

1 TAKATZ LAKE HYDROELECTRIC PROJECT

2 ALASKA

3

4 FERC PROJECT NO. 13234-001

5

6 TRANSCRIPT OF

7 PUBLIC SCOPING MEETING

8

9

10

11 OCTOBER 7, 2009

12 JUNEAU, ALASKA

13

14

15

16 CONDUCTED BY:

17 JOSEPH ADAMSON

18 MATT CUTLIP

19 FEDERAL ENERGY REGULATORY COMMISSION

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ATTENDEES

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Christopher Brewton, City and Borough of Sitka
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Ron Crenshaw, Warm Springs Bay
Sarah Lundstedt, Self
Clark Gruening, Self
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1 WEDNESDAY, OCTOBER 7, 2009

2 JUNEAU, ALASKA

3 1:00 P.M.

4

5 INTRODUCTION

6

7 MR. ADAMSON: We're ready to begin.

8 My name is Joe Adamson. I'm with the Federal Energy
9 Regulatory Commission in Washington, D.C. With me
10 is Matt Cutlip with FERC as well. I'm the team
11 leader for this proceeding, which is the Takatz Lake
12 Hydroelectric Project, Project No. 13234-001.

13 The purpose of this meeting is to
14 scope out the issues associated with this proposed
15 project, the Takatz Lake project, for the City and
16 Borough of Sitka. And what I'd like to do now is
17 just kind of go around the circle and just state
18 who you are and maybe your affiliation, just to
19 know who is around the table.

20 And then I'll say a few more
21 comments, and then the city will do a presentation,
22 and then we'll go through each of the issues in the
23 Scoping Document and provide an opportunity at that
24 time for you all to make comments, issue by issue.
25 And then I'll kind of go over a review of where

1 we're at with issues in the document for filing
2 comment with the Commission, and then we'll close
3 the proceeding.

4 Any questions before we begin?
5 Why don't we start to the right.

6 MS. KANOUSE: I am Kate Kanouse,
7 and I work for Fish and Game. I'm with the Division
8 of Habitat.

9 MR. BIRK: Roger Birk. I'm with
10 the Forest Service here in the regional office.

11 MR. ENRIQUEZ: Richard Enriquez,
12 Fish and Wildlife Service, conservation planning
13 assistance, biologist.

14 MR. JOHNSON: Shawn Johnson,
15 in-stream float coordinator for Fish and Game,
16 Southeast Alaska.

17 MR. CRENSHAW: I'm Ron Crenshaw,
18 property owner at Baranof Warm Springs.

19 MS. LUNDSTEDT: I'm Sarah
20 Lundstedt. I live out in Warm Springs.

21 MR. GRUENING: Clark Gruening,
22 property owner in Warm Springs.

23 MR. BREWTON: Christopher Brewton,
24 Utility Director, City and Borough of Sitka.

25 MR. PREWITT: Mike Prewitt, a FERC

1 consultant, City and Borough of Sitka.

2 MR. HUGHES: Andy Hughes, Alaska
3 DOT, Southeast Region Planning.

4 MR. BUSSARD: Dan Bussard, DNR,
5 Division of Mining, Land, and Water.

6 MS. RUSSELL: Anjulie Russell, City
7 and Borough of Sitka.

8

9 PURPOSES OF SCOPING

10

11 MR. ADAMSON: I just want to go
12 over what the purpose of this meeting is. Our
13 responsibility, that is, the Commission, the Federal
14 Energy Regulatory Commission, is responsible for
15 licensing all privately owned or municipally owned
16 hydroelectric projects in the country through the
17 Federal Power Act.

18 The Applicant has been approved to
19 use what we call an Alternative Licensing Process,
20 which is a collaborative process where they work
21 with the resource agencies and the public to
22 develop their final license application, which they
23 have put on their schedule to file with the
24 Commission by August 31st, 2011.

25 The purpose of this scoping

1 meeting is to scope out the issues and the possible
2 studies needed to support the city's
3 Applicant-prepared EA, which they'll file with the
4 Commission as part of their final license
5 application. We also use this proceeding, this
6 scoping meeting, the Commission's scoping meeting,
7 to scope out the issues that we will use in our
8 environmental assessment, or EIS, if it's found to
9 be warranted, as the basis for our decision for
10 this licensing process to either accept the
11 license, grant them a license, or to deny them a
12 license.

13 I want to go over and describe for
14 you the scoping process, so if you go into your
15 Scoping Document, and go to pages 8 and 9, it lists
16 our process. I'll go through this verbatim.

17 The purpose of scoping, as I've
18 stated, is to scope out what issues we believe this
19 project may have as an impact or benefit to the
20 resource. We use this proceeding to invite the
21 participation of the federal government agencies
22 that may be present -- I think the Forest Service
23 is here -- and any state agencies, or NGOs,
24 non-governmental organizations, and even the public
25 themselves.

1 We determine the issues, depth of
2 analysis, significance of issues to be addressed in
3 the EA, identify how the project would or would not
4 contribute to cumulative effects, identify
5 reasonable alternatives to the proposed action,
6 solicit from participants available information
7 that you may have that you would want to put on the
8 record so we can have that as part of the
9 proceeding, determine the resource areas and
10 potential issues that do not require detailed
11 analysis during review of the project.

12 And also, then, 2.2 on page 9,
13 through this ALP there will be -- "ALP" means
14 Alternative Licensing Process. If you hear that
15 acronym, that's what it's referring to. During the
16 public scoping process, the study plan meetings
17 will be -- the city will be working with the
18 resource agencies and the public to come up with
19 their study plans, which they'll be working on this
20 fall and winter to get them prepared for the study
21 season coming this spring and summer of 2010.

22 You provide response and comments
23 to their EA process as part of their application
24 development, in response to the Commission's Ready
25 for Environmental Analysis notice, and after

1 issuance of the Commission's EA when we solicit
2 written comments on the EA.

3 Go to the bottom of page 10. I
4 just want to let you know that this proceeding is
5 actually, from the Commission's perspective, being
6 recorded by our court reporter, who, with
7 Ace-Federal Reporting, is transcribing the entire
8 proceeding, and transcripts will be available
9 within a week to ten days. You can purchase those
10 directly from Ace, or you can wait till when they
11 provide it to the Commission. We then put it on
12 our e-library system, which you can access directly
13 and print off a copy. But that all takes about two
14 weeks after this day in order to get full
15 transcripts.

