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SOULE RIVER HYDROELECTRIC PROJECT

ALASKA

FERC PROJECT NO. 12615-001

TRANSCRIPT OF  
PUBLIC SCOPING MEETING

JUNE 17, 2008

JUNEAU, ALASKA

CONDUCTED JOINTLY BY:

MATT CUTLIP

DAVID TURNER

FEDERAL ENERGY REGULATORY COMMISSION

and

GLEN MARTIN

ALASKA POWER & TELEPHONE COMPANY

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1 TUESDAY, JUNE 17, 2008

2 JUNEAU, ALASKA

3 9:20 A.M.

4

5 MR. CUTLIP: Okay. I think we're  
6 going to go ahead and get started. We'll just get  
7 some of the procedural stuff out of the way, and  
8 then when Glen comes down, he can jump in with his  
9 proposal.

10

11 INTRODUCTION

12

13 MR. CUTLIP: Good morning and  
14 welcome to the scoping meeting for the Soule River  
15 Hydroelectric Project. I'm Matt Cutlip. I'm the  
16 Project Coordinator for the Federal Energy  
17 Regulatory Commission. And this is David Turner,  
18 who is also working on the project on FERC's  
19 behalf.

20

21 We will be conducting this meeting  
22 jointly with the Applicant, who is represented by  
23 Glen Martin with Alaska Power & Telephone Company.  
24 I guess there was some problems with his laptop not  
25 hooking up to the projector, so he's upstairs  
trying to print off copies of his presentation.

1                   A couple of housekeeping items  
2           before we start the meaning. This meeting is being  
3           recorded by a court reporter, and all statements  
4           that you make both, both verbal and written, will  
5           become part of the Commission's record for the  
6           project. Therefore, all individuals who wish to  
7           speak, we ask that you please clearly state your  
8           name and affiliation for the record before doing  
9           so.

10                   Additionally, there are sign-in  
11           sheets in the back, as well as extra copies of the  
12           Scoping Document and the amendment to the Scoping  
13           Document, which is the Terrestrial Resources sheet.  
14           And there are also some figures that Glen has put  
15           together. So if any of you need those items, feel  
16           free to grab those now. We just ask that you fill  
17           out a sign-in sheet. You can leave it in the back,  
18           or drop it off with us up here if you wish.

19                   I guess before we start, then, we  
20           can go ahead and have everybody go around the room  
21           and maybe state their name and affiliation now just  
22           so we can introduce ourselves. We'll start over  
23           here.

24                   MS. BLACKMORE: I'M Jeannie  
25           Blackmore. I work at the Ketchikan Misty Fjords

1 Ranger District, Forest Service.

2 MS. BEILHARZ: I'm Margaret  
3 Beilharz with the Forest Service.

4 MR. PEARSON: John Pearson with  
5 the Hyder Board of Trade.

6 MR. ANDERSON: Jim Anderson with  
7 the Department of Natural Resources, Division of  
8 Mining, Land and Water, land section.

9 MS. ALLEE: I'm Erin Allee with  
10 the Alaska Coastal Management Program.

11 MS. BOHAN: Carrie Bohan with  
12 Coastal Management.

13 MR. POST: Ken Post with the  
14 Forest Service Regional Office.

15 MS. SCHRADER: I'm Sue Schrader  
16 with the Southeast Alaska Conservation Council.

17 MR. FERGUSON: I'm Jim Ferguson,  
18 Alaska Department of Fish and Game, Statewide  
19 Hydropower Coordinator.

20 MR. CUTLIP: Okay. One more. Do  
21 you mind stating your name and affiliation?

22 MR. RUSANOWSKI: Paul Rusanowski,  
23 Shipley Group.

24 MR. CUTLIP: The agenda for  
25 today's meeting is as follows: First, we're going

1 to briefly talk about the purpose of the scoping  
2 meeting. Next, Glen is going to give a description  
3 of his project proposal, and then we're going to  
4 discuss the issues that we've identified for  
5 analysis in the Applicant's PDEA and the  
6 Commission's EA for the project.

7  
8 PURPOSE OF SCOPING

9  
10 MR. CUTLIP: So, moving forward,  
11 for the purpose of scoping, the National  
12 Environmental Policy Act, the Commission's  
13 regulations, and other applicable laws require the  
14 Commission independently evaluate the environmental  
15 effects of licensing the project as proposed and  
16 also consider reasonable alternatives to Alaska  
17 Power & Telephone's proposal.

18 The Scoping Document 1 in this  
19 meeting is intended to advise all participants as  
20 to the proposed scope of the Preliminary Draft  
21 Environmental Assessment and to seek information  
22 pertinent to this analysis.

23 Scoping is the process used to  
24 identify issues, concerns, and opportunities  
25 associated with a proposed action. According to

1 NEPA, the process should be conducted early in the  
2 planning stage of the project.

3                   The purposes of the scoping  
4 include: Invitation for participation of federal,  
5 state, and local resource agencies, Indian tribes,  
6 non-governmental organizations, and the public to  
7 identify significant environmental and  
8 socioeconomic issues related to the proposed  
9 project; determine the depth of analysis and  
10 significance of issues to be addressed in the  
11 Preliminary Draft Environmental Assessment, or  
12 PDEA; identify how the project would or would not  
13 contribute to cumulative effects in the project  
14 area; identify reasonable alternatives to the  
15 proposed action that should be evaluated in the  
16 PDEA; solicit from participants available  
17 information on the resources at issue, including  
18 existing information and additional study needs;  
19 and determine the resource areas and potential  
20 issues that do not require detailed analysis during  
21 review of the project.

22                   If you wish to file written  
23 comments on the SD1 and today's meeting, comments  
24 are due to the Commission by July 20th, 2008.  
25 That's 30 days from Thursday's meeting in Hyder.

1 And the instructions for filing are in the Scoping  
2 Document, as well as instructions for both written  
3 and electronic filings.

4 MR. TURNER: This filing should  
5 also go to the Applicant as well.

6 MR. CUTLIP: Yeah. If you want to  
7 just send them to Glen as well, or AP&T.

8 MS. BLACKMORE: Send them to both?

9 MR. CUTLIP: Yes, to them as well  
10 as to FERC.

11 Okay. That's all I have for now.

12 MR. TURNER: Glen is still not  
13 here, so why don't we -- well, let me ask a  
14 question. Is everybody pretty much familiar with  
15 what has been proposed at this point, that we could  
16 probably legitimately talk about the issues without  
17 the overview of the Applicant's proposal? Anybody  
18 need that view?

19 MS. BEILHARZ: I think we could  
20 gain some information. We hope to hear from him,  
21 but --

22 MR. TURNER: Well, what I'm  
23 thinking -- yeah. What I'm thinking of is maybe,  
24 just for the sake of time and efficiency, that we  
25 go ahead and start jumping into the issues. Maybe

1 let's ask: Are there any process questions first  
2 that we made be able to handle?

3 MS. BEILHARZ: This is a  
4 cooperative scoping between FERC and AP&T together;  
5 is that right?

6 MR. TURNER: Yeah.

7 MS. BEILHARZ: And both taking the  
8 same level of responsibility? We have some --  
9 okay.

10 MR. TURNER: So to speak. I mean,  
11 in the sense that in that alternative license  
12 process, the Applicant takes the lead. This is the  
13 Commission's scoping for its NEPA analysis, but  
14 they are running the show, basically, up to the  
15 filing of the application. So when we say  
16 "cooperative effort," it is serving our purpose for  
17 NEPA, but it is also kind of laying the foundation  
18 for that alternative licensing process and develop  
19 the issues in study groups.

20 MS. BEILHARZ: And your next point  
21 of FERC involvement is issuing a notice for -- I  
22 mean, it's all AP&T's process until when? When do  
23 you enter the picture again? Do you issue a notice  
24 for preliminary terms and conditions before the FLA  
25 is submitted, or afterwards?

1                   MR. CUTLIP: Well, so just to back  
2 up, the next time that we'll be involved is after  
3 the scoping meetings and site visits are complete,  
4 and we get comments on the Scoping Document. If  
5 there are substantive changes to the Scoping  
6 Document 1, then we're going to issue a Scoping  
7 Document 2. If there are no changes, then we're  
8 going to just issue a letter notifying that we will  
9 not be issuing a Scoping Document 2.

10                   So that will be the next action  
11 that will come out of the Commission. And then --

12                   MR. TURNER: Cooperatively with  
13 the Applicant.

14                   MR. CUTLIP: Right. Yeah. It  
15 will actually be filed by the Applicant, but we'll  
16 be working together with them to change the issues  
17 in the Scoping Document. Then they'll just go  
18 ahead and file it with the Commission and send it  
19 out to the distribution list.

20                   And then after the Applicant has  
21 prepared their proposal and the draft license  
22 application, and they are taking a stab at the  
23 PDEA, that will be distributed for everybody to  
24 review. I think there is a 90-day review period.  
25 We'll issue a notice at that time that the PDEA has

1       been distributed and that there is a 90-day comment  
2       period.  And that's when we'll be asking for  
3       preliminary terms and conditions at that time.

4                       So in response to that comment  
5       period, we would ask that you respond with any  
6       comments on the license application, the PDEA, as  
7       well as submit your preliminary terms and  
8       conditions.

9                       MR. TURNER:  Then the Applicant  
10      files its final license application, and then we  
11      take over the process completely.

12                      MS. BEILHARZ:  So that's their  
13      draft license application, essentially?

14                      MR. TURNER:  Yes.

15                      MR. CUTLIP:  Then the Applicant  
16      will respond to comments on the PDEA and the draft  
17      license application, and then they'll file their  
18      final license application with the Commission, and  
19      then we take over the process.

20                      MS. BEILHARZ:  Okay.  Thanks.

21                      MR. TURNER:  And then that process  
22      that you are all familiar with.  We issue -- once  
23      we decide that the application is complete, we'll  
24      issue a notice of the tendering of the application,  
25      asking for intervenors, and then if there's no

1 additional information needs, we'll issue a notice  
2 for REA, Ready for Environmental Analysis, and then  
3 that's when you'll file your final terms and  
4 conditions. And we'll prepare and draft the final  
5 EA permit.

6 MS. BLACKMORE: So public input  
7 can be -- or the public can be involved and give  
8 their input at what point?

9 MR. TURNER: Now.

10 MS. BLACKMORE: Now?

11 MR. TURNER: Throughout the  
12 cooperative process that the Applicant lays out  
13 during prefiling. Then when we issue our notice  
14 that the application is Ready for Environmental  
15 Analysis, you will also be able to submit comments  
16 and recommendations, and we'll consider those in  
17 our analysis.

18 MS. BLACKMORE: And so can the  
19 public make comments at the PDEA also?

20 MR. CUTLIP: Absolutely.

21 MS. BEILHARZ: The draft license  
22 application?

23 MR. CUTLIP: Yes.

24 MR. TURNER: Right.

25 MS. BEILHARZ: So lots of

1 opportunities.

2 MR. MARTIN: I'll interrupt for a  
3 second. There has been a fiasco of problems. The  
4 printer ran out of toner. Anyway, I have had just  
5 a real difficult time making copies. I have only  
6 managed to make a few before things kind of went  
7 down the toilet up there. So I'd like to have  
8 people share these. Maybe they can even be passed  
9 around. But I have got three complete copies. And  
10 I apologize for this. It hasn't worked out very  
11 well this morning.

12 MR. CUTLIP: Well, why don't you  
13 run through your proposal.

14 MR. MARTIN: All right.

15 MR. CUTLIP: We just kind of did a  
16 brief overview of the purpose of scoping and got us  
17 up to and answered some questions on the process.  
18 So we're where you might want to talk about your  
19 proposal.

20 MR. MARTIN: I'd like to introduce  
21 Paul Rusanowski -- he's the biologist who has been  
22 doing all of the studies -- in the back of the room  
23 there.

24 And, Paul, if I could ask you to  
25 interject on the studies you've done on the various

1 areas of the project, just a kind of summary for  
2 everybody here, that would really help out a lot.

3 MR. RUSANOWSKI: Sure. I can do  
4 that after you get through your introduction.

5

6 PROPOSED ACTION AND ALTERNATIVES

7

8 MR. MARTIN: Okay. So the Soule  
9 River drainage is right here. This is what we call  
10 the North Fork. This is called the West Fork. Up  
11 here is Hyder. We're proposing to put a dam up  
12 here just below the confluence of the two forks of  
13 the river, to bore a tunnel down to near the  
14 tidewater, and to then intertie a powerhouse out  
15 here on this river delta, the penstock from that  
16 power tunnel or water tunnel, and then via -- from  
17 the powerhouse, have a submarine cable go up to --  
18 at this point, I think we would probably go into  
19 Hyder just to avoid Canadian fishery issues. That  
20 seems the most likely way we would go.

21 We would have an access road that  
22 would go up and most likely cross with a bridge  
23 across the river and then go up to the impoundment  
24 site. We'll have possibly four helicopter pads, a  
25 couple on each side down low, and then a couple up

1 on either side of the dam site installed here,  
2 hopefully sometime this year.

3 We have a special use permit from  
4 the Forest Service that we're currently going  
5 through the process of getting approved. Because  
6 of a couple of plans they have included for us to  
7 develop as a part of that special use permit, we  
8 have sent the funds in, but we haven't signed the  
9 special use permit yet.

10 We have been doing some studies  
11 primarily focused around the -- well, this spring,  
12 which is part of the reason why we asked for  
13 comments on the draft study plans this last April,  
14 was because we were going in again this spring to  
15 start this year's studies. Last year, we focused  
16 on studies up in -- well, around the outlet of No  
17 Name Lake -- "No Name Lake" because it has no  
18 name -- as well as I think down around the  
19 confluence.

20 Is that right, Paul?

21 MR. RUSANOWSKI: Yes.

22 MR. MARTIN: Okay. And they have  
23 been trying to access the lower gorge at least two  
24 different times to evaluate the anadromous barriers  
25 that are there, that we at least believe are

1 anadromous barriers.

2                   This year, like I say, this  
3 spring, in May, we did an analysis of the delta at  
4 the river mouth. We tried to access the rapids in  
5 the lower gorge by going in through the mouth. We  
6 met with some difficulty there, which Paul can  
7 describe. We did a survey for eagle nests around  
8 here and did not find anything close to the  
9 project.

10                   And then we're planning on going  
11 up and doing more of a habitat analysis of the  
12 North Fork, where there is -- most likely there is  
13 habitat there for fish. We have found Dolly Varden  
14 in there. No other fish species has been found in  
15 this river.

16                   There isn't any habitat, most  
17 likely, in the West Fork. It is from this glacier  
18 up here. There is a photograph in there showing  
19 the glacier. It is a very high-gradient stream  
20 that comes out of that glacier. You'll see in some  
21 of those photos the amount of sediment that is  
22 being discharged from that glacier. It is an  
23 extreme amount. It really coats the banks and the  
24 cobble river bottom. It is really quite evident in  
25 the photos of the river mouth, but it is even

1       evident up here at the confluence. We landed up  
2       there and walked around that site. It is just  
3       really thick. So there is a heck of a lot of  
4       sediment that comes out of the West Fork.

5                       Now, the North Fork -- it's fairly  
6       clear. I don't know if it clouds up at all.

7                       Does it, Paul?

8                       MR. RUSANOWSKI: No.

9                       MR. MARTIN: So most likely  
10      whatever may come into No Name Lake may settle in  
11      No Name Lake, if there is any glacial flow  
12      there.

13                      I mentioned that we're going to be  
14      studying the North Fork, and then we'll also be  
15      studying this year whether there are fish utilizing  
16      the lake itself to see whether -- as a part of  
17      whether there is habitat there for the fish to  
18      survive in by taking some of the habitat away with  
19      our reservoir, or whether the reservoir will become  
20      some of that habitat as well.

21                      Paul was out there this May and  
22      did a little bit of bathymetric surveying, but as  
23      far as addressing the submarine cable, we haven't  
24      done anything about that yet.

25                      The Forest Service gave quite a

1 list of studies they would like us to do, and we  
2 haven't addressed or responded to that request yet.  
3 We're working on that at this time and hope to have  
4 something back to the Forest Service by the end of  
5 July to address those items.

6 I think that's all I can think of  
7 at this point in time. We do have a site visit  
8 planned for Thursday out of Ketchikan. We have a  
9 total of nine people currently going in the Otter  
10 that we're taking. The Forest Service is providing  
11 their own transportation. And then out of -- once  
12 we've completed our site visit with the Otter,  
13 we're going to Hyder. The people that -- everybody  
14 else is going to be, more or less, rather stranded  
15 there. The two people from Fish and Game, because  
16 they have ID to get across the border, we're going  
17 to go to Stewart, get on a helicopter, and fly back  
18 down there and look at the lower gorge primarily.

19 Now, if they want to look at other  
20 aspects, that's fine, too, but the real focus is to  
21 focus on the lower gorge and try to analyze, as  
22 best we can by hovering over it, to see just what  
23 kind of barriers are there, what kind of habitat  
24 might be there, if any. Paul Rusanowski will be  
25 along on that to help discuss that while in the

1 helicopter. Jim Ferguson and Mark Millino -- he's  
2 not here, right?

3 MR. FERGUSON: No.

4 MR. MARTIN: So Mark Millino will  
5 be joining Jim and Paul for that trip. I think  
6 that's all I have to say about the project.

7 Yes?

8 MS. SCHRADER: Excuse me. My name  
9 is Sue Schrader. I'm with the Southeast Alaska  
10 Conservation Council.

11 MR. MARTIN: Okay.

12 MS. SCHRADER: I believe I'm  
13 probably the only public representative here this  
14 morning.

15 I wondered, before we get into a  
16 lot of details, if you can give us more of an  
17 overview of the project, the size of the project,  
18 the purpose of the project, where the power is  
19 going. And if you'd be so kind, maybe just very  
20 briefly touch on the impacts to Hyder and Stewart  
21 and, you know --

22 MR. MARTIN: Okay.

23 MS. SCHRADER: -- who is for the  
24 project? Who is against the project?

25 MR. MARTIN: And remind me, as I

1 go along, if I forget some of those.

2 MS. SCHRADER: Okay. A little  
3 more context. I would appreciate it. Thank you.

4 MR. MARTIN: Well, the project is  
5 sized to be about 75 megawatts. And the reason for  
6 that is the amount of water that's there. And this  
7 site here is between two bedrock ridges that  
8 provides an ideal site for a dam.

9 Our initial preliminary  
10 application -- or, actually prior to that, our  
11 limited permit application identified two sites:  
12 One, this site for a possible dam, and then down  
13 here for a possible run-of-river impoundment  
14 structure if a dam didn't prove feasible based on  
15 whether salmon were using the river, which would  
16 mean a significant amount of bypass flows,  
17 probably. So we thought a run-of-river more  
18 appropriate, because we're not finding salmon using  
19 this river, even though it's cataloged as an  
20 anadromous stream by Fish and Game. We've gone to  
21 focusing on this storage project up there at the  
22 dam site.

23 The purpose of the project is to  
24 provide a renewable energy source. You know,  
25 that's plain and simply what it is.

1 MS. SCHRADER: But not for Alaska?

2 MR. MARTIN: No, it is not,  
3 because of the location.

4 MS. SCHRADER: Right. Okay.

5 MR. MARTIN: It would be just  
6 extremely cost-prohibitive to try to get the energy  
7 out, you know, along the Portland Canal, the  
8 submarine cable, and out and up to Ketchikan or  
9 wherever. So the closest access to get power to  
10 anywhere is to go to Stewart, B.C., where the  
11 B.C. -- the British Columbia Transmission  
12 Corporation's grid comes to. And we had an  
13 analysis done that showed that this project  
14 wouldn't conflict with their transmission grid, so  
15 we know we can hook up through their grid.

16 As far as impacts or positive  
17 things for Hyder or Stewart, those are unknown at  
18 this time. I mean, we don't provide power to  
19 either community. In fact, the power comes from  
20 Canada to Hyder, and there is nothing we can do  
21 about that. We can't just decide we're going to be  
22 the power provider, or we can't tell them to  
23 provide power to this community based on the power  
24 we're going to provide to make their rates cheaper.  
25 It is just not something you do.

