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BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: :

LAKE POWELL PIPELINE : Project No.

PROJECT : 12966-001

:

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Festival Hall Conference Center

105 North 100 East

Cedar City, Utah

Thursday, June 12, 2008

The above-entitled matter came on for scoping meeting, pursuant to notice, at 5:45 p.m., Jim Fargo, moderator.

## P R O C E E D I N G S

(5:45 p.m.)

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2  
3 MR. WELCH: Now it's time for our FERC scoping  
4 meeting to commence. My name is Tim Welch. I'm with the  
5 Federal Energy Regulatory Commission in Washington, D.C. and  
6 again I'd like to welcome you all to our third scoping  
7 meeting this week for the Lake Powell Pipeline Project.  
8 Just a little bit about what we're going to do here tonight.  
9 First, we're going to start off with a little presentation  
10 by the applicant, the Utah Department of Water Resources.  
11 They're going to come up and give a little PowerPoint  
12 presentation to talk to you a little bit about the project  
13 that they're hoping to apply for the Federal Energy  
14 Regulatory Commission.

15 Then Jim Fargo over here, the project manager  
16 from FERC, is going to give you a little overview of the  
17 FERC licensing process, the public process that we're sort  
18 of kicking off here this week. And then it's your turn,  
19 which is the main reason why we're here, is to listen to the  
20 public so we can begin to zero in on the important issues,  
21 the important environmental issues that we'll need to  
22 prepare our Environmental Impact Statement.

23 Back in Washington, it's our tradition before  
24 Commission meetings that happen once a month, it's Chairman  
25 Joseph Kelliher's tradition to begin with the pledge to the

1 flag. So I'll continue with that tradition and I'll ask you  
2 to rise and pledge allegiance to the flag.

3 (Pledge of Allegiance recited.)

4 MR. WELCH: Thank you very much. I'd like to  
5 take this time now to introduce the project manager from  
6 FERC, Jim Fargo. Jim is an engineer. He works on my staff.  
7 I am branch chief of Hydro West Branch II. I lead a team of  
8 12 people -- biologists, engineers, archeologists, cultural  
9 resource specialists and environmental specialists. It's  
10 going to be my team, along with our contractor from Louis  
11 Berger, who is also here tonight that's going to be  
12 preparing the Environmental Impact Statement for this  
13 project, along with some of our other federal partners that  
14 you'll meet here tonight as well. So I'd like to turn  
15 things over now to Jim Fargo, the project engineer from  
16 FERC.

17 MR. FARGO: Thanks Tim. Good evening everyone.  
18 I'd like to introduce some of the staff that I'm here with.  
19 Alan Mitchnick from the Washington office. Alan is a  
20 terrestrial biologist and he'll be working on the project.  
21 Along with Alan, we've gone out and got Louis Berger as a  
22 contractor to bring in some particular expertise that we  
23 thought was important, especially, in this initial pre-  
24 filing stage of the project. And the coordinator of that  
25 talent is Dr. Ellen Hall. Ellen would you like to please

1 describe the individuals from your group that we've got  
2 working on this?

3 MS. HALL: Thanks Jim. I'm Ellen Hall the lead  
4 for the Lewis Berger Group as contractor to FERC in this  
5 endeavor. I am a socioeconomic specialist and so I'll be  
6 handling that area. Also with us earlier this week on the  
7 site visit were three other Berger employees. Alison  
8 McDougall who will be here a little later tonight, she's a  
9 cultural resource specialist. Jot Splenda who's a water  
10 quality specialist and Dincer Egin who's a geo-technical  
11 engineer, so those are the resource areas that we will be  
12 covering for the project.

13 MR. FARGO: Thanks Ellen. Also, joining us  
14 tonight and sitting up here with us is Joe Incardine and  
15 Cary Schwartz. Joe's from the BLM Salt Lake City Office.  
16 Joe's been working on the Lake Powell Project for quite a  
17 while and he's been, in the last six months or so, working  
18 with me to get me up to speed on the various individuals who  
19 have already taken an interest in the project from the  
20 various Interior agencies. Joe would you like to say a word  
21 or two?

22 MR. INCARDINE: Thank you Jim. As Jim just said,  
23 I'm Joe Incardine. I'm a national project manager for the  
24 Bureau of Land Management physically located in Salt City,  
25 Utah. I met a lot of you people that are here today. I've

1       been working early on this project to help the State of Utah  
2       understand how to apply for a right-of-way with the Bureau  
3       of Land Management in Phase 1 of this project. Now, this is  
4       what I would call Phase 2 NEPA is starting. We have FERC as  
5       the lead federal agency for this project.

6               The Bureau of Land Management has been invited,  
7       as a cooperating agency for this project. Informally, the  
8       state director had indicated that we would be a cooperator.

9       We are to get formally back to FERC by July 7th, and so  
10      that letter is forthcoming. After that, we'll be doing a  
11      memorandum of understanding with FERC, which would be the  
12      relationship of how the Bureau of Land Management and FERC  
13      would operate together. That will be done after the letter.

14             And with me tonight are a couple other Bureau of  
15      Land Management people. Todd and Rob can you stand up? You  
16      may already know these people. I don't know if anybody from  
17      BLM are here tonight, but they are from the Cedar City  
18      district office, which as a new name and I forgot what the  
19      name is, Colored Country District Office and I know Todd has  
20      been doing double duty in St. George as well, so he's  
21      putting a lot of miles on the car I'm sure.

22             But anyway, the Bureau of Land Management is here  
23      to listen tonight. We're starting this project together and  
24      we are anxious to hear comments that the public may have, so  
25      I'll be taking some notes and reporting back to people.

1 Thank you.

2 MR. FARGO: Thanks Joe. And again, we have Cary  
3 Schwartz from the Bureau of Reclamation and he's a  
4 coordinator for the lower Colorado region and upper. What's  
5 the lower without the upper? I've asked the state at these  
6 scoping meetings to give us a brief introduction of  
7 describing their project, of what's being proposed just so  
8 everyone has an understanding of the proposal that's before  
9 us at the Commission.

10 Back in March, the state filed with us a  
11 preliminary application document proposing the Lake Powell  
12 Pipeline Project. Included in the pipeline project are  
13 hydro segment and then three other segments, including the  
14 segment that comes up here to Cedar City. So if Eric Millis  
15 could come up and give you a few slides and an introduction  
16 to that I'd appreciate it.

17 MR. MILLIS: Thank you. Again I'm Eric Millis  
18 with the Utah Division of Water Resources and I appreciate  
19 the opportunity to give you a brief explanation of our  
20 proposed Lake Powell Pipeline Project. The FERC has asked  
21 that I take about 10 minutes to do that. In 2006, the Utah  
22 state legislature passed the Lake Powell Pipeline  
23 Development Act, which directs and authorizes the Utah Board  
24 of Water Resources to develop the Lake Powell Pipeline  
25 Project. Of course, in the legislation it divides water up

1       amongst the three water conservancy districts here in the  
2       southwest part of the state -- those being Kane, Washington  
3       and Central Iron County Water Conservancy Districts. And so  
4       as we work through the development of this project we are  
5       working closely with those three water conservancy  
6       districts.

7                       (Slide.)

8                       MR. MILLIS: Of course, the need for the project  
9       is driven by the tremendous population growth, which has  
10      been occurring and which is projected to occur here in this  
11      part of the state. This graph that you're looking at is the  
12      aggregated population projection for the three districts.  
13      So this isn't any one of the three, but all three combined  
14      together. These figures were put out by the governor's  
15      Office of Planning and Budget, and over the next 50 years,  
16      as you can see, there's about six-fold increase in  
17      population that is expected to come to this area.

18                      (Slide.)

19                      MR. MILLIS: So will we meet the future water  
20      needs of these areas? Of course, each area has water  
21      supplies, which are developed right now and which will take  
22      you into the future a ways. We also use water conservation,  
23      which is very important and which we're telling everyone  
24      around the state needs to happen in order to ensure that  
25      you've got water supplies for the future. And it just makes

1 sense to become more efficient with the water that we have.

2 As homes are built on agricultural lands, the  
3 water that had been historically used on those lands can  
4 become available for the new municipal and industrial uses  
5 on those lands and so we expect that to happen. We also see  
6 water reuse projects happening throughout the state and  
7 we've had some in Washington County. We expect to have  
8 more, and perhaps some in this area also. So that will also  
9 be an important means to meet future water needs.

10 Each of these three districts also have water  
11 supply projects that they anticipate doing on their own,  
12 generally, smaller projects; but nonetheless, important to  
13 the future. But even with all those things, the need for  
14 additional water supply is evident by about 2020 and that's  
15 where the Lake Powell Pipeline can come in and fill that  
16 need.

17 (Slide.)

18 MR. MILLIS: So the water is allocated and  
19 proposed to go to these three districts as shown on this  
20 slide, 10,000 acre-feet to Kane County Water Conservancy  
21 District and then 70,000 acre-feet to Washington County  
22 Water Conservancy District and 20,000 acre-feet here to the  
23 Central Iron County Water Conservancy District.

24 (Slide.)

25 MR. MILLIS: So what have we been doing up until

1       this point? Of course, with the legislation passed in 2006,  
2       we really started into the actual development phase of the  
3       project. Prior to that time, though, we'd spent a lot of  
4       time thinking about it and doing some studies to determine  
5       whether or not it was a feasible idea and worth pursuing.  
6       And so about in 1991, as Washington County Conservancy  
7       District was looking ahead and trying to determine how it  
8       would meet future water supplies, it in discussions with us  
9       we came up with the idea it might be feasible to bring water  
10      over from Lake Powell. It's a long way we realized, but it  
11      was done in California and in other parts of the U.S. and  
12      other parts of the world.

13                 And so as we looked at it, initially, it looked  
14      like a feasible idea, both from a technical standpoint as  
15      well as from cost. And so we hired Boyle Engineering to  
16      look into it a little more. They came out with a report in  
17      1995, which helped determine where a probable alignment  
18      could be, helped us understand better what the facilities  
19      associated with the project would be and helped us  
20      determine, to some degree, what the costs might be. And so  
21      that was a milestone study for us. Washington County Water  
22      Conservancy District looked hard and close at its water  
23      supplies and its water needs for the future and conducted  
24      the water needs assessment that's shown there on the slide.

25                 Another important thing was the setting aside of

1 a Utah State water right for the project. The Board of  
2 Water Resources has in reserve a water right, which is  
3 reserved and set aside specifically for this project. In  
4 2003, Boyle Engineering updated their engineering report for  
5 the main pipeline and then looked, at that time, at the  
6 feasibility of bringing water from the Washington County  
7 area up here to the Central Iron County area.

8 The Bureau of Reclamation has worked with us on a  
9 couple of studies, preliminary engineering studies to  
10 determine whether or not it would be feasible to take water  
11 from Lake Powell and what kind pumping facilities would be  
12 needed and so they have been helpful to us in taking a look  
13 at that. Of course, they are the ones who manage Lake  
14 Powell and who we would need to deal with as we propose  
15 taking water from the lake.

16 (Slide.)

17 MR. MILLIS: So our authorization, of course,  
18 comes through Lake Powell Pipeline Development Act. Another  
19 important point here is that the water that would be used  
20 for the project, which is about 100,000 acre-feet would come  
21 from Utah's unused allocation of the Colorado River. Utah's  
22 has about 1.4 million acre-feet of water that is its  
23 allocation of the Colorado River. We're using about a  
24 million acre-feet of that right now. So there's about  
25 400,000 acre-feet left. So this 100,000 that would be

1 delivered through this project would represent about a  
2 quarter of the water that we have remaining.

