will be fires down there. The  
23 response time is the question mark.

24 I, a few months ago, mentioned the possibility  
25 of a helicopter, a firefighting helicopter on station

1 during the fire season, and all that garnered was a few  
2 smirks at the leadership table. It's really  
3 disconcerting.

4           Finally, FERC, we do not object to the  
5 re-licensing of the existing facilities. What we do  
6 object to -- well, put it this way. Our position, one  
7 we felt our county should have taken, but for some  
8 unexplained reason did not, is that Iowa Hill should not  
9 be a part of the application; and further, that FERC  
10 should demand or require that SMUD make a complete  
11 review of the site-selection process. There are  
12 alternatives to site selection. And I have another  
13 document I will submit that suggests other alternate  
14 sites. It may not be exactly what SMUD wants, but they  
15 are suitable. And just think of the possibility of  
16 getting away from all the damage that's going to be done  
17 to our communities.

18           As I said, the project is big and complex. The  
19 Iowa Hill Project should be taken out of the current  
20 re-licensing application and presented under another  
21 application and stand on its own. It should not be  
22 piggybacked.

23           And further, we would ask of FERC that this  
24 application not be rubber-stamped. It has to have a  
25 complete review of alternate sites.

1           We would also, in closing, Mr. Fargo, request  
2           that the response time for submitting written requests  
3           for the re-license be extended to possibly December 5th  
4           rather than November 13th. There was some time  
5           constraints placed on us to respond to this meeting.  
6           And further, the 13th is kind of tight for us. If it's  
7           feasible, we would request that that be extended for,  
8           say, 30 days.

9           Thank you very much.

10          MR. FARGO: Thank you.

11          (Applause.)

12          MR. FARGO: Before I call up the next speaker,  
13          I'd like to clarify a comment or two that Mike had.

14                 I know Mike and Bob and I spoke a few times  
15                 over the years about the Iowa Hill Project, but the one  
16                 thing that's apparent at this point is that, with the  
17                 Joint Advisory Committee starting up, the Joint Advisory  
18                 Committee is something that originated in the settlement  
19                 agreement, for those that aren't familiar, with  
20                 El Dorado County and SMUD. That settlement agreement is  
21                 not filed as part of the re-licensing process, mostly  
22                 because most of those things in there are stuff that are  
23                 not typically FERC jurisdictional type matters,  
24                 especially compensation.

25                 But the one thing that is a FERC kind of

1 consideration are some of the details of mitigation or  
2 the details of changes in operation or project design  
3 for Iowa Hill. If they're coming about in that process,  
4 it's something we need to know about.

5           So Scott, if SMUD, during this comment period,  
6 could please update us on things that you've already  
7 agreed to, changes you've made to facilities or  
8 operation, we can't analyze things that we don't know  
9 about. And this is a separate process. It's of benefit  
10 to the community to start this this early, because on a  
11 lot of projects this isn't something that gets really  
12 done until after a decision is made on licensing; and  
13 then, after a decision is made whether a project or an  
14 applicant is actually going to finance a project like  
15 this. But here, starting early, it's a good thing that  
16 it is starting early, because a lot of details are being  
17 filled in, but unfortunately, we're not in the loop of  
18 that. So let's see if we can't -- during this comment  
19 period, let's see if we can get SMUD views and where  
20 they are with this.

21           Okay. Rich Jackson.

22           MR. JACKSON: I'm Rich Jackson. I'm a Camino  
23 resident. I live on Cable Road.

24           The first person I'd like to thank in this room  
25 is the reporter. It is obvious that in the past there

1 was hundreds and hundreds of people that had come to  
2 meetings in Camino. This probably should have been held  
3 in Camino. And had we had a court reporter taking the  
4 statements from all the people, you would have much more  
5 information. There would be no reason to have this  
6 meeting tonight, because everything would be on the  
7 record.

8 I'd like to point out, once again, the issue of  
9 the fire safety on Cable Road, since the majority of the  
10 construction equipment and everything is going to go in  
11 and out Cable Road to the construction site.

12 I've measured the width of the roadway in front  
13 of a house on this two-lane roadway. It's ten foot,  
14 four inches wide for both lanes combined. So I can  
15 guarantee you, being one of these pedestrians, cyclists,  
16 on that road that "no one uses for that purpose," that  
17 the road is not wide enough for any large construction  
18 vehicles.

19 What it would require, at a minimum, would be a  
20 30-foot, engineered -- 30-foot-wide, engineered roadway  
21 that would be able to carry the weight of construction  
22 equipment, et cetera, back and forth. This would  
23 require basically that property being condemned through  
24 eminent domain.

25 And anybody that lives on Cable Road anywhere

1 knows that either it is a prescriptive easement or it's  
2 very limited as far as the width of the actual roadway  
3 goes. So for them to have a proper roadway width -- and  
4 I'm using the 30-foot example only because if I --  
5 because I live on Cable Road and if I wanted to open up  
6 a winery on my road, I would have to have a 30-foot-wide  
7 driveway to allow for a fire engine to come in as people  
8 were fleeing.

9           This is not too much different than having a  
10 large theater full of people and having the fire occur  
11 in the lobby and the fire going towards the back of the  
12 room, in this case, where all the construction workers  
13 are at. You have to get them out of there. And your  
14 only -- if you've got all the other doors bolted closed  
15 on the outside, there's only one way to get out, the  
16 front door. Except we only are allowed a two-foot-wide  
17 door for people to come in and out of. The firemen  
18 would have to go in that same door at the same time that  
19 the people are fleeing from the construction site. This  
20 is just not a feasible situation whatsoever.

21           If you physically went out there on Cable Road  
22 and followed it from the beginning to the end, you would  
23 realize that it is so narrow, there's steep banks, it's  
24 a dirt road, in order to make this wide enough, you have  
25 to have massive engineered retaining walls, et cetera,

1 out there just to get a minimal width of 30 feet.