1                   The thing that would provide Hyder  
2                   and possibly Stewart would be to provide,  
3                   certainly, construction jobs, and then there is  
4                   going to have to be a certain number of personnel  
5                   for maintenance on a daily basis, monitoring the  
6                   equipment and so forth. There will certainly be  
7                   housing and providing a place for supplies, a  
8                   staging area for the construction of the project.  
9                   So there is some short-term economic benefit to the  
10                  local communities.

11                  As to who the customer would be,  
12                  we don't know at this time. You know, quite  
13                  honestly, we just don't know. We're looking for a  
14                  customer. We thought we had at least a partner.  
15                  We're still going through this process.

16                  Did I answer all your questions?

17                  MS. SCHRADER: I think so. Thank  
18                  you.

19                  MR. MARTIN: Okay. If there is no  
20                  further -- go ahead, Paul.

21                  MR. RUSANOWSKI: Yeah. Let me  
22                  just go through the environmental side of things  
23                  too.

24                  MR. MARTIN: That would be great.  
25                  Do you want this pointer?

1 MR. RUSANOWSKI: Yeah. I'll take  
2 that and use the map here.

3 As Glen said, my name is Paul  
4 Rusanowski, and I'm doing the environmental  
5 baseline work for the project, so we're the first  
6 people to really take a close look at what is going  
7 on on the ground.

8 Let me just start off with the  
9 delta here. It is not in the sequence we've done  
10 work, but I'll sort of work my way up the drainage  
11 to give you a feeling for what the area looks like  
12 and what is involved.

13 The Soule River delta is the  
14 largest delta below Hyder, so Hyder has an  
15 extensive delta area from two rivers, one coming  
16 through Stewart and one coming through Hyder. When  
17 you go down Portland Canal, this is the next major  
18 delta you hit on the north side of Portland Canal.

19 The river itself is a very heavily  
20 silt -- glacial-silt-laden river. I caution that  
21 this is not the typical glacial silt that you might  
22 experience elsewhere. I would more characterize it  
23 as glacial sand. The fines are very, very coarse,  
24 so when you get out on the delta here, the delta is  
25 very, very firm for a glacially formed delta. It

1 is like pavement. So if you can sink into it half  
2 an inch or an inch, that's a very soft spot. Most  
3 of it is like walking on asphalt. It contains a  
4 lot of rock armory, boulders.

5 The channel that comes out through  
6 the delta is completely boulder- and cobble-lined.  
7 It doesn't move around like you'd expect. There  
8 aren't graded channels. It's just a straight  
9 channel, similar to what you see here at Gold  
10 Creek. That's what it looks like, except instead  
11 of cement walls, it's armored with cobbles and  
12 boulders.

13 The delta itself is very  
14 steep-faced, so while the delta is about a half  
15 mile to three quarters of a mile wide, maybe a  
16 quarter mile off shore, as soon as you get into the  
17 water, it falls off precipitously, and that goes  
18 down several hundred feet. So what you see above  
19 the tides is pretty much what you have. As soon as  
20 you get off from that, it falls off very rapidly.

21 Use on the delta -- from the  
22 spring when we were out there, we had observed one  
23 bear. We can see some bear grazing on the grasses  
24 that sprout early in the spring, but there is no  
25 major bear activity. It's the same activity that

1 we see all along the Portland Canal, and, in fact,  
2 in Hyder itself we saw more bears feeding in Hyder  
3 on grasses than we did on the delta. But they move  
4 through the area. But there are no bear trails or  
5 other things that you see developed in the area.

6 The gorge itself right here --  
7 when you look at the delta, you can't see where the  
8 river comes out through the gorge. It is actually  
9 a fracture in the rocks some 40 to 60 feet tall,  
10 and at the right angle, you see a rock face, and if  
11 you get the right sun angle, you can actually see  
12 that the rock face is cracked.

13 When you get into it, the gorge  
14 itself is about 40 feet wide, vertical walled, and  
15 it runs for a distance of about 2,500 feet. We  
16 tried to get into it this spring with a boat. As  
17 soon as you get around the very first bend in the  
18 gorge, it is wall-to-wall white water. There is no  
19 way to get up it, and there is no way to land a  
20 boat and walk up from the bottom end.

21 The top end of the gorge is right  
22 there, and under low water conditions, it appears  
23 that one might be able to walk down part way  
24 through the gorge from the top, but only during low  
25 water conditions. At high water, again, at the

1 top, it is wall-to-wall white water. When you fly  
2 the gorge, you can see that there are at least two  
3 what appear to be falls, 12 to 15 feet tall, and  
4 there is a run of water that is some 60 to 70 feet  
5 long that is a straight shot down in this area  
6 right here, which appear to be very definitive fish  
7 barriers.

8 The flow in this area is on the  
9 order of 4,000 CFS plus in the summer and on the  
10 order of 400 CFS or less in the winter. So very  
11 low flows in the winter, very high flows in the  
12 summer. And the thing to remember is this entire  
13 2,500-foot length is 40 feet wide.

14 At the top end of the gorge, at  
15 the very top right here, when you go into it, the  
16 water actually changes direction some 90 degrees.  
17 So the water actually flows in this direction, and  
18 then it falls over a falls, and it comes in that  
19 direction. So if a fish were coming upstream, it  
20 has to be going this way. As soon as it gets to  
21 the top of the falls, it has to make a 90-degree  
22 turn to get through that falls.

23 MR. MARTIN: There is a photo of  
24 that amongst those slides too.

25 MR. RUSANOWSKI: The upland

1 habitat along the shore is heavily forested. It  
2 appears that the dominant tree is the western  
3 hemlock. There is a small amount of Sitka spruce  
4 and a small amount of mountain hemlock, and the  
5 understory is dominated by blueberries. So that's  
6 the initial impression of what we see. And the  
7 mountain hemlock is the least abundant, the western  
8 hemlock is most abundant, and then the Sitka  
9 spruce.

10 Up here we think it is going to be  
11 more Sitka spruce and western hemlock, but we'll  
12 see when we get on the ground. We did find a  
13 surprising amount of mountain hemlock in this area.

14 The river itself in this stretch  
15 right through here is a cobble-and-boulder channel,  
16 heavily sedimented in with glacial sands and silts.  
17 The eastern side, this side right here, is rock  
18 outcrop most of the way. In some areas it's very  
19 large boulders. On this side, it tends to be  
20 sands, gravels, cobbles, and boulder mix, and it's  
21 relatively flat. So this side is steep; this side  
22 is relatively flat.

23 When you get up to this area right  
24 here, there is another gorge some 500, 800 feet  
25 long. This gorge, at the very top of it, has

1 another falls. In the wintertime, that falls is in  
2 excess of 12 to 15 feet tall, and it mimics the one  
3 down below in that the water comes in at one  
4 direction and changes as it goes over. And it  
5 actually falls through a fracture in the rock, so  
6 it is a very steep and challenging falls.

7                   However, under high flows, the  
8 area below the falls is actually a very deep  
9 channel relatively wide for that area, some 40, 50,  
10 feet wide. So it is possible, under high water  
11 flows, that this falls may be passable by salmon  
12 that could jump over the falls rather than going  
13 through the falls simply because it is deep water.  
14 And it is not going to be 12 to 15 feet tall;  
15 because the area is carrying so much water, it is  
16 actually a much lower height.

17                   So if they can get through the  
18 first one in the summer, they may be able to get  
19 through the second one. But in the wintertime, it  
20 is definitely a barrier. There is no way to cover  
21 it.

22                   All the silt-laden water, the  
23 glacial water, comes out of the West Fork. That is  
24 all boulder and cobble and carries an extreme  
25 amount of coarse sediment. The North Fork is a

1 clear-water stream. Now, it has got two different  
2 characteristics. The upper end right here, from  
3 basically this stream right here up to the lake,  
4 that area is actually a broad terminal moraine, so  
5 it is a relatively steep slope. It's boulders,  
6 cobbles. The whole stream section here is rapids,  
7 pocket waters, things of that sort, a very  
8 rough-structured stream system, and relatively  
9 steep at a 6, 7 percent grade. So it is white  
10 water all the way down that area.

11           Once you hit this spot right here,  
12 where this stream comes in, it changes immediately  
13 at that point. That's the base of the terminal  
14 moraine. And then from that point all the way down  
15 to this point, it is a 1 percent grade. It is a  
16 broad, flat-valley stream. It meanders back and  
17 forth across the valley with one main channel.

18           The significant activity in that  
19 area is beaver, so you have beaver ponds and  
20 backwater ponds and sloughs mixed in on the valley  
21 floor as you go through this whole area; so sort of  
22 a night-and-day situation.

23           We evaluated this upper stretch  
24 for fisheries. We found Dolly Varden in there  
25 successfully reproducing lots of young of the year,

1 other young fish, but we were not prepared to  
2 sample large populations. So we know there is a  
3 juvenile population there. We know they are  
4 reproducing, but we don't know what the adult  
5 population looks like. And that's what we're going  
6 back to do this year, is assess the adult  
7 population.

8 We saw no large fish in the lake,  
9 only small juveniles, young of the year. So one of  
10 the activities this year is to actually go back,  
11 look at the lake, take a look at this stream right  
12 here to see if it also supports fish. This stream  
13 here is the only one that is glacially fed, and it  
14 responds to temperature like any other glacial  
15 stream. It's a roaring torrent at some times, and  
16 it's a small trickle at other times. So we'll  
17 assess the lake for adult activity. As I say, we  
18 didn't see anything, so we assume that they're out  
19 of sight and in deeper water.

20 Yes?

21 MS. BLACKMORE: Forest Service  
22 personnel have caught lots of nice excellent-sized  
23 Dolly Varden out of that lake.

24 MR. RUSANOWSKI: Okay. That's  
25 good to know. We know that there is a report of

1       some Dolly Varden caught here as well, so -- but we  
2       didn't see anything cruising the shoreline, and we  
3       didn't have traps to catch them. This year we're  
4       going to go back with some traps to be able to  
5       assess: Are they in the lake in the summer?

6                        It appears that the lake could be  
7       a good over-wintering habitat, but we are wondering  
8       whether it is a summer habitat that's used as well.  
9       So that's what we're looking at right now. The  
10      outlet to the lake is relatively deep. It is four  
11      to five feet deep in the summer with flows, and it  
12      probably carries water year-round.

13                      In terms of the hydrology that we  
14      know about right now, the summer flows, as I say,  
15      are in excess of 4,000 CFS. There is a USGS  
16      gauging station that was installed right there last  
17      year. We don't have all the data for it, but they  
18      have to be able to calibrate the gauging station.  
19      So right now, all we have is elevation data. So we  
20      know that the height of the river changes at least  
21      four to six feet seasonally and maybe more, but we  
22      don't know what the flow level is for that.

23                      We have our own gauges in there as  
24      well, but we have the same problem. We have to  
25      complete the profiles and collect the data before

1 we can convert our elevation data to flow data.  
2 But it appears that in terms of the mix, in the  
3 summer, 80 percent of the flow is coming out of the  
4 West Fork. And in the wintertime, it reverses, and  
5 80 percent of whatever flow is there is coming out  
6 of the North Fork.

7 So in the winter, the entire  
8 stream is flowing clear water. In the summer, the  
9 entire stream is dirty brown, carrying loads of  
10 sediment, except for the North Fork, and as soon as  
11 it mixes at this point, it is completely turbid.

12 The measurements we have for  
13 turbidity at this point puts us in excess of 100  
14 NTUs down at the mouth in the early spring, and  
15 we'll have more data later on on that.

16 So this year we're going in to  
17 assess the fisheries in the flat-water section,  
18 assess the fisheries in the lake, and then assess  
19 the habitat in this area, which would be disturbed  
20 by the dam and the penstock, which would run down  
21 on this side to the beach, with the powerhouse  
22 located right somewhere in that area at tidewater.

23 As far as large animal use, we've  
24 not seen mountain goats in the area yet. We  
25 surveyed last year for mountain goats. Didn't see

1 any. We flew and looked for mountain goats.

2 Didn't see any. We'll do the same thing this year.

3 We found a little bit of bear sign  
4 up here, no bear trails or other big game trails of  
5 any type. The most noticeable mammal feature in  
6 the area is beaver activity. And that beaver  
7 activity extends from about this point right here,  
8 all the way down to this point right here, and then  
9 there is a small amount of beaver activity on this  
10 side over here, associated with some side  
11 drainage -- not with the river itself, but with the  
12 side drainage and ponding that has occurred back in  
13 the wooded area.

14 So that covers the environmental  
15 side of where we're at right now.

16 MR. MARTIN: That's appreciated.

17 MR. TURNER: Any questions? We'll  
18 keep this kind of informal, so --

19 MS. BEILHARZ: Do I need to  
20 identify myself?

21 MR. TURNER: Yeah.

22 MS. BEILHARZ: Okay. I'm Margaret  
23 Beilharz, Forest Service.

24 You mentioned that you'd be  
25 responding to the letter on study plan requests at

1 the end of July, or that was said earlier.

2 MR. MARTIN: Yeah.

3 MS. BEILHARZ: Okay. So if we  
4 didn't hear about something being conducted this  
5 summer, we'll wait for those comments to see how  
6 you will address it --

7 MR. MARTIN: Right.

8 MS. BEILHARZ: -- later on?

9 MR. MARTIN: Right. Yeah. There  
10 is no way we can address all of the study requests  
11 this year, so we'd be looking at doing studies next  
12 year as well. And whether that means filing an  
13 incomplete license or requesting a new preliminary  
14 permit so that we can continue with the process of  
15 licensing it, I'm not really sure which it's going  
16 to be, but it's likely to be one or the other  
17 scenario.

18 MR. TURNER: But to be clear,  
19 we'll be working out, as a group, which studies  
20 will be done. It's just a matter of the schedule.

21 MR. MARTIN: That's correct.  
22 Correct.

23 MS. BLACKMORE: "As a group"  
24 meaning --

25 MR. TURNER: All the stakeholders,

1 AP&T. The Commission has a process where, if there  
2 is a disagreement, then you can bring it before us  
3 as a formal dispute resolution. Hopefully, it  
4 won't get to that point, but I'm sure AP&T is going  
5 to be trying to work with all the parties to  
6 address those study needs.

7 MS. BEILHARZ: I don't have any  
8 more questions on studies per se, but I have some  
9 questions on your proposal.

10 MR. MARTIN: Okay.

11 MS. BEILHARZ: Should we start  
12 with those?

13 MR. CUTLIP: Absolutely.

14 MS. BEILHARZ: Were you going to  
15 run through -- like lead the discussion based on  
16 the Scoping Document format?

17 MR. CUTLIP: Not necessarily. I  
18 mean, once you are done with any questions related  
19 to the project proposal, we were going to move into  
20 a discussion of issues, cumulative effects, that  
21 sort of thing. So if you have questions on their  
22 proposal, I guess this would probably be the time  
23 to address them. If they are more specific to the  
24 issues, we'll probably address them shortly, after  
25 we're done asking Glen questions.

1 MS. BEILHARZ: Okay.

2 MR. CUTLIP: Not that you can't  
3 ask Glen questions while we're doing that, but is  
4 it more pertinent to the proposal or to issues or  
5 both?

6 MS. BEILHARZ: I just need some  
7 project description detail.

8 MR. CUTLIP: Go for it.

9 MS. BEILHARZ: All right. And I'm  
10 just doing it in the order that they are listed in  
11 here.

12 MR. MARTIN: Okay.

13 MS. BEILHARZ: So the spillway --  
14 it said it might be gated; it might not. What  
15 would be your considerations in deciding that?

16 MR. MARTIN: Well, according to my  
17 description, it has to do with completion of  
18 topographic mapping. I think our civil engineer  
19 has only been up there once, and in his preliminary  
20 review of it, he identified a potential spillway  
21 site based on the natural features up there, on the  
22 south side of the dam site over here.

23 But as to whether that would be  
24 gated, evidently -- and I'm not an expert on it,  
25 and he hasn't given me any more information than is

1 in this description. Obviously, based on more  
2 about the geologic features of it -- I'm not really  
3 sure. I can't really answer your question very  
4 well, I guess. That will come out more when a more  
5 specific design is developed, and that sort of  
6 issue is going to be part of the analysis.

7 MS. BEILHARZ: It has to do with  
8 being able to control the amount of spill or not?

9 MR. TURNER: The most Probable  
10 Maximum Flood. We'll all get involved in that.  
11 The Commission will also get involved in that  
12 aspect of it in terms of its control for the dam  
13 safety. But I think what Glen was saying is it  
14 depends on whether you get down to bedrock, or if  
15 they have to put in concrete structures, and then  
16 how do you size that stuff?

17 So some of that will be depending  
18 on the geotechnical investigations that will  
19 probably still be conducted.

20 Is that correct?

21 MR. MARTIN: Yeah. I'd say that's  
22 pretty correct.

23 MS. BEILHARZ: Do you expect that  
24 level of detail in your draft license application,  
25 or final?

1                   MR. MARTIN: I don't know if it  
2 will be that detailed. I don't know.

3                   MR. TURNER: We're going to need  
4 to see something on it in terms of the final  
5 application, because we're going to need to  
6 understand and describe that. So you are going to  
7 have to make your best guess. And it may need to  
8 be finalized or revised as they go along in the  
9 final designs, but you probably need to do some  
10 investigations to be able to describe what your  
11 most probable case will be.

12                  MR. MARTIN: Right. Right. Final  
13 design sometimes occurs after the license is  
14 issued, and then it gets down to the nuts and  
15 bolts. But, yeah. The basic concept with, you  
16 know, more focus than we presently have will  
17 certainly occur before we apply for a license.  
18 Right.

19                  MS. BEILHARZ: On the reservoir,  
20 what is the -- maybe it was written down. I'm  
21 sorry -- but how you would operate the reservoir as  
22 far as storage and release of water.

23                  MR. MARTIN: Well, there is no  
24 plan to release water until the water gets high  
25 enough within the reservoir that we need to spill.

1       So the purpose is to capture as much water as  
2       possible.

3                       And it may depend on the market,  
4       too, and who we are selling it to and when -- I  
5       mean, let's say, just as an example -- and this is  
6       by no means something that I know if it's going to  
7       happen -- but if B.C. Hydro wanted to use our  
8       power, they may want to save it for during the  
9       winter, which means that potentially the reservoir  
10      would fill and spill during the summer, and then  
11      the water would be drawn down during the winter.

12                      But B.C. Hydro right now is not  
13      taking power from outside the province. So at this  
14      point, that doesn't look like that's going to  
15      happen very soon. But that's just a scenario. I  
16      don't really know how it is going to be operated.  
17      All I can tell you is that we would fill the  
18      reservoir. There would be times when the river  
19      would not have much water in it, but whatever water  
20      would be in it below the dam site would be based on  
21      the side drainages coming into it.

22                      MS. BEILHARZ: The depth of the  
23      intake, the tunnel intake out of the reservoir, I'm  
24      assuming -- so it's a 160-foot dam. What would be  
25      the depth of the intake?

1                   MR. MARTIN: I don't know for  
2                   sure. I mean, some of what has to be taken into  
3                   consideration is the amount of sediment that can  
4                   build up behind the dam. So we'll be putting in  
5                   some sort of a sluice gate, I would imagine, in the  
6                   dam to flush it out periodically, and probably on  
7                   an annual basis as a part of our operation plan.

8                   So does that mean that the intake  
9                   might be above the bottom? It's possible, but I  
10                  don't have an answer for you right now. It is too  
11                  early in the design to know that.

12                 MS. BEILHARZ: The powerhouse --  
13                 would it be operated remotely, or on site?

14                 MR. MARTIN: Well, a combination.  
15                 All our powerhouses we set up to operate remotely.  
16                 We can even operate them from Port Townsend, all  
17                 our projects. But they are also set up to operate  
18                 locally, and they usually have frequent visits from  
19                 personnel. In this situation, because of its  
20                 remoteness, I would imagine that we'd have  
21                 personnel -- we're thinking we'll have personnel  
22                 out of Hyder who would be there -- I don't know if  
23                 on a daily basis, but pretty frequently -- to check  
24                 on operations, especially on a project of this  
25                 size. We would have two turbines in the

1 powerhouse. You know, it is very likely somebody  
2 will be out there pretty often, if not on a daily  
3 basis.