3           There have been questions, of course, about the  
4 reliability of Lake Powell as a source of water for this.  
5 The Bureau of Reclamation managing that reservoir and the  
6 operations of the Colorado River, we asked them to do some  
7 modeling for us and modeling showed positively, I guess on a  
8 positive note that even under extreme dry conditions there  
9 would be adequate water in Lake Powell to meet the needs of  
10 this pipeline.

11           We have divided the pipeline into four main  
12 components, mainly, for convenience. The first is the  
13 intake water system, which is the pump plant at Lake Powell.  
14 Within the main pipeline is divided into two segments known  
15 as the water conveyance system and the hydro system. The  
16 main pipeline is a 69-inch proposed steel pipeline. It  
17 would be buried. The facilities that you would see above  
18 ground would be pump stations and hydro power plants, but  
19 again, we would try to hid those and make those as  
20 inconspicuous as possible.

21           (Slide.)

22           MR. MILLIS: The fourth component of the project  
23 is the Cedar Valley Pipeline, which would originate in the  
24 area of Sand Hollow Reservoir. It would be a 30-inch  
25 diameter steel pipeline that would run up the hill here to

1 the Cedar Valley area. It would also be a buried pipe.

2 (Slide.)

3 MR. MILLIS: I'm going to turn around here, so  
4 hopefully the sound follows me, so I can point some out to  
5 you here. As we start here on the edge of Lake Powell over  
6 here on the left edge, in fact, this would be just  
7 immediately upstream of Glen Canyon Dam. We'd have our  
8 intake pumping state. That would be sited on land that is  
9 managed by the Bureau of Reclamation. And as we then come  
10 out of that area, we cross lands that are managed by the  
11 National Recreation Area. You immediately have a booster  
12 pump station, which is adjacent to ADA maintenance facility  
13 off the beaten path there a little bit. And we then come on  
14 up into Utah.

15 Our intent is to stay in disturbed right-of-ways,  
16 roads along power lines and other disturbed corridors so we  
17 minimize our environmental impacts from this. As we come up  
18 into Utah and then into Big Water area, we'll have another  
19 booster pump station, which will lift the water further up  
20 to the Cottonwood Wash area where we would have a regulating  
21 tank. We would then have a little dip in the topography,  
22 which would allow us a little bit of hydropower just on the  
23 east side of the Cockscomb. We'd also have a booster pump  
24 station then that would push it through the Cockscomb. And  
25 as we get around on the highway just almost as to where it

1 bends to come back to the west, we have our final booster  
2 pump station, which would lift the water to the high point,  
3 which is right here about 10 miles east of Kanab. In all,  
4 it's about a 2000-foot lift and so we've got the four pump  
5 stations. It is a pretty good lift, but from that point  
6 we've about 2700 feet of fall between there and Sand Hollow  
7 Reservoir.

8 And so with that fall and excess energy in the  
9 system, we will try to take advantage of that and generate  
10 power to offset other power that used to push the water up  
11 the hill, but also to generate revenues to help pay for the  
12 pumping cost associated with this part of the pipeline.

13 (Slide.)

14 MR. MILLIS: As we come from the Kanab area,  
15 we've got another hydropower plant just right here within  
16 Utah, but we then dip down into Arizona and intercept the  
17 Navajo McCulloch power line, which we'll follow south of the  
18 Kaibab/Paiute Tribes Reservation and we'll then come around  
19 here and head north again towards Utah. There's a  
20 hydropower plant that would be here just immediately west of  
21 the Reservation. We would then come up along the highway to  
22 Hilldale and would have another opportunity to generate  
23 power at Hilldale. We would then come to the west across  
24 the Arizona/Utah border and through the Canyon Gap to the  
25 top of the Hurricane Cliffs at which point we would have an

1 open reservoir, which would act as the forebay for a larger  
2 power plant at the base of the Hurricane Cliffs. This is a  
3 peaking plant. This is where we would be able to generate  
4 the bulk of the power and generate revenues would be here in  
5 the Hurricane Cliffs area.

6 (Slide.)

7 MR. MILLIS: There's an afterbay reservoir at the  
8 base of the Hurricane Cliffs and then the main pipeline  
9 continues on to Sand Hollow Reservoir with another  
10 hydropower plant right at the reservoir. So it's right here  
11 at the afterbay at the base of the Hurricane Cliffs that the  
12 Cedar Valley pipeline would come off, would go through the  
13 Hurricane, Laverkin, Toquerville area up near the freeway  
14 and it would require five booster pump stations to get it up  
15 to the high point. It could be a water treatment plant. It  
16 could be reservoir there at the terminus of that, but we'd  
17 get that up here to the Cedar City area. So in a nutshell  
18 that's the layout of our project.

19 A number of land managers and landowners that we  
20 will be crossing as we come through with this. Of course,  
21 immediately coming out Lake Powell we'll be on Bureau of  
22 Reclamation property, but then immediately into the Glen  
23 Canyon National Recreation area, which we'll follow as we  
24 come up into Utah. Then we've got a chunk of Utah State  
25 trust lands, the School and Institutional Trust Lands in the

1 Big Water that we would cross. Then proposed to come into  
2 the Grand Staircase Escalante National Monument as it heads  
3 around to the Cockscomb. And as we go down into Arizona, we  
4 will be entering into lands that are administered by the  
5 Bureau of Land Management.

6 We've got other blocks of lands here in Utah and  
7 as we get into Arizona there are a number of blocks of  
8 Arizona State Trust Lands that we will be proposing to cross  
9 as well as we start to enter into some private lands here  
10 towards the southwest edge of the Tribes' Reservation.  
11 We'll have a mix of BLM, Arizona State Trust Lands, private  
12 lands that we'll be dealing with here through Arizona. And  
13 then as we get into Utah, it's a similar mix of BLM, private  
14 and School and Institutional Trust Lands. We've got some  
15 ACEC's in the area that will be of concern. Cottonwood  
16 Point Wilderness area is also in the area. So we will have  
17 a number of land managers that we will be working with as we  
18 propose and try to develop this project. And then in  
19 addition to those managers, we have quite a few agencies  
20 that we'll be working with, nine federal agencies, as many  
21 as five Indian Tribes and then we'll have a host of state  
22 agencies, both on the Arizona and Utah sides of the state  
23 border.

24 (Slide.)

25 MR. MILLIS: Landownership is broken down like

1 this; roughly 55 percent of the lands crossed would be  
2 federal lands. Of course, most of those would be Bureau of  
3 Land Management managed lands, 23 percent of the lands would  
4 be trust lands, the School Trust Lands, both in Arizona and  
5 Utah, and the remaining 22 percent would be private lands.

6           Where we are right now? In early March we filed  
7 our preliminary application document with the Federal Energy  
8 Regulatory Commission to begin this environmental compliance  
9 and licensing and permitting process and so we're working  
10 through that. We, in advance of this meeting, wanted to get  
11 out with some information so we held a series of six public  
12 information meetings here in southern Utah for the public to  
13 come and find out what it is that we're proposing and we'll  
14 try to answer the questions that you all had at that time.

15           And here we are now participating with the FERC  
16 in these scoping meetings, so through the summer now we'll  
17 be refining our development plans, based on the information  
18 that we get from the scoping and as we're directed by the  
19 agencies. We'll also be completing our preliminary  
20 engineering and design this summer and hope to have a cost  
21 estimate to you. I know that you're as anxious as we are to  
22 know what the cost is, and this is a big, complex process  
23 and it's a lot harder than just picking out the cost of a  
24 pump station and a pipe here and there and putting that all  
25 together. So we hope to have that information out to you

1 soon and we'll let you know when we have that.

2           So our planned schedule for this is to complete  
3 or work through this federal process. When that's  
4 completed, we'd anticipate beginning final design and we  
5 expect that could happen, perhaps, in 2014. It would take a  
6 couple of years for us to complete and then begin the  
7 construction phase probably as early as 2016. And again,  
8 that would be a multi-year process with many contractors  
9 involved and we'd like to have that done within a few years  
10 of beginning so that we'd have a year or so to get the bugs  
11 worked out of the project and to have it ready to deliver  
12 water and generate energy by about 2020.

13           We have some information on our website, which is  
14 [water.utah.gov/lakepowellpipeline](http://water.utah.gov/lakepowellpipeline) and there's a project's  
15 update tab there that if you look at that will give you some  
16 further information about the status of the project as far  
17 as we're concerned. I know FERC has a website that they'll  
18 tell you about that has all the documents associated with  
19 their process on that also.

20           So I appreciate your time and turn this back over  
21 to Jim.

22           MR. FARGO: Thanks Eric. If anyone still has  
23 questions trying to understand the proposal, Eric is going  
24 to be available. There's plenty of bigger scale drawings in  
25 the back if you haven't had a chance to look at those and it

1 would be a lot easier for him to take you through and point  
2 out features that you might be interested in. So he'll be  
3 here and just let him know. Thanks.

4 Just a couple of guidelines during the  
5 presentation part of our program tonight, I think the number  
6 one, most important one I find in all the meetings I chair  
7 are that, number one there is to please show respect for the  
8 other participants. I think last night we had a terrific  
9 example of how that was carried out in St. George. I think  
10 we had 200 or 250 different participants or people at the  
11 meeting, lots of different points of view, but everyone  
12 seemed to be very respectful of each other and allowed each  
13 other to express their own points of view without any  
14 hostile interaction. So hopefully, let's carry that through  
15 up here.

16 Please sign in if you wish to speak. There was a  
17 sign-up sheet in the back and you can sign up if you decide  
18 you do want to speak. We're talking comments in order of  
19 sign-in. And at this point I'm not sure how many sign-ins  
20 we have.

21 MR. WELCH: Twelve.

22 MR. FARGO: So probably around five minutes,  
23 let's not draw it out too much. Usually, when I hear  
24 commenter go to the seven, eight, nine minute it's getting  
25 awful long. So let's try to aim for the five-minute time

1 limit in presenting your information. A little bit about  
2 the Commission, and I know we're pretty new to most people  
3 here because we don't do a lot of hydro licensing in Utah.

4 We do an awful lot in California. We're an independent  
5 regulatory agency. We have five commissioners, 1300 staff  
6 members, including five regional offices. And in the office  
7 that this project is getting managed out of, which is the  
8 office I work in, Office of Energy Projects, there are 340  
9 people, including biologists, recreation land use planners,  
10 archeologists, and economists. So it's a very diverse bunch  
11 there. And in that office we deal with hydroelectric, also  
12 gas pipelines and LNG facilities. So there's a variety of  
13 things that the Commission regulates, hydro just being one  
14 of them and these are shown up here. The hydroelectric  
15 program we have at the Commission is divided up. We have a  
16 dam safety component associated, of course, with looking  
17 after the dams that are under license. The ones that are  
18 under license are those that are proposed by non-federal  
19 entities. We have the licensing, which I'm part of and we  
20 also have a license administration and compliance. The  
21 Compliance Division tracks projects after they have a  
22 license and make sure that they are doing the things they  
23 should do and following through with the different  
24 obligations that are in their license.

25 (Slide.)