2 SMUD has no plans of maintaining what they're  
3 damaging during construction. They said that they would  
4 return the roadways to the condition prior to  
5 construction.

6 I must point out that where there is paved  
7 roadway, that it is chip seal on dirt. It is not a road  
8 base, rock road base with asphalt on top of it. It's a  
9 roadway that's primarily just for residential vehicles  
10 more than not.

11 The winter conditions would make things worse.  
12 Debris falling off trucks, et cetera, would become a  
13 hazard for everybody out there. There's school buses  
14 that constantly go through the area, morning and  
15 afternoon, that's not accounted for. Mail delivery, and  
16 if you're in a mail cart and you have this narrow  
17 roadway and a semi is coming by you, it's not feasible  
18 at all.

19 I must, once again, say that the fire issue is  
20 really the number one thing probably for everybody here,  
21 regardless of what the noise, regardless of anything  
22 else. Once a fire starts, I'm sorry, you can't put it  
23 out. There's not the resources. They could be in  
24 Southern California fighting a fire. It's not going to  
25 help us.

1           The canyon itself, the mere fact that there's a  
2 canyon there will create more drafts, more suction,  
3 faster moving air, faster moving fire through the entire  
4 area. There is not any hydrants or water mains much  
5 past Sierra Express on Cable Road.

6           Before you even consider anything, please take  
7 some local residents out there and have them show you  
8 where this roadway is, how it is existing now, where  
9 people would be taking these trucks, how several hundred  
10 people would have to go to work, where are they going to  
11 be parking at.

12           I keep hearing things about vans or buses going  
13 out there. I really don't think that SMUD can speak for  
14 that. It's a labor union agreement. It's negotiable,  
15 on and on and on. But there's no -- there's absolutely  
16 nothing promised at all out there.

17           I do have another document that I want to  
18 submit. I don't know if it's actually made it to your  
19 files or not, but it does air a few other concerns. But  
20 please, consider the safety, public safety of our  
21 community. Thank you.

22           MR. FARGO: Thank you.

23           (Applause.)

24           MR. FARGO: Thanks, Robert.

25           Larry and Donna Parker.

1           MR. PARKER: My name is Larry Parker. I live  
2 in Camino with my family. I go in and out  
3 Old Cable Road twice a day. And I'd just like to  
4 second -- I'd like to second what the last gentleman  
5 said, that Cable Road, from where it turns into -- off  
6 Mace Road, is, for the most part, a one-lane road.  
7 There's places you can meet someone, but then there's  
8 lots of narrow places with big trees on both sides.

9           As you go on out Old Cable Road, there's big  
10 dropoffs on one side. It's very narrow. It's not a  
11 very strong road. So access is -- I'm just speaking  
12 here about the Iowa Hill Project is my only interest,  
13 the impacts it's going to have on us residents who live  
14 close to Iowa Hill.

15           And, of course, the fire danger. And we're not  
16 talking just about the danger of fire being started by  
17 the construction. Also, all the construction workers  
18 going in and out, throwing cigarettes out the window.  
19 People do that. I see it. 200 of them. So it's  
20 extreme fire danger. And as other people have said,  
21 it's not feasible to get people out and to get fire  
22 equipment in at the same time.

23           So I'd just -- I have nothing new to say really  
24 other than to ask FERC to consider separating this major  
25 project from the re-licensing of the existing project,

1 because it's going to have a major impact on all the  
2 people who live in Camino, in that area. Thank you.

3 (Applause.)

4 MR. FARGO: Thanks Larry.

5 Robert Laurie, please?

6 MR. LAURIE: Mr. Fargo, good evening. My name  
7 is Robert Laurie. I'm a resident of Camino. I'm a  
8 resident of Carson Road in Camino.

9 Just a little bit of background. I'm a land  
10 use and environmental lawyer and have been such in  
11 El Dorado County for 30 years, except for a six-year  
12 period where I served as California's State Energy  
13 Commissioner.

14 My responsibility as State Energy Commissioner  
15 was the licensure of power plants, and I participated in  
16 22 or 23 decisions, licensing power plants in  
17 California. I'm familiar with your process and I  
18 respect your process.

19 My interest, my particular focus in regards to  
20 this DEIS was on the issue of traffic. And one of the  
21 first documents I recently had a chance to look at was  
22 the letter to you, dated November 1st, submitted by the  
23 Summerses, who I did not know, do not know. I will tell  
24 you, however, that I find their letter extremely  
25 articulate and noteworthy, and I would look forward to

1 the response to their communication. I think they've  
2 communicated far better than I could.

3 In reviewing the DEIS, I looked for the traffic  
4 analysis, and I apologize, but I could not find the  
5 traffic analysis. There are a couple places where there  
6 is a reference to traffic issues, 3-327, 328 and part of  
7 329. The references in the analysis simply refers to  
8 data submitted by SMUD. It does not talk about specific  
9 routes. It does not talk about the nature and extent of  
10 the equipment and machinery to be utilized by SMUD  
11 that's going to be taken over our county road system.  
12 And to that extent, I believe, the DEIS, I apologize to  
13 say, is deficient.

14 One of the interesting documents that I had an  
15 opportunity to work on at the Energy Commission was the  
16 Yucca Mountain EIS. The position of the State of  
17 California in regards to that environmental document  
18 was, it failed because it did not analyze -- it did not  
19 contain a transportation element. And neither does  
20 this. This is a development project.

21 In my 30 years as a land use lawyer, I've  
22 worked on thousands of projects, hundreds of EIR's.  
23 They all contain a transportation analysis by  
24 transportation and traffic experts.