4 MS. BEILHARZ: So part of your  
5 facilities would include overnight accommodations?

6 MR. MARTIN: You know, we haven't  
7 even looked that far yet. I suppose that's a  
8 possibility. It could be connected to the  
9 powerhouse, just to try to think ahead, but we  
10 haven't thought that far ahead.

11 MS. BEILHARZ: There are some  
12 associated structure facilities, obviously, that  
13 would be required if it were to be an overnight --

14 MR. MARTIN: Right. Waste  
15 treatment, or getting rid of waste, and things like  
16 that.

17 MS. BEILHARZ: And during  
18 construction, on site, you said that you expected  
19 to be able to move people from Hyder to the site  
20 daily for construction?

21 MR. MARTIN: That's what we're  
22 thinking of. Now, whether that is going to be a  
23 reality, I don't know for sure. You know, that's,  
24 unfortunately, in that little slide presentation I  
25 passed around. I believe one of the slides

1 mentions that, near the beginning, possibly a  
2 campsite, but based on whether we can stage people  
3 out of Hyder or not. And that's part of what has  
4 to be evaluated as part of this licensing process.  
5 But at this point, today, I can't tell you which  
6 it's going to be.

7 MR. TURNER: But you will define  
8 that by the time you file your license application?

9 MR. MARTIN: I think we have to,  
10 yes.

11 MS. BEILHARZ: The overland  
12 transmission part, is that -- whose land ownership  
13 is that?

14 MR. MARTIN: I don't know. All I  
15 can say is that, most likely, it is the power  
16 provider to the community from Canada. That would  
17 be the most likely. As far as the tidelands go,  
18 there are various individuals who own property  
19 along the shoreline which we may have to lease land  
20 from to bring in the submarine cable.

21 But, you know, the infrastructure  
22 is going to be owned by the local power company,  
23 which is out of Canada. So we would have to have  
24 some sort of negotiation with them in order to use  
25 their infrastructure or possibly even improve their

1 infrastructure.

2 MS. BEILHARZ: So there are  
3 existing lines? The overland section is already  
4 existing?

5 MR. MARTIN: There are. Yeah,  
6 there are. That's why we're considering it versus  
7 going into Canada, submarine.

8 MR. TURNER: When you say improve  
9 or use that existing infrastructure would be the  
10 end where we would lose our primary jurisdiction,  
11 because that's -- you are going to tie into the  
12 existing grid, then?

13 MR. MARTIN: Right.

14 MR. TURNER: Everything would be  
15 new construction up to that point as far as --

16 MR. MARTIN: Well, except for  
17 possibly -- I mean, we'd have to -- their  
18 conductor, their wires or cable are not going to be  
19 able to handle the capacity of this project. So  
20 we'd be putting our own infrastructure on either  
21 their existing system or, after analyzing it, which  
22 we haven't done yet, we might have to improve their  
23 poles, if they are not high enough, or whatever is  
24 required by regulations to put our overhead  
25 infrastructure in there. So it's either using

1       theirs, or it's improving theirs and using theirs,  
2       a combination of things, but we haven't analyzed  
3       that yet.

4                       MR. CUTLIP:   How far is it from  
5       Hyder to Stewart?

6                       MR. MARTIN:   I don't know if it's  
7       a mile or --

8                       MR. CUTLIP:   Oh, okay.  You're not  
9       talking about a lot of overland --

10                      MR. MARTIN:   Mile and a half,  
11       something like that.

12                      MR. TURNER:   But just to be clear,  
13       for the Commission's jurisdiction on primary, it's  
14       where the power starts to be intermingled with the  
15       existing distribution or electrical grid is where  
16       we terminate our jurisdiction.

17                      MR. MARTIN:   Well, I think that  
18       might be the border.  I mean -- because we're not  
19       intertying with Hyder to provide power to the  
20       community.  Our system is to bypass Hyder, because  
21       we're not talking to the local power provider to  
22       give them power, who is in Canada providing power  
23       to Hyder.

24                      MR. TURNER:   Well, it's just --

25                      MR. MARTIN:   So --

1                   MR. TURNER:  -- where I was  
2           getting confused is thinking about rebuilding.  If  
3           you are going to use existing poles and just put  
4           your new lines on top of it, that's fine.  You  
5           still retain jurisdiction.

6                   But if you are replacing BCT's  
7           power with your own, where you actually merge, then  
8           where it merges, it will end.  In other words, we  
9           don't commingle our jurisdiction, basically?

10                  MR. MARTIN:  Right.  Right.

11                  MR. TURNER:  Anything else?

12                  MS. BEILHARZ:  Well, let me see.  
13           I guess we have other questions about details, but  
14           so far, with the questions that I've asked, it's  
15           apparent that there are some details that are still  
16           going to be developed, and so it looks like  
17           probably other questions we have, we'll have in our  
18           letter, and they could be addressed in response to  
19           the letter we submit.

20                  MR. MARTIN:  Is that in response  
21           to scoping, you mean?

22                  MS. BEILHARZ:  Yes.  As far as  
23           project facilities, fuel storage -- there would be  
24           on-site fuel storage, I imagine.

25                  MR. MARTIN:  You mean for

1 construction?

2 MS. BEILHARZ: That's a question  
3 for both construction and operations. Would there  
4 be on-site fuel storage?

5 MR. MARTIN: I'm trying to think  
6 why we would need fuel during operations. I  
7 suppose if we were to have an ATV out there, we  
8 might have a small fuel storage, but there would be  
9 no other reason other than to have a vehicle to  
10 drive up the road.

11 MS. BEILHARZ: Are there needs to  
12 keep the road open? Would there be a need to keep  
13 the road to the dam open during operations?

14 MR. MARTIN: Yeah. I mean, we'd  
15 have to have access with some four-wheeled vehicle,  
16 you know.

17 MS. BEILHARZ: It could be  
18 four-wheeled, then?

19 MR. MARTIN: It could be,  
20 although -- you know, I have never handled a  
21 project of this size, and I don't know what  
22 requirements would normally be needed for  
23 maintenance. Lake Cassidy, which is a heck of a  
24 lot smaller, we're just wanting to use an ATV out  
25 there. But being that this is such a large

1 project, I'm not sure what kind of equipment  
2 change-out things there might be that would be  
3 associated with the dam. At this time, I don't  
4 know.

5 MS. BEILHARZ: Just a general  
6 question we have is if you've done any estimates on  
7 acres of ground disturbance. We know the reservoir  
8 acreage, but any estimates of --

9 MR. MARTIN: I'm trying to think  
10 of whether I have ever mentioned that in any of the  
11 documents I have submitted to FERC. Off the top of  
12 my head, I can't recall. I'd be happy to work out  
13 something for you, but just off the top of my head,  
14 I can't.

15 MR. TURNER: But all that is going  
16 to be need to be laid out for the analysis anyway,  
17 the types of habitats that are going to be  
18 disturbed.

19 MR. MARTIN: Right.

20 MR. CUTLIP: And if you have  
21 questions of that nature that could possibly be  
22 addressed at this time, you know, you can certainly  
23 file comments on Scoping Document 1. I can take a  
24 look at them. He can address them. We can update  
25 the information in the project description in SD2.

1 MS. BEILHARZ: Okay.

2 MR. CUTLIP: So what we typically  
3 do is we'll just take SD1 as it's written, and then  
4 any new additional information that we've inserted,  
5 we'll just do in bold and italic text, so it's very  
6 clear that SD2 has been updated since SD1, that  
7 this is a new proposal, or any changes that have  
8 been made.

9 MR. FERGUSON: Are you done?

10 MS. BEILHARZ: On project  
11 facilities.

12 MR. FERGUSON: Okay. I had a  
13 couple of questions on studies, but if you want to  
14 finish, you're certainly welcome.

15 MS. BEILHARZ: No. No. Go ahead.

16 MR. FERGUSON: I just -- well,  
17 certainly Fish and Game will be sending in some  
18 detailed comments in July, but do you have a  
19 preliminary estimate of what the beaver population  
20 is in the North Fork? Do you have an idea about --

21 MR. MARTIN: I don't think so.

22 MR. RUSANOWSKI: No, we don't,  
23 because we only surveyed for juvenile fish in the  
24 one section of the stream. So we'll get a better  
25 feel this year for what the population would look

1       like. We don't, at the present time, have any  
2       tagging or recapture program that would provide a  
3       genuine population estimate, but we will get a  
4       relative feel for are there a lot of fish, are  
5       there few, and what the structure looks like.

6                       Whereas right now, we know there's  
7       lots of young of the year and two-year-old fish in  
8       that first section up by the lake, and we know  
9       there's a significant number of three-plus-year-old  
10      fish, but we don't know what the adult structure  
11      looks like at all. All we know is it's a very  
12      productive system for juveniles.

13                     MR. MARTIN: So when you do these  
14      surveys in the North Fork this year, will you be  
15      able to provide some sort of assessment of how many  
16      dams, beaver dams there are, whether they look  
17      active or not?

18                     MR. RUSANOWSKI: Right, and where  
19      the fish are, and where there's concentrations of  
20      them. We might find locations where there is a lot  
21      of adults, or there's very few. We may end up  
22      catching very few adults and lots of juveniles,  
23      which might indicate that the adult structure might  
24      be a little on the low side, or it might be, you  
25      know, packed full of adult fish in that section.

1                   We know in the upper section on  
2                   the moraine, with that type of habitat, it would be  
3                   very difficult to assess any kind of adult fish  
4                   population with that pocket water and rapids and  
5                   boulder areas. There just could be a lot of fish  
6                   in there, but you'd have a hard time ever figuring  
7                   out how to catch them.

8                   MR. MARTIN: But will we be able  
9                   to provide any assessment of the beaver population  
10                  based on what you are going to do?

11                  MR. RUSANOWSKI: In terms of the  
12                  lodges and the activity, yes. But we're not  
13                  looking to determine the number of beaver active in  
14                  the area. We know there is at least three areas of  
15                  beaver activity. There is one that is up by the  
16                  moraine. There is the main valley floor, which has  
17                  some extensive beaver ponds, very large beaver  
18                  ponds. And then we know there is one small area  
19                  below the forks that has some beaver activity.

20                  So that has to be a separate group  
21                  below. The group above may be a continuation of  
22                  the one on the valley floor. But we know there is  
23                  beaver activity, and there is fresh beaver  
24                  activity. So we'll try to determine lodges, and  
25                  we'll look for observations in the evening when

1       they are most likely active to see if we can get  
2       any handle on numbers. But we're not going to do  
3       any trapping or anything to the beaver to get any  
4       counts. But we'll do the observation to see if we  
5       can get a handle on it. Is it, you know, a dozen,  
6       or is it a half a dozen, or are there just a  
7       couple?

8                       MR. MARTIN: Okay.

9                       MR. FERGUSON: One other question  
10       I had at this point is, I just was looking through  
11       the fish resource permit application. For those of  
12       you who don't know what that is, Fish and Game  
13       requires anyone who is going out to do studies that  
14       involve collecting fish to get a permit.

15                      As you'd expect, there is Dolly  
16       Varden listed in here, juvenile and adults, and  
17       coho salmon, juveniles. I was just wondering  
18       whether you were anticipating trapping coho salmon  
19       juveniles?

20                      MR. RUSANOWSKI: It turns out from  
21       the trapping we did last year, we had one fish.  
22       But in the photographs, it was questionable whether  
23       it was a Dolly Varden or a coho juvenile.

24                      MR. FERGUSON: You found that  
25       where?

1                   MR. RUSANOWSKI: We found that in  
2 the upper section by the lake. I was the one that  
3 caught them, and that particular fish happened to  
4 be caught in a very sunny location on a bright day  
5 away from all structure. And it was a very pale  
6 but very fat fish.

7                   So in the picture, it does look  
8 like a coho salmon, but to me it was not a coho  
9 salmon. But I agree, in the pictures it looks  
10 remarkably like one compared to the other Dolly  
11 Varden, which were long and skinny and nowhere near  
12 as fat as that little guy was.

13                   So we have a question on it, and  
14 the question is: Could the cohos actually get in  
15 there? So one of the things we're doing this year  
16 as well is, in late October, early November, we're  
17 growing in to do a carcass survey and red survey to  
18 see if we can find any indication of coho salmon  
19 having gotten into that area. Despite the barriers  
20 that appear to be in place, could they have gotten  
21 in?

22                   Plus the extensive juvenile survey  
23 we're going to do this summer will catch enough  
24 fish that we'll be able to determine if there were,  
25 in fact, any cohos in that population. So we hope

1 to do it through those two different approaches.  
2 Because if the cohos get up there, we should be  
3 able to at least find a couple of carcasses in the  
4 fall.

5 MR. FERGUSON: Yes. Then also I  
6 was looking at some of the earlier pictures I have  
7 seen and also in these ones, too, that that area  
8 below the forks, where there seems to be some  
9 beaver activity, have you done any closer looks at  
10 those to see if there is connectivity, from a fish  
11 standpoint, to the main stem? Because even if you  
12 have a bedrock-controlled system, or, for example,  
13 if we take Prince of Wales Island, where you have  
14 heavily disturbed systems, fish do fine in the  
15 beaver ponds, you know. So you might end up with  
16 the cohos, for example, coming up into the beaver  
17 ponds and over-wintering up there.

18 MR. RUSANOWSKI: We haven't  
19 considered that aspect because the beaver activity  
20 there was trapping runoff from the side mountain  
21 area, so it wasn't connected directly with the  
22 stream. But obviously, when that runoff gets down  
23 to the river bottom, that's where the dams are. So  
24 there is a possibility of some connection there.

25 We might be able to take a look at

1       that this summer, but it's going to be tricky  
2       because the area is inaccessible. So we would have  
3       to do it by helicopter to get in there at all.  
4       Even though we're on the river, we can't get there  
5       from where we are.

6                       MR. MARTIN: Are you talking about  
7       the lower gorge?

8                       MR. RUSANOWSKI: Yeah. No, not  
9       the lower gorge. It is below the upper gorge, but  
10      on the west side. We can't cross the river in the  
11      summer because the flows are too high. So we're  
12      going to be above the forks. So we can't get to  
13      the west side below the forks without using a  
14      helicopter to fly us below the forks and then hike  
15      in to that spot.

16                      So we might be able to catch it on  
17      one of our move days with a helicopter, where we  
18      drop somebody off and they go in and take a look,  
19      and then in the afternoon we go pick them up again  
20      and bring them back. Because otherwise, that area  
21      is totally inaccessible to us this summer. So we  
22      might be able to squeeze that in.

23                      MR. MARTIN: Okay.

24                      MR. FERGUSON: It might be  
25      worth -- it would be interesting to know what the

1 flow is Thursday when we're out there. I don't  
2 know -- did you say the gauge is actually  
3 established? Like is that hooked into the online?  
4 Can you --

5 MR. MARTIN: It is.

6 Paul, have you had much success  
7 accessing the USGS?

8 MR. RUSANOWSKI: They've had a lot  
9 of trouble keeping their realtime monitoring going.  
10 So the station is up on the Internet, but you can't  
11 get any data. So I've had to go back over to them  
12 to get the data. In fact, I was going to go over  
13 there today and check on what they have, because it  
14 was -- it has been down since January.

15 And the only way they can get it  
16 back up is to go out there. And getting out there  
17 is part of the problem. The weather is so bad you  
18 can't get out there to fix it. But they have  
19 assured me that the meters are recording. So when  
20 they get out there, they'll be able to recover the  
21 data and provide it.

22 But they still have not done the  
23 stream profiles to give us the calibration curve to  
24 interpret what that data means, and our instruments  
25 are in the same dilemma. We don't have the

1 calibration curve to interpret our data yet. So we  
2 are both sort of looking at it, saying, "Well,  
3 yeah. We know how deep the water is, but that's  
4 it."

5 MR. FERGUSON: Right. Right.

6 MR. RUSANOWSKI: And the flows in  
7 the winter, through the end of December, they have  
8 flow measurements on their system that were in the  
9 50-to-100 CFS range. At least that's what I think  
10 they are. They are very, very low. Maybe when  
11 they get the calculations, they'll come out higher,  
12 but the river elevation appears to be somewhere  
13 around 27 feet, and the high summer elevations that  
14 we know of are in the 34-foot range. So we're  
15 looking at a 6-, 7-foot change in elevation of  
16 flow, and that's a lot of water.

17 MR. FERGUSON: It's a  
18 bedrock-controlled system.

19 MR. CUTLIP: What is the timeline  
20 for rating the gauge? Is that going to be done  
21 anytime soon?

22 MR. RUSANOWSKI: We hope that they  
23 are going to do that soon. They were supposed to  
24 put a cable across the river so that they could  
25 actually do it anytime, because the -- you can wade

1 across the river in the fall and in the spring.  
2 That's doable. And I have gotten one calibration  
3 curve done there that was in the 400, 500 CFS  
4 range, and it's very easy to get across. But  
5 that's only in the winter. And it's relatively  
6 clear water, so it's easy to work.

7 But in the summer, it is a -- you  
8 just can't do it. It's just not manageable unless  
9 you have a cable and a boat.

10 MR. FERGUSON: That might be  
11 something we want to do Thursday when we fly in  
12 there, is take a look at that beaver pond area too.

13 MR. MARTIN: Sure. Yeah.  
14 Absolutely.

15 MR. RUSANOWSKI: That will be  
16 visible, I think, at this time of year without too  
17 much trouble, depending on the weather. But it's  
18 up in the trees, so it's -- you sort of got to know  
19 where to look. We know where to look, so when we  
20 see this area, it's, "Oh, yeah, there is some  
21 ponding back there in those trees."

22 MR. FERGUSON: I don't really have  
23 any other questions at the moment. I guess, you  
24 know, we're very interested in understanding what  
25 the resources are in the North Fork that, you know,

1 are going to be potentially lost, although I agree  
2 with Glen. You know, it is hard to predict what's  
3 going to happen with the Dolly Varden there. We  
4 may exchange stream habitat for lake habitat. But  
5 we do want to know what the -- as best we can what  
6 the resources are in there before we start  
7 discussing mitigation and so on.

8 MR. CUTLIP: Jeannie, do you have  
9 a comment here?

10 MS. BLACKMORE: Well, I was just  
11 curious on your surveys. Are you going in and out  
12 every day, or are you pretty much staying up there?

13 MR. RUSANOWSKI: We're staying up  
14 there.

15 MR. MARTIN: Is that something  
16 else I'm supposed to cover?

17 MS. BLACKMORE: That's what I  
18 thought.

19 MR. MARTIN: We'll do an addendum.

20 MR. RUSANOWSKI: We'll be in about  
21 three weeks this summer --

22 MS. BLACKMORE: I thought so.

23 MR. RUSANOWSKI: -- with one or  
24 two moves in order to do it. It's just not  
25 feasible to fly in and out every day.

1 MS. BLACKMORE: Okay.

2 MR. TURNER: Anything else?

3 MR. CUTLIP: On to -- oh, go  
4 ahead.

5 MR. ANDERSON: Jim Anderson with  
6 the land section of DNR. I have an interest in  
7 land ownership, and so I was just wondering if that  
8 has been formally recognized, the different  
9 landowners in the project.

10 MR. MARTIN: Well, it's all Forest  
11 Service land, except for one mine claim up in this  
12 area here that is listed by BLM. But the rest of  
13 this, this is all Forest Service land.

14 MR. ANDERSON: Okay. So then the  
15 navigability issue of the Soule River, has that  
16 been -- I haven't researched any of this yet, but I  
17 think the state asserts ownership on navigable  
18 waters, but I'm not sure what the Forest Service's  
19 position is on that within the state. And then  
20 tide and submerged land is state land.

21 MR. MARTIN: Right.

22 MR. ANDERSON: So I don't know at  
23 what point -- when we get to applying for  
24 authorizations and that, but I know the tide and  
25 submerged lands would need to be ours.

1 MR. MARTIN: Right.

2 MR. ANDERSON: But as far as the  
3 river, if where the bridge crosses is navigable,  
4 that would need authorization from the state if --  
5 I don't know --

6 MR. MARTIN: If it is below mean  
7 high water --

8 MR. ANDERSON: Ordinary high  
9 water.

10 MR. MARTIN: Ordinary high water.  
11 So if the abutments or whatever are above, then  
12 it's still Forest Service jurisdiction versus  
13 state?