1                   MR. FARGO: The one process that we're going to  
2 be using for this project is called the Integrated Licensing  
3 Process. This is the newest process that we have at the  
4 Commission. It was put together in 2003 and it was put  
5 together by a lot of interaction from the resource agencies  
6 that we deal with all the time, all the Interior agencies  
7 had part in kind of shaping what this rulemaking would look  
8 like or this regulation would look like for this licensing  
9 process. Also, the National Marine Fishery Service and  
10 other NGOs had a lot of input. What it provides for is an  
11 early issue identification, which we're up to right at this  
12 meeting and an early study plan development. So the first  
13 part of this, which we call the pre-filing stages of this  
14 process are involved with trying to identify issues and also  
15 develop the study plans that the applicants are going to  
16 have to carry out to get the information we need to do the  
17 NEPA analysis.

18                   It also has very established set timeframes. It  
19 moves along pretty well and it's able to integrate other  
20 agencies permitting process, such as the permitting  
21 authorities that the BLM, the Bureau and others will have in  
22 this project. In the Lake Powell Pipeline, as I say, the  
23 three agencies that would have the direct permitting -- at  
24 least three, but these three would have direct federal  
25 permitting authority. The BLM would have right-of-way

1 authority as well the National Park Service and Reclamation  
2 will have authority over the water withdraw, also over  
3 conditions on its Reservations.

4 (Slide.)

5 MR. FARGO: Scoping goals, what we're here for,  
6 identifying issues and potential environmental effects with  
7 the proposed project and trying to identify alternatives.  
8 We're trying to get the information that we're going to  
9 need. As I said a minute ago, when we get into the next  
10 phase, the post-filing phase, which we'll do the  
11 Environmental Impact Statement. So where we are now is just  
12 the very early stages of this process.

13 (Slide.)

14 MR. FARGO: This is a kind of overview of the  
15 total process. Where we are now is just right at that first  
16 block or getting into the second block, the scoping meeting  
17 part. The initial proposal was filed. As I said, that was  
18 back in March this year from the state. We put out Scoping  
19 Document 1 and worked to set up and arrange with the state  
20 scoping meetings and now we're in a comment period on the  
21 SD-1, scoping document, and also taking comments here in  
22 person in the scoping meetings and people are also sending  
23 in comments.

24 During this first year we're going to be focusing  
25 on the study plan development, looking at alternatives and

1 looking at the studies that are going to be needed to be  
2 done by the applicant, which will be conducted during a one-  
3 or two-year period. So there's going to be a lot of  
4 intense effort during this first year, year and a half for  
5 the federal agencies, FERC and the agencies that we're  
6 working with, the federal team to come with a set of study  
7 plans that we're going to be requiring the state to perform.  
8 And the public has plenty of opportunities to participate in  
9 that process, the study plan development process, and I'll  
10 be highlighting a couple of those in a second.

11 The second part or the lower set of blocks is the  
12 post-filing. This is when the applicant comes in with their  
13 actual final proposal when the studies are done and they  
14 also are proposing mitigation measures. We go and review  
15 the application. It would be reviewed by the FERC, the  
16 public and of course the federal team. We'll comment on the  
17 application, make sure we have the information we need to go  
18 into the environmental document. And in the environmental  
19 document, again, it'll be FERC and the federal team doing an  
20 environment impact statement, in this case both draft and  
21 final.

22 And then the last block there shows the typical  
23 FERC project where FERC is authorizing a hydro project by  
24 issuing a license order or by denying a hydro project and a  
25 license in an order. But here there's going to be a FERC

1 authorization, plus there's going to be a Record of  
2 Decision. Each federal agency involved in the project will  
3 have its own Record of Decision.

4 I said a minute ago that there were plenty of  
5 places here for agency and public participation. This first  
6 year is definitely one that has a lot of opportunities.  
7 July 7th is the deadline for comments on the SD-1 and the  
8 preliminary application document that the state filed and  
9 also to submit study request. So anyone in the public can  
10 do that commenting. There's also going to be an opportunity  
11 during this pre-filing stage to review more revised study  
12 plans and attend study plan meetings, comment on revised  
13 study plans, and then if these studies are more than one  
14 year or after the first year comment on the study results.

15 Post-filing the agencies start off by filing  
16 preliminary terms and conditions. These are the terms and  
17 conditions they see before we do the NEPA document that they  
18 think are the ones that they think the state would have to  
19 adhere to. Public and agencies can comment on the license  
20 application and the public and agencies can comment on the  
21 draft Environmental Impact Statement. When we finalize the  
22 draft impact statement and turn it into a final the agencies  
23 then are filing their final terms and conditions.

24 (Slide.)

25 MR. FARGO: Okay, in SD-1, FERC took a shot at

1 conditions that we thought were issues throughout the  
2 proposed pipeline. The FERC is only considering right now  
3 the part of the proposed pipeline is jurisdictional with the  
4 other federal agencies working with us, which we intend will  
5 happen before SD-2 is issued, we'll be able to look at the  
6 entire pipeline, expand our jurisdictional area and include  
7 the other federal agencies that will be issuing permits.

8 I'd like to have Ellen just go over a little bit  
9 some of those SD-1 issues that we've identified.

10 MS. HALL: Thanks Jim. It's embarrassing for me  
11 to start this way, but I'm afraid we had a little quality  
12 control problem with our issues tonight. We handed these  
13 out, these preliminary issue lists at the table when you  
14 came in. There should be four pages, so you should have  
15 double-sided copies, one, two, three, four. We discovered  
16 too late that a lot of the copies just have pages 1 and 3  
17 and they're blank on the back. So Alison is going to pass  
18 out the real ones. So in case you were looking at the list  
19 and thinking, well, where the heck are the issues about fish  
20 and wildlife and archeology and cultural resources? Well,  
21 they're on pages 2 and 4. So those are on their way.

22 The point of the issues list is to give you all a  
23 little prompt to just show you that these are some of the  
24 environmental issues that we think are likely to be  
25 something we will need to look at in our environmental

1 review process associated with this project. Now, some of  
2 these things on the list are rather generic and so one way  
3 that you can help us be sure that we cover all the important  
4 issues in our environmental analysis is to give us some more  
5 specific comment about things that either are on this list  
6 that you think aren't issues and shouldn't be looked at,  
7 things that you think are missing from the list or more  
8 specific comments about topics that are on this list that  
9 you're not sure we're looking at.

10 For example, the fish in a particular river or a  
11 particular type of plant or a particular cultural resource  
12 issue you can make those comments, either verbally tonight  
13 or fill in one of those forms that we have in the back of  
14 the room to suggest additional issues, studies that you  
15 think need to be done to fill in information gaps or  
16 alternatives that you think should be looked at in our  
17 environmental review process.

18 MR. FARGO: Thanks Ellen. This is kind of a lot  
19 of information for one overhead, but this is put up here  
20 just to kind of illustrate the set and milestone part of  
21 this IOP process. Way over on the right-hand side you see  
22 the FERC regulations that kind of guide when these various  
23 milestones have to happen. And also on the very left-hand  
24 side, I've identified who's responsible. So we have the  
25 federal staffs, which is FERC and the various federal

1 agencies we'll be working with or it's the participants,  
2 which could be anybody in the proceeding or the state, the  
3 applicant in this case. So it identifies the actions.  
4 Right now, we're at the scoping/site visit, which we did  
5 this week and this is the last of the three scoping meetings  
6 that will be set for this particular week.

7 It shows the comments due on the SD-1, the PAD  
8 and also that's the date that any study plans would have to  
9 be submitted. Right now, we have a date for August 21st for  
10 the issuance of SD-2, and the state also on that date has to  
11 come up with kind of a revised study plan list. I know they  
12 have a number of studies they've identified in the PAD, but  
13 this would be a revised proposal. And then throughout that  
14 period from August through December into January, there's  
15 going to be a hold period where there's going to be study  
16 plan meetings. As I said earlier, opportunities for the  
17 public and others to participate in honing up, you know,  
18 getting the studies the way that they think they should be.  
19 And then, finally, there's going to be the FERC and federal  
20 agency determination of what those studies are going to be.

21

22 The public record, FERC is going to be the one  
23 using our system for filing documents. All the documents  
24 for Lake Powell will be filed with the FERC and not only  
25 will the other federal have access to them, but everybody

1 can have access to them the same way, the same documents,  
2 the same system that we use and that's by going through  
3 FERC.gov. You can use the e-documents and filing link on it  
4 and get into searches with the docket number P-12966. And  
5 so when you're looking for documents or you want to see  
6 what's been filed or what's been issued on the project one  
7 way to do it is get on the FERC.gov and remember P-12966  
8 because that is the project number. That will be your way  
9 of getting in there.

10 Besides this system here, there's also on the  
11 FERC website something called e-Subscription. With e-  
12 Subscription, you put in some information about what dockets  
13 you want information on and every time there is any issuance  
14 on that document, if FERC puts out a document, you get a  
15 little tickler e-mail; and if anybody files something on  
16 that, you also get a tickler e-mail. So with e-  
17 Subscription, you know everything there is to know about  
18 what's going on, what activity is happening on that project.  
19 Again, you know the same time we know because that's what  
20 every project manager does is he subscribes to the projects  
21 he's managing back there so that you know exactly when  
22 things are happening when people are filing stuff.

23 There's also something called e-Comment. Alan,  
24 you're the one who's the "E" Guru here, so if you could just  
25 give a little intro about that because that sounds like it

1       could be really useful for this.

2               MR. MITCHNICK: The Commission just implemented a  
3 new system. It's called Quick Comment and it's an easy way  
4 to file comments online. You won't have to go and print out  
5 your comments and put them in an envelope and spend 42 cents  
6 and send it to the Commission. You can go to the  
7 Commission's website. Again, go to the document and filing  
8 tab and click on "Quick Comments" and you'll get a form.  
9 And you'll have to just input your name, the docket number  
10 P-12966 and it will allow you to type in your comments or  
11 cut and paste your comments. And I believe there's a limit  
12 of about two pages. So for most people that would be a good  
13 opportunity to easily file comments with the Commission.

14              MR. FARGO: Thanks Alan. So the next step for us  
15 at the Commission is going to be trying to get the Scoping  
16 Document 2 out. Scoping Document 2 is going to be a revised  
17 SD-1. It's going to be revised based on the comments that  
18 we've received from people mailing in comments, from people  
19 in the transcript at the last three meetings and any other  
20 meetings we have, and any of the comments that you submit by  
21 hand that you give to either to us to give to the court  
22 reporter and they get to be part of the transcribed record  
23 or those that you make on the FERC system. And also it's  
24 going to have the benefit of the other federal agencies that  
25 will hopefully get the paperwork, the memorandums of

1 understanding figured out with all the attorneys we have  
2 available and we'll be on board so that we can get this  
3 thing reviewed by all the other federal agencies, too. So  
4 it won't be kind of just FERC's first shot at issues, but  
5 we'll be including all the federal agencies that will be  
6 involved. So SD-2 should have a lot more specifics,  
7 hopefully, than SD-1 and it should have some more discussion  
8 of more specifics on some of the alternatives, too.

9 (Slide.)

10 MR. FARGO: Again, the same guidelines I proposed  
11 earlier and the only real reminder here is to make sure if  
12 you have written comments on your talk that you gave make  
13 sure you give them to the court reporter right after your  
14 talk or you can hand them up to me. You can use this  
15 microphone. You can take it off the hook if you're more  
16 comfortable with that.

17 MR. WELCH: Okay, we've been talking a long time  
18 here and you've been listening to us. And now it's our turn  
19 to listen to you all, so we'll turn to that part of our  
20 meeting. I have a speaker list with 13 speakers in here.  
21 I'll call you up one by one and please step up the  
22 microphone, state your name for the court reporter and if  
23 there's any kind of confusing spelling or anything please  
24 spell it for the court reporter. I have a speaker list that  
25 our folks at the table prepared based on the sign-in sheet.