16 There will also be a public
17 meeting tomorrow in Sitka in the evening, and
18 you'll have those transcripts available to you as
19 well.

20 Interested parties who choose not
21 to speak or who are unable to attend the scoping
22 meeting may provide written comments and
23 information to the Commission as described in
24 Section 6.

1 INFORMATION REQUESTED

2
3 MR. ADAMSON: So let's go to
4 Section 6, which is on page 22. So we, as the
5 Commission, are asking for the federal, state, and
6 local resource agencies, Indian tribes, NGOs, and
7 the public to forward to the Commission any
8 information that will assist us, the Federal Energy
9 Commission, in an accurate and thorough analysis of
10 this project.

11 Types of information we're
12 requesting include quantitative data;
13 identification of information from any other EA or
14 EIS that may have been developed in this region
15 that may be a benefit to this proceeding; existing
16 information and any data that would help to
17 describe the past and present actions and effects
18 of this project; information that would help
19 characterize the existing environmental conditions
20 and habitat; identification of any federal, state,
21 or local resource plans, and there is a section in
22 the back where we have -- I'll go over that briefly
23 now. Go to section -- well, I'll hold off.

24 We do have federal plans and state
25 plans currently filed with the Commission that we

1 have as comprehensive plans that we use as a
2 resource. So any additions to those, we would
3 request that you file those with the Commission so
4 they'd be on the record for us to use as part of
5 our analysis.

6 So any additional information or
7 comments on this Scoping Document 1 and any
8 additional study requests should be submitted in
9 writing to the Commission no later than December 8,
10 2009. All documents should be clearly identified
11 as Takatz Lake Hydroelectric Project No. 13234-001
12 on the first page. And there is the address:
13 Kimberly D. Bose, 888 First Street Northeast, Room
14 1A, Washington, D.C. 20426. That's if you mail
15 them. You would mail eight copies to the
16 Commission.

17 There is also a process where you
18 can actually e-file electronically, and these are
19 identified here in this paragraph underneath
20 "Kimberly D. Bose." It talks about how to do that.
21 There is an online support e-mail address you can
22 contact, a phone number you can contact to learn
23 how to electronically file anything you would like
24 to file with the Commission.

25 You can also register online to be

1 notified via e-mail of new filings and issuances
2 related to this or other pending projects. For
3 assistance, you can contact FERC online support.
4 We have what we call e-subscription, where anything
5 that is filed with the Commission related to the
6 Takatz Lake project, you would get an e-mail and a
7 link to get ahold of that document. Then you could
8 print it off at your computer site and have that
9 resource available to you.

10 There is also a quick comment
11 option where you can -- at the bottom of page 23,
12 they talk about how to make a quick comment with
13 the Commission. You just would need to provide an
14 e-mail address as part of that.

15 If you need to contact me
16 directly, I have my e-mail address there:
17 Joseph.Adamson@FERC.gov, or Joseph Adamson at my
18 work number: (202) 502-8085.

19

20 EA PREPARATION SCHEDULE

21

22 MR. ADAMSON: Let's quickly go over
23 the EA preparation schedule. At this time, we plan
24 on doing a Draft Environmental Assessment that we'll
25 send out for comment and then create a final EA,

1 Environmental Assessment. So a draft and final are
2 associated with this proceeding.

3 Major milestones: The scoping
4 meeting is October 2009, which is now. License
5 application filed August 31, 2011. We
6 anticipate -- if everything is filed correctly and
7 no deficiencies, or additional information is not
8 needed -- we would be ready for Environmental
9 Analysis notice issued November of 2011. This is
10 all conditional that we have all the information we
11 need to create an Environmental Assessment, and we
12 plan on having a Draft EA issued in May of 2012,
13 comments July 2012, and the Final EA issued
14 September of 2012. And then we'd be ready to make
15 our decision.

16 This schedule assumes that
17 everything, all the information we need to make our
18 decision, is available.

19

20 FERC OFFICIAL MAILING LIST

21

22 MR. ADAMSON: Let's go to Section
23 10, page 26. This was addressed at the beginning,
24 before the meeting. If you want to be a part of the
25 mailing list for this proceeding, for the Takatz

1 Lake Hydroelectric Project licensing proceeding, you
2 would contact Kimberly D. Bose, Secretary, and you'd
3 request to be added to the mailing list for the
4 Takatz Lake project. You would have to identify
5 Project No. 13234-001. Keep in mind that once
6 you're added to the mailing list, forever in the
7 existence of time into the future, anything that
8 gets filed with the Commission related to this
9 project you'll get mailed to you. So that's if you
10 ask to be part of the mailing list.

11 Now, if you don't want things
12 mailed to you in the future, you would have to
13 recontact the Commission in writing and say,
14 "Please now take me off the mailing list." So just
15 keep that in mind. If you get put on the mailing
16 list, it's forever. You will get anything about
17 the project.

18 And then there are instructions
19 there on the bottom of page 27 of how to
20 e-subscribe to the proceeding.

21 Any questions? I've kind of gone
22 through what the scoping is about, how to make
23 comment with the Commission. I've spoken about how
24 to get on the mailing list, and I've spoken about
25 how to get e-subscribed to the mailing list, and

1 I've also mentioned the court reporter.

2 Also before us is -- the City of
3 Sitka has -- this is being videotaped for their
4 purposes. This information will not be a part of
5 the Commission's record, but only what the court
6 reporter provides.

7 At this time I'd like to give to
8 the city their opportunity to present their
9 project. And then after they have finished, then
10 we'll go over the issues associated with the
11 project.

12

13 PROPOSED ACTION AND ALTERNATIVES

14

15 (Beginning of PowerPoint presentation.)

16 MR. BREWTON: I'm Christopher
17 Brewton, Utility Director, City and Borough of
18 Sitka.

19 We'll talk about the need for the
20 project, and then we'll get into the specific
21 details of the project. So we'll start off with
22 why there is such a critical need for this project.

