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APPEARANCES

John M. Mudre, Hearing Officer

Federal Energy Regulatory Commission

Fred Winchell, Senior Fisheries Biologist

The Louis Berger Group, Inc.

Contractor to Federal Energy Regulatory Commission

Michael Glaze. General Manager

Kathy Petersen, Power Division Manager

Alex Brown

Matt Colwell, Water Division Manager

South Feather Water and Power Agency

Richard Jones

James Lynch

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Consultant to South Feather Water and Power Agency

Mike Melanson

Metropolitan Water District of Southern California

Cheryl Mulder

Plumas National Forest

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APPEARANCES

Debra Schoenberg
Feather River Ranger District
United States Forest Service

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P R O C E E D I N G S

10:15 a.m.

HEARING OFFICER MUDRE: Good morning, everyone. I'd like to welcome you to our second of two meetings to obtain public comment on the draft environmental impact statement for the South Feather Power project.

A brief look at the agenda. We're going to do a RAD and introductions, tell you why we're here, a bit of the history of the process, how we got here.

We're going to talk about just briefly summarize what we did in the EIS, what we looked at, what our recommendations were. Briefly go over what happens next in the process. And then we get to the important part of the meeting, I guess, is to receive comments from the agencies, public, whoever, on the EIS.

Before we start the introductions, though, I'd like to point out that we have a court reporter here today. And she is here so we can provide an accurate record of the proceeding, make sure we get everyone's comments down properly. And it's good that she's here.

The one thing that we have to make sure

1 we do, though, there's two microphones, and they
2 don't amplify your voice, but they go into her
3 recording device there. And so we'll need to come
4 up towards the microphone, or at least get close
5 to it. And that way we can insure that we hear,
6 that she hears and the machine hears everything
7 that's said.

8 So, with that, again, my name is John
9 Mudre, M-u-d-r-e. And I'm the Project Coordinator
10 for the Federal Energy Regulatory Commission for
11 this relicensing.

12 MR. WINCHELL: I'm Fred Winchell; I'm
13 with the Lewis Berger Group. I'm the Deputy
14 Project Manager for the contractor team that
15 prepared the EIS.

16 MR. LYNCH: I'm James Lynch with Devine
17 Tarbell and Associates. L-y-n-c-h. And I'm a
18 consultant to South Feather on their relicensing.

19 MR. GLAZE: Michael Glaze, General
20 Manager of South Feather Water and Power Agency,
21 and the project licensee's representative.

22 MR. COLWELL: Matt Colwell with the
23 staff for South Feather Water and Power Agency.

24 MS. SCHOENBERG: Debra Schoenberg,
25 S-c-h-o-e-n-b-e-r-g, Feather River Ranger

1 District, Public Services Staff.

2 MR. JONES: Richard Jones, Devine
3 Tarbell and Associates, consultant to South
4 Feather Water and Power.

5 MS. MULDER: Cheryl Mulder, Plumas
6 National Forest.

7 MR. BROWN: Alex Brown, South Feather
8 Water and Power Staff.

9 MS. PETERSEN: Kathy Petersen, South
10 Feather Water and Power Agency Staff.

11 MR. MELANSON: Mike Melanson,
12 Metropolitan Water District of Southern
13 California.

14 HEARING OFFICER MUDRE: Okay, thank you
15 very much. Okay, I know some of you were here
16 last night, and this is going to be a little bit
17 repetitive, but FERC's the independent agency
18 that's charged with regulating the electric power
19 and natural gas pipelines in the hydroelectric
20 industry.

21 It's composed of five Commissioners who
22 are appointed by the President and confirmed by
23 the Senate. And the President designates the
24 Chairman of the Commission.

25 It's the Office of Energy Projects that

1 has the -- administers the nonfederal hydropower
2 projects. We have three divisions within the
3 office, the Division of Hydropower Licensing,
4 which is the one that I'm in; issues -- reviews
5 the applications and processes the license
6 applications for the licenses.