1 Please bear with me if I really butcher your name and I'm  
2 doing the best I can. It's nothing intentional here. So  
3 when you come up to the microphone, just correct me if I'm  
4 wrong. And once again, I apologize in advance if I get your  
5 name wrong.

6 So our first speaker tonight is Merritt Manzel  
7 (phonetic).

8 AUDIENCE MEMBER: (Off mike.)

9 MR. WELCH: Roland Gow.

10 MR. GOW: You got it right, sir. Gow is spelled  
11 G-O-W, Roland with no "W." I'm pleased that the FERC is  
12 taking an active role in this. I think we will end up with  
13 a very objective evaluation of the power pipeline and not a  
14 sales job and I look forward to seeing those objective  
15 results.

16 My comments for the scoping of the EIS relate  
17 basically to the scope of alternatives, to costs and to who  
18 pays. Right now we appear to have about a 10-mile gap  
19 between the end of the pipeline and the City of Cedar City.  
20 I think you need to look at what happens in that 10 miles  
21 because that will add a significant amount of costs to the  
22 30-inch pipeline from Sand Hollow. I think as you look into  
23 alternatives you probably need to get pretty local about  
24 what kinds of alternatives to the pipeline we might see for  
25 water supplies, especially, in St. George and in Cedar City

1 especially. I'm thinking of things like reuse of  
2 wastewater, infiltration galleries, things of that nature,  
3 actual systems that could be used in lieu of the pipeline or  
4 in addition to it.

5 Those things I think need to be costed out in  
6 pretty much excruciating detail because we at the local  
7 level, in order to buy the pipeline or buy off on the  
8 pipeline are going to need to know how much of the  
9 alternatives will cost and where the money will be coming  
10 from. I would hope that you would provide us with costs  
11 that are segmented from the intake through the pipeline, the  
12 water conveyance system, the hydroelectric section as well  
13 as the Cedar Valley section of pipeline. We'd like to look  
14 at total costs as well as individual segmented costs.

15 I think you need to look into the reliability of  
16 a 50-year population projection. That's a myth based  
17 loosely on legend in most books and whether we should be  
18 projecting ourselves that far into the future will really  
19 have an impact on how reliable and how probable the  
20 projections are.

21 I think you need to look at who will be paying  
22 for this pipeline, especially, in the Cedar Valley  
23 extension, whether it will be developers or whether it will  
24 be local water customers or some combination. We'd like to  
25 know how that will impact our tax bills and how it will

1 impact our water fees. And I'm assuming -- excuse me, let  
2 me go back to the scope of the project. You'll be including  
3 water treatment facilities and different ways of treating  
4 water in the cost and the scope of the document. I think  
5 that may increase the scope of the document pretty  
6 significant. I hope that won't break the budgets too much.

7 And one kind of off the wall. I'd be interesting  
8 in knowing how the water crossings will be performed,  
9 whether they will be subterranean or whether they will be  
10 cut and filled through the individual streams and so on,  
11 especially, with a 69-inch pipeline, which will be a fairly  
12 significant cut. That's basically all I have. Thank you  
13 very much.

14 MR. WELCH: Thanks. Could you just tell us the  
15 water treatment, the remark you made about considering water  
16 treatment or --

17 MR. GOW: The pipeline up Cedar Valley ends with  
18 the water treatment facility. There are many ways to treat  
19 water -- filtration, reverse osmosis, things of that nature  
20 and I'd like to know what individual processes are available  
21 to us and how much they will cost versus, you know, the cost  
22 of reuse and so on and so forth.

23 MR. WELCH: Thank you Roland. Barry Gray.

24 MR. GRAY: Good evening. How are you doing?

25 MR. WELCH: Fine, thanks.

1                   MR. GRAY: There has been some misunderstanding  
2 on my side. From everything I've seen up here, everything  
3 you guys are doing of regulatory, and from my understanding  
4 of the last meeting -- this is my third meeting -- the state  
5 official said -- you know, we asked them questions that  
6 night and they said, well, that's a good question for this  
7 night. Well, the feds have nothing to do with our local  
8 questions with regards to why aren't we doing better with  
9 the water that comes out of Cold Creek. You know, there's a  
10 lot of water that comes out of there that, as according to  
11 your plan, the locals are supposed to figure out a better  
12 way to use local water and they've had years to plan and  
13 I've yet to see any great plans. You know, we could have a  
14 massive reservoir out here for all the excess water that's  
15 going -- and I apologize for this because you guys have no  
16 control over that.

17                   As the last gentleman just said they're going to  
18 put a treatment plant right at the county line. Well,  
19 they're still going to either have to pump the water here or  
20 Washington County's going to get it right back because  
21 that's where the water treatment plant is. They're talking  
22 about a water treatment plant to service the Lake Powell  
23 water. Supposedly, we have over a couple million acre-feet  
24 of water underneath us and we can't use all of it because  
25 it's unusable. Well, why isn't the water treatment plant

1 treating water we have? Part of what I'm saying is we have  
2 water here. They're only going to give us 20,000 acre-feet.  
3 The costs to go that last 35 miles is going to be cost  
4 prohibitive to even bring it here.

5 There's talk that over the years many of our  
6 water shares were sold to Washington County and in reality,  
7 once it gets to Sand Hollow there's going to be a trade off.  
8 We're going to get our water back and there's no water to be  
9 pumped up here. So a lot of this could be a futile effort.  
10 There's no water coming out of Lake Powell here. We're just  
11 going to get water shares back that were sold many years ago  
12 when we didn't need it.

13 Again, the biggest concern to me and I think a  
14 lot of other people is a lot of water being wasted that  
15 could be used. We have a lot of land. There's a dry lake  
16 out here that three years ago our floodwater went there.  
17 Sixteen thousand acre-feet had been allowed to sit there and  
18 it's evaporated over the years. There's ways that water  
19 could have been reused, better planning could have been done  
20 to scrape that lake so water could have gone down and we  
21 could have a better recharge than what we're getting. So  
22 there's many other avenues to build up our local water  
23 where, in fact, we really don't need that water out of Lake  
24 Powell. There's enough water here that can be used and  
25 whether we reclaim water, whether we treat it properly

1 through treatment plants and/or the reuse from the  
2 wastewater.

3 But again, I think that's more for local because  
4 you guys are regulatory, but if you have any push on this  
5 side use it that way. Thanks.

6 MR. WELCH: Thank you Barry. Harold Shirley.

7 MR. SHIRLEY: Hi. I'm a citizen member of the  
8 Site Board of Water Resources. Is there anyone here from  
9 the city? I was just checking. I don't there are. And I'm  
10 going to tell you why, at least in Cedar. I don't know  
11 about the other two. It's the beginning of the summer  
12 games, which is one of our -- they're all down there at the  
13 beginning of that and Collin Raye is going to be out there  
14 about dark thirty. So if you want to go down and hear a  
15 great concert, he'll be down after the fireworks. We hope  
16 there no fireworks in here before, but anyway, I represent  
17 that State Board of Water Resources for this five-county  
18 area and citizen member of the Management Committee of the  
19 Lake Powell Pipeline.

20 Thus far, all members from the State Water  
21 Resources are 100 percent for the project. But I said, thus  
22 far. We're not just at any cost we're for it. We've got to  
23 be reasonable and we've got to look at every alternative  
24 that we can and this is one of the alternatives that we're  
25 looking at. That we're not putting all our eggs in this

1 basket, but this basket does have quite a few of the eggs,  
2 but it's not all of them. The State of Utah is bound by the  
3 Government Office of Planning and Budget figures, whether  
4 they're high or low, they've been low notoriously over the  
5 years and we think the growth in our valley will be far more  
6 than what it showed.

7 For instance, it shows that Enoch, by 2060, will  
8 be 14,000. Enoch projects that they will be pass 40,00 by  
9 then. That'll take a few more drops of water than just, you  
10 know, and extra straw in the ground. And I'm not so sure  
11 how much water is down there and I don't think anybody is,  
12 Mr. Gray. We have a closed system. We're like a bathtub  
13 here. We get in about 37,800 acre-feet a year. That's on  
14 an average basis. We think that's the sustainable yield,  
15 going by our government people that we've worked with on  
16 that.

17 Right now, in most years are mining more water  
18 than is coming back into the system in the 2 to 4000 acre-  
19 feet per year. We have seen periods of growth and no growth  
20 in this area. I happened to have been on the city council,  
21 been mayor for 12 years when at first we had the mines close  
22 down and we had no growth, not because we wanted it, but we  
23 literally had no growth and we had an economic stagnation  
24 for about a dozen years and I happened to be mayor when we  
25 took off and in the last 15 years we've grown maybe more

1 than most people are comfortable with on that particular  
2 thing. But I think we prefer growth to no growth.

3 Technically, Cedar City has about 17,000 acre-  
4 feet of water that they can develop. Right now, they're  
5 using between 7500 and 8000 a year. If they develop that  
6 other 9000 acre-feet that they have the water right to, we  
7 won't be mining 2 to 4000. We'll be mining 11 to 12, 13,000  
8 acre-feet. Well, right now, agriculture is using a big  
9 portion and one of the things we're looking at is buying and  
10 drying, which is not popular, but we will do what has to be  
11 done. I can walk if gasoline gets too high. I've got to  
12 have water, but I don't want it, though, to be so much that  
13 when you flush your toilet that's \$150 a month. We can't  
14 have that either. We've got to be reasonable. But I simply  
15 think that there is no such thing as cheap water. That's an  
16 oxymoron any more. There's no cheap water left in this area  
17 to develop and we're looking at ways of handling water, and  
18 yes, more has to be done with conservation, more has to be  
19 done with capturing that water from Cold Creek that goes  
20 down. But we also know that a lot of the sites that we're  
21 hearing out there ain't rocket science because if I remember  
22 correctly when I first moved to Cedar City they were  
23 predicting that by this date we would have a new ice age.  
24 Well, we about had that last night on my tomatoes, but  
25 anyway, they were saying we'd have a new ice age. And now

1 we're going in the other direction with Mr. Gore telling us  
2 we're going to melt all the ice and all like that.

3 I'm not saying that Lake Powell is the only  
4 solution we've got, but I think at least at this juncture I  
5 think it's the best option that we have. However, we will  
6 look at cost. We can't make it so poor, little ladies can't  
7 do anything. So I appreciate your looking at this. We've  
8 worked with Joe from BLM and we're looking forward to  
9 working with FERC and we think that, like he said, it's now  
10 or never. If we don't develop this water now, I don't think  
11 we have another best alternative. Thank you very much.

12 MR. WELCH: Thank you Harold. Mitchell Gitz.

13 MR. GITZ: Good evening. I'm wondering if  
14 anyone's taken the time to look at the Utah State  
15 Constitution with regard to county projects and the  
16 possibility that -- the probability actually that there's  
17 going to be a required vote of the citizens, an up or down  
18 vote, on whether this project goes ahead. I'm looking at  
19 Article 14, Sections 3 and 4, and it specifically said that,  
20 "If the indebtedness," and I assume our county is going to  
21 be bigly indebted, "exceeds 2 percent of the county's value  
22 of taxable property" you cannot proceed with the project.  
23 So strongly suggest that everyone take a look at the  
24 constitution because I think it's been overlooked. Has  
25 anybody looked at the constitution, by the way? So I don't

1 know if the project is legally feasible. And I'll just  
2 give you this paper, by the way. You can pull it off the  
3 Internet.