25 This is a huge project, similar to any other

1 development project that I would have had experience in,  
2 and I would have expected to see a transportation plan,  
3 a transportation analysis prepared by a transportation  
4 or traffic expert. That is simply missing.

5           In your comments, I heard reference to a  
6 transportation plan. I don't know where that  
7 transportation plan is. You cannot prepare an  
8 environmental document that refers to a future  
9 transportation plan as a mitigation measure. So I'm  
10 looking for that transportation plan and I do not see  
11 it, and I would look forward to that.

12           I think, clearly, the NEPA requires an  
13 examination of the specific routes. NEPA would require  
14 an examination of the current standard, current  
15 capacity, both volume and weight, and a comparison of  
16 that with what this project proposes. I do not see  
17 that. And, thus, I believe the EIS is, in its current  
18 stage, inadequate.

19           Finally, there has been references to the  
20 settlement agreements, which I did not participate in,  
21 and I speak with some degree of ignorance on the point.  
22 There is a confusing element to me on that, however.

23           I know the settlement agreement makes reference  
24 to mitigation measures. What I don't understand is how  
25 we could have developed mitigation measures to impacts

1 which had not as yet been determined. So I would have  
2 expected to see an environmental analysis telling us  
3 what the environmental impacts are, followed by  
4 mitigation measures through a settlement agreement. So  
5 I remain confused about that point and I think we have  
6 some work to do in that regard.

7 I look forward to reviewing the modifications  
8 and the revised EIS. Thank you.

9 (Applause.)

10 MR. FARGO: Thank you. Thanks, Robert.  
11 Victor Schuchart.

12 MR. SCHUCHART: I don't need to say anything  
13 after these other gentlemen.

14 MR. FARGO: Okay. Thank you, sir.  
15 Richard and Peggy Paradise.

16 MR. PARADISE: Good evening, Mr. Fargo.

17 Having attended these meetings for the last two  
18 years, I have had an unction to discuss something that  
19 hasn't really been addressed that much tonight.

20 I'm in sympathy with the ecologists, the  
21 rafters, especially for those making a living in Camino  
22 with this project. But there are about 15 families who  
23 live across the street from this project, that is,  
24 across the river. We live on Cable View and Log Cabin.  
25 And these are relatively new, expensive homes. We

1 purchased them and we built them with the desire in mind  
2 for the tranquility, silence, a beautiful view of the  
3 skies, uninterrupted. We're going to look at this  
4 project, listen to it for three years when it's  
5 building. God only knows what it's going to be like for  
6 the next umpteen years while it's in progress.

7 I've heard so many things, and it was brought  
8 forth tonight, of the mitigation issues that we've  
9 discussed for two years. What I'm concerned about and  
10 I'd like to see in print is two things: Both the  
11 validation and the enforcement of those things in legal  
12 documents.

13 In other words, words have been said to and  
14 fro, but unless we end up with a document that, in fact,  
15 holds these people to the fire, to say they will do what  
16 they will do, because after the fact you have nowhere to  
17 go. You're talking bureaucracy, you're talking large  
18 corporations, and for those on the receiving end, we  
19 must know, one, how do we verify and what agency is  
20 going to be there to verify that if, in fact, this  
21 project is approved by FERC and it is accepted by the  
22 Board of SMUD and it is built and gone forth, that  
23 during the process of the building and in the operation,  
24 there will be some verification by an organization that  
25 is independent. So if I get up in the middle of the

1 night and there's fires going on and there's problems  
2 over there and there's noise issues and visual issues,  
3 who do I contact? Who's going to verify that? And if  
4 it is verified, who's going to enforce it? Surely not a  
5 few private citizens with a corporation like SMUD or any  
6 other large organization. And our own county I don't  
7 think has stood with the citizens in this issue as they  
8 should have.

9           So I believe that FERC has to understand the  
10 citizens need documents that will hold up in any court  
11 of law holding SMUD to its mitigations, and whatever  
12 they may be, whatever they end up being, we ought to all  
13 know what they are and what we're paying for the  
14 process.

15           And to give you an example about the fire  
16 issue, I live 1200 feet above the lake. Right below me  
17 is Slab Creek. I look right across at Iowa Hill. Four  
18 weeks ago some campers, canoers, came onto the property  
19 below our property, pulled their canoes up and lit a  
20 fire. Our neighbors just happened to be down there in a  
21 canoe and saw them, and there just so happened to be  
22 three forest workers, ladies, in another canoe. They  
23 actually pulled up on shore and told these people to put  
24 out this illegal fire right below us.

25           I just met with our fire chief. The fuel on

1 our side of the canyon is 125 years old. 125 years old.  
2 There's no such thing as an extreme in this case. This  
3 is radical extreme. And that fire will pull up that  
4 hill so fast. So we're talking about major issues here  
5 that everyone is concerned. But we who live -- 12 to  
6 15 families -- on Log Cabin Ridge Lane and Cable View,  
7 we're going to be taking the brunt of this thing in our  
8 face, in our ears, for a long time. And we've got to  
9 know these mitigations are real, substantial, action  
10 corollaries that we can go to court with if necessary  
11 and hold these people who build this operation to their  
12 responsibility. Thank you.

13 (Applause.)

14 MR. FARGO: Thanks, Richard.

15 Wally Thomas.

16 MR. THOMAS: My name is Wally Thomas. I've  
17 been an educator for 39 years in four different school  
18 districts. Mainly, most of my career has been at Camino  
19 as a teacher and as an educator in administration. And  
20 during this time, I worked with a lot of projects in  
21 education, even at the state level when Governor Reagan  
22 was in office. And we were the only rural school in the  
23 state of California developing a career education  
24 program that had to be articulated from kindergarten  
25 through adult education. I've had to work with a lot of

1 communities and a lot of things. So has my wife. From  
2 PTAs and so and so forth. My wife directed some of  
3 those, and also at Camino in our parent clubs. And I  
4 had a requirement of teachers, the first quarter they'd  
5 have to meet with the student and the parents together,  
6 putting the parent as a primary teacher for their child.  
7 And if they didn't meet, they'd have to go to their home  
8 and meet with the parents there. And it worked. And we  
9 built a very, very strong curriculum, a very, very  
10 comprehensive curriculum, a little rural school district  
11 in Camino.