23 Our existing hydro capacity in
24 Sitka is exhausted. We are well into about 120,000
25 megawatt hours and rising. Our existing hydro

1 capacity is 90,000 megawatt hours on a dry year,
2 and about 124,000 megawatt hours on a wet year. So
3 we are essentially out of hydro.

4 We are working on the Blue Lake
5 Expansion Project, which will add about 28 percent
6 capacity to our system. That's the good news. The
7 bad news is, based on our load growth, that
8 capacity will be utilized upon completion of that
9 project, which right now we anticipate around 2014.
10 So we are still facing the issue of relying on
11 supplemental diesel generation and all the bad
12 habits that come with that. Okay.

13 This slide is a little bit busy,
14 but this is really important for everyone to
15 understand what we're talking about here. The
16 dotted line is a low-water year. The solid line is
17 a normal-water year. This curve, blue curve going
18 to red, is our load growth, and this signifies when
19 the Blue Lake expansion is done. This curve is the
20 filling of the lake, and then this is the capacity
21 of Blue Lake with the expansion. It's raising the
22 dam 83 feet, adding a new powerhouse and three
23 turbines.

24 So this is based on a 2.1 percent
25 load growth. And you'll see that shortly after

1 this project is done, we've passed -- utilized that
2 capacity and are into diesel. This gap between
3 this line and this line here signifies supplemental
4 diesel generation we've got to burn before this
5 project is even on line. Right now we are
6 estimating about 5 million gallons. So this is
7 based on a 2.1 percent load growth.

8 Our actual load growth in the city
9 has been over 5 percent for the past three years,
10 which is phenomenal. And the historical average
11 from 1973 to 2008 is over 3.8 percent. So we think
12 that this is a very realistic number as far as load
13 growth. Any questions on this slide? Okay.

14 We'll get into the project. So
15 the proposed project is to build a dam at Takatz
16 Lake, a tunnel through the mountain, a penstock
17 into the powerhouse on Takatz Bay, an overhead
18 transmission line around to this part here, a
19 submarine cable around the point, into Warm Springs
20 Bay, into the lake, and coming up on this side,
21 with an overhead transmission line through this
22 valley to this point here, where we're looking at a
23 tunnel through the toughest part of the mountain
24 there, and then overhead transmission tying into
25 our existing transmission line over on the Sitka

1 side.

2 So this project would actually
3 utilize overhead submarine and some underground
4 transmission for the project. We would build it to
5 115 or 138 kV, whatever the regional transmission
6 voltage finally settles out to be, but we've
7 operated at 69 kV for the short term.

8 This is kind of an overview of
9 where the project is. The inundation zone, after
10 we build the dam, is here. There would be a dock
11 built in this vicinity here, with a gravel access
12 road built to the dam itself. And then there is
13 the transmission -- or the tunnel and penstock and
14 transmission line around to the corner. And there
15 is a little saddle dam that would have to be here.
16 There is actually a valley that peels off and goes
17 back into here, so we have to put a small saddle
18 dam there as well.

19 The natural lake elevation is
20 about 905 feet. It's a glacial lake, and it would
21 go to probably an elevation of about 1,042 to
22 1,100, somewhere in that range.

23 So the basic project, the
24 reservoir storage -- and you can see that there.
25 It almost doubles the capacity of the lake. The

1 surface area almost doubles. The dam, the primary
2 concrete dam, is 200 feet, and the saddle dam is
3 approximately 30 feet. The length of the dam,
4 based on -- you'll see a photograph here shortly --
5 is not going to have to be very much. It's
6 actually a pretty good location for a hydro project
7 as far as the dam itself.

8 The power tunnel, 2,800 feet,
9 6 1/2 by 7 unlined tunnel, 1,000 feet of penstock,
10 and the operating head for the plant is about 1,000
11 feet.

12 The powerhouse is an unmanned
13 powerhouse with two Francis servers, 13.8
14 megawatts. There will be a 27.6 megawatt capacity,
15 average of 166 cfs discharge from the tailrace,
16 SCADA control from Blue Lake, and then there will
17 be a dock and access road to the dam.

18 The transmission line -- about 21
19 miles altogether for the entire project. And then
20 there will be a small distribution station serving
21 the Baranof Warm Springs area for all the
22 customers, potential customers, over there.

23 Here is a quick view of the lake.
24 The actual outfall is right down here. This area
25 is where the saddle dam area is, and the lake kind

1 of veers off to the right and to the valley that
2 way. As you can see, it's fairly steep, fairly
3 limited vegetation, and a really nice reservoir
4 type for a hydro facility.

5 This is the outfall where the main
6 dam would be, roughly in this area. This is the
7 power supply for the existing USGS stream gauge
8 that is installed there now. The saddle dam is off
9 to the right here, as you'll see in the next
10 photograph. Okay. That's the area right here. So
11 this would be about a 30-foot tall saddle dam
12 across that area. Okay.

13 And then the powerhouse location
14 would be roughly here. The outfall of the river is
15 actually here, so the tunnel and power -- the power
16 tunnel and penstock actually goes up in this
17 direction to the lake.

18 Okay. This gives you an idea of
19 what the transmission corridor would look like into
20 the valley. The intent is to come up somewhere in
21 this range here, and this would be roughly where
22 the tunnel would enter and go over to the other
23 side of that ridge there. Okay. I think that's
24 it. I don't have too many slides.

25 (End of PowerPoint presentation.)

1 MR. ADAMSON: Any questions about
2 the project that's being proposed before we move
3 into the issues?

4 MR. CRENSHAW: Chris, could you
5 describe the --

6 MR. ADAMSON: Before you begin --

7 MR. CRENSHAW: Ron Crenshaw.

8 MR. ADAMSON: -- you'd need to
9 mention your name. And then --

10 MR. CRENSHAW: Could you describe
11 the tunnel from -- between Blue Lake and Baranof
12 Lake, the dimensions, the construction technique
13 that you're considering?