4 MR. WELCH: Jim Case.

5 MR. CASE: I'm Jim Case. Spelled just like it  
6 sounds. There are a number of points I'm concerned about.  
7 Some of them I'm sure you won't be able to answer. You  
8 weren't able to answer back there the capital cost of the  
9 system. You won't know that until you've designed the  
10 system apparently. What I'm more concerned about is the  
11 operating cost of the system. The cost of pumping water up  
12 over the high elevation and then back down the Sand Hollow  
13 Reservoir will pretty well be offset by the hydro power  
14 that's generate. And that cost is then shared by the three  
15 entities that are using the water to get to Sand Hollow.

16 However, the operating costs to get the water  
17 from Sand Hollow up to Cedar City will not be offset by any  
18 hydropower that's generated. So the per capita cost of  
19 water to Cedar City is going to be quite a bit higher, I  
20 wouldn't hazard to guess as to how much higher, than the  
21 operating costs per capita to Washington County and  
22 particularly, to Kane County. So that's a major concern I  
23 have.

24 The question about population growth, I don't  
25 like to think of myself as a person that's moved into the

1 area and then wants to close the door behind me and not let  
2 anybody else in. But when we talk about a population growth  
3 among the three counties that will be served by the water  
4 going up to over a million people, people seem to think that  
5 growth is a good thing and we want to have continued growth,  
6 but the availability of water becomes a chicken and egg  
7 thing. If the water is not there, you won't have the  
8 growth. If the water comes in, you're going to have more  
9 growth than the one million because as long as you've got  
10 enough water to support growth, growth will continue and I'm  
11 just not sure that's a good thing.

12 Another thing I'm concerned about is there were  
13 some aspersions made to Al Gore there. The International  
14 Program for Climate Change or the IPCC has uniformly come  
15 out considering that we're in for global warming. Some of  
16 the climate models indicate that the Southwest is going to  
17 have continued or even more severe drought than we'll having  
18 now. There'll be ups and downs to it. We may have water  
19 going into Lake Powell now because the upper basin snowfall  
20 has been above average. But in the long run, the amount of  
21 water that may be available at Lake Powell would probably,  
22 well, possibly be less than one might supposed.

23 I looked at the grass back here that the Bureau  
24 of Reclamation has produced for you and they seem to think  
25 the water is just going to stay level forever out there in

1       that lake and not taking into consideration what the lower  
2       basin or the Colorado River Compact is going to require.  
3       And as long as the population of southern California,  
4       Arizona, the Las Vegas area is growing the way it is, their  
5       water demands are probably going to take precedent over our  
6       demands because I think that the lower basin has the  
7       priority call on the water in Lake Powell, plus the Lake  
8       Powell water level has to be maintained so that Lake Meade  
9       has sufficient water to generate power, which I'm sure all  
10      you people in FERC are aware of. So I'm just not at all  
11      believing that Lake Powell is going to be there forever  
12      providing enough water for the growth that you're talking  
13      about. Thank you.

14                   MR. WELCH: Hans Roeros.

15                   MR. ROEROS: My name is Hans Roeros a resident  
16      here at Cedar City.

17                   MR. WELCH: Could you spell that for the court  
18      reporter.

19                   MR. ROEROS: R-O-E-R-O-S. I'm primarily in  
20      agreement with the other gentleman who spoke before me. The  
21      one thing I want to emphasize is that my concentration would  
22      be on the conservation part of the water supply. I feel  
23      that a projection so far given with the increase in  
24      population is, of course, pure speculation. If you go to a  
25      million here in the Iron County, Washington County area, I

1 believe those figures probably could be primarily based upon  
2 land developers and speculators.

3           We, again, looking at the matter of water supply  
4 and demand, and I think a population increase would  
5 obviously depend for a great deal on that. As such, I  
6 consider the pipeline project something that, if you believe  
7 the Salt Lake Tribune today in a feature article called it a  
8 "Dream Line" and I'm of the opinion -- I'm foreign-born as  
9 you may detect and I've always grown up with a great deal of  
10 emphasis on conservation. And so I believe that  
11 conservation has not been given the proper attention in this  
12 entire project.

13           One particular example I can think of, in the  
14 previous meeting, somebody brought up the fact that we had  
15 large amount of water collecting in the west side of Cedar  
16 City. It collects mostly in the Quichapa Lake area, if I  
17 pronounced that right, and most people are familiar with  
18 that. And an earlier engineering question came up, if this  
19 lake, being rather shallow and subject to a lot of  
20 evaporation, if engineers had ever looked into digging into  
21 the bottom of the lake for higher volumes of water storage.  
22 A thing like that is being looked over in the interest of  
23 bringing in the pipeline as a main source.

24           And I also have a big question on the part of the  
25 cost estimate for one thing. What comes to mind is that --I

1 don't know how many people remember that in 1983 we had an  
2 all-time high level on part of the Salt Lake and the  
3 legislature in a sort of panic-stricken decision decided to  
4 build a pump station there with five huge turbine pumps.  
5 It's never been put online, so to speak. The principal  
6 estimate came out in the order of \$42 million and it ended  
7 up at almost 70 million in 1985, dollars that is. So the  
8 question is, in looking at your schedule of design  
9 construction and completion, upon completion I believe  
10 you're looking at 2025. What kind of number are we looking  
11 at? So far, the people have been informed anywhere from 500  
12 million to \$800 million and a more accurate estimate had  
13 been entered as perhaps two billion. For one thing, this  
14 looks very lucrative to me, in the first place. But a more  
15 important question is to what extent is the federal  
16 government coming in and supporting this project and how  
17 would this cost be distributed at this stage of your --  
18 while you're looking at the environmental impact? So thank  
19 you.

20 MR. WELCH: Thank you. Gary Player.

21 MR. PLAYER: My name is Gary Player just like the  
22 South African golfer. He's my publicity agent.

23 MR. WELCH: Okay.

24 MR. PLAYER: okay, I'm a geologist with about 43  
25 years of experience from Alaska to Venezuela. I was an

1 inspector on the TransAlaska Pipeline System, a 48-inch line  
2 for 800 miles and also on the Kern River line, a 36-inch  
3 line that I inspected for about 200 miles. My experience in  
4 both projects were the costs were about quadrupled. So I  
5 agree with the last gentleman. It's very difficult to put a  
6 number on it. The Kern River line maybe didn't increase  
7 that much, but halfway through the project they started  
8 laying off people because they just couldn't pay everyone  
9 that they had.

10 I'm not going to go into the generalities,  
11 although I think this will ultimately be a political  
12 decision, but I'd like to talk about some of the technical  
13 problems I see. I know you guys have looked at several  
14 different routes. You'd have to, to be able to even propose  
15 one. But I'm concerned that from Lake Powell to the High  
16 Point Two is an elevation change of about 1950 feet. We're  
17 going uphill. Then from High Point Tank Two to Sand Hollow,  
18 we're dropping 2620 feet, and that, of course, is where you  
19 intend to recover the hydropower.

20 But then to go from Sand Hollow up to Cedar City,  
21 we've got to regain 2925 feet. I'll use that number instead  
22 of the number closer to 2000 because most of the development  
23 in Cedar City in the last five years has been at an  
24 elevation of 6000 feet in the so-called "Layhill Area" and  
25 it looks like most of the vacant available for development

1 in the future is south of there, which is at approximately  
2 6000 feet also. So we've got to figure it out. We've got  
3 to get the water up to the hole, so we're looking at 3000  
4 feet.

5 I'm also concerned about the Kanab feeder line.  
6 Apparently, the pipeline heads south about 15 miles or so  
7 east of Kanab. I'd like to know whether or not that mileage  
8 is really figured in to the full length of the pipeline  
9 because it may have been -- it's at least conceivable they  
10 could have gone directly to Kanab and then south through  
11 Fredonia. I'm not saying you should. I'm saying I hope  
12 that extra cost to Kanab is part of your study.

13 I've got a couple of things. I'd rated the  
14 pumping cost from Hurricane to Hamilton Fort maybe  
15 unaffordable. It may not. Maybe someone will come up, get  
16 approval on some nuclear power plants and lower our electric  
17 costs. I don't envision that happening, though. I also  
18 know as a geologist, and a lot of people will disagree with  
19 me, though, but -- belief is a better word. There's a lot  
20 of undeveloped groundwater supply east of the Hurricane  
21 Fault and west of the Cedar Breaks National Monument.  
22 There's a 3000-foot thickness of craterous sandstone that  
23 probably has an annual recharge on the order of 15,000 acre-  
24 feet that's completely unused.

25 Secondly, the Pine Valley Mountains may have

1       between 40 and 60,000 acre-feet of infiltration each year,  
2       which is just barely used, slightly. Most of that water is  
3       going deep into subsurface and flowing south toward St.  
4       George and may be available for their use. I'm sure Ron has  
5       had his eyes on that for a long time. I think much of the  
6       future demand of Cedar City could be met by building a  
7       30,000 acre-foot off stream, storage reservoir north of Cold  
8       Creek. I've already made that proposal formally and been  
9       laughed out town, but I think it needs to be looked at again  
10      and perhaps someone can claim it as their idea and get it  
11      done. The source of the water that would be stored there is  
12      unappropriated flood flow in Cold Creek that otherwise is  
13      lost to evaporation from Quick Spa Lake. That water just  
14      goes out there. The evaporation rate is on the order of  
15      6000 acre-feet a year out of Quick Spa Lake.

16               Now, I'm also concerned that the elevation  
17      difference from Sand Hollow -- well, I already talked about  
18      that. I'm sorry. I'd like to consider rerouting the line.  
19      I know nobody wants to do that because you've got a lot of  
20      work invested already, but I'd like to see something happen  
21      at High Point Tank Two. We've got 5695 feet of elevation.  
22      I hope someone has looked at the feasibility of maintaining  
23      that elevation, going to Cedar and flowing the water by  
24      gravity to St. George downhill instead of pumping it up from  
25      St. George. That may be impossible. I haven't looked at

1 it. It may be the only good route would be through a couple  
2 of national parks. So what else is new? I'm from Alaska.  
3 They took away most of our ground up there and turned it  
4 into parks. All right, thank you very much. I'm going to  
5 turn this in also. It's just a written summary.

6 MR. WELCH: Thank you Gary. Glen Bessonette?  
7 Glen?

8 MR. BESSONETTE: It's Glen Bessonette. I'm here  
9 as a resident of Evanston in Washington County. I'm a 22-  
10 year resident down there. I have taught up here at the  
11 university for seven years and was a student up here as  
12 well. I appreciate your patience with me and some of my  
13 comments here I may be pushing the five minute mark there.  
14 Please let me know if I'm exceeding my welcome with all of  
15 this. And by the way, I noticed my water bottle that I left  
16 up earlier and I think it's ironic that I need water.

17 (Laughter.)

18 MR. BASSEONETTE: Let's see, I do have a couple  
19 of comments focused on the SD-1, a couple comments related  
20 to issues that were brought up at last night's hearing down  
21 in St. George and then a little bit more extensive comment  
22 that may be pushing the limit, kind of a critique of how  
23 water conservancy districts, as I see it, are operating  
24 within our representative democracy in this state.