14 MR. ANDERSON: But the bridge  
15 would be -- even if it's not touching the bridge.

16 MR. MARTIN: Oh, just because it's  
17 crossing? Oh, okay.

18 MR. ANDERSON: And I'm not sure if  
19 the dam is in a section that would be considered  
20 navigable or not. I don't know what the extent of  
21 navigability is on the river. And I would just --  
22 I don't work within Misty as far as the  
23 navigability question with regard to the Forest  
24 Service.

25 MS. BEILHARZ: We'll work with you

1 on it.

2 MR. ANDERSON: Yeah, but I just  
3 wanted to raise that at this level.

4 MS. BEILHARZ: Good point.

5 MR. MARTIN: Jim, so who would I  
6 address a letter to regarding permitting putting a  
7 bridge across?

8 MR. ANDERSON: Well, that will get  
9 -- I mean, I don't know when the process -- the  
10 consistency review process is when we start  
11 authorization. So I don't know if I'm way ahead of  
12 the --

13 MR. MARTIN: I don't think we  
14 apply for even a submerged lands lease until closer  
15 to filing for the license, I think.

16 MR. ANDERSON: Yeah, when you  
17 start filing for the authorization.

18 MR. MARTIN: Then we file for some  
19 of the other permits too. What about -- through  
20 our special use permit with the Forest Service, we  
21 want to put a cable crossing across the river with  
22 kind of a pulley system so that personnel doing  
23 studies can get across easily. Is that also then  
24 state jurisdiction too?

25 MR. ANDERSON: If it's navigable,

1 and there is no -- I'm not sure of the question  
2 within Misty, if the Forest Service has  
3 jurisdiction.

4 MS. BEILHARZ: It is not within  
5 the Misty.

6 MS. BLACKMORE: It's not within  
7 the monument grounds.

8 MR. ANDERSON: It's not within  
9 Misty?

10 MR. MARTIN: The boundary to Misty  
11 Fjords is up here somewhere.

12 MR. ANDERSON: Okay. Then if --  
13 yeah, if it's navigable, then it's state land. So  
14 that cable crossing, that portion over ordinary  
15 high water, would need authorization from the  
16 state.

17 MR. MARTIN: Okay. Well, that  
18 I'll need soon, so would I direct a letter to the  
19 state land person handling this permitting for this  
20 project?

21 MR. ANDERSON: Yeah. You could  
22 send it to me.

23 MR. MARTIN: To you? Okay.

24 MR. ANDERSON: How far are we from  
25 the process of permits? Is this years off?

1                   MR. TURNER:  So to speak, but we  
2                   do have to have a couple things we may want to talk  
3                   about here, and that's the Coastal Consistency  
4                   Review under CZMA, and the Clean Water Act  
5                   certification by the state.

6                   So the Commission's regulations  
7                   require that the Clean Water Act water quality  
8                   certification be filed no later than 60 days after  
9                   REA notice, which would be after the filing of the  
10                  license application with the Commission.  So we're  
11                  already talking at least a year or two down the  
12                  line, based on what Glen said earlier.  The CZMA  
13                  would probably occur before or at the same time, I  
14                  would think.  I'm not sure.

15                  MR. MARTIN:  It seems like they  
16                  like to do it right along with the licensing.  When  
17                  do they usually kick in?

18                  MR. FERGUSON:  Is that the ACP?

19                  MR. MARTIN:  Yeah.

20                  MR. FERGUSON:  It's usually  
21                  between the draft and the final environmental  
22                  document.

23                  MR. TURNER:  We have to have a 401  
24                  water quality cert. before we can issue a license,  
25                  and we need to have the CZMA as well.  So those

1 things have to be --

2 MR. MARTIN: The state may waive  
3 the water quality if -- because of the Corps -- the  
4 state may waive the water quality because of the  
5 Corps of Engineers doing their own --

6 MR. FERGUSON: Right. Unless it's  
7 waived.

8 MR. TURNER: Right. Yes?

9 MS. BEILHARZ: I was clarifying  
10 whether -- the state said that CZMA was between the  
11 draft and final environmental document, and I was  
12 asking: Is that FERC's environmental document, not  
13 AP&T's environmental documents?

14 MR. FERGUSON: Yes. And I think  
15 we're probably just following the pattern that we  
16 use for timber sale reviews, the policy for timber  
17 sale reviews on Forest Service lands. That's  
18 probably where it came from. But nonetheless,  
19 that's what we typically aim for.

20 The interesting situation, of  
21 course, comes from when we have one environmental  
22 document, and I'm really not sure what we figured  
23 out on that one. I'll leave that up to you.

24 MS. ALLEE: We would aim for the  
25 draft EA.

1 MR. TURNER: To initiate your  
2 process?

3 MS. ALLEE: Yes.

4 MR. CUTLIP: Any other comments  
5 for Glen?

6 MR. FERGUSON: I have one other  
7 question I'd like to hear more about, that I'm  
8 still unclear on, and that's the location of the  
9 powerhouse with respect to the estuary area. I  
10 think we've looked at a couple of different  
11 locations there. Are you still kind of searching  
12 that out?

13 MR. MARTIN: My understanding is  
14 that we're proposing to put it on the delta, on the  
15 north side of the delta.

16 MR. FERGUSON: We'll just probably  
17 have some of the usual issues of exclusion and  
18 false attraction and whatever that could possibly  
19 happen there. It just kind of depends maybe on  
20 where you are.

21 MR. MARTIN: Yeah. I mean, our  
22 present proposal, as far as the design for the  
23 powerhouse, was to bring the powerhouse  
24 preconstructed on a barge and bring the barge in  
25 there, and more or less sink the barge into the

1 delta. I'm not really sure how our civil engineer  
2 is proposing to do that, but that is what he was  
3 thinking at this present time. It is kind of a new  
4 concept to me, but --

5 MR. FERGUSON: Okay. Because I  
6 was going to suggest, you know, one possible  
7 mitigation that comes up sometimes is building, you  
8 know, some spawning channel and a habitat below the  
9 tailrace, but it doesn't sound like we're talking  
10 about that here. I'm just thinking way ahead.

11 MR. MARTIN: Yeah. And I suppose  
12 if you wanted to play with the delta, maybe that  
13 would be a possibility, you know, if you want to  
14 have it spill through the delta and create a  
15 channel. I don't know.

16 MR. FERGUSON: I don't know  
17 either. But it just really, again, depends on  
18 where that thing is sitting, and I don't have a  
19 clue -- a good feel for that yet. So . . .

20 MR. MARTIN: With the amount of  
21 water that potentially the project would be  
22 handling -- and I'm not sure what the capacity is  
23 supposed to be -- but it would seem that it would  
24 be nice to have that deep shelf right off the delta  
25 so that you're not dealing with so much potential

1 erosion or that sort of thing.

2 MR. FERGUSON: Energy dissipation.

3 MR. MARTIN: Right. Right.

4 MR. FERGUSON: I was just curious.

5 MS. BLACKMORE: Are there other  
6 alternative locations for the powerhouse?

7 MR. MARTIN: At this point in  
8 time, you know, I think that we're open to  
9 reasonable discussion about it. I don't think that  
10 enough time has been spent on the design to say  
11 that that's our final design, but that's the  
12 concept that I have been given as far as what we  
13 would do. So if the Forest Service has other ideas  
14 about what they would like to see, I know that  
15 there are issues such as visual impact that I'm  
16 sure you are concerned about.

17 And that's certainly a good topic  
18 that I'd like to have a substantive conversation  
19 about sometime, just talking about ideas of how to  
20 mitigate the visual impact, if that's your primary  
21 concern there, and how that fits in with what we  
22 want to do there. But I'd like to have that  
23 discussion sometime.

24 MR. CUTLIP: Anything else?

25 MR. PEARSON: Yes. My name is

1 John Pearson. I'm the administrator for the Hyder  
2 Board of Trade, which is basically the chamber of  
3 commerce. We were first organized about 1920  
4 through several different names, and we continue on  
5 under the original objective.

6 The one thing in the Scoping  
7 Document that I think would be a good change -- and  
8 Glen may agree with this -- and that is on the  
9 power tunnel, we talk about the spoils. There is  
10 going to be apparently about 100,000 cubic yards of  
11 spoils that would come out of the drilling of that  
12 tunnel. And my understanding is we're looking at  
13 something that is fairly small.

14 MR. MARTIN: Right.

15 MR. PEARSON: And the options that  
16 are here -- we'd like to add a third option, and  
17 that would be making the spoils available to the  
18 local communities of Hyder and Stewart. We have  
19 needs for such material, fill needs. There is  
20 stockpile areas, quarries that we can put them back  
21 into.

22 And I think that would be a very  
23 realistic approach, and I know our organization  
24 would be more than happy to be named as the  
25 receiver of that, because it is definitely

1 something coming out of this project that has some  
2 real worth for the local communities, and I say  
3 both Hyder and Stewart.

4 The other thing -- and Sue had  
5 some questions about the human habitat there. And  
6 I'd just like to add that our organization started  
7 two and a half, three years ago following this  
8 process and trying to keep up on it. We spent a  
9 considerable amount of time looking at it. Lots of  
10 discussion, and you can be sure lots of discussion  
11 in the bar in Hyder talking about the project, and  
12 among our members and a good number of the  
13 community. They are 100 percent behind the  
14 project.

15 And the typical comments that  
16 would be found in supporting the project is that  
17 the entire area is outside of the Misty Fjords  
18 National Monument and Wilderness, and in Hyder, we  
19 live close to the monument. We support the goals  
20 and objectives of establishment of the monument.  
21 And there is that little wedge of 206 square miles  
22 that is outside of the monument and includes Hyder,  
23 and we anticipate that, down the road, we'll be  
24 forming an organized City of Hyder, which will  
25 probably be annexed quickly then by Ketchikan.

1                   But there is a group of us that  
2                   are seriously looking at what is the future for the  
3                   community, and so we're very aware of the fact that  
4                   having this project within the future City of Hyder  
5                   would be a benefit.

6                   Today there is no human activity  
7                   that takes place in the area there. Occasionally  
8                   there may be somebody who is down there with a  
9                   boat, but there is almost no activity. And it is a  
10                  matter of access. All we have to do is listen to  
11                  what Glen and his folks are saying about getting  
12                  into this area, and you realize that there is  
13                  nothing.

14                  At the same time, we would  
15                  encourage and we'd like to see -- as this project  
16                  goes through the steps, gets approved -- an opening  
17                  up of thoughts on perhaps we're looking at  
18                  establishing a good fishery up there, sport  
19                  fishing. It would be ideal. The area of the  
20                  acreage on the lake behind that dam is sufficient  
21                  for a small-aircraft landing. It may be something  
22                  that could become an important educational tool on  
23                  how to marry -- really, the project is made in  
24                  heaven for getting over the dependency on oil that  
25                  this country has.

1                   There are no impacts that we know  
2 of on the Portland Canal. The beaver population, I  
3 had heard that once before, but I had no idea  
4 that -- how many beaver there were up there.

5                   We feel that the nine miles,  
6 nine-plus miles, of marine cable is realistic, and  
7 I know that as the approach is made into Hyder,  
8 there will be a way to work with the B.C. folks in  
9 tying into the lines, the poles, whatever. Hyder  
10 enjoys an extremely good relationship with the B.C.  
11 folks. We're very protective of that, and we know  
12 that you'll find a wonderful partner there when  
13 this thing starts to roll.

14                   The benefits to the local  
15 people -- in fact, a good argument is how many  
16 people are there in Hyder? We can say there is  
17 about 100, but probably when you are there, you'll  
18 hear people talking about 130. However, the fact  
19 is that the U.S. Forest Service, with the Fish  
20 Creek facility -- I know it is several years ago  
21 they recorded -- that's where everybody goes to  
22 look at the bears. In the months of mid-June,  
23 July, and August, there is 54,000 visitors to the  
24 Fish Creek viewing facility of the Forest Service.  
25 But there is roughly 100 people there.

1                   It will be a project that, while  
2                   there will be short-term benefits, there is also,  
3                   you know, as far as employment and those kinds of  
4                   things, there are some long-term benefits. Surely  
5                   it will mean that somebody is stocking something in  
6                   their shop that will possibly be used there. There  
7                   will be storage requirements from AP&T to store  
8                   this or store that. And those are all  
9                   opportunities that this little community can use.

10                   As I mentioned, for the future  
11                   City of Hyder, this project could take the  
12                   community -- the Denali Commission has rated Hyder  
13                   as a severely distressed community. This project  
14                   could take the community into a situation with a  
15                   positive sustainable community base, and for that  
16                   we would be very appreciative.

17                   In summary, we encourage the  
18                   Federal Energy Regulatory Commission to act in  
19                   favor of the project. One thing that we did do,  
20                   after the TLMP, the Tongass Land Resource  
21                   Management Process, which was just recently --  
22                   there was a record of decision. We had asked for  
23                   two or three changes within the LUD designations,  
24                   and one of those being recognition of this project.  
25                   And the base of that decision was a permit that had

1       been supported by the U.S. Forest Service, had been  
2       supported by the Hyder Board of Trade and the Hyder  
3       Business Association or Chamber of Commerce back in  
4       1923. There was a permit that was issued, and then  
5       in 1925, a preliminary permit was issued, but that  
6       permit expired in 1925.

7                       But there is a history of support  
8       for this project site for a hydroelectric effort.  
9       And that request -- we supplied it to the Forest  
10      Service at the time of the appeals. We sent in a  
11      request that they would at least put in that  
12      designation as a potential hydro reserve. Of  
13      course, the issue of a marine cable wasn't around  
14      in 1925, but we've asked that that be completed,  
15      and we'll make a copy of this available.

16                      So with that, I can just tell you  
17      that we're looking forward to working with AP&T.  
18      We are very interested in maintaining the  
19      environmental quality in Hyder. The Salmon River  
20      is one of those areas that we've spent many hours  
21      of discussion and a lot of time protecting, and we  
22      find that this project that AP&T is proposing is  
23      outstanding and one that all of us should support.

24                      Thank you.

25                      MR. CUTLIP: Do we want to take a

1 break for about ten minutes before we get to the  
2 issues discussion? Does that work for everybody?  
3 Okay. We'll be back about 10 after.

4 11:00 AM

5 (Off record.)

6 11:10 AM

7

8 SCOPE OF CUMULATIVE EFFECTS AND RESOURCE ISSUES

9

10 MR. CUTLIP: It looks like we're  
11 about to get started. Okay. At this time, we're  
12 going to continue with our discussion of the issues  
13 that we've identified by resource area for analysis  
14 in the NEPA document. I'm going to start with the  
15 discussion of the cumulative effects.

16 After reviewing the information  
17 provided in the PAD and conducting a preliminary  
18 analysis of the record, we have not, at this time,  
19 identified any resources that could be cumulatively  
20 affected by the project. That is open to  
21 discussion, and we certainly would be interested in  
22 hearing any thoughts that folks might have in  
23 regard to cumulative effects.

24 So does anybody want to talk about  
25 that?

1 MS. BEILHARZ: I'm passing on  
2 information that I've gathered from the Ketchikan  
3 people for the Forest Service. Jeannie is not in  
4 the room right now. And maybe Jim has some  
5 thoughts on this.

6 The Fish Creek chum have moved  
7 between the Hyder area and the Soule drainage, and  
8 they were just asking about cumulative effects, so  
9 you might want to summarize in talking about that.  
10 So perhaps some activities in the Hyder area are  
11 linked to -- would be linked to the activities in  
12 this drainage as far as effects on the population.

13 MR. CUTLIP: So like effects due  
14 to fish using it as a migration corridor,  
15 essentially foraging in the area, or --

16 MS. BEILHARZ: It's a sensitive  
17 species that has been subjected to some effects  
18 from activities in Hyder.

19 MR. CUTLIP: What activities?

20 MS. BLACKMORE: There has been a  
21 causeway that has collapsed. There has been a  
22 stream -- the Salmon River has had -- the road has  
23 collapsed into the Salmon River. Let's see. The  
24 causeway construction caused the collapse of Bear  
25 Creek chum, and this is some of the stuff we were

1 going to send in our response to, but we didn't  
2 know whether -- I'm sure Margaret just covered  
3 it -- whether you needed to include stuff up in  
4 Hyder, and we felt you did for some of the  
5 cumulative effects perhaps on salmon.

6 MR. CUTLIP: If it's a  
7 migration -- if you're talking about a species that  
8 migrates like salmon that are being subjected to  
9 adverse effects at the project, in addition to  
10 adverse effects, you know, in nearby watersheds,  
11 sure, we could draw a correlation. But we'd  
12 probably need to see some strong -- or some  
13 evidence that there would be an effect at the  
14 project location, in other words, on those chum  
15 salmon, or whatever species of salmon, at the  
16 project as well as whatever is going on in Hyder.

17 MS. BLACKMORE: Right. Because  
18 the chum use the delta for feeding.

19 MR. CUTLIP: Okay. That's where  
20 I'm going. Is there a documented use of chum  
21 there, or is that --

22 MS. BLACKMORE: Paul was just  
23 saying that chum were there.

24 MR. RUSANOWSKI: There are  
25 definitely juvenile salmon using the delta during

1 the spring out-migration.

2 MR. CUTLIP: Okay.

3 MR. RUSANOWSKI: We documented  
4 that in May when we were there. And they're not  
5 coming from the Soule River.

6 MR. CUTLIP: Right. Okay. Sure.  
7 I didn't know that information, so --

8 MS. BLACKMORE: And we are going  
9 to present some other past activities in the Hyder  
10 area that have to deal with salmon.

11 MR. CUTLIP: Okay. That would be  
12 great. Yeah. If you could file that in your  
13 comments, that would be great.

14 MR. TURNER: Is there any  
15 mitigation efforts or other activities that are  
16 planned that would also basically -- I mean, that's  
17 good historical effects from a cumulative point of  
18 view, but any known future activities?

19 MS. BLACKMORE: Yes. In fact, in  
20 2008, they just did a reconstruction of a spawning  
21 channel in Marks Creek up north of Hyder to  
22 mitigate some of the effects.

23 MR. CUTLIP: Are there any planned  
24 development activities along the Salmon River  
25 drainage? Is that the Salmon River -- is that what

1 we're talking about?

2 MS. BLACKMORE: Yes. And that was  
3 on Marks Creek up there, so that's probably just a  
4 tributary.

5 The other one is, there was a lot  
6 of mining up in that area, so -- I haven't  
7 researched enough to figure out what type of mining  
8 went on. There was a great deal of mining in the  
9 Hyder area, though, on the Canadian side. And how  
10 that affects the Soule River, or does it affect  
11 stuff that's going down the canal -- that would be  
12 the "one and one makes two."

13 MR. TURNER: One of our problems  
14 is often trying to draw some sort of boundary  
15 around our analysis of how far. Do you have a feel  
16 for what kind of boundary would be appropriate for  
17 that resource? I can see your tie here in terms of  
18 the salmon, but is it just up to Salmon Creek,  
19 or --

20 MS. BLACKMORE: I'd have to ask my  
21 fish specialist on that.

22 MR. TURNER: It would be helpful  
23 if you provided us that in comments as well, in  
24 terms of not only the effects, but what kind of  
25 geographic scope we're talking about here.

1 MR. CUTLIP: Does anybody know the  
2 status of the chum population? Is it just chum, or  
3 are there other --

4 MS. BLACKMORE: The Fish Creek  
5 chum are a sensitive species.

6 MR. CUTLIP: Forest Service  
7 sensitive, but in terms of, like, a population  
8 level? Is that information available? Does  
9 anybody know?

10 MR. RUSANOWSKI: Fish and Game has  
11 monitored out-migration of chum and has counts on  
12 them.

13 MR. FERGUSON: Yeah. We can get  
14 the count data off of that.

15 MR. TURNER: Okay. But we are  
16 also specifically talking about Fish Creek's chum,  
17 not any of the other salmon.

18 MS. BLACKMORE: Fish Creek chum  
19 are the only sensitive species. There are other  
20 chum runs.

21 MR. CUTLIP: Is that the one that  
22 supports the bear viewing? Is that the run that  
23 supports -- is that what attracts the bears to the  
24 viewing area?