14 MR. BREWTON: I don't really have
15 that kind of specific detail at this point, but it
16 would be a typical unlined horseshoe-shaped tunnel.
17 It's what's traditionally used for hydro-type
18 projects, similar to the same thing we have in Blue
19 Lake and Green Lake. So --

20 MR. CRENSHAW: What would the
21 dimensions be?

22 MR. BREWTON: It would be 6 1/2 by
23 7 feet.

24 MR. CRENSHAW: Okay. The same as
25 the one over at Takatz for the penstock?

1 MR. BREWTON: Correct.

2 MR. ADAMSON: State your name

3 and --

4 MS. LUNDSTEDT: Yes. I'm sorry.
5 My name is Sarah Lundstedt. I have two questions.
6 One, I didn't see on there a detailed description of
7 the substation and over in the power lines you're
8 planning for Warm Springs. And could you describe
9 more about the access road that you are proposing?

10 MR. BREWTON: Okay. Maybe we
11 should put that back up there. I should have backed
12 up a little bit.

13 The design for this project is
14 based on work that was done in 1968 by the Alaska
15 Power Administration, so this is -- the basic idea
16 of the project was derived from that original
17 study, original work. They looked at this project
18 as far back as the 1940s, but a plan was developed
19 in 1968.

20 And again, we don't have any
21 specific engineering detail at this point. This is
22 just the beginning stages, but the dock would be in
23 this area, and a gravel access road would go along
24 this way. And you can see -- yellow is not a very
25 good choice, is it? And this would follow the

1 creek bed. There is a significant barrier fall
2 right there, so we'd have to veer off from the
3 creek little bit. But essentially it gets up to
4 the dam so you can do maintenance and take care of
5 the facility up there.

6 And as far as the transmission, we
7 typically follow -- I'm not sure what you're
8 looking for.

9 MS. LUNDSTEDT: Yes. Forgive me.
10 I think I wasn't clear enough. I was talking about
11 in Warm Springs. You covered this in pretty good
12 detail, but you didn't cover anything in Warm
13 Springs.

14 MR. BREWTON: Okay. I'll go back
15 to this one -- go back to the next one, Angie, the
16 other drawing.

17 Yes. The proposal at this
18 point -- it would be a submarine cable all the way
19 into here, to the end of the lake. We would want
20 to put a small distribution substation in there to
21 be able to serve the folks that live there.

22 MS. LUNDSTEDT: And where exactly
23 are you proposing the distribution substation?

24 MR. BREWTON: We haven't gotten to
25 that level of detail yet.

1 MS. LUNDSTEDT: Okay.

2 MR. BREWTON: But there is some
3 city-owned property that's in there that would
4 probably be one of the locations we'd look at.

5 MS. LUNDSTEDT: Okay. And then you
6 also -- from reading the Scoping Document, you
7 proposed an access road -- if I'm correct, an access
8 road from where the submarine cable comes out of
9 Baranof Lake to --

10 MR. BREWTON: To where the tunnel
11 location is?

12 MS. LUNDSTEDT: Yes.

13 MR. BREWTON: Right. There would
14 have to be some kind of construction road built, if
15 you will, to facilitate all the heavy equipment that
16 would be required to drill that tunnel. But the
17 intent at this point is to just use that as a
18 construction access road. It would not be a
19 permanent structure. And I don't know if it would
20 be, at this point, easier to come from this
21 direction or come from that direction, but the
22 equipment that is required to drill a tunnel of that
23 size is going to require some kind of access. I
24 don't think we can do it by helicopter.

25 MS. LUNDSTEDT: So you're talking

1 about a substantial road that could support heavy
2 equipment?

3 MR. BREWTON: It would have to be
4 able to support necessary equipment. I don't know
5 how you define "substantial," but it has to be able
6 to get the necessary equipment in there. And that
7 would be the standard we'd build to. Does that
8 answer your question?

9 Unfortunately, we don't have any
10 engineering details at this point as far as
11 specifics. That's later in the project. This is
12 just the basic idea of what we're going to do.

13 MS. LUNDSTEDT: I think the other
14 question that I don't think you really got to, and I
15 understand you don't know, but as far as location of
16 a substation and location of overland power lines --
17 eminent domain issues? Have you explored that at
18 all?

19 MR. BREWTON: No.

20 MS. LUNDSTEDT: Okay.

21 MR. ADAMSON: State your name.

22 MR. GRUENING: Through the chair,
23 my name is Clark Gruening. I'm a property owner at
24 Baranof Warm Springs.

25 I'm curious. From this diagram

1 here, are you saying that the submarine cable is
2 going to somehow go under the falls and into the
3 lake? How is the cable going to exit the saltwater
4 into the fresh water?

5 MR. BREWTON: Through the interface
6 here?

7 MR. GRUENING: Yeah. Right at the
8 head of the bay.

9 MR. BREWTON: Yeah. There's a
10 couple options. This is -- like I said, we don't
11 have any specific detail, but, you know, we could
12 actually -- you could do a directional bore under
13 there and pull in the cable that way. You could
14 actually maybe get off the water and do an
15 underground burial around that area, around this
16 area. So there's a couple of options you can do to
17 get the cable out of there.

18 MR. GRUENING: Have you done any
19 review on the other resources that might be impacted
20 by such a construction, including the geothermal
21 springs there?

22 MR. BREWTON: No. We haven't
23 gotten into any kind of specific details. I think
24 that is --

25 MR. ADAMSON: We should wait until

1 we go through the issues, and then you can --

2 MR. GRUENING: I was just trying to
3 get where we are in terms of --

4 MR. ADAMSON: We're just going over
5 what the project description is and then clarifying
6 questions.

7 MR. CUTLIP: You'll have plenty of
8 opportunity to comment. If you believe that to be
9 an issue, then by all brings it up. You've brought
10 it up now, and we'll talk about it in more detail
11 here in just a few minutes.

12 MR. ADAMSON: Right. Any other
13 questions about how the project is described?

14 MR. BREWTON: Thank you.

15 MR. ADAMSON: We're going to go
16 into page 15 of the document, and Matt is going to
17 speak about the cumulative effects section and begin
18 the resource issues. Typically we'll go through
19 issue by issue, such as geological resources, read
20 them out, then ask clarifying questions after that,
21 and then you can add or we can subtract from what's
22 there. So you can provide -- after he's finished
23 speaking, you can raise your comments at that point.
24 Okay?