12 But the process I'm trying to get at is, we had  
13 to work with the community. We had to do needs  
14 assessments, feasibility studies, set goals and  
15 objectives, administrative regulations to direct our  
16 staff to be sure the implementation was coming off.

17 Looking at what happened here in our community,  
18 I can't believe it. I worked on the Highway 50  
19 committee. I've worked on everything I could think of  
20 to improve our community. We developed some of the  
21 ideas in Apple Hill from the very beginning, before it  
22 was even developed. And so farming is another thing  
23 I've done for over 40 years in Apple Hill. And so this  
24 has been an avocation, I thought.

25 But anyway, as I looked at all these different

1 groups of study things that have gone on and measures  
2 developed by SMUD, it's ridiculous. They took a process  
3 of eliminating the community in their first meeting.  
4 Every person here could have at least anywhere from ten  
5 to maybe even a hundred people here behind them. If we  
6 sent out a petition, you would be amazed.

7           We know that our County Board of Supervisors  
8 ignored us, signed us off. And that's not in the  
9 report, is it? There's no mention about that. They  
10 didn't even meet one meeting with us. None of them.

11           And I think you need to get an overview of  
12 that. You heard about the roads, the fire, road  
13 concerns about the width of roads, and little -- you  
14 might say little, petty things from just the residential  
15 point of view.

16           But what bothered me is they worked through the  
17 school routes and the bus routes and the safety of kids.  
18 I was amazed when somebody said that -- how about the  
19 residents here that want to walk, or the pedestrians?  
20 What are you going to do about them? Nothing was  
21 recommended. I had to speak. Says we took care of the  
22 children. I said, you did? Did you know that when that  
23 child gets off the bus that they're a pedestrian? What  
24 are they going to do, they're walking home, there's a  
25 couple hundred vehicles going by, some of them with

1 maybe megatons of material on them. Are you going to  
2 make sure they're going to get to their front porch  
3 safely? How are you going to do it? Put crosswalks in?  
4 Walking guards? Couldn't answer any of these things.

5 I looked at the flow chart on the  
6 recommendations at the end. Nothing. Nothing for the  
7 safety of the children. What does that tell you? Do  
8 they care? I don't think so.

9 I would really hope tonight that what you've  
10 heard -- I can repeat all these things about road and  
11 minimal road things and not required by the DOT, the  
12 county. They don't even have to be -- all they're going  
13 to do is repair the roads as they were. Nothing's been  
14 required by even our local DOT. The county has signed  
15 off on it before the fact. How many agree with this?

16 (Applause.)

17 MR. THOMAS: I would hope tonight that you see  
18 the overview of our community clearly. I hope that you  
19 see that, as FERC, that you will make sure that the  
20 community and the residents' concerns are really  
21 addressed, not just the fish and the water and the trees  
22 and the forestry. You know, it might be better if we  
23 all become fish and swim down the American River and  
24 move out of the area and let them build the thing.  
25 That's how we feel.

1 I can really see this. I can see it on a  
2 professional and a commercial point of view, too. I can  
3 tell you I've never seen a community so impacted and so  
4 ignored. I hope these concerns really, really mean  
5 something to FERC. I really hope that it's going to be  
6 required and measures developed. Thank you.

7 (Applause.)

8 MR. FARGO: Tom Heflin.

9 MR. HEFLIN: My name is Tom Heflin. I guess  
10 you heard that, huh? Since we're asking questions of  
11 the audience, I thought I'd ask, how many people were  
12 here when SMUD came to El Dorado County and moved into  
13 Pollock Pines to build UARP? Okay. I see Bill  
14 Jennings, I see Harry Dunlap. Let's see. There weren't  
15 very many other people, were there? Well, there's a lot  
16 of good fishing up there on the American River,  
17 Silver Fork. Used to have to get up at 2:00 in the  
18 morning, drive up there and hike in. I came back from  
19 college and found that you could drive to my favorite  
20 fishing hole. That was nice, except there weren't any  
21 fish anymore. But that's a different story.

22 El Dorado County was invaded by a foreign power  
23 in the '50s. That foreign power was SMUD. Okay? That  
24 foreign power was SMUD. I grew up with it. I lived  
25 with it. They came into our county and they took our

1 best dam sites -- when you could build dams -- you can't  
2 build dams anymore -- but the best dam sites to produce  
3 power, and the power goes to Sacramento. And I don't  
4 know what comes back to El Dorado County. I'm not too  
5 sure.

6 So now we have the secret agreement which was  
7 signed before any public input. That offends me. It  
8 offends me greatly, actually.

9 We were promised that this time SMUD wouldn't  
10 take El Dorado County. We're not going to get taken to  
11 the cleaners this time, boys. Well, how many people  
12 know SMUD has made \$1.2 billion in revenue from the last  
13 50 years of this UARP? I'll bet not very many of you  
14 study those economics. SMUD studied them. Let's see.  
15 156 million initial investment, then, of course, you  
16 build the other stuff, so maybe 250 million bucks.  
17 That's pretty good.

18 How many people know that Iowa Hill is not an  
19 energy project? A lot of people know that it's not an  
20 energy project now, don't you? It's a financial  
21 transaction. Now, isn't that great? Because we're  
22 moving money at different times of the day, we're going  
23 to take the top of a mountain off on Iowa Hill. Is  
24 there something wrong there? Please listen, FERC.  
25 Please listen.