25 MS. BLACKMORE: Uh-huh.

1 MR. CUTLIP: Okay.

2 MS. BLACKMORE: I'll get it more  
3 specific in our comments so that I can -- you know,  
4 I really do have to get more detail from our  
5 fisheries specialist.

6 MR. CUTLIP: Sure. That would be  
7 great. And if you can include any information you  
8 might have on commercial fishing pressure, if there  
9 is any on that run of salmon, that would be great  
10 as well, or any other potential cumulative effects.

11 Is there any other  
12 cumulative-affected resources or potentially  
13 affected resources that you folks have come up  
14 with?

15 MS. BEILHARZ: Just a general  
16 question as far as FERC's ability to include  
17 anything that is going on over the border in  
18 geographic scope.

19 MR. TURNER: Well, from a  
20 cumulative effects point of view, I don't see any  
21 particular bounds on that regard. With what we do,  
22 it really only puts things in terms of context of  
23 what we might do to address effects that are caused  
24 by the project.

25 So when you look at it from a

1 cumulative point of view, knowing what is happening  
2 up in British Columbia, if there is a -- if there  
3 are plans there to enhance or preserve, then we  
4 want to do things that are not in conflict with  
5 those measures, or, you know, actually help or may  
6 actually help benefit those measures.

7 So to the extent that there is  
8 information up there or it has some relevancy, yes,  
9 we can consider it.

10 MS. BEILHARZ: Okay.

11 MR. TURNER: We're not likely to  
12 implement measures in British Columbia, obviously.

13 MS. BEILHARZ: Right. Right.  
14 We'll address any other ones we have in the letter.

15 We have -- this is not really a  
16 cumulative effect, but it might be -- the Forest  
17 Service has management direction to address  
18 subsistence use, and you might get some -- that's  
19 usually larger than just the project area. So it's  
20 not a cumulative -- you might think that it's  
21 cumulative, but it is an issue in and of itself.

22 MR. TURNER: But it's subsistence  
23 use of the project area that we would be focusing  
24 on. So when you say "larger," I'm not really  
25 clear --

1                   MS. BEILHARZ: Obviously nobody  
2 lives there, so the people might use the area and  
3 live elsewhere. That's all. I don't want to  
4 confuse it, you know, so . . .

5                   MR. TURNER: Right. But, I mean,  
6 we're talking about maybe there are outside areas  
7 that are coming in and physically using the site,  
8 where we would be, and how is the project going to  
9 affect subsistence use is a legitimate issue to  
10 examine. But I'm not sure what you meant by  
11 "larger" --

12                   MS. BEILHARZ: Well, if we have  
13 anything to clarify, we'll do it in the letter.

14                   MR. TURNER: Okay.

15                   MR. CUTLIP: Yeah. I mean, if you  
16 want to add -- if we haven't addressed subsistence  
17 use in our resource list, we could definitely add  
18 it and then take a look at expanding that to the  
19 cumulative effects based on your comments.

20                   Okay. I guess at this point we're  
21 going to move on to discuss the site-specific  
22 resource issues. As it states in the Scoping  
23 Document, this list is not intended to be  
24 exhaustive or final but contains those issues  
25 raised to date that could have substantial effects

1 as recognized by staff. So feel free to provide us  
2 with verbal or written comments to modify this  
3 list, because this is a list that we will be  
4 analyzing. AP&T will be analyzing it in their  
5 preliminary draft EA, and then the Commission will  
6 carry forward through our draft and final EA.

7 So beginning with geology and  
8 soils, we have: Would planned erosion and  
9 sedimentation control methods during  
10 land-disturbing activities associated with project  
11 construction be adequate?

12 MR. TURNER: These are all found  
13 beginning on page 13 and then 14 and 15 of the  
14 Scoping Document. We're just moving down  
15 sequentially.

16 MR. CUTLIP: Yes. We'll just go  
17 through them in sequential order, beginning with  
18 geology and soils. And then: What would be the  
19 fate of the sediment load from the Soule Glacier  
20 deposited behind the proposed dam, and what  
21 measures would be implemented to reduce sediment  
22 deposition and/or pass sediments around the dam?

23 MR. FERGUSON: Do you want to  
24 discuss each one as we go, or do you want to give  
25 the whole list and come back to it?

1 MR. TURNER: As we go would be  
2 better.

3 MR. CUTLIP: Yeah, that's fine.  
4 We can do --

5 MR. FERGUSON: Yeah. I'm very  
6 interested in that issue, and it would seem to me  
7 that we may -- I think AP&T and those of us  
8 interested in the salmon habitat on the lower part  
9 of the river may have kind of a common ground on  
10 this one, that I'm sure they are concerned about  
11 the sediment load depositing behind the dam, and  
12 we're concerned, obviously, about the interruption  
13 of the sediment delivery to the lower part of the  
14 watershed and what that might do to the estuary and  
15 so on. So, yes, I'd be very interested.

16 Actually, it says "to reduce  
17 sediment deposition and/or pass sediments around  
18 the dam," but, you know, flushing through the dam,  
19 whatever system they are looking at, we'd certainly  
20 like to know more about sooner rather than later, I  
21 guess. And I'm not necessarily saying right now,  
22 but we'll be asking for that in our scoping  
23 comments.

24 MR. CUTLIP: Okay. Are there any  
25 other issues associated with geology and soils that

1 need to be added to this list that we missed?

2 MS. BEILHARZ: Wetlands and  
3 floodplains -- no, you covered them later.

4 MR. FERGUSON: Actually, I  
5 remembered the other thing I wanted to mention  
6 about that. The timing of releases of sediments is  
7 an issue also. It is not so much -- I mean,  
8 "measures," I guess, could be interpreted very  
9 broadly. But it is not just the physical  
10 technique, but the timing of the release --

11 MR. CUTLIP: Okay.

12 MR. FERGUSON: -- to get the best,  
13 most beneficial effect from releasing sediment for  
14 downstream resources.

15 MR. TURNER: Your wetlands and  
16 floodplains would typically be covered under  
17 terrestrial stuff. We can certainly talk about it  
18 now, if you'd like.

19 MS. BEILHARZ: Let's cover it  
20 later.

21 I have this one -- an interest in  
22 knowing how the project would be designed to  
23 minimize -- identify potentially unstable soils in  
24 areas where the facilities are going to be  
25 constructed, and avalanche tracks. We need to have

1       those sites identified and appropriately designed,  
2       the structures appropriately designed.

3                   MS. BLACKMORE:   We have an  
4       incredible amount of unstable soils up there.  For  
5       people who are working from the Lower 48, you  
6       don't -- you do not understand the vastness of  
7       landslides everywhere.

8                   MR. CUTLIP:    So would it be  
9       possible to implement that issue or integrate it in  
10      with the planned erosion sedimentation?  Could we  
11      say something to the effect of planned erosion,  
12      sedimentation, and slope stability control measures  
13      or landslide control measures during  
14      land-disturbing activities?  Or would you like to  
15      see it separate --

16                   MS. BEILHARZ:   Well, the first one  
17      worded "with project construction."  I'd like it as  
18      a separate issue.

19                   MR. TURNER:    So basically  
20      identify:  Are there any unstable soils and stuff  
21      within the construction zone or avalanche chutes  
22      that would pose slope stability issues?

23                   MR. CUTLIP:    Or are you talking  
24      about the life of the project, construction and  
25      operation?

1 MS. BEILHARZ: Yes.

2 MR. CUTLIP: Okay.

3 MS. BLACKMORE: Our forest plan  
4 has guidelines on percent slopes, you know, where  
5 roads can go and percent slopes where -- that you  
6 can harvest. So there are some pretty steep slopes  
7 in this area, and there is a need to consider the  
8 steepness of the slopes and where the roads are  
9 going to go.

10 MR. FERGUSON: And there is also  
11 best management practices associated with those.

12 MS. BLACKMORE: Yes. Yes.

13 MR. TURNER: The Commission as a  
14 whole is trying to push applicants to develop as  
15 many of these erosion sediment control plans and  
16 other measures as possible, as part of their  
17 license application, so it is good that you are  
18 bringing them up now.

19 We are as -- like I said, as an  
20 overall goal, we're trying to get to basically  
21 getting data and plans that we can analyze the  
22 benefits and the cost of in our NEPA analysis, but  
23 also basically improve and require them to  
24 implement them upon an issuance of a license, as  
25 opposed to historically, where we ask for some of

1       these plans to be filed post-licensing. So it's  
2       good to kind of bring this up now, but just one  
3       thing that AP&T needs to be thinking about is  
4       finalizing those as much as possible with the  
5       development of the application.

6                   MS. BLACKMORE: And as you get a  
7       steeper road, your costs go up, you know. You are  
8       at \$220,000 a mile. As you get steeper, you know,  
9       that's minimum. So being able to find a less steep  
10      route is both an economical and ecological benefit.

11                   MR. CUTLIP: Okay. Jim, I was  
12      just going to try to refine this quickly, the issue  
13      that you brought up. I was going to see if the  
14      wording -- if I captured what your thoughts were.  
15      I have: What effects would the timing of sediment  
16      releases have on aquatic resources in the Soule  
17      River delta? Does that work for you?

18                   MR. FERGUSON: That will work.

19                   MR. CUTLIP: Okay. And for yours  
20      I have: What effects would project construction  
21      and operation have on slope stability and landslide  
22      potential, and would BMPs be sufficient to prevent  
23      adverse effects?

24                   MS. BEILHARZ: Avalanche. I had  
25      avalanche in there.

1 MR. CUTLIP: All right. I had  
2 landslides but not avalanche.

3 Okay. Anything else for geology  
4 and soils? Okay. I think we're going to move  
5 on to water resources. The first bullet: Would  
6 project construction and operation adversely affect  
7 water quality of the Soule River? That's probably  
8 definitely an issue here. Anybody have any  
9 thoughts on that?

10 MS. BEILHARZ: Well, I guess in a  
11 lot of -- the wording of these issue statements,  
12 they are worded as a yes/no, and I'm not  
13 comfortable with a yes/no wording. Would,  
14 da-da-da, yes/no? I think, you know, words like  
15 "How will" such-and-such be met, "How will water  
16 quality standards be met" might give us more  
17 information in the long run. We tend to be kind of  
18 specific.

19 MR. CUTLIP: More specific? Well,  
20 I can tell you that when we set up our NEPA  
21 documents, there will be a full explanation of the  
22 project's potential effects on the water quality.  
23 So this is just a very generalized statement, but  
24 then within that, in our NPEA documents, there will  
25 be water quality -- we'll have it broken out by the

1 parameters of concern.

2 If we wanted to get into that now,  
3 we probably could, but I just don't know if there  
4 is enough data at this time to really identify what  
5 those parameters might be. But in some of our  
6 scoping documents, we carry it forward to actually  
7 identifying the parameters.

8 MR. TURNER: Sometimes.

9 MR. CUTLIP: But it just depends.  
10 It's a lot easier to do it on, like, a relicense,  
11 where you have a lot of data. It's easier to kind  
12 of identify. But here we have very little data on  
13 this watershed at this time.

14 MS. BEILHARZ: But this -- like  
15 temperature, we don't know if it is or isn't an  
16 issue, you know. So would you rather wait until  
17 the studies are in to say -- identify if that would  
18 be an issue to analyze?

19 MR. CUTLIP: Well, I mean, if you  
20 want to try and identify what the potential  
21 parameters might be, we could try to do that right  
22 now. But, you know, we don't have -- I guess we  
23 don't have -- if it is an issue, if the data comes  
24 in and there is a temperature problem or a  
25 dissolved oxygen problem that has been documented,

1 or total dissolved gas or whatever, we will be  
2 analyzing that in the NPEA document, and obviously  
3 that will be carried forward to the 401 water  
4 quality -- the application for the 401 water  
5 quality certification. So it will get covered.

6 MR. TURNER: But I think your  
7 point was, with all these issues, there may or may  
8 not be some measure that is implemented to deal  
9 with the problems that are identified or the  
10 effects that are identified. I mean, we certainly  
11 could add in some clarification of how would water  
12 quality problems be met, or how would project  
13 construction affect water quality and what measures  
14 would be possible to mitigate that, if that's what  
15 would make you feel more comfortable. I mean,  
16 that's an outcome of all these questions, is  
17 basically what we're trying to analyze.

18 MS. BEILHARZ: Yes. I think it's  
19 good to be clear on, you know, the specific things  
20 that people want to see out of this process, rather  
21 than more generic statements.

22 MR. CUTLIP: Okay. So do you want  
23 to refine this a little bit and add some  
24 clarification?

25 MS. BEILHARZ: Well, on this one,

1 I thought David phrased it quite well. I have a  
2 question about is the state going to be waiving 401  
3 certification, or do we know?

4 MR. FERGUSON: I can't speak for  
5 DEC, but I would suspect that that would be the  
6 case. But I don't know.

7 MS. BEILHARZ: So we don't know if  
8 the state will be involved in certification?

9 MR. FERGUSON: I have received no  
10 formal indication from the Department of  
11 Environmental Conservation that they intend to  
12 pursue that course. How about that?

13 MS. BLACKMORE: Well, we can send  
14 our suggestions in, you know, is what we'll just  
15 do.

16 MR. CUTLIP: Sure. That would be  
17 great. Yeah. I'm realizing that we just don't  
18 have a lot of information on water quality at this  
19 time.

20 MS. SCHRADER: One other -- just a  
21 question. Particularly in light of the power  
22 plant -- the power plant's location in the estuary,  
23 potentially sinking a barge, and the additional  
24 marine access facilities that are proposed, it  
25 would seem to me you may want to add Portland Canal

1           into your analysis of water quality issues.

2                           MR. TURNER:   Good point.

3                           MR. CUTLIP:   Okay.

4                           MS. SCHRADER:   And there a  
5           parameter would be hydrocarbon pollution and that  
6           sort of thing.  There is probably not a marine  
7           access facility in the world that doesn't  
8           significantly impact water quality.

9                           MR. CUTLIP:   Okay.

10                          MR. FERGUSON:   That could also  
11           come up -- I don't know what options you are  
12           looking at for the waste rock.  Obviously the folks  
13           from Hyder had a good idea, I think, but if you are  
14           talking about putting that in the canal, then you  
15           are talking about a NPDES permit, probably.  I'm  
16           just guessing.

17                          MR. MARTIN:   Yes.  Without knowing  
18           for sure, I think we'll try and avoid that.

19                          MR. FERGUSON:   That would be my  
20           recommendation.

21                          MS. SCHRADER:   And if there is  
22           sulfides in that waste rock, that would be  
23           interesting.  We've had a little problem down in  
24           POW with the road being built with sulfide-rich  
25           rock.  And, you know, then to the extent -- that

1 kind of links back to the chum feeding at the  
2 estuary, and, again, if there is any localized  
3 pollution from the marine access facility.

4 MR. CUTLIP: Should I -- okay.  
5 I'm wondering if I shouldn't, just to clarify -- on  
6 the first bullet: Would project construction and  
7 operation adversely affect water quality of the --  
8 I guess -- well, Soule River and Portland Canal? I  
9 suppose that infers the reservoir as well, but  
10 obviously the reservoir doesn't exist right now,  
11 so --

12 MR. FERGUSON: What would the  
13 water quality in the reservoir be?

14 MR. CUTLIP: Yeah. We really --

15 MR. FERGUSON: I suppose that's a  
16 legitimate question.

17 MR. CUTLIP: That's probably an  
18 issue that needs to be explored, is: What is the  
19 water quality of the reservoir going to look like?

20 MR. FERGUSON: And to be honest,  
21 this is the first project I have dealt with that is  
22 not surrounded by a lake, an existing lake. So,  
23 yeah, I guess that's probably a legitimate question  
24 to ask, is -- assuming, for example, you could even  
25 talk Fish and Game into stocking the lake, would it

1 be worthwhile?

2 MR. CUTLIP: Right. Would it be  
3 worth it? Would the water quality support a viable  
4 fishery?

5 MS. SCHRADER: Well, the reservoir  
6 would have to meet water quality standards,  
7 wouldn't it?

8 MR. FERGUSON: I would think so,  
9 yeah.

10 MR. CUTLIP: That would be  
11 determined by the state, correct? Wouldn't they  
12 issue a water quality certification?

13 MR. FERGUSON: Again, that's --

14 MR. MARTIN: That would fall  
15 under --

16 MS. BEILHARZ: The department  
17 formally waived it a few years ago.

18 MR. MARTIN: The Corps of  
19 Engineers, when I was there doing their 404  
20 certification, the state waives -- DEC waives 401.  
21 Typically that's the process in Alaska.

22 MR. CUTLIP: So is the Corps  
23 required to get a 401, or nobody is required to get  
24 a 401?

25 MR. MARTIN: They just get a

1 letter -- they get a letter from DEC stating that  
2 they are waiving the right. That's just the  
3 process up here.

4 MR. TURNER: If you remember,  
5 Cooper Lake is another example where they didn't  
6 issue the 401 associated with their license, but  
7 they issued it -- they were planning to issue it  
8 associated with the construction activities in the  
9 diversion structure up there. So how they might  
10 handle the reservoir, I'm not sure either. But I  
11 would suspect that there still needs to be -- I  
12 don't suspect there is going to be a problem of  
13 water quality standards anyway, but --

14 MR. FERGUSON: I wouldn't think  
15 so, but I'm not the expert on that anymore. Of  
16 course, there are similar issues, although they  
17 wouldn't apply to the reservoir because it's not an  
18 anadromous -- at least we don't think it's an  
19 anadromous habitat -- that we have, you know, a  
20 habitat permit potentially for this too, anadromous  
21 fish permit. So that will -- those stipulations  
22 will come in at the time of the Coastal Zone  
23 Management Review.

24 MS. ALLEE: The contact right now  
25 is Brenda Krauss --

1 MR. CUTLIP: Brenda at --

2 MS. ALLEE: -- at DEC.

3 MR. CUTLIP: At DEC?

4 MS. ALLEE: Yeah.

5 MR. CUTLIP: Well, in any event,  
6 there are certainly some opportunities to determine  
7 whether or not the reservoir would be -- or how  
8 water quality would be affected once the reservoir  
9 is constructed. So, anyway, we can definitely -- I  
10 think we're good there.

11 Okay. So how would project  
12 construction and operation alter the existing flow  
13 regime of the Soule River? Anybody have any  
14 comments on that issue?

15 MS. BEILHARZ: We'll provide in  
16 writing some specific ways that we would like to  
17 see that described.

18 MR. CUTLIP: Okay.

19 MR. FERGUSON: And we may also.

20 MR. CUTLIP: Okay. Any other  
21 concerns related to just the specific water  
22 resources, the physical aspects?

23 MS. BLACKMORE: We also asked  
24 about how will facilities be designated to  
25 accommodate extreme hydrologic events such as

1 Joklhlaups? That would be design during  
2 construction and during the operation. The  
3 Joklhlaups are the glacial lake outbursts, because  
4 you do have a glacier up there.

5 MR. TURNER: You know, the  
6 question in my mind is, that's somewhat from a dam  
7 safety perspective, and -- once it's operational,  
8 anyway, because, as I saw it, it was huge gushes of  
9 water. So it's kind of part of the Probable  
10 Maximum Flood. Our environmental assessments don't  
11 typically look at those designs that well, because  
12 we look at dam safety and construction somewhat  
13 separately.

14 We'll look at it in terms of the  
15 geological stability, and we'll recognize these  
16 events in our analysis, but our dam safety folks  
17 kind of undergo their own analysis. And once those  
18 final designs are constructed, our final designs  
19 are actually submitted to the Commission for  
20 approval along with the Probable Maximum Flood  
21 analysis. I would think those kinds of events  
22 would get factored into that analysis.

23 MS. BLACKMORE: It might simply be  
24 noted to recommend it be factored in, as the  
25 Joklhlaups have occurred just about, what, 8 miles

1 away. So --

2 MR. TURNER: You know, like I  
3 said, we can definitely note it in the EA. I'm not  
4 sure what we would recommend, because we don't get  
5 into that analysis other than noting that these are  
6 very significant slope failure potentials and we  
7 need an erosion sediment control plan, the details  
8 to deal with that. Or there is an issue of these  
9 types of events that may affect probably the  
10 maximum floods or events that would need to be  
11 factored into the analysis, but not likely to be a  
12 license condition per se that says, "Do this."