7 Hydropower Compliance and
8 Administration. They're the division that sort of
9 oversee the license and the operation of the
10 project once a license is issued.

11 Then we have the Division of Dam Safety
12 and Inspections. Their job is to make sure that
13 the dams all stay where they are and the water
14 stays in them. And that the public safety is
15 protected at the projects.

16 Our main office is in Washington, D.C.
17 We have five regional offices that mainly have
18 engineering types in them. The regional office
19 for this project is in San Francisco.

20 So today we want to receive oral
21 comments. And if you want to hand in written
22 comments, you can, too, from agencies, NGOs or any
23 interested public, on the staff's draft
24 environmental impact statement for the licensing
25 of the project.

1 I've got, if anyone wants any
2 additional, any CDs of the EIS, I have some of
3 those here. And I also can get you some written,
4 or hard copies if you'd prefer to have that.

5 Okay, how did we get here? Well, in
6 March 2007 South Feather filed an application to
7 relicense the project because their existing
8 license was going to expire in two years. So they
9 filed an application to relicense it.

10 In May we issued what we call scoping
11 document one, which presented our preliminary take
12 of what the issues were, the environmental issues
13 that needed to be looked at in light of
14 relicensing the project.

15 In May we also accepted the application
16 after we reviewed it, and solicited motions to
17 intervene or protests, if, you know, someone had
18 some issues or problems.

19 The important thing about intervening is
20 that to become a party to the proceeding you have
21 to file a motion to intervene. And what that gets
22 you is that if you don't like the outcome, say a
23 license is issued that you don't agree with and
24 you don't think it's right, parties to the
25 proceeding have the ability to ask the Commission

1 for a rehearing of the order, in which case they
2 would look at any new evidence and potentially
3 change the license that they issued, or in some
4 cases not.

5 But the only way you can get there is to
6 be a party to the proceeding. So we ask people
7 then, and you can also intervene during the
8 comment period on the EIS. So if someone hasn't
9 done that and thinks they need to, this would be a
10 good time to do it.

11 June 2007 we held site visits here, and
12 also scoping meetings, to get public and agency
13 input on what they thought the issues were. Or
14 did we cover all of them in SD-1, was there other
15 things we should look at. And based on those
16 comments we issued SD-2 in February of 2008.

17 We also, in February 2008, issued our
18 ready for environmental analysis notice, which
19 means that basically we think we have all the
20 information that we need to begin our
21 environmental review of the project.

22 At that time we also requested
23 preliminary terms and conditions from the resource
24 agencies as to what conditions they think ought to
25 be put on any new license that was issued.

1 Some of these are recommendations that
2 we consider and evaluate. Others, there are
3 prescriptions or terms and conditions that are
4 ultimately mandatory and would have to go in a
5 license.

6 So, in 2008, May, South Feather filed,
7 it's sort of a new process under the Energy Policy
8 Act of 2005, they're allowed to file alternatives
9 to the mandatory conditions. And then the agency
10 that filed the original conditions has to evaluate
11 those and see if they would meet the resource
12 protection needs that they were interested in
13 having. And then a decision is made on that. And
14 the conditions could change at that point based on
15 that process.

16 And where they are now on that is no
17 final decision has been made as to whether the
18 preliminary terms are going to change, or whether
19 they're going to accept alternate conditions. But
20 that's basically up to the Forest Service at this
21 point.

22 Okay, now we're at the present.
23 November 2008 we issued the draft EIS for the
24 project. This is what it looks like. And, again,
25 I have copies here if you would like some.

1 We requested concurrence from the Fish
2 and Wildlife Service that species listed as -- or
3 endangered under the Endangered Species Act would
4 not likely to be adversely affected by the
5 proposed relicensing.

6 We sent letters to Fish and Game and
7 National Marine Fisheries Service about their
8 recommendations that they provided previously.
9 Some of them we liked and thought were good, but
10 others we thought may be inconsistent with some
11 parts of the Federal Power Act. So, we're going
12 to work with them to try to resolve those
13 perceived inconsistencies between now and when we
14 issue the final EIS.