1 SCOPE OF CUMULATIVE EFFECTS

2

3 MR. CUTLIP: So, with that, we'll
4 begin our discussion of the issues. I'm going to
5 cover cumulative effects. I'll also cover geology
6 and soils, water quantity and quality, aquatics, and
7 threatened and endangered species. I am a fisheries
8 biologist. I'll be doing the fisheries and aquatic
9 resources analysis in the EA.

10 So based on information in the PAD
11 and our preliminary analysis, we've not yet
12 identified any resources that would be cumulatively
13 affected by the project. However, we are open to
14 discussion on this issue and would appreciate any
15 comments that you might have about the potentially
16 cumulative effect on the resources in the area.

17 So, that said, does anybody have
18 anything that they'd like to weigh in on at this
19 time? Obviously, we'll also take written comments
20 up to the December deadline on this and all the
21 other issues as well, but --

22 MR. CRENSHAW: Yeah. Ron Crenshaw.
23 I think Clark touched on this. We're very concerned
24 about the geothermal resources in the bay, and there
25 should probably be a major heading for those. There

1 are nine identified springs in the bay which are the
2 source for the mineral baths and other uses.

3 MR. CUTLIP: Okay. So when you're
4 talking about the geothermal resources, are there
5 any other actions in the -- well, let me back up a
6 little bit and describe what exactly a cumulative
7 effect is.

8 According to the Council on
9 Environmental Quality's regulations for
10 implementing NEPA, a "cumulative effect" is
11 described as an "effect on the environment that
12 results from the incremental effect of the action
13 when added to other past, present, and reasonably
14 foreseeable future actions, regardless of what
15 agency or person undertakes such other actions."

16 So when we talk about geothermal
17 resources, are you talking about a site-specific
18 effect of the project on the geothermal resources,
19 or are you talking about --

20 MR. CRENSHAW: I think the location
21 and the complexity of the geothermal resources and
22 the actions to construct either an above-ground --
23 like drilling, blasting, these things that could
24 alter those -- you know, the source of the
25 geothermal.

1 MR. CUTLIP: And I understand that.
2 I just wondered if maybe that isn't more of a
3 site-specific effect, the effect of the project on
4 that resource, as opposed to a whole bunch of
5 actions in concert with this project that would
6 affect geothermal resources. Are there other
7 geothermal energy developments in the area? Is
8 there other drilling going on that would potentially
9 affect that resource, or is it just the effect of
10 the project on the geothermal resource?

11 MR. CRENSHAW: Well, there are a
12 number of proposals, that this could trigger
13 additional development that would impact. So this
14 is part of a potential cumulation of actions.

15 MR. CUTLIP: Okay. And what I
16 would appreciate -- I guess what I would ask for,
17 then, is any evidence or proof or discussion of what
18 those other actions might be.

19 MR. CRENSHAW: They are all in the
20 record. I mean, Andy has got information on the
21 proposed ferry dock, the road. Fish and Game has
22 probably got documentation on the proposed -- or at
23 least previously proposed -- fish hatchery and use
24 of -- you know, and construction associated with
25 that that could affect. There is a geothermal

1 spring in the middle of the falls between the lake
2 and --

3 MR. CUTLIP: And that's fine. This
4 is all very new information to me, okay? So I had
5 no idea that any of that stuff was going on in the
6 proposed project area.

7 MR. CRENSHAW: So this is only one
8 action of several potential actions.

9 MR. CUTLIP: Yeah. I was unaware
10 of any of that other potential development. So is
11 there any way you could maybe file a written comment
12 about some of these things, or does anybody else in
13 the room have any information on the other stuff
14 going on out there?

15 Were you aware of any of that?

16 MR. BREWTON: I did see an
17 application for a -- from a private party for a
18 salmon hatchery and some hydro development. That
19 was just filed last week. It was just noticed last
20 week.

21 MR. ADAMSON: With who?

22 MR. BREWTON: It was noticed from
23 FERC. It was --

24 MR. ADAMSON: It was a federal --

25 MR. BREWTON: Right.

1 MR. ADAMSON: -- listed with the
2 Federal Energy Regulatory Commission.

3 MR. BREWTON: It was for a
4 jurisdictional determination for that project.

5 MR. CUTLIP: So it wasn't filed in
6 the record for this ALP?

7 MR. BREWTON: No.

8 MR. CUTLIP: Okay. It was some
9 other action?

10 MR. BREWTON: It was just noticed
11 last week in the paper. That was the first I heard
12 about it.

13 MR. CUTLIP: Okay. Well, I will
14 look into this more and see what else is going on
15 out there. It sounds like there are some other
16 development actions proposed. So if they, you know,
17 have the potential to cumulatively affect geothermal
18 resources, that's something we're definitely going
19 to have to look at in the EA.

20 MR. CRENSHAW: Andy, you have
21 documents, don't you, on some of DOT's proposals
22 that potentially could affect that area?

23 MR. ADAMSON: State your name,
24 please.

25 MR. HUGHES: Andy Hughes, Alaska

1 DOT.

2 The department has a regional
3 transportation plan. The last one was updated in
4 2004. In the current transportation plan is a
5 number of proposed road connections, one of them
6 being a road connection between Warm Springs Bay
7 and Sitka.

8 In fact, several years ago, we had
9 initiated an environmental impact statement and
10 scoping process. We took it through the scoping
11 process, and the information we developed is
12 available to anyone working on this effort -- well,
13 and the public at large.

14 That environmental effort has been
15 discontinued at this point, and the department is
16 in the process of updating its regional
17 transportation plan. We're a ways off in getting
18 to that process, but we are in the process of
19 revising it.

20 We also have in process an
21 application for a Section 4407 easement for
22 planning and design work as necessary in the future
23 towards development of a hydro connection between
24 Warm Springs and Sitka.

25 Our proposed road alignment and

1 tunnel are coincidental with this project. And the
2 section -- the basis for the easement application,
3 Section 4407, refers to a section in the Safety --
4 the new Surface Transportation Act, the last one
5 which just was passed by Congress about five years
6 ago, which provides for the issuance of easements
7 between the department and the Forest Service on a
8 mutually as-identified basis on a map that was
9 enacted into law.

10 And so, while at this point we
11 don't have any immediate plans for developing any
12 highway connection between -- or along this
13 corridor, it has remained one of the transportation
14 resources identified in our transportation plan,
15 and development of a hydro facility or transmission
16 line will probably have to be, no doubt,
17 coordinated with our long-term plans.