25 First item for the FERC Commission here I would

1 asked that you please give careful attention and care to the  
2 methodologies that you're using with projections into the  
3 future. There was early in last night's discussion a  
4 mention of crystal ball projections in the future. I  
5 believe, Mr. Fargo, you brought that up in concerns about  
6 being able to predict the financing and that FERC wouldn't  
7 be involved with that. But also please consider that one of  
8 the central pillars, of course, of the whole pipeline  
9 proposal is that slide we saw earlier on the projected  
10 growth, particularly in Washington County, but also in the  
11 other two counties. And of course, as those projections get  
12 further and further out 50 years down the line or so, they  
13 become much more tenuous, and again, I'm concerned that you  
14 please give care and attention, as close as you can, to the  
15 consistency and integrity with which you're treating future  
16 projections of all of these issues.

17 The Washington County Water Conservancy District  
18 a person last night asked that you estimate carefully the  
19 costs, again, projecting in the future. And I believe it  
20 was a private citizen, a few as I recall, but one in  
21 particular asked that you estimate the potential air quality  
22 impacts. And again, please consistency and integrity in the  
23 methodologies.

24 The second point here on page 10, Section 3.2 of  
25 the SD-1 document states "Commission staff will consider and

1        assess all alternatives." I would ask that beginning with  
2        the next SD-2, Scoping Document 2, that you please be much  
3        more specific, as specific as you in specifying who in the  
4        FERC Commission will be attending to those considerations  
5        and assessments. I don't think you need to give individual  
6        people's names, but just as you did at these hearings  
7        introducing yourself and your positions. If you could at  
8        least give the particular employee's position. Your earlier  
9        slide mentioned there are 1300 and some employees within  
10       FERC and please be as specific as you can so that we don't  
11       have concerns about say a geologist, a specialist and  
12       geologist making decisions on perhaps biological issues. We  
13       need accountability with which people are doing what within  
14       your organization. Again, not necessarily personal names,  
15       but positions. I would ask that you please do that.

16                    The next thing relating to the SD-1 document is  
17       something that a number of people focused on last night, on  
18       page 16, Section 4.2.9, the socioeconomic resources and I'm  
19       handing, start giving you some documents. This, of course,  
20       focusing on -- let me quote directly here "Potential to  
21       accommodate or affect population and economic growth," and  
22       as some people were pointing out last night so far that's  
23       just briefly mentioned here, but I think it's becoming clear  
24       that's going to be a huge element of the study relating to  
25       growth and concerns about growth incident to the potential

1 development of the pipeline. So the rest of my comments  
2 will be, I think, directly and less directly to that.

3 Okay, the main thing I would like to propose, as  
4 I discussed briefly with Mr. Fargo here earlier, I realize  
5 this isn't under FERC's purview, but I would like this to go  
6 on record being within the general discussion of public  
7 hearing with audience in attendance. There's been back and  
8 forth discussion about whether the public should have a say  
9 at this point in what's going on with this project. The  
10 previous gentleman discussed the Utah Constitution issue,  
11 which was something that I myself had never considered and I  
12 thought that was an interesting perspective.

13 A lot of the discussion last night down in St.  
14 George, a lot of people arguing for a referendum, which I  
15 think is a good idea. I would like to posit the idea of as  
16 a secondary alternative how about a non-binding referendum  
17 that wouldn't hold legislators to it, but help clearly  
18 establish both for the public and for elected  
19 representatives a strong connection as to what the voting  
20 public feels about the issue, but doesn't necessarily bind  
21 current elected representatives to a decision they would  
22 have to follow through. That's an option, not necessarily  
23 the best one in my mind.

24 My main proposal that I would like to propose is  
25 a process similar to the Vision Dixie Process, which we

1 engaged down in Washington County over the last couple of  
2 years, which was a very good process for bringing elected  
3 representatives to the table and lots of local residents who  
4 were concerned about growth and willing to speak up and  
5 willing to interact about it supported by our county  
6 commissioners down in Washington County. I would like to  
7 propose that to help give better accountability, again,  
8 between our elected representative and the local populous in  
9 all three counties that some similar Vision Dixie type  
10 process take place, perhaps slowing down the process, if at  
11 all possible.

12 FERC, I would ask that you at least consider  
13 providing suggestions, perhaps incentive for such a process  
14 within the state, within our counties. I think that could  
15 help, again, resolve a lot of heightened feelings about  
16 whether or not the pipeline should be built.

17 One thing I just wanted to touch on as I segue  
18 into the next, last item, which will be a little bit drawn  
19 out, and again, please if I'm pushing my time, cut me off.  
20 I thought it was ironic at last night's hearing that from  
21 where I sat as I heard it, all of the elected  
22 representatives from down in Washington County that came up  
23 to the microphone to speak I think all of them were arguing,  
24 insisting that they're not be any further referendum or  
25 votes on this issue. And I'd like you just to consider

1       that.  Again, within a representative democracy, if you  
2       think about the type of response that we're getting within  
3       the audience last night, which garnered the loudest and  
4       longest applause, I think it's ironic and well worth  
5       considering the response that our elected representatives  
6       down there were giving about this issue.

7                     Okay, how am I doing for time?

8                     MALE VOICE:  You're over about 10 minutes.

9                     (Laughter.)

10                    MR. WELCH:  I would say about three minutes.  You  
11       got about three minutes or so.

12                    MR. BESSONETTE:  I think I'll take a shortcut on  
13       this.  I do have a handout on this.  I had intended to  
14       explain.  Again, copied a couple of people up here.  I  
15       submitted a copy over here earlier.  I do have about 25  
16       other copies that I brought.  I'm willing to pass them out  
17       if you'd like to look at them.  Let me give a quick synopsis  
18       and I'm done, so maybe another minute.

19                    MR. WELCH:  Thanks.

20                    MR. BESSONETTE:  On the handout that I have, it  
21       is a critique aimed at our Washington County -- excuse me,  
22       not our conservancy district alone, but water conservancy  
23       districts within the State of Utah and how they're operating  
24       within a representative democracy, and I have a couple of  
25       quotes from papers, local papers, Salt Lake and St. George,

1 kind of pointing to the problem. Another quote from a New  
2 Yorker magazine that talks about economic growth and  
3 political systems, and I would argue that our water  
4 conservancy districts within the state are closed, political  
5 systems. People are appointed. They're not elected. And  
6 of course, they have obvious, far-reaching power within the  
7 state. In my critique I don't mean to offer a sweeping,  
8 wholehearted critique, just particular elements, the  
9 particular element of the representative democracy. Of  
10 course, there is a great deal of good water conservancy  
11 district do, but I don't feel they're responsive enough to  
12 the populous within a representative democracy.

13 Part of my critique, and I have a picture of this  
14 on the handout that I have comes from a book by Professor  
15 Donald Wocster. He's been a guest lecturer here at the  
16 University of Utah a few times and most recently about six  
17 years ago. The Black Rivers of Empire Water, Aridity and  
18 the Growth of the American West. From all that I've read  
19 this is, I think, the most deeply researched book on the  
20 history of water development, particularly, as it affects  
21 the American West and again a touch of irony here the cover  
22 picture does show a large water pipeline in the process of  
23 being constructed. And I'll just read one of the quotes  
24 here, just the one-sentence quote.

25 MR. WELCH: You're sort of at the end. Just

1 finish with your quote that'll be fine.

2 MR. BESSONETTE: This quote did appear in our St.  
3 George Spectrum. I don't believe it was published in the  
4 editorial page up here in Cedar City with an editorial I had  
5 down there. This is the quote "Accepting the authority of  
6 engineers, scientists, economics and bureaucrats, along with  
7 the power of capital, the common people become a herd.  
8 Someone decides what they should want, what will keep them  
9 amused and uncomplaining and what they must accept as  
10 reality." And again, I have a couple of examples of that  
11 quotes at the top.

12 And again, in closing here, I do ask that you  
13 consider how the conservancy has responded to citizen  
14 concerns about having more of a say in this and how about  
15 our elected representatives, at least in St. George,  
16 responded last night, at last night's hearing. Thank you.

17 MR. WELCH: Thank you Glen. Lin Alder.

18 MR. ALDER: Good evening. My name is Lin Alder  
19 and I'm a pro-growth, pro-quality growth candidate for  
20 Washington County Commission. I'd like to thank the Federal  
21 Energy Regulatory Commission for holding this scoping  
22 meeting and for the many of you who have come to express  
23 your concerns about the process and the interests you wish  
24 to have discussed.

25 I'm a fifth generation Utahan and I'm deeply

1 grateful to my ancestors from Austria and Scotland, you can  
2 tell by the red hair, who were drawn here to Utah by  
3 democracy and economic opportunity. Most of what I was  
4 going to talk about has been well covered tonight, so I'll  
5 jump to the meat of the matter and that's because I am a  
6 fifth generation Utahan I care about Utah's future and I  
7 want to see Utah's share of the Colorado River developed.  
8 Those of us who observed the process can tell that we don't  
9 really need the water from the Lake Powell Pipeline for  
10 future growth. You can dice it up many different ways and  
11 see, for example, Cedar City has plentiful supplies if we  
12 could capture it in a better way.

13 So really the pipeline is about developing Utah's  
14 share of the Colorado River and that's something I fully  
15 support. However, I personally believe that the pipeline  
16 represents the absolute riskiest plan for developing our  
17 water and water that could not only cripple us economically,  
18 but leave us without water for our families and our  
19 businesses, and what would we do then? So I have a request  
20 for FERC and for all of the agencies involved in the  
21 process. Please serious study at least three alternatives  
22 in addition to the preferred alternative proposed by Utah.

23 First, obviously, the no action alternative  
24 you're required to do that, but make it a good one and not a  
25 straw man. And then the second alternative, study, as has

1       been suggested, local water sources in each county that  
2       would meet the projected population growth without trans-  
3       watershed pipelines, identify how much more water could be  
4       captured from the Cold Creek drainage and sustainably drawn  
5       from the watershed. There would be aquifers below. The  
6       suggestion of the watershed on the east side of the range is  
7       a very interesting one.

8                   In Washington County we have the Sand Hollow  
9       Reservoir, which is functioning very well storing water  
10      underground or leeching water underground and we use it  
11      purified for drinking water. It's a great idea. There  
12      could be other opportunities in Iron County. As has been  
13      suggested by Harold Shirley the possibility of agriculture  
14      water conversions should be studied and an honest cross-  
15      comparison to the pipeline should be included.

16                   And then there's also the question that seems  
17      strange to us looking from the perspective of Washington  
18      County. There's this question of Snake Valley, a very rich  
19      water source much closer to Cedar City than Lake Powell.  
20      Why -- well, let me not ask why. Let me suggest that that  
21      should be part of the alternatives that are studied by this  
22      process. It would be much less expensive and more reliable.  
23      So along with this alternative, I formally request that FERC  
24      and the Utah officials study the potential use of Utah's  
25      Colorado River share on the 55,000 acres of State Trust Land

1 in Kane County on the eastern side, less than 20 miles from  
2 Lake Powell around the tiny town of Big Water. By  
3 comparison, the developed land in Washington County adds up  
4 to just under 25,000 acres, so there is more than twice as  
5 much land to develop over there right on the shores of Lake  
6 Powell. It's the largest non-federal piece of property in  
7 southern Utah. All it's waiting for is water.