15 And then finally, today, we're holding
16 our meeting, our last meeting on the draft EIS.
17 We had one last night.

18 So, we do the environmental impact
19 statements because it's a requirement of NEPA.
20 And NEPA requires the federal agencies conduct
21 independent analysis of environmental issues
22 associated with discretionary actions that they
23 take. And in this case that action would be
24 issuing a new license for the project.

25 We have to consider water quality, fish

1 and wildlife values of the waterways equally with
2 energy and other developmental values. So we have
3 to do a balancing of, you know, one resource
4 versus another, and try to strike a decision
5 that's in the best public interest.

6 We have to give strong consideration to
7 the terms and conditions provided by the resource
8 agencies. I spoke about that earlier. All of our
9 conclusions and recommendations are based on the
10 public record for this project. That record can
11 be viewed on our website, www.ferc.gov. Look for
12 the elibrary and you can view or download all of
13 the letters that have been sent in, and all of the
14 letters and orders that have been sent out.

15 And then ultimately the final purpose of
16 the EIS is to inform the Commission's decision on
17 whether and under what conditions to issue a new
18 license for the project.

19 All right, I'm going to turn it over to
20 Fred now. He's going to go over, just briefly
21 summarize the EIS and what we did and what we
22 found.

23 MR. WINCHELL: We considered four
24 alternatives in the draft impact statement. The
25 first was the action as proposed by South Feather.

1 The second is the action as proposed,
2 but with additional staff-recommended measures
3 based on our analysis in the impact statement.

4 The third is the staff-recommended
5 measures with agencies' mandatory conditions,
6 which would be included in the license if they
7 are, as they are issued as their final conditions.

8 And the fourth would be the no-action
9 alternative of continuing to operate the project
10 under the terms of the current license.

11 Key issues that we evaluated in the
12 draft EIS. One of the central issues was
13 appropriate minimum flows for the five different
14 bypass reaches. This included evaluation of
15 habitat needs for trout, warm-water fish species
16 and foothills yellow-legged frogs. Both from a
17 water quantity and from a water temperature
18 perspective.

19 Also involved tradeoffs with other
20 resource areas including project generation and
21 economics, lost revenues from flows released into
22 the bypass reaches.

23 Also the availability of water for
24 releases for whitewater recreation flows that are
25 affected by the magnitude of the minimum flows.

1 And also reservoir levels that are affected by the
2 minimum flow quantities.

3 We heard last night from several area
4 residents concerns about the costs of the
5 relicensing of the project on South Feather
6 customers. And on the effects of higher minimum
7 flows on water levels in Little Grass Valley
8 Reservoir. And those are concerns that we had
9 already addressed in the EIS, but they were
10 reiterated last night.

11 Ultimately we ended up adopting in the
12 draft EIS the minimum flows for the five reaches
13 that were proposed by South Feather in their
14 alternative 4E condition, which we felt reflected
15 the best balancing of the different resource
16 concerns.

17 Another issue we had, we looked at in
18 the EIS, was the effect of the project on
19 downstream water temperatures. Several entities
20 made recommendations that South Feather be
21 required to curtail operations at the Kelly Ridge
22 Powerhouse when water temperatures in the lower
23 river were approaching levels that are identified
24 in the Oroville settlement agreement, protecting
25 anadromous fish.

1 Our analysis indicated we estimated that
2 that measure could have an impact of approaching a
3 million dollars a year for South Feather, if they
4 were to shut down that powerhouse during that time
5 period. And we felt that the effect on water
6 temperatures from that measure would be relatively
7 minor and pretty much insignificant during times
8 when the Oroville project is generating, because
9 of the small amount of flow being discharged from
10 Kelly Ridge Powerhouse.