18 MR. CUTLIP: So it sounds like, in
19 addition to geothermal resources, if there is, in
20 fact, some road infrastructure and development, that
21 may reasonably occur, and we can take a look at
22 those documents that you referenced.

23 Is there an easy way to get those
24 documents, the transportation plan?

25 MR. HUGHES: As far as the

1 transportation plan, it's available by request. You
2 can also access it off of our website.

3 MR. CUTLIP: Okay. Is that Alaska
4 DOT?

5 MR. HUGHES: Alaska DOT. Go to our
6 website, go to "Regional Plans," and the "Southeast
7 Alaska Transportation Plan" will get you there.

8 MR. CUTLIP: It sounds like there
9 is the potential, also, then -- and, obviously, we
10 can take comments on this -- for there to be some
11 potential other actions that could affect other
12 resources besides geothermal. Road construction
13 typically can have impacts on terrestrial resources
14 and other things. So it sounds like something we
15 need to take a look at as we move forward with the
16 Scoping Document 2.

17 MR. HUGHES: I might add that the
18 Section 4407 easement is a provision for a
19 transportation/utility easement. So the easement
20 covers both the needs for highway as well as the
21 power transmission line.

22 MR. CUTLIP: Okay. Are there any
23 other comments about cumulative effects?

24 MR. GRUENING: Clark Gruening. I
25 notice under the -- there was a heading here,

1 "Aquatic Resources," although when it talks about
2 Warm Springs Bay, it seems to only relegate that to
3 the effects of a transmission line. Well, it says
4 fish resources includes Warm Springs Bay. And I
5 think there are resources available, both Fish and
6 Game -- in terms of the unique cutthroat population
7 in Baranof Lake and other resources that I think
8 should be brought into your review of this project.

9 MR. CUTLIP: It looks like that
10 would be covered -- when we refer to Baranof Lake
11 and Warm Springs Bay, as far as I can tell, it
12 appeared to me that the only direct effect of the
13 project would relate to the transmission line in
14 that geographical area.

15 To me, I didn't see how, like,
16 changes to Takatz Lake or the -- you know, the
17 actual physical construction of the powerhouse and
18 then operation of the powerhouse would -- how that
19 could affect those resources down around the corner
20 in Warm Springs Bay and Baranof Lake. So we were
21 looking at fisheries effects to those areas,
22 Baranof Lake, but mostly from construction of the
23 power line, transmission line.

24 MR. GRUENING: Well, I would
25 suggest that you might want to include the

1 cumulative effect of building a road along with that
2 transmission line. It's not clear yet at this stage
3 in the project whether there will be a road and what
4 size it will be and whether it will, in fact,
5 connect to a surface transportation road, either
6 through tunnel or otherwise. So I think it is --
7 you know, you have to look at the transmission
8 construction and the installation and maintenance of
9 a submarine cable and overhead lines as having other
10 consequences besides just their construction.

11 MR. CUTLIP: So you're saying the
12 cumulative effect on aquatic resources in Baranof
13 Lake and Warm Springs Bay --

14 MR. GRUENING: Yes.

15 MR. CUTLIP: -- from this project,
16 as well as other potential actions?

17 MR. GRUENING: From the front of
18 the bay --

19 MR. CUTLIP: I understand what
20 you're saying now.

21 MR. GRUENING: -- yeah, to the head
22 of the lake.

23 MR. CUTLIP: Okay.

24 MR. GRUENING: And the Baranof
25 River, which, incidentally, is that area where the

1 road would be maintained. The Baranof River is that
2 point west of the head of the lake that runs up the
3 valley before it would enter into the tunnel.

4 MR. CUTLIP: Okay. Yes?

5 MR. CRENSHAW: Yeah. One more
6 point. Ron Crenshaw.

7 On page 16, where it's talking
8 about, you know, all of those -- 4.2.1, 4.2.2 -- it
9 refers to Takatz Creek, Takatz Bay, and the effects
10 of the project construction are also effects on
11 Baranof Warm Springs Bay and Baranof Lake, and
12 those should be identified, I think, as well.

13 MR. ADAMSON: Is that a cumulative
14 effect?

15 MR. CRENSHAW: Uh-huh. Well,
16 it's -- if you're talking about water quantity and
17 quality, you're also talking about Warm Springs
18 environs.

19 MR. CUTLIP: Okay. Just to
20 clarify, those are the site-specific effects? So
21 we're still talking about cumulative effects at this
22 point. And then once we get into --

23 MR. ADAMSON: Top of the document.

24 MR. CUTLIP: Once we get into the
25 discussion of just site-specific effects of the

1 project -- which I understand what you're saying. I
2 think I understand what you're saying -- we can add
3 to this list when we get down there.

4 MR. CRENSHAW: So in 4.2.2, "Water
5 Quality," it says, "Effects of project
6 construction." So you're talking about just the
7 dam?

8 MR. ADAMSON: We haven't -- we're
9 not talking about that yet.

10 MR. CUTLIP: We're not quite there
11 yet.

12 MR. CRENSHAW: Where are we?

13 MR. ADAMSON: We're still at the
14 top of the page.

15 MR. CUTLIP: We're still talking
16 cumulative effects, which are not -- there's no
17 resources clearly defined right now in the Scoping
18 Document, because as we went into this in the
19 Scoping Document, we said that we didn't see any
20 cumulative effects. But that's what we're talking
21 about right now. So these site-specific effects --
22 4.2.1, 4.2.2, on down -- we'll be getting to that.

23 MR. ADAMSON: About two minutes
24 from now.

25 MR. CRENSHAW: Yeah. The jargon is

1 throwing me a little bit.

2 MR. CUTLIP: That's okay. The
3 cumulative effects can be confusing.

4 MR. CRENSHAW: So, yes. I guess I
5 don't --

6 MR. CUTLIP: We'll be getting to
7 that.

8 MR. CRENSHAW: Because the road is
9 part of the cumulative effects, and transmission
10 line, as much as the dam and penstock.