1 I wasn't really going to say all that. I came  
2 here to read a letter from the Camino Community Action  
3 Committee which my wife was going to deliver, but,  
4 unfortunately, she became ill the last few days. I  
5 think the Apple Hill season has kind of run her down a  
6 bit. My wife is, of course, the aforementioned  
7 Donut Queen.

8 To Kimberly D. Bose, on behalf of the Camino  
9 Community Action Committee: Please accept this letter  
10 as a protest regarding the proposed alternative to the  
11 Draft Environmental Impact Statement for the Upper  
12 American River and Chili Bar hydroelectric projects. We  
13 do not support the Upper American River Project,  
14 specifically the construction of the Iowa Hill pump  
15 storage facility project.

16 Well, we believe that the Sacramento Municipal  
17 Utility District failed to submit to FERC all of the  
18 deficiencies raised with the Iowa Hill project addressed  
19 in public comments both in writing and in public forum.  
20 And many speakers already talked about the public  
21 comments which have not appeared elsewhere.

22 The DEIS is not a sufficient analysis of the  
23 Iowa Hill Project. The Iowa Hill Project should be  
24 analyzed in a separate NEPA document and not part of the  
25 Upper American River license renewal application.

1           We are protesting the following studies, or  
2 lack thereof, and believe they have not been  
3 sufficiently analyzed. One violating residential air  
4 quality, adversely impacting the environment and  
5 wildlife, adversely affecting public health and safety,  
6 adversely impacting scenic beauty, adversely impacting  
7 the community of Camino, in regard to agriculture,  
8 farming, groundwater quality, agri-tourism, real estate  
9 values, impact on transportation -- we've heard a lot  
10 about that -- impact of construction noise, impact on  
11 air quality.

12           The license applicant has not performed the  
13 necessary studies and associated mitigation measures  
14 included in the license application to FERC to base an  
15 informed decision on the project as required by the  
16 Energy Policy Act of 2005.

17           The actions proposed by the Iowa Hill Project  
18 will affect landowners along the transportation  
19 corridors, yet no mention of these effects are addressed  
20 in the DEIS. And we've done that a number of times  
21 already tonight.

22           The upper American River hydroelectric project  
23 is an application for renewal of an expired license.  
24 "Renewal," in quotes, implies that the project already  
25 exists. The Iowa Hill Project is a new project and does

1 not already exist and should not be part of the same  
2 DEIS. It needs to be studied separately. It is not a  
3 renewal, improvement, or maintenance, but rather a whole  
4 new project.

5 We believe that in this particular situation  
6 the Iowa Hill pump storage facility project is not  
7 suitable and would be a detriment to the community of  
8 Camino and other members of the public. Signed,  
9 Christa K. Campbell. That wasn't me, by the way.  
10 Remember, I'm Tom Heflin. Camino Community Action  
11 Committee. And here are our comments.

12 Thank you for your patience. I would be  
13 pleased to discuss the history of SMUD and El Dorado  
14 County anytime you'd like to. Thank you.

15 (Applause.)

16 MR. FARGO: I thank all the speakers and, of  
17 course, everybody for coming out tonight.

18 Before I close the meeting, I'd like to, first  
19 of all, remind everybody of two things. One is our  
20 ferc.gov website, because there's two things that would  
21 be of interest to you at this point.

22 The first is E-filing, where you can file  
23 comments on this, using electronic filing, and you don't  
24 have to mail in an original plus copies, and you can use  
25 just E-filing system. It isn't that hard to work. If

1 you have any problems with it, give me a call.

2           The other thing is E-subscription. By going  
3 through E-subscription and putting in the docket number,  
4 you can get a little tickler of every time something  
5 gets filed. It's the same information I get it. It  
6 tells me when something's filed in this particular  
7 docket. And it's definitely useful to have, so you can  
8 see the information. And if it's of any interest at all  
9 to you, you can see exactly where it's located and read  
10 it, or if you're not interested, of course, you can just  
11 delete it.

12           Is there any general type -- doesn't have to be  
13 real general, but process-type questions?

14           UNIDENTIFIED SPEAKER: Two of our elected  
15 county officials have told us that the Iowa Hill and  
16 UARP will automatically be approved by the FERC. That  
17 is why we agreed to work on mitigations, because we were  
18 told it was a done deal and that FERC really, in light  
19 of the energy atmosphere in this country right now, that  
20 this would be approved. Is that true?

21           MR. FARGO: All we have at this point is a  
22 recommendation from FERC staff.

23           First of all, I'd like to introduce the people  
24 that are here with me. I've been rude not to. John  
25 Mudre, who's from FERC staff in Washington, D.C. He's a

1 fishery biologist. And Pat, who's in the back taking  
2 everybody's name who spoke. Pat is from Bergers  
3 Contractors. It was her and her team that prepared the  
4 DEIS.

5 At this point what we have is a recommendation  
6 from FERC staff that they think the Iowa Hill project is  
7 in the public's interest. It then goes to a final EIS  
8 which we hope to get out in, say, February. And then a  
9 contested project like this would go to the Commission.  
10 It's the Commission that decides whether or not  
11 Iowa Hill development gets licensed or not licensed with  
12 the UR project. So no, nothing is a done deal at this  
13 point.

14 UNIDENTIFIED SPEAKER: I have one other  
15 question. I'd like to know why the people who actually  
16 live in Camino were not involved in the negotiation or  
17 writing of the DEIS and that agreement. And I think  
18 that the boaters got a very sweet deal. You literally  
19 will be able to float your boats. But I think you have  
20 to remember that anybody in favor of Iowa Hill cannot  
21 call themselves an environmentalist. I'd like to know  
22 why we weren't contacted and invited to be in on this  
23 process.