11 So we did not recommend adopting those
12 measures, but we did recommend that South Feather
13 monitor water temperatures and provide water
14 temperature and flow information to the Department
15 of Water Resources to help guide their operations
16 and find the most cost effective way to meet their
17 requirements under the settlement.

18 Other issues included fish entrainment.
19 Cal Fish and Game made a recommendation for
20 screening all project intakes. That's another
21 pretty costly measure.

22 We also looked at Forest Service had an
23 alternative measure to fish screening which would
24 involve a wild fish stocking program to compensate
25 for any fish losses in any reaches where

1 recruitment was not sufficient to support the fish
2 population. That's the alternative that we felt
3 provided the greatest benefit at a much lower
4 cost, and we recommended it in the EIS.

5 We also evaluated various monitoring
6 proposals for foothills yellow-legged frog, fish
7 and macroinvertebrates. There were different
8 variations of these monitoring programs
9 recommended by different entities. And we adopted
10 South Feather's proposal as supplemented with some
11 aspects recommended by the agencies.

12 And the same goes, also, for recreation
13 facilities and cultural resource protection.
14 South Feather made comprehensive proposals in
15 those areas, but we added in some additional
16 measures based on agency recommendations.

17 Back to you.

18 HEARING OFFICER MUDRE: All right, thank
19 you, Fred. Okay, I mentioned this earlier, but
20 the public record can be viewed at our website,
21 www.ferc.gov; look for elibrary. You just have to
22 enter docket number P-2088 and then you can see
23 all the documents associated with this proceeding.

24 Okay, what's coming up next, comments on
25 the draft EIS are due January 6th. WE're going to

1 have -- hold 10(j) meetings with Fish and Wildlife
2 agencies to try to resolve some of those apparent
3 inconsistencies that we saw with some of their
4 recommendations and the Federal Power Act.

5 We're scheduled to issue our final EIS
6 June 5, 2009. Before we can issue a license,
7 though, we need to receive water quality
8 certification from the State Water Resources
9 Control Board. And once that's done, the
10 Commission will be ready, in a position to act on
11 the license application.

12 MR. GLAZE: John, will South Feather be
13 invited to your 10(j) meetings?

14 HEARING OFFICER MUDRE: Yes, definitely.
15 We find it's very useful a lot of times when we're
16 talking about potential measures that whether they
17 could actually physically be accomplished, things
18 like that. You know, if someone wants to release
19 100 cfs, but the gate only releases 10, you know,
20 we can point out things like that.

21 So, yeah, definitely want you to be
22 there.

23 Okay, you can write or call our public
24 reference room to get a copy of the EIS. Or if
25 you don't want to do that, you can come up front

1 here, I'll give you one of these CDs. If you call
2 me or email me I can arrange to have a hard copy
3 sent to you. Your choice.

4 And comments are due January 6th. Make
5 sure on your comments you put on the first page
6 South Feather Power project, and FERC number 2088.
7 And that makes sure that it gets sent to the right
8 place and associated with the proper proceeding.

9 And this information should also be in
10 the notice and in the EIS, itself.

11 And that's it, pretty much. We talked
12 about the sign-in sheets, the court reporter.
13 Transcripts, if you need transcripts in a hurry
14 see Debi here after the meeting. Otherwise
15 they'll be available on our website a few weeks
16 down the road.

17 Okay, it says limit statements to five
18 minutes. But we don't have to do that today since
19 we don't have a full house. So, talk as much as
20 you want, and we're interested in hearing what you
21 have to say.

22 So, with that I'm going to open the
23 floor up for public comment. Who would like to be
24 the first one? Deb? No? Anyone.

25 Okay, I know some of you spoke last

1 night.

2 If no one has any comments then we'll go
3 ahead and adjourn our meeting. Thanks, again, for
4 coming. And we look forward to seeing any written
5 comments come in.

6 (Whereupon, at 10:45 a.m., the public
7 hearing was adjourned.)

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CERTIFICATE OF REPORTER

I, DEBORAH L. BAKER, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing Federal Energy Regulatory Commission Public Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of December, 2008.