11 MR. CUTLIP: True, but we've
12 already identified that there will be actions in
13 addition to this project that could affect aquatic
14 resources, geothermal resources, and terrestrial
15 resources, correct? And so even though it doesn't
16 say that in this document, we've already had those
17 comments in the record. I'm recording notes on
18 that. When we modify this document, you're going to
19 see a cumulative effects discussion that's going to
20 be a lot bigger than what's in here right now.
21 We'll be talking about those things.

22 MR. CRENSHAW: Okay. Hopefully,
23 that will cover my concerns.

24 MR. CUTLIP: We should catch it,
25 because it's going to catch potential effects of the

1 project together with possibly a road or utility
2 infrastructure improvements in the area, a private
3 fish hatchery, any other actions collectively on
4 aquatic resources. And we'll be hitting Baranof
5 Lake, River, Warm Springs Bay, all the way up.

6 MR. CRENSHAW: This triggers a
7 related -- I think it's a related question. We're
8 looking at a document that has only one alternative
9 alignment.

10 MR. CUTLIP: Uh-huh.

11 MR. CRENSHAW: Were there previous
12 studies that had multiple alternative alignments
13 that filtered the bad ones out and came to the
14 preferred alternative?

15 MR. CUTLIP: I guess that would be
16 a project proposal question for Chris.

17 MR. BREWTON: Yeah. The only stuff
18 I've seen simply had this as the project. I didn't
19 see anything that had multiple alternatives or any
20 other alternatives. This was pretty much what I saw
21 as the APA project.

22 MR. CRENSHAW: Well, how does a
23 project of this magnitude get to only a single
24 alternative without filtering out -- it seems to me
25 like the normal planning process for any highway

1 projects, such as the highway -- the road connection
2 to Haines, in the early planning stage had a whole
3 series of alternatives. And then through a public
4 process and all, and this similar process --

5 MR. CUTLIP: So, I guess to address
6 your question or comment, that's what the scoping is
7 all about. We are taking comments on the scope of
8 the issues. We're also taking comments on the scope
9 of the proposal and all the alternatives, potential
10 alternatives.

11 So they have presented their
12 preferred alternative. However, part of this
13 process is, we receive comments from the public and
14 the agencies on elements of the proposal that could
15 potentially be in conflict with other uses or
16 resource issues. So if there is something -- so if
17 they want to build their transmission line across
18 your property line, that would be an issue.

19 So, by all means, comment and say,
20 "We think this is going to affect our property
21 values. It might also affect the aesthetic
22 character of the project. We think that they
23 should move the transmission line 10 miles south
24 and go through this pass instead," or -- you know,
25 those are the kind of -- it's kind of an open

1 dialogue right now where we're talking about what
2 they proposed and also what maybe some reasonable
3 alternatives are if you are unhappy with their
4 proposal.

5 This is the first time that you
6 get the opportunity to formally comment and have
7 your comments filed with the Commission. So, I
8 mean, we're starting -- it is different than a
9 highway planning project. The FERC licensing
10 process is an entirely different process. This is
11 the first step.

12 MR. CRENSHAW: So you don't care --
13 the FERC process doesn't really care how the
14 Applicant arrived at the question for you, to
15 yourself?

16 MR. CUTLIP: We are not a planning
17 agency; we're a regulatory agency, and we act off
18 what is before us.

19 MR. CRENSHAW: Okay.

20 MR. CUTLIP: But we don't go out
21 and plan and choose reasonable alternatives on our
22 own.

23 MR. CRENSHAW: Okay. So --

24 MR. CUTLIP: That's up to the
25 Applicant, the public, and agencies to come to reach

1 agreements on a proposal or a preferred alternative.

2 MR. CRENSHAW: Now, this may have
3 gone on before. So if I have a beef with not having
4 an opportunity to look at alternatives and comment,
5 then I should take that up with the City and Borough
6 of Sitka, not with you?

7 MR. CUTLIP: Well, no. By all
8 means, file comments with us as well. That's what
9 this is about.

10 MR. CRENSHAW: All right. Thanks.

11 MR. CUTLIP: And we can evaluate
12 multiple alternatives in the EA. These originals
13 are a little tricky because a lot of times a project
14 is constantly evolving between when they first
15 propose something and what actually comes before us
16 in the license application.

17 So this is sort of a first stab.
18 We can take your comments now. We can update the
19 project proposal in the Scoping Document 2, if we
20 decide to issue a Scoping Document 2, which we
21 likely will. Based on just the initial comments
22 I've heard so far, we're going to have to update
23 the cumulative effects analysis section.

24 So this is your first crack at it.
25 After the Scoping Document 2 goes out, the next

1 opportunity to comment would be during the
2 study/planning phase, if you choose to be involved
3 with that.

4 After the data is collected, the
5 studies are done, and they are ready to propose,
6 their next step will be their proposal and their
7 draft license application and preliminary Draft
8 Environmental Assessment, which is basically our
9 first crack at the EA that FERC will ultimately be
10 issuing. And you'll have a chance to comment on
11 the PDEA and the draft application. So whatever
12 they propose there, you'll have a chance to comment
13 on.

14 They will eventually file the
15 final license application. You can file comments
16 on that after we issue our Ready for Environmental
17 Analysis notice. And then you'll also have another
18 opportunity after that when we issue our Draft EA.
19 There is a comment period on the Draft EA.

20 So there is a lot of -- so this is
21 sort of the planning stages that we're in right
22 now.

23 MR. ADAMSON: It's in your best
24 interest to contact the city and work with them,
25 because it is a collaborative process. The

1 Alternative Licensing Process allows you to work
2 with them as one of the parties interested in
3 helping them design their studies.

4 MR. ENRIQUEZ: Richard Enriquez,
5 Fish and Wildlife Service.

6 Again, just for clarification on
7 the cumulative effects, for each alternative that
8 is developed or that's proposed or that's on the
9 table, for each one of those, each one has to be
10 evaluated. The cumulative effects have to be
11 evaluated for each one of the alternatives that are
12 out there. That's in NPEA, so just to be aware of
13 that, that each of the -- you know, the
14 alternatives, kind of what you're asking.

15 If, for example, the power line or
16 the corridor moves from one location to another,
17 the cumulative effects, by doing so, have to be
18 evaluated on that alternative and on the one -- and
19 on the preferred alternative. That's kind of what,
20 I think, might help us get to the base of his
21 question here.