24 MR. FARGO: First of all, let's go back. On  
25 this project, it started in 2001 and it was an

1 alternative licensing process, so anybody from the  
2 public could have started with this project way back  
3 then.

4 UNIDENTIFIED SPEAKER: We only found out about  
5 it --

6 MR. FARGO: I'm just saying that it's been in  
7 existence since -- I've worked on it since that time,  
8 and so it's been around for a long time.

9 Now, when it comes to the NEPA document that we  
10 worked on, this draft, we put it out for comments and  
11 said that we were ready for environmental analysis back  
12 around January of this year. We asked for comments --

13 UNIDENTIFIED SPEAKER: Where did you ask for  
14 comments? Just clarify the process.

15 MR. FARGO: The process is, we put notices in  
16 the paper, we put notices in the Federal Register, we  
17 put -- anybody who's got an E-subscription gets a  
18 notice.

19 UNIDENTIFIED SPEAKER: We don't read the  
20 Federal Register.

21 MR. FARGO: No, but there is notices in the  
22 paper. There's notices in E-filing for anybody who's on  
23 our mailing list.

24 UNIDENTIFIED SPEAKER: When things came up for  
25 the renewal of the UARP, there was nothing listed about

1 Iowa Hill. It meant nothing to us. We didn't  
2 understand the process.

3 MR. FARGO: Right. All I can say is that it  
4 was in both scoping documents that were published on the  
5 project. In fact, there was so much Iowa Hill in there,  
6 I wondered if there was a UR project being relicensed at  
7 one point.

8 UNIDENTIFIED SPEAKER: I'm just telling you  
9 that --

10 MR. FARGO: Excuse me. I can't speak to your  
11 personal situation. All I can say is in both scoping  
12 documents, the ALP was formed and they had groups that  
13 met, and public individuals like yourself participated  
14 with experts in any resource area they chose.

15 UNIDENTIFIED SPEAKER: I didn't even find out  
16 about this until 2004. And by then our supervisor was  
17 going to sign the agreement, making this, you know, a  
18 done deal.

19 MR. FARGO: Well, even 2004 on, I mean, we just  
20 started the NEPA work starting early this year.

21 Let me take -- I can't, you know, get into your  
22 whole history with this project. I'm just saying the  
23 opportunities were there.

24 UNIDENTIFIED SPEAKER: No, they were not.

25 MR. FARGO: I'm just saying the opportunities

1 were there.

2 Yes, sir. Jim?

3 MR. SUMMERS: FERC staff has recommended that  
4 this -- that Iowa Hill be included in the approval of  
5 this application. And it's clear, certainly, to  
6 everybody in this room, and hopefully it would become  
7 clear to FERC staff, that they are -- they made that  
8 assessment based on inaccurate and incomplete  
9 information.

10 MR. FARGO: I can't comment on that.

11 MR. SUMMERS: I'm not suggesting that you agree  
12 with me. That's my opinion and it's the opinion of  
13 virtually everybody in this room. What does it take to  
14 get staff to change that recommendation?

15 MR. FARGO: Well, I mean, that's why we're  
16 here. We've got testimony on the record that's in this  
17 proceeding now.

18 MR. SUMMERS: When you said it was going to go  
19 to a final EIS, you didn't say anything about in between  
20 drafting a final there can be a change.

21 MR. FARGO: Okay. Let me talk about the  
22 process, Jim, from -- to get to the final EIS. It's not  
23 like tomorrow the final gets done. What we do is, we  
24 take all the questions, all the information, all the  
25 comment letters that have been submitted tonight, that

1 are going to be in the record of the transcript from  
2 this proceeding. The comment period goes to the 13th,  
3 so hopefully anybody else will have comments up until  
4 then.

5 I've asked SMUD at this meeting, on the record,  
6 to give me an update of where they are in this other  
7 process that we really haven't been up to date on to see  
8 if they made modifications or changes to the design,  
9 changes to the operation, things that we're behind on  
10 because we're working with the information that was  
11 submitted in the application.

12 So we have work to do between the draft and the  
13 final to get ourselves up to speed about what's going on  
14 in the committee, the recommendations that have been  
15 raised in that committee that are useful to us to  
16 incorporate in some of the mitigation measures we  
17 recommended, to look at the comment letters that have  
18 been filed. And in the final EIS there will be response  
19 to the comments that have been raised.

20 Now, that's our final environmental document.  
21 From then on, the Commission -- I mean, the Commission  
22 is the one who makes the decision, the five-member  
23 Commission, and it's up to them to make a decision.

24 MR. SUMMERS: Is it possible in the process  
25 that staff can change these recommendations?

1 MR. FARGO: Sure.

2 MR. SUMMERS: Is it probable?

3 UNIDENTIFIED SPEAKER: Would you be willing to  
4 come up to Camino and look at Iowa Hill?

5 MR. FARGO: We've already looked at Iowa Hill.  
6 We did a site visit way back when.

7 UNIDENTIFIED SPEAKER: Would you be willing to  
8 have a second meeting up there and listen to us?  
9 Because apparently everything --

10 MR. FARGO: I can't commit to that here. I  
11 can't commit to that here. I mean, you can comment and  
12 say we should and say why in your comment letters, but I  
13 can't commit to that here.

14 UNIDENTIFIED SPEAKER: As somebody who did  
15 participate, as you remember, in the plenary from the  
16 very first meeting, I think there was quite a bit of  
17 feeling amongst the participants in the plenary that the  
18 information that was coming forward on Iowa Hill as the  
19 process went on was not of a quantity and quality to  
20 justify that project being submitted as part of the  
21 original application.