13 MS. BLACKMORE: It is a design  
14 factor.

15 MR. TURNER: It's a design factor  
16 that will be developed more after we've made our  
17 decision that this project is in the public  
18 interest to deal with this issue. Does that make  
19 sense?

20 MS. BEILHARZ: We'd be interested  
21 in it from a standpoint of ground disturbance, if  
22 there had to be some design that increased the --  
23 like provided a PMF spillway, which some projects  
24 are being retrofitted for now. We'd like to get as  
25 good a handle as we can on that up front so we're

1 really assessing all the potential future ground  
2 disturbances.

3 So then if you are designing for  
4 an extreme event, you might design it slightly  
5 different. So at least get the conceptual designs  
6 close to the final.

7 MR. TURNER: Close enough to  
8 reality, and I'm thinking that AP&T is going to  
9 want to do that in its final application as much as  
10 possible, but --

11 MR. CUTLIP: What resource area do  
12 you think it would be appropriate to address that  
13 in? It's not -- it doesn't seem to be as much of a  
14 water resource as -- would it be a terrestrial  
15 issue or geology?

16 MR. TURNER: Probably more geology  
17 and soil, I would think, but we'll figure it out.

18 MR. CUTLIP: Okay.

19 MS. SCHRADER: Along the lines of  
20 the dam, I would ask the two Jims: Will the state  
21 then be issuing a dam certification, a dam safety  
22 certification?

23 MR. FERGUSON: I don't know that  
24 we do that on FERC projects. I don't think so.

25 MR. TURNER: No. I think the

1 jurisdiction falls within the Commission. We have  
2 our own dam safety program.

3 MS. SCHRADER: And do you --  
4 because I know the state certification requires  
5 bonding or financial assurances. Is that part of  
6 the FERC's -- I don't know your process well enough  
7 to know how you do it. I don't mean to be getting  
8 off into red herrings at this point, but it is nice  
9 to know there is some money and some responsible  
10 parties since this dam may need to be there for a  
11 few decades.

12 MR. TURNER: I don't know for sure  
13 how our dam safety program requires or deals with  
14 that issue. I have not heard of that before. From  
15 a bonding perspective for new projects, we have in  
16 the past, on occasion, looked at the financial  
17 capabilities of a licensee as to whether or not we  
18 would require a financial plan or something else  
19 that would show us that they had the wherewithal to  
20 develop or deal with environmental measures. But  
21 it is not a frequent occurrence.

22 MS. SCHRADER: So dam maintenance  
23 over -- I mean, I don't know if this is a dam  
24 that's, you know, being planned for perpetuity,  
25 but, I mean, there certainly are maintenance costs

1       involved. Does the state look at that on  
2       hydropower projects that have dams, or the Forest  
3       Service?

4                   MS. BLACKMORE: Let me address  
5       your first one, because the dam, once it -- if and  
6       when it becomes licensed, it then gets a special  
7       use permit from the Forest Service. Because it is  
8       on Forest Service land, bonding will be demanded.

9                   MS. SCHRADER: Okay. Thank you.

10                  MR. TURNER: They are required to  
11       be put in the license.

12                  MS. SCHRADER: I just wondered  
13       which agency gets to --

14                  MR. FERGUSON: We've actually, in  
15       the ACMP review, Title 16 permit, a few times  
16       required a sort of mitigation fund be established  
17       for a project, particularly for smaller operators  
18       that might not be able to deal with a catastrophic  
19       situation. We do have a few of those, you know, in  
20       operation, but it has only been a few of them.

21                  MR. TURNER: But as far as dam  
22       safety goes, once it's constructed, it's the  
23       Commission that oversees it. And depending on its  
24       category, we have a couple of different categories,  
25       just like the state does, in terms of its standards

1 for high-hazard, low-hazard-type dams. And we have  
2 a program that requires periodic maintenance and  
3 review of those, and that's done under Part 12 of  
4 the Federal Power Act, which is somewhat separate  
5 from the issue of what we had to do here first, and  
6 that is, make a decision whether or not --

7 MS. SCHRADER: Sure.

8 MR. TURNER: -- it's the interest  
9 to get a license. And then once it's licensed,  
10 then we approve the designs as part of that  
11 construction part of it to make sure it meets those  
12 current engineering standards. And then we  
13 periodically make sure that it's maintained and  
14 operated according to the license as well as dam  
15 safety programs.

16 MS. SCHRADER: Okay. Thank you.

17 MR. ANDERSON: Could I add that  
18 the portion on state land we typically review for  
19 levels of bonding. So that will be whatever parts  
20 of the project are on state land would be evaluated  
21 for the level of bonding.

22 MS. SCHRADER: So would that,  
23 like, include, then, potentially the power plant  
24 down at the estuary?

25 MR. ANDERSON: Everything on state

1 land.

2 MR. MARTIN: I have a question for  
3 the agencies: If multiple agencies want or feel  
4 they need to bond something like that, does  
5 everybody bond separately so that a project would  
6 be paying for three -- let's say three separate  
7 bonds, or is it something that they get together  
8 and say that "This should be bonded at this level."  
9 "Well, we think it's this level." "Okay. Well,  
10 we'll go with your level because it is higher," and  
11 come to a solution that way, or just how is it  
12 typically done?

13 MR. ANDERSON: Separately with us.

14 MR. MARTIN: So potentially we  
15 could have Fish and Game, DNR, and the Forest  
16 Service asking for three separate bonds? Is that a  
17 potential scenario?

18 MS. BLACKMORE: I have never  
19 bonded with another agency, but I'm a beginning  
20 bonder, so --

21 MR. MARTIN: Strike that from the  
22 record.

23 (Laughter.)

24 MR. FERGUSON: I know that the --  
25 you know, I haven't considered a mitigation fund

1 for this project and don't know that I will, but I  
2 know that when we've done that, we've run them  
3 through an ACMP review, which means that we've  
4 discussed and coordinated with DNR and -- it's  
5 usually just DNR, obviously, with the Coastal  
6 Management Program. That's the extent to which  
7 ours has gone. But like I say --

8 MR. MARTIN: But there is some  
9 coordination?

10 MR. FERGUSON: Oh, yes.

11 MR. MARTIN: Okay.

12 MR. CUTLIP: Okay. I think it is  
13 time to move on to fisheries and aquatics. The  
14 first one there: Would project construction and  
15 operation affect anadromous salmonids potentially  
16 occurring in the Soule River or Portland Canal?

17 Obviously that's an issue here, it  
18 sounds like, with migratory species as well as what  
19 may or may not be attempting to utilize the Soule  
20 River itself.

21 MS. BEILHARZ: And the estuary.  
22 Again, specifically wording -- I don't know if the  
23 estuary is included in the wording of "Soule River"  
24 or not.

25 MR. MARTIN: That could fall under

1 Portland Canal, maybe.

2 MR. CUTLIP: Portland Canal, yeah.

3 MR. TURNER: But we can certainly  
4 add it in there if you want. Estuary -- do you  
5 want to include the estuary --

6 MS. BEILHARZ: Well, we -- you  
7 know, we're probably going to do a little bit of  
8 wordsmithing on the specificity in our comments.

9 MR. CUTLIP: Sure. Okay. Anybody  
10 have any other comments on that? Okay.

11 What impacts would project  
12 construction and operation, including riverine  
13 habitat inundation, have on Dolly Varden? Fair  
14 enough? Okay.

15 MS. SCHRADER: Excuse me. Did you  
16 want to limit it just to Dolly Varden? I mean,  
17 again, this would -- this is worded broadly enough  
18 to consider the estuary too --

19 MR. FERGUSON: Well, we could  
20 say -- well, I mean, the other one is anadromous.  
21 We could just say "resident fish species." I mean,  
22 I -- at this point, we've only found Dolly Varden,  
23 but I think it's theoretically possible there could  
24 be cutthroats up there. We just haven't seen them  
25 yet. They certainly exist in that area. They are

1 common.

2 MS. SCHRADER: Resident fish  
3 populations.

4 MR. TURNER: So just "resident  
5 fish"? How about that?

6 MS. BEILHARZ: Yes. And I'm  
7 assuming this is in the whole Soule River,  
8 including below the dam site?

9 MR. CUTLIP: Yeah. Yeah. We  
10 can -- we definitely should probably expand that if  
11 we're considering other species that might be below  
12 the dam, and then also we can carry that down the  
13 estuary for species that aren't necessarily  
14 anadromous, since that first bullet is just  
15 "anadromous."

16 MS. BEILHARZ: What about what we  
17 call the bypass region between the dam and the  
18 gorges too?

19 MR. CUTLIP: Sure. Yeah.

20 MR. TURNER: That is part of the  
21 Soule River, as we defined it. It's just bypass.

22 MS. BLACKMORE: We had some  
23 specificity again: North Fork, No Name Lake. No  
24 Name Lake is not part of the Soule River, so we'll  
25 send some more wording.

1 MR. CUTLIP: Okay. Are there any  
2 other -- well, I suppose there are a lot of other  
3 fish species in Portland Canal, potentially.

4 MS. BLACKMORE: There is a lot of  
5 crabbing in Glacier Bay Point, right here. It is  
6 right here (indicating). So how will a dam affect  
7 that?

8 MR. CUTLIP: Would project  
9 construction and operation affect --

10 MS. BLACKMORE: There is a lot of  
11 recreational crabbing.

12 MR. CUTLIP: Yeah. I'm wondering  
13 if that wouldn't be more of a recreational  
14 resource, or is it also from a biological  
15 perspective, the effect on the crab population? Is  
16 that something folks are concerned with?

17 MS. BLACKMORE: We put it in  
18 regulation.

19 MS. BEILHARZ: We'd like to know  
20 about it. Is there an effect from the -- basically  
21 the interception of the silt, probably, that might  
22 change the crabbing grounds?

23 MR. CUTLIP: Okay. We'll put it  
24 under "aquatics." I'm wondering if we shouldn't  
25 say "crab and other marine" and break it out

1       between the fresh water? I don't know. I'm just  
2       trying to think geographically and by species,  
3       but -- or by river versus estuary. You know what I  
4       mean? Because there is going to be some species --  
5       there may be species in the upstream of the  
6       potential barriers, and then also downstream. And  
7       there is resident, and then there's migratory, and  
8       then there is marine, and there is --

9                   MS. BEILHARZ: So you'd like to  
10       make a new issue for marine aquatics?

11                  MR. CUTLIP: Yeah. I think that  
12       would be a good idea.

13                  MR. TURNER: Is there any specific  
14       species that you want to focus on? I mean, that's  
15       a broad topic of "other." I mean, there --  
16       obviously the crabbing because of its recreational  
17       value, but are there others that are uniquely  
18       important?

19                  MS. BEILHARZ: Well, the Forest  
20       Service primarily deals with the -- you know, the  
21       land part, so we'll stick to speaking to ones that  
22       are recreation -- tied to recreation. But that  
23       doesn't mean that others won't say something about  
24       other species. But that's all we're going to say.

25                  MR. CUTLIP: Are these Dungeness

1 crab, or do we have a specific species? Is there  
2 more than one?

3 MS. BLACKMORE: You'd have to ask  
4 people from Hyder, I think.

5 MR. FERGUSON: Yeah. I don't know  
6 if they have Dungeness and tanners here, both, or  
7 what. I don't know. I'm not sure. But certainly  
8 Dungeness.

9 And I think that as far as the  
10 main fish of interest to us would be anadromous  
11 fish, from a commercial standpoint, that I think  
12 could potentially have an impact. There are  
13 certainly a lot of other species that are caught  
14 commercially, but I really don't know the extent of  
15 the fishery there. But I sort of doubt they have  
16 an effect unless you are snagging your longlines on  
17 the cable or something like that.

18 MR. CUTLIP: So, okay. I think  
19 what I'm going to do is, I'll include in that a  
20 separate issue that says: What impacts would  
21 project construction and operation have on crab  
22 species in Soule River delta? And then if folks  
23 want to additional marine species, please file  
24 comments, and we'll take a look at them and see  
25 whether they'd be a potential for anadromous effect

1 or an effect there.

2 And then when we get to  
3 recreation, we can talk about the crabbing issue,  
4 the physical recreational crab fishery.

5 MS. SCHRADER: So do we know that  
6 there is not a commercial fishery there for crab?  
7 We don't know? So I wouldn't assume that it's all  
8 recreational, I guess, unless somebody is  
9 knowledgeable and clarifies.

10 MR. TURNER: It certainly seems  
11 like something AP&T can explore in terms of  
12 defining the resources.

13 MS. SCHRADER: Yes. Sure.

14 MR. CUTLIP: Okay. So that covers  
15 fish and possible effects in the Soule River crab.  
16 And then moving on to -- the last bullet there at  
17 the bottom, I'm going to skip the excavation spoils  
18 for a second and come back to that one.

19 What impacts on fisheries and  
20 aquatic resources of Portland Canal would occur as  
21 a result of the proposed 10.5-mile-long submarine  
22 cable? So that's another fisheries -- it is the  
23 last bullet there on page 14, under "Fisheries and  
24 Aquatic Resources."

25 MR. FERGUSON: Just based on some

1 of the discussions I have had on other projects,  
2 you know, the direct impact or the direct effect of  
3 the cables I don't think has been analyzed, to my  
4 knowledge, up here before, certainly in Southeast.  
5 But the main issues have been interference with  
6 anchorages and fishing gear and all that. You  
7 know, the dropoff there may, you know, render that  
8 moot. I don't know.

9 MR. CUTLIP: How deep is that  
10 water, on average, or is there an average?

11 MR. MARTIN: I think it's  
12 400 feet. As it goes up to Hyder, it gets  
13 shallower, but it is pretty deep water out there.

14 MR. CUTLIP: Are you proposing to  
15 bury it at all, or just lay it on the sea floor?

16 MR. MARTIN: Well, you know, we've  
17 laid a submarine cable between Skagway and Haines,  
18 and that was 1,500 feet deep. First what you do  
19 is, you go in and survey with sonar, determine what  
20 kind of bottom you've got. And in the case of the  
21 one, Skagway to Haines, it was sediment.

22 So what they used is a device  
23 that -- for feeding the submarine cable down,  
24 you've got a device on the bottom that is rolling  
25 along the bottom. It has a water jet in front of

1       it that trenches. It's laying the cable just  
2       behind that, and it has double jets behind it that  
3       are filling back over it.

4                        So that's how they laid that so  
5       that it wouldn't be on the surface to get snagged  
6       and that sort of the thing, except for where you  
7       might come across bedrock or something. So that's  
8       how we handled that, and I would suspect we'd  
9       probably try and to do this the same way.

10                      MR. FERGUSON: Yeah. Just kind of  
11       the shallow sections -- the Corps and the Coast  
12       Guard would be interested in that, you know, as an  
13       anchorage there.

14                      MR. CUTLIP: Well, I'm going to  
15       leave it -- I'll leave it as an issue so that we  
16       can make sure that it gets addressed in the EA and  
17       that, you know, we get a good project proposal of  
18       what you are actually proposing to do there, and  
19       then we can explore the effects. Because it really  
20       is sort of separate in my mind from the actual  
21       construction operation of the hydro project. It's  
22       sort of a different issue.

23                      MS. BEILHARZ: Marine cables?

24                      MR. CUTLIP: Yes.

25                      MS. BEILHARZ: Is it still going

1 to be within the project boundary?

2 MR. CUTLIP: Oh, yeah. Yeah. It  
3 will be a licensed project facility, but, I mean,  
4 it's not -- it doesn't have to do with the movement  
5 of water or, you know, like in the estuary there,  
6 exactly. It's kind of a different --

7 MS. BEILHARZ: Okay.

8 MR. CUTLIP: So that's why we're  
9 going to leave it as a separate issue instead of  
10 just lumping it in.

11 Okay. And then back to that last  
12 item, the skipped item: What impacts on fisheries  
13 and aquatic resources would occur due to the  
14 deposition of project-related excavation spoils  
15 over the Soule River delta or into the Portland  
16 Canal? So since that's your current proposal --

17 MR. MARTIN: Right.

18 MR. CUTLIP: -- we'll leave it in  
19 there.

20 MR. MARTIN: Yeah. That's fine.  
21 This sounds like we might have a solution with  
22 Hyder, but we'll see.

23 MR. CUTLIP: Are there any other  
24 issues that you folks identify for fisheries and  
25 aquatics?

1 MS. BLACKMORE: We had one, and I  
2 believe Sue kind of mentioned it. What impact on  
3 aquatic resources of the Portland Canal would occur  
4 as a result of the construction and operation and  
5 maintenance of the marine access facility? So if  
6 you've tied it in elsewhere -- it could be aquatic  
7 and fisheries, and it could also be terrestrial,  
8 because you have to connect it in to the land, you  
9 know, but marine access facilities do impact both.

10 MR. CUTLIP: Okay. So what  
11 impacts would -- I'm just going to put this down.  
12 We might combine this with another issue, but at  
13 this point: What impacts would construction and  
14 maintenance of the marine access facilities have on  
15 aquatic resources of the Soule River delta or  
16 estuary or Portland Canal?

17 MS. BLACKMORE: It depends on  
18 where it is located, so, yes, both.

19 MS. SCHRADER: The question of the  
20 various bird species that use an estuary, are they  
21 considered an aquatic resource, or would that be  
22 covered --

23 MR. TURNER: That is more dealt  
24 with under the terrestrial stuff, and we'll get to  
25 that in a second.

1 MS. SCHRADER: Okay.

2 MR. CUTLIP: Okay. On to  
3 threatened and endangered species. Is that it for  
4 fisheries?

5 MR. TURNER: There is an addendum  
6 sheet that we passed out along with the SD1. I  
7 created this after I saw the Forest Service's  
8 comments on the study plans, but it didn't get a  
9 chance to be incorporated into SD1. So if you will  
10 ignore 4.2.4 and 4.2.5 that's in the actual Scoping  
11 Document and refer to the addendum sheet, that's  
12 what I'll talk about, T&E species and terrestrial  
13 resources.

14 Under Section 7 of the Endangered  
15 Species Act, we have an obligation to consider our  
16 effects on threatened and endangered species, so I  
17 have included that: How would project construction  
18 and operation affect threatened and endangered  
19 candidate species? So we'll need to get an updated  
20 list from the Service, but I'm not recalling any at  
21 this point. Does anybody know of any?

22 MS. BLACKMORE: We've got a list.  
23 We'll send them.

24 MR. TURNER: Okay. I was hoping  
25 Fish and Wildlife service will also respond, as

1 well as you guys probably need to inquire and get a  
2 list from the Service to make sure you consider  
3 those in there.

4 MS. SCHRADER: To what extent,  
5 does anyone know, has NMFS been involved? I mean,  
6 the endangered species would be the marine mammals,  
7 you know, the humpback whale. I have no idea what  
8 its prevalence is in Portland Canal. Has there  
9 been any discussion with anyone in NMFS?

10 MR. MARTIN: Which whale?

11 MS. SCHRADER: Humpback.

12 MR. TURNER: They are on our  
13 mailing list, but we haven't heard anything.

14 MR. MARTIN: They'd be here, but  
15 the representative had surgery today, or rather  
16 this week, in Seattle. So . . .

17 MR. CUTLIP: I suppose there could  
18 also be Steller sea lions. Are they in the canal?

19 MS. SCHRADER: Yes. They're  
20 threatened.

21 MR. TURNER: I'll put down  
22 humpback.

23 MR. CUTLIP: But we don't really  
24 know. I mean, we can assume they're there, but --

25 MR. TURNER: Well, hopefully the

1 Service will let us know and/or the Forest Service  
2 know. If any are utilizing that area, we need to  
3 consider it.