8           The State Institutional Trust Lands  
9 Administration or SITLA would like to start a giant agri-  
10 business there because they see an opportunity to replace  
11 the loss of agricultural land in California's Central  
12 Valley. They've suggested a giant pecan farm. There's a  
13 lot of farmers who've sold their land in Hurricane for  
14 development and they could back to the business there. That  
15 55,000 acres of State Trust Land could also support a  
16 community similar to St. George. Not only is it on the  
17 shores of Lake Powell, it's right next to Grand Canyon  
18 National Park and Grand Staircase Escalante National  
19 Monument. More than 5 million people visit the area every  
20 year. Instead of fowling our own nest with artificially  
21 propped up and \$2 billion of debt, we could have a sister  
22 city in Kanab -- I'm sorry, in Kane County at the end of a  
23 \$220 million pipeline, assuming that it cost \$11 million a  
24 mile. The Washington County families that are currently --  
25 and Iron County as well -- that are currently involved in

1 development business could engage in business over there.  
2 They could bring some of their profits home and the state  
3 could send some profits to our school kids, and Utah water  
4 officials would put our water to beneficial use.

5 But here's the real clincher, the big water area  
6 sits on top of a giant plateau of Navajo sandstone, the best  
7 water sponge in the Southwest. Utah could begin storing our  
8 share of the Colorado River there, just like the water  
9 district is doing at Sand Hollow in Washington County. Sand  
10 Hollow has already stored more than 70,000 acre-feet.  
11 Arizona has been storing water for 13 years. They've put  
12 away more than 1.5 million acre-feet. Once our water is  
13 stored underground it could literally save Utah's bacon if  
14 and when the big, bad drought comes that the tree rings  
15 suggest will happen.

16 If a pipeline to St. George ever proves to be  
17 needed, we could use the water that way. But what I predict  
18 will actually happen is the water will become so precious as  
19 the climate changes and Utah will not need it for some many  
20 decades that Utah could do what Governor Leavitt has  
21 suggested lease water on a yearly basis, not on a long-term  
22 basis to Nevada, Arizona or California and send massive  
23 profits to the School Trust Fund because it's on School  
24 Trust Lands. But if we choose to not store Utah's water  
25 underground because we're putting all our eggs in the one

1 basket of Lake Powell Pipeline for the next decade and  
2 ultimately, for whatever reason, it doesn't produce water we  
3 will have lost a decade's worth of water that could  
4 otherwise be ours, could be ours stored safely within our  
5 borders.

6 So to FERC and Utah officials, let this be your  
7 invitation to ensure that this process studies alternatives  
8 that include creative ways of developing Utah's share of the  
9 Colorado River. Thank you.

10 MR. WELCH: Thanks Lin. Bob Botts.

11 MR. BOTTS: I'm just a local resident. I don't  
12 intend to take a lot of your time like some of these other  
13 folks have. I hope I'm not asking a question that's already  
14 been answered before I got to the meeting. There seems to  
15 be preliminary federal participation already underway.  
16 There seems to be a great concern about local taxes. I  
17 think this would go away if we were committed to federal  
18 funds to fund this project. Large projects of this kind  
19 have been undertaken throughout this country and they have  
20 been federally sponsored.

21 I think the people of Utah, in paying their  
22 federal taxes, have paid for many of these projects  
23 throughout the country. Now, it's our turn to use that  
24 federal money for our projects. So my question is have  
25 applications been made, have we worked with legislators to

1 get this money going? It seems like in projects of this  
2 type about one or two years the federal money becomes  
3 available. And of course, when it gets to Cedar City, are  
4 we going to have -- or Iron County -- are we going to have a  
5 storage facility?

6 There is a need for water. Out where I live in  
7 Cross Hollow Hills we had two wells and last year one of the  
8 well casings collapsed. So I think they started in January  
9 or February drilling a new well. They got to the 500-foot  
10 level and there wasn't very much water. So they had to go  
11 ahead and go to the 800-foot level. That seems to be saying  
12 that the water table is dropping in the valley. So there is  
13 a need for water and as more and more building goes on there  
14 will be more and more water. Of course, there will be less  
15 agricultural use maybe.

16 So what I'm saying is please get it going. It'll  
17 provide jobs. My age isn't going to wait forever. So let's  
18 not make it out there a long ways. Thank you.

19 MR. WELCH: Evan Ludwig.

20 MR. LUDWIG: A couple of thoughts here -- Evan  
21 Ludwig, E-V-A-N, L-U-D-W-I-G. Okay. A couple of thoughts  
22 here, I'm not really for or against. I probably, if I were  
23 leaning, I would like to see against. Some of the points  
24 made here I'm extremely much for and that's bad English. I  
25 would like to see the people have a referendum.

1           From what I get as you people speak here, this is  
2 almost a done conclusion. I would hope it's not done until  
3 the people say it is and I know Scott thinks I'm crazy as  
4 hell. I promised my wife I wouldn't call people idiots,  
5 morons and so forth, especially, judges on the federal  
6 level, but have we ever taken into some of these things into  
7 consideration. Washington State, after the Second World War  
8 promised on an oath almost on the bible that the  
9 Veterans there could get land, develop farms, homesteads, et  
10 cetera, et cetera. A couple of years ago some judge took it  
11 all away so some bloody fish could survive.

12           Also, and I hope you people aren't in on this,  
13 but the morons that run Lake Powell, when they flush  
14 millions and millions of gallons down the tube, I realize it  
15 stops at Lake Powell or Lake Mead -- excuse me. Thank you.  
16 That's right. But the same damn thing. I mean just so some  
17 bloody fish can live. Now, if I had my way  
18 environmentalists would have one place to go and that's  
19 straight to the moon, one-way ticket. The thing is a judge  
20 could overrule this pipeline. I don't mean when it's built,  
21 but suddenly Las Vegas, California, Phoenix, somewhere else  
22 that has more political clout and population clout that  
23 needs the water they could turn off the spiket.

24           Another thing, our politicians here in the area  
25 are not addressing, if we do bring in this roughly 20,000

1 acre-feet and we allow ourselves to build to that level what  
2 do we do when we need the next level and there ain't no next  
3 level? We're stuck with what we've got and we build up to  
4 it. Growth, yes. Everybody's looking at these wonderful  
5 impact fees and I'm really discussed that we don't have a  
6 thousand people in this room because we are all in this  
7 bathtub together and some people I guess are sitting out  
8 waiting for their chance, but we need to get involved. If  
9 we bring the water and we build up to that level the impact  
10 fees, latent. Big article in the paper several weeks ago  
11 they planned on that money. It was coming in and I don't  
12 think Cedar's in any better shape. I know Mayor Sharette  
13 probably ringing his hands that he hasn't got more money to  
14 spend because he loves to spend money. But our building is  
15 slowed up. I've got a whole bunch of duplexes and stuff  
16 sitting out next to us and the contractor is going bankrupt.

17

18 Well, we all like somebody else to pay our bill,  
19 but you know, build the pipeline; they'll come. Don't build  
20 the pipeline; they don't come. Take your chances. Now, a  
21 few months ago there was -- about a year ago, I think, there  
22 was a gentleman that came to Scott's meeting with a sewer  
23 plant that was the size of a couple of barns or something  
24 and if you put your sewer water in that thing and brought it  
25 out the far end it was fit to drink. I haven't heard

1 anything more or trying to develop some of this gray water  
2 stuff that we have large amounts of daily in this area and  
3 why not?

4 Also, I think one of the dimmest, stupidest  
5 things that I've ever heard was pumping water up here so  
6 that we could pump it into the ground. Several of the --  
7 Hastings and some of the other people that drill wells  
8 around here how do we know we've got an enclosed system.  
9 The bathtub is enclosed until you get to the overflow and  
10 then the water goes out. Is that going to be what we have?  
11 Also, pumping water in the group -- now, some of you may be  
12 familiar with the National Petroleum Storage Facility that  
13 we have in this wonderful country back East and salt domes  
14 and so forth were we pumped millions, tens of millions,  
15 hundreds of millions of gallons of oil and stuff into the  
16 ground that have disappeared.

17 What's to say our water, if we pump it into the  
18 ground here -- I would like to see a big reservoir up the  
19 canyon? Now, people say, well, we get flash floods and we  
20 have a lot debris coming down the canyon. Flowing water  
21 carries with it debris. If we built several small dams or  
22 what I used to call step dams and slow that flow down so  
23 it's not rushing like heck, you could store vast amounts up  
24 there without the full sedimentation process going on. Have  
25 we looked into that? We might need some federal help

1       because some of that land that we put under water and drown  
2       rocks might be federal land.

3               I would, again, like to with my closing remarks,  
4       for heaven's sake, you guys on our Iron County Water  
5       District, you at the state level Harold, let the people vote  
6       here. If they want to shoot themselves in the foot, so be  
7       it, and the our decedents can damn us to hell from now until  
8       hell freezes over, but at least give the people a chance.  
9       And if they don't want it, don't do it. If you get 51  
10      percent or 50 percent plus one person, I'm out of here. I  
11      shut up. You can build your damn pipeline from here to  
12      Alaska where that one geologist worked and then I'll be  
13      quiet. But I think this is something that the people of  
14      this area, and I know, Scott, you tried to make Mr. VanDam  
15      down in St. George look like a damn fool when he speaks  
16      against this, but that guy's got more brains than I hate to  
17      say this, than probably most of us here in this room. He's  
18      a very astute individual and we elected him to be our  
19      attorney general for quite a few terms.

20             So if he's a dummy and he's speaking for this, I  
21      want to kind of be on his side because I think he knows what  
22      he's talking about.

23             MR. WELCH: Corey Peterson?

24             MR. PETERSON: Ladies and Gentlemen, how are you  
25      tonight. I've got some questions since you do field

1 questions, right?

2 MR. WELCH: Sure.

3 MR. PETERSON: From what I heard preliminary, you  
4 guys are more or less -- this is your domain, the  
5 environmental, the biology, things of that nature and not  
6 our legislation and not any of that. So the feasibility  
7 stuff is not under your domain. So most of what has gone on  
8 tonight really doesn't affect you. I take that -- is that  
9 true? In other words, how we --

10 MR. FARGO: There's a dividing point and we look  
11 at project costs. We'll have an independent cost estimate  
12 in our NEPA document that will show a number that we think  
13 the pipeline is going to cost and a number we can defend.  
14 It might not necessarily be the state's number. They might  
15 take shots at it. It might not be a number you're happy  
16 with. The public might take shots at it, but we'll have a  
17 number that we can defend.

18 Now, when it gets to affordability, if for some  
19 reason we get an alternative and we say this is an  
20 alternative we recommend, it still might not be an  
21 alternative that, affordability-wise, when it gets broken  
22 down per user that they want to go forth with --

23 MR. PETERSON: They meaning the federal  
24 government?

25 MR. FARGO: They meaning the state or --

1 MR. PETERSON: Okay, the state, yes.

2 MR. FARGO: Right. So when it gets to whether  
3 this is a project that people feel it's feasible for them to  
4 develop that's a decision the Commission says is a  
5 developer's choice. But we'll put the cost there like the  
6 gentleman earlier said that he'd like to see this segmented.  
7 I think that's, you know, a good idea. All that cost to be  
8 developed, then it'll be a cost that we can defend. That's  
9 our draft testimony is that NEPA document.

10 MR. PETERSON: Okay. And our needs are based on  
11 either the USGS or the Utah Department of Geology's  
12 acquisition, not acquisition but estimates of what are  
13 aquifer will be and what our draw is going to be. You guys  
14 don't have a hand in that at all, do you? In other words,  
15 are needs are "x" amount. I've heard -- okay, let's say we  
16 have probably 37,000 acre-feet, a little bit more, maybe  
17 40,000 in the ground. We draw probably 55,000. We're  
18 mining water as it sits right now. Long-term prognosis on  
19 that is we're going to be in a lot of trouble maybe 20, 30  
20 years out. Okay. But you guys have nothing to do with  
21 that, do you? In other words, you are not privy to any of  
22 the surveys of our water needs here in the county or  
23 Washington County or a place like that.