22 There was a general -- there was a genuine  
23 feeling, I think, on a lot of the participants that the  
24 project would be submitted as a later amendment of the  
25 license after the license was approved. And I think

1 from the testimony you've heard here, particularly from  
2 Bob Laurie and others, I think there's been an  
3 indication that perhaps the information isn't yet of a  
4 quality to justify it being part of the license.

5 (Applause.)

6 MR. FARGO: I certainly appreciate their view.

7 You know, where I sit, I've seen a lot of  
8 evolution in the project from where it first started. I  
9 had doubts that SMUD could come up to speed with  
10 Iowa Hill and get it with the rest of the re-license  
11 application, and they were able to do it. I mean,  
12 they've come up with, I think, approved almost 20  
13 different study plans during the plenary groups that had  
14 to do just with Iowa Hill, and from that there was about  
15 25 to 30 different studies that were generated, so you  
16 guys did a lot of work not only with UR and Chili Bar  
17 but with Iowa Hill during that plenary ALP process.

18 Any other comments? Yes.

19 UNIDENTIFIED SPEAKER: I have a level of  
20 concern. You said the ultimate decision lies with the  
21 Commission.

22 MR. FARGO: Yes.

23 UNIDENTIFIED SPEAKER: I don't see any  
24 Commissioners here.

25 MR. FARGO: You won't, no.

1 UNIDENTIFIED SPEAKER: How can we rest assured  
2 that they will receive and digest the input that you  
3 received here tonight?

4 MR. FARGO: It will be in the record. That's  
5 the record they have before them when they make a  
6 decision. How they make a decision I can't tell you.  
7 It's like a -- you know, they're five great Americans  
8 who were hired by the President to do their job, and how  
9 they each do it I don't know. They represent different  
10 political parties. You know, right now there's three  
11 Republicans, two Democrats.

12 UNIDENTIFIED SPEAKER: Well, it's easy to make  
13 that analysis, but for us, this is as important as --

14 MR. FARGO: I understand. I don't know how I  
15 can explain how they make their decision processes.

16 They get what we put up to them, which is  
17 called a draft licensing order. That order can either  
18 be to dismiss part of this project, it could be to  
19 license part of this project, like the UR, and then they  
20 react to that. They have before them the final impact  
21 statement. They have all the other stuff that's in the  
22 record.

23 And then they all have -- all the Commissioners  
24 have their own hydro assistant who pours through that.  
25 They ask us -- when we get to a licensing decision on a

1 project, they ask us literally hundreds and hundreds of  
2 questions, each one of the Commissioner assistants,  
3 about things that are important to them and their  
4 Commissioner. Each one is different. Each one focuses  
5 on different things. And we run around answering all  
6 those questions. That's our job. What they do with it  
7 all, how they make that final decision, that's their  
8 job.

9 UNIDENTIFIED SPEAKER: So as a community we can  
10 only do anything up until the 13th? That's our final  
11 with our input?

12 MR. FARGO: No, I mean, you're part of this  
13 other process that SMUD is undergoing at an early state  
14 through this El Dorado settlement contract. That is  
15 going to be an ongoing process.

16 The 13th, you can file comments with us, and  
17 then at some point in February, March, we're going to  
18 finalize our NEPA process. And then there's going to be  
19 a period of time after that, before whatever other  
20 permits that are needed happen, water quality  
21 certificates.

22 UNIDENTIFIED SPEAKER: But with FERC, we  
23 only -- this is it?

24 MR. FARGO: This is your chance to make  
25 whatever concerns known, because at this point -- as I

1 say, up to this point there hasn't been a lot during the  
2 active DEIS process, which started around January. I  
3 know there's been earlier filings, 2005 or so.

4 MR. PENN: On the deadline, is there any  
5 possibility of extending that, as I requested earlier,  
6 Jim, 30 days or --

7 MR. FARGO: Not 30 days, but certainly a week  
8 or two. You know, we're not going to -- you know, I  
9 mean, certainly you could go a week or two and we're  
10 still going to consider your comments.

11 MR. PENN: And the Commission doesn't take  
12 public input?

13 MR. FARGO: Right now it's taking public input.

14 MR. PENN: Via your staff.

15 MR. FARGO: No, it's going -- this is going  
16 right into our record. It's not like we edit this or do  
17 anything to it. It's -- tonight they took public  
18 record, essentially. This is available to them when  
19 they make their licensing decision.

20 MR. PENN: So this is a source for them to  
21 examine public input --

22 MR. FARGO: Right.

23 MR. PENN: -- and disgruntlement with the  
24 project?

25 MR. FARGO: Exactly. Another source would be

1 your comments, you know, the ones you filed tonight and  
2 gave to the court reporter. Those are going to be filed  
3 by the 13th or shortly thereafter.

4 MR. PENN: Okay. One more thing. Do we get a  
5 personal response to the input we're making now?

6 MR. FARGO: We, by subject area, will respond  
7 to all the comments made. Some will be very similar  
8 comments, similar themes, similar problems, very similar  
9 concerns, strong ones, like fire and transportation,  
10 pedestrians, you know, so some of these are going to be  
11 similar concerns, but, you know, we'll be addressing  
12 every one of those issues that was raised.

13 MR. PENN: Thank you.

14 MR. LAURIE: Mr. Fargo, you're the hearing  
15 officer designated for this project?

16 MR. FARGO: I'm the project manager, not the  
17 hearing officer. I have no legal capability whatsoever  
18 here.

19 MR. LAURIE: As a project manager, are you  
20 authorized to direct supplemental environmental analysis  
21 where you deem appropriate?

22 MR. FARGO: Only when it's -- I can recommend  
23 it if for some reason I feel like it's needed, yeah.

24 MR. LAURIE: So when there is substantial  
25 evidence that the public believes that there's

1 deficiencies in areas like no fire-safe plan and no  
2 transportation plan, are you then in a position to  
3 recommend a supplemental analysis beyond what's in the  
4 current document?