4 MR. RUSANOWSKI: From our surveys  
5 this spring, we had Dall porpoise and harbor seals  
6 in the area.

7 MR. TURNER: Those aren't listed,  
8 though, right?

9 MR. RUSANOWSKI: No.

10 MS. SCHRADER: Did you see any  
11 whales?

12 MR. RUSANOWSKI: No whales. Just  
13 the Dall porpoise and the harbor seals.

14 MS. SCHRADER: The gentleman from  
15 Hyder could help us out.

16 MR. CUTLIP: We'll be seeing them  
17 on Thursday.

18 MR. TURNER: The Forest Service  
19 did provide a list of sensitive species which we'll  
20 consider also. And I have that as northern  
21 goshawk, Kittlitz's murrelet, American peregrine  
22 falcon, trumpeter swan, Peale's peregrine falcon,  
23 and osprey. Are there others that should be  
24 included? I think that is what you had in the  
25 Forest Service comments on the study plan.

1                   And when I say "project  
2           construction and operation," I'm being  
3           all-inclusive and broad here. Any other issues  
4           under T&E, or any specificity? Feel free to submit  
5           changes if you want to -- for us to reconsider  
6           those. All right.

7                   Then terrestrial resources, we've  
8           identified five issues. Most -- the first one  
9           deals with changes in vegetation associated with  
10          project construction, obviously the quantification  
11          and the types of vegetation that would be removed,  
12          associated with the various facilities.

13                   The second one is: How much  
14          commercial timber would be removed from project  
15          construction and operation? That one is a unique  
16          one to me. I haven't actually -- I mean, I've been  
17          involved in a number of original projects before,  
18          even in Alaska, and we've never really analyzed  
19          that effect. I'm wondering from what perspective  
20          that actually is an issue.

21                   In other words, how would the  
22          Commission make a license requirement to deal with  
23          this issue, or is it something more akin to a  
24          permitting requirement of the Forest Service that  
25          doesn't really need to be analyzed but yet somehow

1 needs some kind of quantification? Do you  
2 understand what I'm trying to get at there?

3 MS. BEILHARZ: Part of it is road  
4 use, sizing of road and terminal facilities. Like  
5 if you are going to have log barges come in there,  
6 you might design things differently than if not.  
7 So some environmental effects related to getting it  
8 out of there.

9 MR. TURNER: So it is all part  
10 of --

11 MS. BEILHARZ: Reservoir  
12 clearing -- you know, is it going to be cleared or  
13 not? Leave trees standing? Cut them and leave  
14 them? Cut them and haul them?

15 MR. TURNER: But how is that  
16 different from talking about just cover-type  
17 estimates? I mean, is there a need to actually  
18 talk about the volume of timber that is going to be  
19 removed versus --

20 MS. BLACKMORE: We will have to  
21 produce a timber settlement contract or agreement  
22 to get the timber removed, and so there is a  
23 workload, that that will be done. So not knowing  
24 that it is an issue -- but as Margaret says, the  
25 marine access facility, the barging has to be

1 designed to help get that out. The roads have to  
2 be designed to get that out.

3 MR. TURNER: To get the  
4 harvestable timber off of the lands that's being  
5 cleared?

6 MS. BLACKMORE: Yes.

7 MS. BEILHARZ: 1,000 acres is a  
8 lot. We know it is not all timber, but, you know,  
9 would there need to be additional roads to access  
10 some areas where timber might be taken out of? The  
11 amount of rock that might go on the road, and --

12 MS. BLACKMORE: The road that is  
13 being built will also have to be timbered.

14 MR. RUSANOWSKI: We know from the  
15 survey work we did this spring on the shoreline  
16 that there are quite a few trees that are in the  
17 30- to 90-inch DBA size range within 200 feet of  
18 the shore, so there is obviously merchantable  
19 timber that would be affected.

20 MR. TURNER: So is it better to  
21 phrase the question, "How would commercial timber  
22 be removed?" as opposed to "how much"? I mean, in  
23 the sense of what you are talking about is the  
24 facilities, not necessarily the effects of -- I  
25 mean, there is no limit on the amount of timber.

1 We're not talking about trying to minimize the  
2 amount of timber that would be removed versus how  
3 we're going to deal with the timber that needs to  
4 be removed.

5 MS. BLACKMORE: Right. And we're  
6 also dealing with -- yes, that would be true.  
7 We're also dealing with where it's going to be  
8 sold. Because it's so close to Canada, the wood  
9 cannot be exported. So there is an additional  
10 aspect of export versus domestic sale. So there is  
11 a whole workload just around the timber aspect that  
12 needs to be considered.

13 MS. BEILHARZ: And it may not need  
14 to be considered in the FERC license order, like  
15 you said, but a plan, a management plan, vegetation  
16 management plan might refer to processing timber  
17 off there.

18 So there are two parts, the part  
19 that we do need to deal with in the FERC's EA, and  
20 the part that the Forest Service needs to deal with  
21 as far as permitting the sale, et cetera. So we'll  
22 try to acknowledge the two separate parts.

23 MR. TURNER: Yeah, if you could,  
24 that would help me out. Try to figure out what  
25 part the Commission needs to focus on. And as Matt

1 was just kind of saying, it sounds like it's a  
2 cumulative effect issue in the sense of what you do  
3 with the timber, but I think that is kind of really  
4 outside the scope of what we need to worry about  
5 here.

6 We need to recognize that the  
7 timber will be removed and some facilities will  
8 need to be developed to remove that timber. As  
9 part of that, we might require some kind of  
10 vegetation plan that meets those design standards.  
11 But we're not going to limit the Forest Service's  
12 ability or AP&T's ability to dispose of that  
13 timber. I mean, that's kind of your own  
14 jurisdictional issues. So I don't think we need to  
15 talk about that in the environmental assessment.  
16 Does that make sense? Okay.

17 MS. BEILHARZ: Yeah. I'm thinking  
18 of potentially kind of the timing and moving it  
19 offsite may result in stockpile or not.

20 MR. TURNER: Well, again, that  
21 would be a management-type issue of dealing with  
22 what would be removed, versus --

23 MS. BEILHARZ: Yeah. Right.

24 MR. TURNER: Which would mean  
25 you'd need some sort of the quantification, too, on

1       how much of a stockpile.

2                       MS. BEILHARZ:   Uh-huh.

3                       MR. TURNER:   Okay.

4                       MR. CUTLIP:   Some kind of timber  
5       management plan, would that be a typical --

6                       MR. TURNER:   It could be --

7                       MR. CUTLIP:   -- or potential  
8       license condition?

9                       MR. TURNER:   It could be.  I mean,  
10      a timber management plan could be a license  
11      condition.

12                      MS. BLACKMORE:   So nothing small.  
13      Nothing small at all.

14                      MR. TURNER:   What happened to  
15      better government being small?

16                      Then we've added project  
17      construction and operations on wetlands and  
18      floodplain issues.  Basically, again, I think  
19      looking at how much wetlands and floodplains could  
20      be affected, just quantifying that.

21                      You guys raised some concern about  
22      spread of invasive species, but that was down  
23      mostly in the estuary area, as I understood it.  
24      You are not anticipating the existence of invasive  
25      species above that because of lack of disturbance

1 already?

2 MS. BLACKMORE: Right. But you  
3 could bring in --

4 MR. TURNER: So what we're looking  
5 for is going to be a noxious weed management or  
6 invasive species management plan --

7 MS. BLACKMORE: Yes.

8 MR. TURNER: -- and how you're  
9 going to deal with that?

10 MS. BLACKMORE: Uh-huh.

11 MR. TURNER: And then the last  
12 bullet is basically dealing with what you define as  
13 your management indicator species -- mountain  
14 goats, grizzly bears, black bears, gray wolf, bald  
15 eagles, raptors and other migratory birds, and the  
16 boreal toads, which I -- that one had me a little  
17 confused, too, as to where you were going with that  
18 issue.

19 MS. BLACKMORE: I would have to go  
20 and ask my wildlife biologist.

21 MR. RUSANOWSKI: Boreal toads  
22 occur on the delta.

23 MS. BLACKMORE: Yeah. And they do  
24 yearly surveys on the boreal toads, so I'd have to  
25 get that clarified. We had other management

1 indicator species that we have to address which  
2 were in our draft study plan.

3 MR. TURNER: Oh, really?

4 MS. BLACKMORE: Yeah. There is  
5 about ten more, so I'll just send that to you.

6 MR. TURNER: Okay. I must have  
7 missed those.

8 MR. RUSANOWSKI: We found the  
9 boreal toads last year in the fall, juveniles about  
10 an inch in size, and they were all over the place  
11 on the delta. So there is obviously a breeding  
12 population there.

13 MR. TURNER: Are they actually  
14 breeding within the delta?

15 MR. RUSANOWSKI: Yeah. We didn't  
16 see any adults or juveniles in the May survey, but  
17 that's not surprising. But they were there last  
18 summer, and they were, as I say, all over the  
19 place.

20 MR. TURNER: Okay. Any there any  
21 other terrestrial resource issues that we need to  
22 cover? Everybody's about wore out? All right.

23 Let's move to esthetics, basically  
24 looking, again, at how this project is going to  
25 affect the visual quality objectives of the project

1 area. I'm assuming that's pretty well defined in  
2 your management plan in terms of what those  
3 objectives are.

4 MS. BLACKMORE: We've added a few  
5 more words.

6 MR. TURNER: Okay. And you'll  
7 submit that?

8 MS. BLACKMORE: Yes.

9 MR. TURNER: Perfect.

10 Recreation resources and land  
11 uses -- we've kind of already touched on those a  
12 little bit. Again, how would project construction  
13 and operation affect recreational resources and  
14 land use for the area? And then the second bullet,  
15 the Misty Fjords National Monument -- mostly, I'm  
16 assuming, that's a visual effect as well, or is it  
17 an access issue?

18 MS. BLACKMORE: It's a wilderness.  
19 I think you have to address how it affects a  
20 wilderness.

21 MR. TURNER: Since it's not  
22 located in the wilderness, what is the  
23 perspective that you're --

24 MS. BLACKMORE: It's adjacent to.

25 MS. BEILHARZ: So things like

1 noise during construction.

2 MR. TURNER: That's what I'm  
3 saying. What kind of effects were you anticipating  
4 with a project that's not located in or abutting,  
5 and barely abutting -- I mean, you are a fair  
6 amount of ways away.

7 MS. BLACKMORE: We'll get back on  
8 that.

9 MR. TURNER: Okay.

10 MR. CUTLIP: I had a couple of  
11 points of clarification on recreation. That's  
12 obviously a very broad bullet: How would project  
13 construction and operation affect recreational  
14 resources and land use for the area? Can we narrow  
15 that down or get more specific on that one now, or  
16 is that something we would have to consider? I'm  
17 not a recreation planner, but I'm just wondering if  
18 we could --

19 MS. BEILHARZ: This brings up  
20 something that we'll need to address  
21 collaboratively in the next year, the fact that, as  
22 the gentleman from Hyder mentioned, the land use  
23 designation is "remote recreation," and that's --  
24 so the standards and guidelines for that address  
25 recreation characteristics of remoteness,

1 isolation, lack of human activity; that when we  
2 recommend to the FERC whether or not this project  
3 is not inconsistent with our plan, we have a lot of  
4 work to do to ensure that it is analyzed thoroughly  
5 enough, that we can make a clear determination of  
6 whether it is not inconsistent with the plan. And  
7 we're continuing to have some internal discussion  
8 on our process and timing of that process to deal  
9 with this and potential actions related to amending  
10 the forest plan. So the recreation issues  
11 currently need to address how the project would  
12 affect remote recreation characteristics.

13 MR. TURNER: That's a good point.

14 MS. BEILHARZ: And it can also  
15 include quantification of just use, numbers. But  
16 the types of use have some categories in our forest  
17 plan, so -- I think we provided some of that in the  
18 study plan, the recreation standards and  
19 guidelines.

20 And it also relates to the scenic  
21 objective. There is a high integrity objective for  
22 scenery, so this is kind of the current standard we  
23 need to assess against.

24 MR. TURNER: And that assessment  
25 is typically done how? You mean by just

1       quantifying the types of effects?

2                       MS. BEILHARZ:   Scenic?

3                       MR. TURNER:   Yeah.  Well, and/or  
4       the effects on remote recreation.  So it's more of  
5       a visual perspective and noise perspective of the  
6       activities?

7                       MS. BEILHARZ:   Remote recreation?  
8       It would be a qualitative discussion of -- you  
9       know, probably.  We'd probably need to get a little  
10      more input from our recreation people.  They have a  
11      discipline of their own as far assessment.  And if  
12      we need more detail on developing the study plans  
13      for recreation, let's get together and develop  
14      that.

15                      MR. TURNER:   Yeah.  That's  
16      probably -- I just want to make sure we explain to  
17      our recreation person what focus she probably needs  
18      to be looking at in that respect, the perspective  
19      relative to the types of activities that are going  
20      on.

21                      MS. BEILHARZ:   The current land  
22      use designation is "remote recreation."

23                      MR. TURNER:   So it is not  
24      necessarily -- so is it an access issue, or is it  
25      more of a --

1 MS. BEILHARZ: The whole basin is  
2 designated as "remote recreation." So if any of  
3 the project facilities would affect any of that  
4 recreation characteristic within any of the  
5 drainage, basically what would be the effect?

6 MR. TURNER: Okay.

7 MR. CUTLIP: Would it make it not  
8 more remote?

9 MS. BEILHARZ: It would change the  
10 characteristic. And we have some other categories  
11 that it can be described as.

12 MR. CUTLIP: Okay.

13 MS. BEILHARZ: So maybe that's an  
14 area we can provide more thoroughly written input  
15 on.

16 MR. TURNER: Well, if it needs to  
17 be clarified -- I mean, right now, as Matt said, it  
18 is pretty broad. It doesn't give us -- we'll see  
19 more of your recommendations, I'm sure, once we  
20 look at it and once the study plans are already  
21 developed, but sometimes it does help to kind of  
22 narrow those down if we can, but maybe we can't.

23 MR. CUTLIP: I was going to add  
24 two items here related to the fishery, even though  
25 it's really a recreation issue, and see what your

1 thoughts were on that.

2 The first one is obviously what we  
3 already discussed: How would project construction  
4 and operation affect recreational and commercial  
5 crabbing and fishing -- I guess commercial wouldn't  
6 necessarily go there, but anyway -- recreational  
7 crabbing and fishing in the Soule River estuary and  
8 Portland Canal? Fair enough?

9 And then the other one is: How  
10 would creation of reservoir habitat affect  
11 recreational fishing in the North Fork, Soule  
12 River, and No Name Lake? Because if the projects  
13 were constructed and you inundate the riverine  
14 habitat, you've potentially created a whole new  
15 recreational fishery, especially if it's accessible  
16 now because of project roads or whatever.

17 MR. FERGUSON: Yes. If that's  
18 considered an effect, then, yeah, you could take it  
19 even further and say: What are the opportunities  
20 that exist? I mean, there could be campgrounds,  
21 cabins, who knows what.

22 MR. CUTLIP: That's something that  
23 we would definitely consider.

24 MR. FERGUSON: It's a pretty  
25 remote area, to be realistic, but I asked John

1 about it just very briefly, you know, if he had --  
2 if they had talked about that in Hyder, and he said  
3 they had. So it's probably worth bringing up, even  
4 if you don't go very far with it.

5 The process for Fish and Game of  
6 going through the whole, you know, is it a sport  
7 fishery, and are we going to stock it, and various  
8 things like that, is -- I don't even want to, you  
9 know, go through it all right now. And to be  
10 honest, I don't fully understand it, because I'm  
11 kind of over on the habitat end of things.

12 But, yeah, I mean, certainly the  
13 potential is there. You know, fly in, you know,  
14 hike and bike in.

15 MS. BLACKMORE: We asked them how  
16 would the project manage potential public access to  
17 the marine access facility and the road? You know,  
18 are you -- is it being proposed that that road is  
19 not public?

20 MR. TURNER: Right.

21 MS. BLACKMORE: So there is a  
22 potential there for use.

23 MR. FERGUSON: Yes. That's, of  
24 course, always an issue with us, although I don't  
25 think there is a huge, for example, bear

1 population, but that's always an issue with us, is  
2 increasing access to wildlife resources.

3 MS. BLACKMORE: Which creates a  
4 conflict with the "remote recreation" land use  
5 designation.

6 MR. CUTLIP: Because it is no  
7 longer remote?

8 MS. BLACKMORE: Because it is no  
9 longer remote.

10 MR. TURNER: And you suggested  
11 that there was going to be some changes to your  
12 land use plan, but you don't know about the timing  
13 of that?

14 MS. BEILHARZ: We need to sit down  
15 with you and let you -- really share the  
16 information that we've presented briefly in these  
17 study comments, I believe, and we will again. The  
18 land use plan, the Tongass plan, also has a land  
19 use designation of "transportation and utility  
20 site."

21 MR. TURNER: Yes. I think we  
22 discussed that briefly.

23 MS. BEILHARZ: Okay. So the  
24 only -- the standards and guidelines for remote  
25 recreation say there can be a TUS in there if all

1 the -- what does it say? -- alternatives to meeting  
2 the project purpose are analyzed. Is that the  
3 right wording?

4 MR. TURNER: Okay.

5 MS. BLACKMORE: "Only after an  
6 analysis of potential TUS corridors has been  
7 completed and no feasible alternatives exist  
8 outside the LUD." So right now, it's "remote  
9 recreation." It's not TUS, so -- we have had a lot  
10 of internal conversation saying that the LUD and  
11 the proposal don't mesh very well, the land use  
12 designation, and how to make it so that it may  
13 mesh.

14 MR. TURNER: Yeah. I'm not  
15 exactly sure how you put a project in the middle of  
16 someplace that's basically designed around those  
17 features. There is not a whole lot of ways to move  
18 it, so it's kind of self-evident that it's not  
19 going to.

20 MS. BLACKMORE: That's right.

21 MR. TURNER: But it doesn't mean  
22 that it's prohibited, either; it just means that  
23 you've kind of walked through it and found some  
24 kind of public interest standard that allows you to  
25 make that exception?

1 MS. BEILHARZ: We're still sorting  
2 through some interpretations in our work, and we  
3 hope to clarify that by the time we submit our  
4 Scoping Document.

5 MR. CUTLIP: Got you.

6 MR. TURNER: Fair enough. Okay.  
7 Let's move on to cultural resources.

8 MS. SCHRADER: One question, and I  
9 apologize, that I know came up earlier today, and  
10 that was subsistence. And I can't remember what  
11 the comment was or how it was resolved, but, I  
12 mean, we have not talked about, in the context of  
13 any of the either aquatic or terrestrial resources,  
14 about subsistence use either being impacted  
15 negatively or favorably.

16 And I don't know where, I don't  
17 know how the Forest Service and FERC -- I don't  
18 know the details there. Is the Forest Service  
19 going to be commenting somewhere on that?

20 MS. BEILHARZ: Yeah. We'll get  
21 some more information on subsistence.

22 MR. TURNER: Typically I think we  
23 put that one underneath socioeconomic issues, which  
24 is the very last issue on the next page of the  
25 Scoping Document, but we can talk about that one

1 now if you want. Just go ahead and recommend --

2 MS. SCHRADER: I'm certainly by no  
3 means any expert on it. I was really deferring to  
4 the agencies and just reminding -- I don't know how  
5 Fish and Game --

6 MR. FERGUSON: I always give the  
7 subsistence division an opportunity to comment on  
8 these, and I'll certainly do that here.

9 MR. CUTLIP: And I propose that we  
10 add a bullet under socioeconomics for: How would  
11 construction and operation of the project affect  
12 subsistence use of the project area? Does that  
13 work for folks?

14 MS. SCHRADER: That sounds -- I  
15 would defer to the agencies.

16 MS. BEILHARZ: Say again?

17 MR. CUTLIP: How would  
18 construction and operation of the project affect  
19 subsistence use of the project area? And I was  
20 also going to propose to do the same for commercial  
21 fishing under socioeconomics.

22 MR. TURNER: Under cultural  
23 resources, we have an obligation under the National  
24 Historic Preservation Act to look at those effects,  
25 so we've included that in there. Is there anything

1 else we want to add to that bullet?

2                   Developmental resources are  
3 somewhat unique, for some of you folks, to the  
4 Commission in the sense that we do look at how the  
5 project is -- we have an obligation under the  
6 Federal Power Act to make sure that we balance the  
7 developmental side of things versus the  
8 environmental side of things. We look at the cost  
9 of what it takes to construct the project and  
10 compare it predominantly qualitatively to the  
11 environmental side of things.