24 MR. FARGO: In the document there's going to have  
25 to be, since it's primarily a water supply document, there's

1 going to have to be an assessment of what the need the  
2 project is meeting. So it's going to have to be taken into  
3 account for each particular county population growth  
4 estimate that, again, we can think is reasonable or  
5 foreseeable and it's going to have to take into account  
6 other resources that are already planned or what the  
7 planning looks like. And then, it's going to go from there.  
8 So it's going to have to be just like we do for the power  
9 side of it, it's going to have to be a need assessment in  
10 the document that talks about need for water for the three  
11 counties.

12 MR. PETERSON: All right. So you do have a hand  
13 in that. At the end of the day, let's say, not at your next  
14 scoping meeting, but the next one of these -- I don't know  
15 what you would call it. When you're done preliminaries,  
16 basically, that will be completed --

17 MR. FARGO: No, I mean you're talking about three  
18 years from now. We're at the very first stage.

19 MR. PETERSON: You can hear these people right  
20 now. A lot of them will say we do not need the water.  
21 There's alternatives. You're going to be going back and  
22 readdressing that for the rest of us, right?

23 MR. FARGO: It's going to be, again, three years  
24 before the NEPA document gets prepared. The first two years  
25 are going to be defining what studies the state has to

1 undertake to get the information we're going to need to go  
2 into the NEPA document. By "we," I mean FERC and the other  
3 federal agencies that are going to be involved.

4 MR. PETERSON: All I'm trying to do is get to a  
5 point where you've got a lot of dissention in various  
6 counties, especially in Washington County and here. A lot  
7 of them will say we do not need this water. It's either in  
8 the ground. We can do conservation. The situation is is  
9 eventually -- it might not be today. It might not be  
10 tomorrow. But we're going to run out of water or reduce it  
11 significantly where the economic base is going to suffer.  
12 It might be in 2020. It might be in 2040. The situation  
13 would be as if we had another document above and beyond,  
14 let's say, the USGS and apparently you guys are going to be  
15 handling a portion that, readdressing the need of the county  
16 to see if we actually need that.

17 Now, if what the gentleman back there about the  
18 constitution is true and they pull that that means you guys  
19 go away because the pipeline goes away. Okay, that's a  
20 state situation, but you would go away. But that doesn't  
21 address the situation of our water needs. Stepping forward  
22 three years let's say you've got this done. I would like to  
23 say, okay, fine. You've the USGS have done it. You've got  
24 FERC and their sub-agencies have done the hydrology and say,  
25 okay, they're either wrong. They're right or we have to do

1 more surveys. Hopefully, that third won't be the case. But  
2 maybe that will be a point where a lot of the people will  
3 say, okay, we do need this water. Maybe the pipeline, in  
4 conjunction with other things or maybe the pipeline alone or  
5 maybe not the pipeline because nobody knows how inconstant  
6 this thing's going to be, but to close things down over  
7 those three years before we have another independent federal  
8 agency take a look at our needs and either corroborate or  
9 say you know you guys are crazy. You do have groundwater.  
10 You need to proceed. This project needs to proceed because  
11 realistically we don't have a whole of options except for  
12 conservation, the pipeline and the west desert.

13 As everybody knows with petroleum, conservation  
14 only goes so far. The west desert is in dispute with Nevada  
15 and Las Vegas right now, so we should be pursuing all three  
16 elements and that's about all I have to say.

17 MR. WELCH: Thank you. We've come to the end of  
18 our sign-up speaker list. Is there anyone else that would  
19 like to speak?

20 MS. BRAITHWAITE: My name is Arlene Braithwaite.  
21 A-R-L-E-N-E B-R-A-I-T-H-W-A-I-T-E. First of all, I'm very  
22 thankful that federal and state agencies are studying and  
23 reporting on this project. We, the citizens of southern  
24 Utah, need objective data upon which to base our actions.  
25 I'm pleased that you will be addressing the economic costs

1 of the project in your scoping process. It's important for  
2 us citizens that we know the financial commitment that  
3 upfront we are going to have to make. We need to decide if  
4 this project is economically feasible or not.

5 I understand that this is not a voting issue  
6 currently, but I would support a referendum. I think it's  
7 important in a democracy to have a project this big have the  
8 voice of the people that will be paying for it.

9 One concern that I have is that the Lake Powell  
10 level that you have on your chart in the back is based upon  
11 historical data. I would hope that as you go through the  
12 scoping process that you please include projections based on  
13 IPAD models and climate change models.

14 Finally, I trust you'll give consideration to the  
15 integration of water conservation and management programs  
16 and look at more than one growth model. I think it's really  
17 important that several growth models -- I know it's nice and  
18 tidy to have one climate projection and one growth model,  
19 but I think we need to look at the options and know what, at  
20 least, our range of variables are. The citizens of southern  
21 Utah are relying on your expertise for information that will  
22 determine our future. You must leave no stone unturned.  
23 Thank you very much for all the effort that you're putting  
24 into this.

25 MR. WELCH: Is there anyone else that would like

1 to speak? Sir?

2 MR. URIE: My name is Mac Urie, M-A-C U-R-I-E.  
3 My last name is U-R-I-E. The question -- not the question  
4 but we talked a lot about costs and material costs nowadays  
5 we're quotes in the construction industry that are lasting  
6 for 90 days. So I would ask you to take into -- I'm sure  
7 you're going to do it, but the costs associated with it, it  
8 might even by the time if there's going to be an escalation  
9 clause for material prices or fuel prices or anything in the  
10 project estimate from the time it even begins construction.  
11 If it's the 2016, I don't have any idea how much costs are  
12 going to be. And then from by the time it begins  
13 construction to the end of the project how high the prices  
14 will climb.

15 And I don't know if you have anything to do with  
16 this, but I've heard a lot about -- I don't know how much of  
17 the water for Washington County is allocated for the  
18 drinking sources. I would ask that you take into  
19 consideration, if this is in your realm, of how much is  
20 going -- I've heard a lot of the developers and golf courses  
21 have come online since the initiation of the Powell Pipeline  
22 Project when before they were going to let the fairways dry  
23 up and go dead and just water the greens. But since then  
24 have continued to bring on more and continuous golf courses.  
25 And I don't support the bringing in the water over just

1 basically of how much is going to be used for that, for  
2 recreational use and how much water is going to be used for  
3 consumption and to support the sustainability of life in  
4 general. So that's all I have to say.

5 MR. WELCH: Thanks Mac.

6 MR. GRAY: Earlier, I had talked about --

7 MR. WELCH: You've got to identify yourself again  
8 for the record.

9 MR. GRAY: Barry Gray. And earlier, I talked  
10 about water. And I think some of the confusion that you  
11 don't understand is, depending on who you talk to locally or  
12 on the state side, and Harold was right, no one seems to  
13 know how much water is underneath us. One week Scott told  
14 me there was a million acre-feet of water down there. The  
15 next week his engineers said there was 2 million acre-feet.  
16 Someone in Salt Lake says we have millions of acre-feet of  
17 water. Is there a way to find out what's down there? It's  
18 amazing. Again, depending on who you talk to, you talk to  
19 six different people and get eight different answers.

20 So I think that's the crux of the problem. No  
21 one really knows. We know we're using water, but really no  
22 one know how much water we're using. So that's one of the  
23 biggest confusions we have in this valley is no one knows  
24 anything. And you would think with all these agencies and  
25 with all the expertise and geological surveys we could have

1 a better understanding of exactly what's going on in this  
2 valley. Thanks.

3 MR. WELCH: Thanks Barry. Once again, is there  
4 anyone who would like to speak tonight?

5 MR. SCHLAFY: Paul Schlafy. Do you want me to  
6 spell it again? S-C-H-L-A-F-L-Y. I work for the Bureau of  
7 Indian Affairs, Southern Paiute Agency. I'm a natural  
8 resource specialist. I work with the five southern Paiute  
9 Tribes, two in Nevada, two in Arizona and the Paiute Indian  
10 Tribe of Utah and I been to a third of your meetings, three  
11 nights in a row and you guys should be commended on your  
12 time and your efforts here.

13 I just wanted to, from my perspective in  
14 listening for the last three days, I think I want to direct  
15 this toward the state, but my understanding is the  
16 Commission is asked to consider this project, the alignment,  
17 the way it has been presented. Alternatives are talked  
18 about, things like that. The part of the pipeline that is  
19 designed to go around the Kaibab Paiute Reservation I would  
20 just ask the state, on that part of the pipeline, and I  
21 guess it would be the terminus up here that ends near Cedar  
22 Band Lands and Indian Peak Lands that the state continue to  
23 work with the Tribes and consider their opinion. I mean  
24 it's still early and so I've heard the different members of  
25 the Tribe say they have not made up their mind. They're

1 considering the information.

2 It's early in the process and I believe that's  
3 true and it's been said. So that this alignment that goes  
4 around, again, it seems to me that one of the considerations  
5 ought to be at least one that goes along 395 on the right-  
6 of-way that's already established and then where exactly it  
7 ends up here and how it affects Cedar and Indian Peaks, the  
8 state please seek out the Bands and get their input. Thank  
9 you.

10 MR. WELCH: I know a few people came in a little  
11 late. Yes, go ahead.

12 MR. WILSON: My name is Scott Wilson. General  
13 manager for the Central Iron County Water Conservancy  
14 District and to respond to inaccuracies of some of the  
15 questions and some of the dialogue this evening would exceed  
16 my five-minute allotment. And so what my intent is, is to  
17 respond point-by-point with many of the comments that have  
18 been made with regards to what are aquifers stores, with  
19 regards to the planning efforts that have been made in the  
20 community, both within Ehid and Cedar City corporation as  
21 well and to respond with regards to what our water resources  
22 are.

23 We really do have a good feel for what our local  
24 water resources are, based on the U.S. Geologic Survey  
25 study, the detailed study of our groundwater modeling

1 effort, the existing USG studies as well as the  
2 hydrogeologic characteristics of our aquifer and the Cold  
3 Creek as well.

4 The water resource in the Cedar Water aquifer is  
5 very complicated. We understand it has water rights  
6 involved, timetables, all of those things. The Central Iron  
7 County Water Conservancy District operates in two areas.  
8 First, based on free market economics and two, with regards  
9 to existing water law, when we established the water  
10 management of our basin.

11 We simply cannot, as a water conservancy  
12 district, waive our dictatorial wand and redirect that water  
13 out of Quichapa Lake into our aquifer and so I will be  
14 providing as part of my comments this evening detailed  
15 written comments for the record. Thank you.

16 MR. WELCH: Thank you Scott. Okay, last call.  
17 Is there anyone else that would like to speak tonight?  
18 Okay, seeing no hands, thank you very much for attending our  
19 meeting tonight. The kiosk will be set up for a little bit  
20 while longer. On your way out, you might just want to check  
21 out some more details, make sure you have thorough  
22 understanding. On behalf of the Federal Energy Regulatory  
23 Commission, our sister agencies, the Bureau of Reclamation  
24 and the Bureau of Land Management thank you very much and  
25 good evening.

1                   (Whereupon, at 9:35 p.m., the above-entitled  
2 matter was concluded.)

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