5 MR. FARGO: It just depends on what our finding  
6 is when we analyze those types of things. It's like, as  
7 we said earlier, this is a quasi -- not a quasi, it's a  
8 legal type proceeding. There has to be information on  
9 all sides that is substantial. And so it can't just be  
10 maybe somebody's opinion, but there has to be a good  
11 reason why. If they present the argument in such a way  
12 that it's fairly compelling, then maybe we have to say  
13 let's beef this up. I mean, the time for us to beef up  
14 the analysis is right now, between the draft and the  
15 final.

16 MR. LAURIE: And are you prepared to offer that  
17 recommendation as of today?

18 MR. FARGO: I'm not offering any recommendation  
19 other than the fact that we're going to do a final  
20 document. We've got a draft. We're going to have  
21 comments tonight. We're going to get more comment  
22 filed, and we're going to analyze those comments and  
23 respond to them as best we can.

24 And when we respond to them, if we -- we're  
25 going to be changing the sections of the draft to being

1 in line with the changes that we've made and responses  
2 we made to the comments. So, in other words, if we find  
3 an area that needs to be changed, we'll say, yeah, we  
4 agree with your comments, see section 2.2.6.5, we've  
5 made these modifications to it.

6 Okay. One more and then . . .

7 UNIDENTIFIED SPEAKER: With respect to the  
8 alternative sites process, is it possible that, at this  
9 point in time, between now and February, you could  
10 direct SMUD to look at alternative sites based on the  
11 information received and based on the fact that those --  
12 the site that was selected was based on economic issues  
13 primarily, proximity to power lines, the height, you  
14 know, and so forth?

15 The SMUD project alone has gone from 450 to  
16 500 million, now to 550 to 850 million. The economic  
17 analysis that was done on those alternative sites is no  
18 longer valid, so I'm --

19 MR. FARGO: Let me respond to that a different  
20 way. I think if you look at -- I mean, you cited some  
21 economics that SMUD did. I don't know. That's not the  
22 economics that was done in the DEIS. If you look at  
23 Chapter 4 in the DEIS, we did an economics, and we  
24 certainly put a cost on pumping energy that it would  
25 take to get the energy to pump this thing up and down

1 during the weekly cycle. So we included pumping energy.

2 Another thing we did is we looked at the  
3 benefit of the project, which wasn't tremendous, and we  
4 said that it could increase, certainly, because we do a  
5 current cost analysis. We're not looking at potential  
6 inflation of power values over the years. And so  
7 there's a lot of things that could make the project more  
8 valuable than what we've said.

9 On the other hand, there's things that could  
10 make the project less valuable. You could encounter  
11 geotechnical problems, if costs go up in construction  
12 materials, and so we said ultimately it's SMUD's  
13 decision on whether to go ahead with this project. We  
14 offer an economic comparison, here's our comparison, but  
15 it's up to the developer, up to the licensee to finally  
16 make that decision. It's on them, not us. That's what  
17 the Commission has decided about 10, 12 years ago as to  
18 where our approach was going to be. There was a time we  
19 made these escalations projections and we no longer do  
20 that.

21 UNIDENTIFIED SPEAKER: I guess the question I'm  
22 getting to is, would it be FERC's role to say no, we  
23 find sufficient deficiencies in the submittal not to  
24 license it, and then they would look at alternative  
25 sites, or is it something that FERC would suggest to

1 SMUD or direct SMUD to look at alternative sites? How  
2 do the alternate sites play with FERC? How does that  
3 play out with FERC?

4 MR. FARGO: There's a review of what SMUD did  
5 in the document. That's all I can say without getting  
6 into the real -- too much controversy on this particular  
7 question. I mean, anything's possible, certainly. But  
8 we have a review in the document where we reviewed what  
9 they did, we thought it was reasonable, we thought the  
10 site they picked, given the criteria they used, looked  
11 reasonable. So that's in the document. I mean, we did  
12 make a finding there.

13 UNIDENTIFIED SPEAKER: Who do you believe, us  
14 or them?

15 MR. FARGO: All right. Let's put an end to the  
16 meeting here. I think we've gone far enough with this  
17 and now we're getting into questions that, you know,  
18 obviously I can't respond to.

19 UNIDENTIFIED SPEAKER: I have a short question.

20 MR. FARGO: Yes, sir.

21 UNIDENTIFIED SPEAKER: You said earlier that  
22 someone from SMUD -- I'm sorry -- from FERC staff  
23 visited Iowa Hill. Is that correct?

24 MR. FARGO: Our whole team visited Iowa Hill.

25 UNIDENTIFIED SPEAKER: Did you drive on

1 Old Cable Road?

2 MR. FARGO: Yes, we did. We went all the way  
3 down to the SMUD site. We went down that road that has  
4 all those curves.

5 UNIDENTIFIED SPEAKER: Then you know it's not a  
6 two-lane road.

7 MR. FARGO: There are places that certainly  
8 weren't two lanes. Right.

9 Okay. Thank you for coming. I'd like to close  
10 this meeting at this point. Thank you.

11 (Time noted: 9:00 p.m.)

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REPORTER'S CERTIFICATE

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I, CAROLE W. BROWNE, a Certified Shorthand Reporter in and for the State of California, duly commissioned and a disinterested person, certify:

That the foregoing transcript was taken before me at the time and place herein set forth;

That the statements of all parties made at the time of the proceeding were recorded stenographically by me to the best of my ability and were thereafter transcribed into typewriting;

That the foregoing transcript is a record of the statements of all parties made at the time of the proceeding.

IN WITNESS WHEREOF, I subscribe my name on this 13th day of November, 2007.

\_\_\_\_\_  
Carole W. Browne, RPR, CSR  
Certificate No. 7351

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