12                   So we've got under here: What are  
13 the effects of the construction of the dam on  
14 project economics? What are the economic effects  
15 of connecting the transmission line to the Canadian  
16 electrical transmission system? And what are the  
17 effects of the proposed PM&E measures to deal the  
18 various other environmental issues we've already  
19 talked about, and weighing those against what the  
20 power benefits are going to be?

21                   And that's where we talk about --  
22 that's what this developmental analysis section of  
23 our environmental assessment will do. It will look  
24 at how much power generation it is going to  
25 produce, kind of quantify the cost it takes for the

1 PM&E measures and construction, and then that forms  
2 a basis of a comprehensive development decision as  
3 to whether or not we find the project to be in the  
4 public interest.

5 Any questions on developmental  
6 resources?

7 MR. FERGUSON: Can I ask -- I have  
8 never been 100 percent clear on this process, but  
9 do you typically expect to see a formal submittal  
10 of PM&E measures? Is that in the draft license  
11 application phase or --

12 MR. TURNER: Well, that's what I  
13 was saying earlier. We're pressing very hard to  
14 get things to come in with the final license  
15 application. The sooner the better in terms of  
16 earlier we want to start talking about PM&E  
17 measures, and that's why we'll solicit preliminary  
18 terms and conditions. That may be, if you will,  
19 the strawman for that. The draft application is  
20 probably the strawman. Your preliminary terms and  
21 conditions is a build on that, and then hopefully,  
22 closer to the end, with a final license application  
23 in terms of putting our arms around what those PM&E  
24 measures are going to be, particularly the ones  
25 that everybody can reach agreement on.

1                   Those that can't be obviously get  
2                   formally put forth to the Commission to make a  
3                   decision, and we weigh those and say, yes, this is  
4                   in the public interest to do, and we require the  
5                   Applicant to go ahead and implement those.

6                   But trying to get us to those  
7                   implemental measures is our goal.

8                   MR. FERGUSON: Yeah. I was  
9                   curious, because my main experience with that is  
10                  Cooper Lake. We talked really early on about PM&E  
11                  measures and discussed them at great length before  
12                  the final package was submitted. So I guess FERC,  
13                  then, is in the position of encouraging people to  
14                  talk about them early on, but you are not actually  
15                  looking for the final package until the final  
16                  license application.

17                  MR. TURNER: The sooner you can  
18                  start talking about it the better.

19                  MR. CUTLIP: And it gives the  
20                  Applicant a chance to analyze them in the PDA if  
21                  you get it in soon enough.

22                  MR. TURNER: It doesn't  
23                  necessarily have to be even formal. I mean, as you  
24                  guys are having your meetings or discussions about  
25                  issues, and you start brainstorming about how to

1 deal with them, you can start talking about those  
2 measures. They may incorporate them as part of  
3 their proposal in the draft application. So the  
4 sooner the better, but we're really pressing to get  
5 them as finalized as possible by the final license  
6 application.

7 MR. FERGUSON: Thanks, Jim.

8 MR. TURNER: Margaret?

9 MS. BEILHARZ: We have two more  
10 topics. Minerals -- we have -- I'm not a minerals  
11 expert -- saleable minerals and -- what is it? --  
12 minerals that you can do a withdrawal on the land  
13 for.

14 MS. BLACKMORE: Right. And it was  
15 in the last of our study plan options in that there  
16 is potential mineral resources which would be --  
17 could be inundated by this reservoir, and so we  
18 need to know -- we need to have a minerals -- there  
19 is a report as to what minerals may be. We would  
20 want to withdraw the area from mineral claims so  
21 that somebody couldn't say, "Guess what? We want  
22 to take the gold or the platinum that is underneath  
23 the reservoir."

24 So we need to do a report as to  
25 the mineral withdrawals, okay? That's -- that

1 would be under the reservoir area. Okay?

2 MR. TURNER: That's a new one to  
3 us.

4 MS. BEILHARZ: Isn't that the  
5 withdrawal that is filed with BLM?

6 MS. BLACKMORE: Yes.

7 MR. TURNER: Well, that's the  
8 Federal Power Act. But land withdrawal, I would  
9 suspect, would cover that, but I'm not -- I'm  
10 hearing that there is a separate report or  
11 something.

12 MS. BLACKMORE: There is a  
13 minerals potential report, and we put it in our  
14 draft study plan. We gave you a sample. Okay.

15 And the other one is -- so we have  
16 wording on that. The other one is the salable  
17 minerals, which is all the rock that would be  
18 crushed, drilled, used for roads, taken out. There  
19 is an economic -- there was a permit for all the  
20 rock that would be cored, removed, not removed but  
21 cored. You know, all of that will have a mineral  
22 extraction permit on it for salable minerals. And  
23 there will be a charge on that, so that's an  
24 economic issue.

25 MR. TURNER: Economic issue in



1 identifying a separate issue but note it as an  
2 issue that should be included.

3 MR. TURNER: So there is a cost to  
4 the Applicant for construction that we need to  
5 analyze and they need to include in their  
6 developmental considerations?

7 MS. BEILHARZ: Uh-huh.

8 MR. TURNER: Okay.

9 MR. CUTLIP: Wouldn't that go into  
10 cost of building the project?

11 MR. TURNER: Yeah, it could. I  
12 mean, a lot of those things do get lumped into  
13 these big old contingency funds, permitting funds,  
14 but obviously the more information they have in  
15 that regard in terms of what it means, I guess, is  
16 better for them.

17 MS. BLACKMORE: Well, just as the  
18 cost of the timber will be involved in one of their  
19 costs. It would be part of the cost of their  
20 project. You know, they'll have to purchase the  
21 timber.

22 MR. TURNER: They'll have to  
23 purchase the timber?

24 MS. BLACKMORE: Yes. It's a cost.

25 MR. TURNER: Okay. So there is a

1 reason to go back to quantifying how much timber  
2 would be removed?

3 MS. BLACKMORE: Yes, and how much  
4 road rock is going to be used.

5 MR. CUTLIP: Shouldn't that be in  
6 developmental resources?

7 MR. TURNER: We'll figure it out  
8 later.

9 MR. CUTLIP: Okay.

10 MS. BEILHARZ: The issue heading  
11 of "Roadless Area" -- the fact that it is a  
12 roadless area on the Tongass plan map, and we'll  
13 provide you with more information about that, too.

14 MR. TURNER: Okay. That would go  
15 under the land use stuff, I would think --

16 MS. BEILHARZ: Yeah.

17 MR. TURNER: -- more than  
18 development?

19 MS. BEILHARZ: Yes.

20 MR. TURNER: Okay.

21 MS. SCHRADER: I had a question  
22 for Glen. Earlier this morning you mentioned that  
23 B.C. Hydro, at least to date, has not gone outside  
24 the province for purchasing. For them to do that,  
25 is that going to need some type of legal change, or

1 is that just more of a business decision on their  
2 part, or what would go into that?

3 MR. MARTIN: No, it was a decision  
4 by the -- it is not the governor, but whoever  
5 their --

6 MS. SCHRADER: Premier?

7 MR. MARTIN: Premier, yeah. It  
8 was just his decision. They want to be  
9 self-sufficient.

10 MS. SCHRADER: So I don't know to  
11 what -- again, this may be way off base, but you  
12 are talking about the economic effects of  
13 connecting the transmission line to the Canadian  
14 system.

15 MR. MARTIN: The "Canadian system"  
16 doesn't necessarily mean B.C. Hydro.

17 MS. SCHRADER: Because they have  
18 to buy it. Right. You just use it to transmit it  
19 back to the Lower 48?

20 MR. MARTIN: Right. It could go  
21 back to the lower 48.

22 MS. SCHRADER: But I don't know to  
23 what extent, if you're looking, you know, how much  
24 analysis you do of the economics of the project,  
25 but if B.C. Hydro is not in a position at this

1 point to purchase that power --

2 MR. TURNER: It would be  
3 wheeling -- what they call wheeling costs. In  
4 other words, wheel the power across. These were  
5 just costs that, actually, AP&T, with our help, has  
6 kind of come up with, so I'm sure there is probably  
7 more they can talk about.

8 Let's move on to socioeconomic.  
9 There is one bullet here, other than the two that  
10 Matt already added. One is how it might affect the  
11 community of Hyder. We also included in this thing  
12 the consideration of environmental justice.  
13 However, I would like to propose we remove that  
14 aspect of that because we don't typically -- the  
15 Commission typically -- or rarely talks about  
16 environmental justice. It is not something that we  
17 would face. You know, it's not like we're putting  
18 a landfill somewhere or putting a big pollutant on  
19 a community.

20 There is no allegation that we're  
21 going to have an adverse effect that is unwanted or  
22 unwarranted here. We will be looking at, you know,  
23 the economic benefits to Hyder, and obviously, as  
24 we heard from the gentleman already, there are some  
25 positive benefits associated with and some support

1       for here. So it doesn't seem to be a legitimate  
2       topic for environmental justice considerations.

3                       I think we'll deal with it under  
4       the socioeconomic, although the parameters that  
5       would be of importance to those communities are to  
6       be dealt with in the analysis in terms of the  
7       economic values that are added to it, or any kind  
8       of demands that would be placed on the community.

9                       MS. SCHRADER: I guess my only  
10       comment -- and I'm speaking not specifically of  
11       this project, because I'm not that knowledgeable,  
12       but I think in terms -- I know FERC certainly has a  
13       requirement to do tribal consultations, which I'm  
14       sure you will be doing in the context of this  
15       project too.

16                      MR. TURNER: Yes.

17                      MS. SCHRADER: So it may be before  
18       you. You may not want to jettison the concept of  
19       environmental justice until you do those tribal  
20       consultations to see if, I don't know, historically  
21       there has been any significant use of this area.

22                      MR. CUTLIP: We've already  
23       initiated tribal consultations and haven't got much  
24       of a response.

25                      MS. SCHRADER: Well, it's always

1 good to cover that base thoroughly. So, again, I  
2 have no idea, but, you know, sometimes we have  
3 found -- certainly more in the northern -- on the  
4 northern Tongass, you do those consults, and you do  
5 uncover some historical use of the area by Native  
6 folks that you perhaps didn't appreciate before.

7 MR. TURNER: Point taken.

8 MS. BEILHARZ: We mentioned the  
9 environmental justice and other executive orders in  
10 our study letter, just to clearly state -- blah,  
11 blah, blah.

12 MR. TURNER: Yeah. You guys have  
13 an obligation. I don't think we necessarily fit  
14 within that obligation because we're not under the  
15 executive branch, but nonetheless, I think it is --  
16 I think we would prefer to deal with it as broadly  
17 under socioeconomic conditions, unless there is a  
18 specific reason to -- some parties alleging or  
19 saying that there is something adverse going on  
20 here that there is not.

21 MS. BLACKMORE: Right. But our  
22 timber sales don't -- we don't feel they quite fit  
23 under it either, but we still have to address it.  
24 I think it would be probably a very positive  
25 response by addressing environmental justice in the

1 light of Hyder, that being severely disabled. I  
2 think that's probably a plus.

3 MR. TURNER: As opposed to the  
4 negative side? Okay. Well, we'll go back and  
5 consider that. I just know there was some  
6 push-back by our supervisors for including this,  
7 but we did it because of your comments in that  
8 letter.

9 Okay. Are there any other issues?

10 MR. FERGUSON: I have one addition  
11 which happened while I was locked out. The door  
12 was locked.

13 MR. TURNER: Oh, sorry.

14 MR. FERGUSON: That's all right.  
15 The guy was there with the key and opened it up.

16 Going back to your new list under  
17 terrestrial resources, the last bullet point, could  
18 we add "beaver" to that, please?

19 MR. TURNER: You guys don't have  
20 enough beaver over there?

21 MS. SCHRADER: Do you want to take  
22 some from the Dredge Lake area?

23 MR. FERGUSON: Right. We'll ship  
24 them down there.

25 Well, to me, it is interesting

1 that, you know, they create fish habitat. That's  
2 one of the important aspects.

3 MR. TURNER: But isn't that the  
4 perspective that you are actually worried about, is  
5 the loss of -- the change in fish habitat, as  
6 opposed to --

7 MR. FERGUSON: Probably more than  
8 anything else, just the alteration of the system.

9 MR. TURNER: There might be an  
10 acknowledgment of loss of beavers, or at least  
11 creating additional habitat that they would move  
12 from, but what is the issue or the effect that  
13 would be of concern here? I mean, we're not likely  
14 to -- I mean, I can't envision a mitigation measure  
15 or an enhancement measure that you guys could come  
16 up with, but maybe I'm just being a little narrow  
17 here.

18 MR. FERGUSON: No. I guess it's  
19 just -- maybe it's not beavers per se; it's beaver  
20 habitat, or habitat that is created by the beavers  
21 that is of interest. And that would be even below  
22 the lake, too, you know, if you change -- if you  
23 decrease the flows, and the fish can't access the  
24 beaver ponds up there and so on.

25 So I don't know if -- I guess it

1 is more of their role as a habitat-creating entity.  
2 If you inundate the lake or inundate the watershed  
3 there, then you lose the habitat they have created.  
4 And I don't know what happens to them. I just -- I  
5 haven't got a clue. I don't know if you have  
6 beaver relocation programs, or if they just sort of  
7 shuffle on ahead of the water or what, you know.  
8 But maybe they make more habitat. I don't know.

9 MR. TURNER: That would be my  
10 guess, but you can certainly add it in there.

11 MS. BEILHARZ: Can you just give  
12 us a two-minute version on when you decide and how  
13 you decide to do an EA versus an EIS?

14 MR. TURNER: The EA -- right now  
15 we're proposing a draft and final EA. We -- I  
16 think we'll wait until we see the kind of  
17 preliminary terms and conditions that come in, how  
18 much controversy there is going to be surrounding  
19 this project and the effects.

20 If things are pretty much settled  
21 on what can be done, and it's pretty much dealing  
22 with the issues, then I think an EA would make it  
23 reasonably -- would be a reasonable solution. If  
24 there is a lot of controversy, a lot of public  
25 input, then we may have to make a decision to go to

1 an EIS. And we'll issue a notice on that, I would  
2 suspect, prior to our being ready for environmental  
3 analysis.

4 MS. BEILHARZ: And what would be  
5 the difference in the documents? Is it level of  
6 detail and number of public review meetings or  
7 something?

8 MR. TURNER: The difference in the  
9 document is basically none. There might be a few  
10 more sections in there, a couple like -- what are  
11 they? Help me out here, Matt.

12 Are a couple of those unavoidable  
13 adverse --

14 MS. BEILHARZ: Right.

15 MR. TURNER: A couple of sections  
16 that don't get typically stuck in an EA that do get  
17 in an EIS. There is sometimes a public meeting on  
18 the issuance of the draft EIS that we don't do on  
19 an EA. We don't always do them either on an EIS,  
20 but sometimes we do.

21 Again, it all depends on how much  
22 comment we may get back on the content and how much  
23 controversy there is on the EIS. And then there is  
24 always the public noticing issues with the EPA that  
25 we don't have to follow under a -- the public

1       noticing issues under an EIS that we don't have to  
2       follow under an EA.

3                   MS. BEILHARZ:   Okay.  Thank you.

4                   MS. SCHRADER:   But you would --

5                   MR. TURNER:   We still public  
6       notice it --

7                   MS. SCHRADER:   No.  I mean, I was  
8       going to ask a follow-up, that you do publish a --  
9       you do prepare --

10                  MR. TURNER:   Right.  Along with  
11       our environmental assessment, we would include a  
12       bonding.  If for some reason we did not, then we'd  
13       have to go back and redo that as an EIS, but --

14                  MS. SCHRADER:   Right.  I mean,  
15       that's your decision, you do your EA and determine  
16       can you get by with a FONSI --

17                  MR. TURNER:   Correct.

18                  MS. SCHRADER:   -- can you issue a  
19       FONSI, a finding of no significant impact, and if  
20       not, then you --

21                  MR. RUSANOWSKI:  Just as a comment  
22       on this relative to the EIS versus EA, you have  
23       very few alternatives that can be adequately  
24       developed here.  And an EA is much more suited to  
25       few alternatives, as opposed to an EIS, where you

1 have competing alternatives that can move in  
2 different directions.

3 In this case, you have only two  
4 design alternatives. You have a run of the river,  
5 and you have a dam, simply from the hydrologic  
6 characteristics. That's it, or you don't build the  
7 project. And the location can't change, and the  
8 other facilities are the same regardless of how you  
9 develop them.

10 So you don't really have  
11 alternatives you can develop that need to be  
12 weighed equally against each other. You really  
13 have a preferred alternative, a possible  
14 modification of that alternative, or no build.

15 And so the EA process focuses on  
16 do you do it, or don't you do it, as opposed to  
17 let's compare all these alternatives equally, which  
18 you would get out of an EIS.

19 MR. TURNER: We added to that,  
20 though, sometimes the environmental measures that  
21 go along with it as our, quote, unquote,  
22 alternatives that we consider.

23 You are right in terms of the  
24 general project configurations and operations and  
25 the overall decision, but a lot of times it's also

1 the environmental operations part of it.

2 For example, under an existing  
3 project that has to go under a relicense, if it's  
4 extremely controversial, it's what measures do you  
5 do to construct or continue for that next license?  
6 It's -- the project is sitting there, and it's  
7 existing. You can still have enough controversy to  
8 do an EIS on the future operations and measures of  
9 that project. So it can rise to that level as  
10 well.

11 MS. SCHRADER: It's just curious  
12 when I think of the Angoon hydro -- I don't know if  
13 Margaret is involved in that one at all, but that  
14 is not FERC jurisdiction. It is purely Forest  
15 Service. And it's miniscule compared to this  
16 project, and it's going through a full EIS.

17 MR. RUSANOWSKI: That's the choice  
18 of the agency, though.

19 MS. SCHRADER: Right. Right.  
20 Exactly. But it's kind of --

21 MR. RUSANOWSKI: And if you are  
22 familiar with Forest Service projects, almost  
23 everything runs through an EIS.

24 MS. BEILHARZ: The Forest Service  
25 doesn't do draft EAs, so to get that cycle of

1 review through the EIS, that's why we do that.

2

3

### CONCLUSION

4

5 MR. CUTLIP: Okay. I think we're  
6 ready to move on. We have a list of comprehensive  
7 plans here in the Scoping Document, so if you have  
8 any that you'd like to add, there is a formal  
9 process available on the website for adding those.  
10 They have to be considered according to the  
11 Commission's regulations. So, anyway, there is  
12 directions to file a plan if you are so inclined.

13 And as you can see in the Scoping  
14 Document, we have a EA Preparation Scale and our  
15 Preliminary Draft EA Outline, and it is pretty  
16 straightforward.

17 And additionally, if you are not  
18 on the Commission's official mailing list, which is  
19 attached to the Scoping Document, and you want to  
20 be added, then you need to send the request by mail  
21 to the secretary. The address is there. And then  
22 also add the project number and subdocket, which is  
23 001.

24 And I think that's it. If there  
25 are no other questions or comments, I think

1 we'll --

2 MR. TURNER: Are there any other  
3 questions or comments?

4 MR. CUTLIP: Any other questions  
5 or comments? I think we're ready to close the  
6 meeting, then.

7 MR. TURNER: Thanks for  
8 participating. I know it has been a long one, but  
9 it's been very productive.

10 MR. MARTIN: Thanks for your  
11 patience.

12

13 (Meeting concluded at 12:50 p.m.)

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C E R T I F I C A T E

S T A T E O F A L A S K A )  
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F I R S T J U D I C I A L D I S T R I C T )

I, LYNDA BATCHELOR BARKER, Registered Diplomate Reporter and Notary Public duly commissioned and qualified in and for the State of Alaska, do hereby certify that the foregoing proceedings were taken stenographically before me and thereafter reduced to typewriting by me or at my direction.

That the foregoing transcript is a full, true and correct transcript of the proceedings, including questions, answers, objections, statements, motions and exceptions made and taken at the time of the foregoing proceedings.

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IN WITNESS WHEREOF, I have set my hand and affixed my Notarial Seal this 21st day of June, 2008.

\_\_\_\_\_  
LYNDA BATCHELOR BARKER, RDR,  
Notary Public for Alaska  
My commission expires: 5/6/12

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