22 MR. CUTLIP: Sure. Absolutely. I
23 mean, in the environmental document, which at this
24 point is going to be an EA, we'll have a list of the
25 alternatives. We'll have a list of all the various

1 configurations of the project proposal --

2 MR. ENRIQUEZ: Right.

3 MR. CUTLIP: -- if there happen to
4 be any at that point. It might be refined to one
5 project proposal. We don't know at this time,
6 but --

7 MR. ENRIQUEZ: Yeah. Right now,
8 basically, you're only looking at two: the
9 preferred alternative, which is this course, and
10 then no action.

11 MR. CUTLIP: Right. And then the
12 way that we do our NEPA, most of the alternatives to
13 the proposed action end up being all the various
14 environmental measures and protection enhancement
15 measures that get recommended or conditioned or
16 prescribed by the agency.

17 So there will be a lot of things
18 that we'll be looking at by the time this gets
19 to -- ever gets to the NEPA stage of actually
20 writing an EA.

21 MR. ADAMSON: Again, the plan with
22 the city is to file a final license application with
23 the Commission by August of 2011. So there is
24 plenty of time between now and then to have input in
25 the process and help them with what they propose.

1 MR. ENRIQUEZ: Yeah. And I guess
2 I -- having worked on Blue Lake Hydro -- I guess
3 just another one I'll throw out there. You know,
4 here the proposal is to raise the level of the dam
5 200 feet. Blue Lake was -- you know, now it's in
6 the process of being -- you know, raising the level
7 of that lake.

8 The question here would be -- for
9 example, just, I guess, for discussion purposes, is
10 that because of the demand or need for more power,
11 is that lake going to be -- the level, would that
12 eventually be looked at, and, you know, to raise
13 the level of that lake? Can it be raised? I mean,
14 that would be another -- perhaps another
15 alternative to look at. And I would definitely be
16 suggesting it be done now versus later on if that's
17 going to be -- if that's a viable alternative.

18 MR. CUTLIP: Yeah. Well, at this
19 point, it's a little premature to go there. You
20 know, if that's a reasonable alternative at the time
21 that we write the EA, we'll obviously have to
22 evaluate it. But I think it's a little premature at
23 this point to talk about raising a dam that hasn't
24 even been built.

25 MR. BREWTON: Were you talking

1 about this project dam or the Blue Lake dam?

2 MR. ENRIQUEZ: I was talking about
3 this one, the 200 feet.

4 MR. BREWTON: Okay. Got you.

5 MR. ENRIQUEZ: See, I'm thinking
6 about the alternative. You know, how do we know
7 eventually they won't come back with another
8 alternative and say, "Okay. We want to go
9 300 feet," say? That's my -- that's my point here.
10 I'm just trying to, you know, make a point here.

11 MR. CUTLIP: Okay. Well, I think
12 it's time -- unless anybody has any other comments
13 on cumulative effects, I'm going to move on to the
14 actual site-specific resource effects.

15 MR. ADAMSON: Do you want to
16 identify what that is, "site-specific"?

17 MR. PRUETT: Can we change tapes?

18 MR. ADAMSON: Let's take a
19 three-minute break --

20 MR. CUTLIP: A ten-minute break.

21 MR. ADAMSON: Okay. Why don't we
22 take a ten-minute break, and then we'll reconvene at
23 10 after and go over the issues.

24 With no opposition, we're taking a
25 ten-minute break.

1 1 2:00 PM

2 (Off record.)

3 3 2:10 PM

4

5 SCOPE OF RESOURCE ISSUES

6

7

MR. ADAMSON: Okay. So let's
8 begin. Again, my name is Joe Adamson. I'm with the
9 Federal Energy Regulatory Commission. Matt is going
10 to continue with resource issues, issue by issue.
11 You'll go over geological soils, resources, water
12 quality and quantity, and aquatic resources. Each
13 time he finishes speaking, I'll provide an
14 opportunity for comment.

15

MR. CUTLIP: So I've already heard
16 from at least -- that we're going to have to
17 probably add geothermal as a site-specific resource,
18 so the effects of the project on geothermal
19 resources.

20

And when I say "site-specific," I
21 mean specific to project features. Environmental
22 effects, you know, right around project features
23 like the transmission line construction, operation
24 and maintenance -- that would be a site-specific
25 effect of just the project on that resource.

1 So is that reasonable? Do you
2 want to get into any more detail on geothermal
3 resources or -- geothermal resources specifically
4 being the hot springs in the Warm Springs Bay?

5 MR. CRENSHAW: Yeah. I think you
6 should know where the nine springs are --

7 MR. CUTLIP: Okay.

8 MR. CRENSHAW: -- and whatever you
9 can find out about them.

10 MR. CUTLIP: Okay.

11 MR. ADAMSON: Do you have any
12 information to provide on the nine springs that you
13 would like to file with the Commission that we could
14 have as a resource?

15 MR. CRENSHAW: I would refer you to
16 the Southeast Department of Natural Resources.
17 They'd probably have the best information. The
18 Division of -- what is it? -- Land and Water?

19 MR. CUTLIP: Mining, Land, and
20 Water.

21 MR. CRENSHAW: Mining, Land, and
22 Water.

23 MR. CUTLIP: And those are right in
24 Warm Springs Bay?

25 MR. CRENSHAW: Yes.

1 MR. CUTLIP: Okay.

2 MR. CRENSHAW: I think it's only
3 one of two sites on all of Baranof Island where
4 there are mineral hot springs that are productive.

5 MR. CUTLIP: Okay. So moving on,
6 we also identified the "Effect of project
7 construction and operations on geology and soils,"
8 and the "Effects of project construction and
9 operation on existing mineral claims and mining
10 areas," and the "Effects of transmission line
11 construction on geology and soil resources." So
12 that's pretty much the same thing as the previous
13 bullet.

14 MR. ADAMSON: Do we want to combine
15 those bullets?

16 MR. CUTLIP: You know, you could
17 just say what -- I mean, yeah, we can fix that. I
18 can fix that. We can either combine it or just
19 delineate the first one as being the effects of,
20 like, the dam and powerhouse and access and dock
21 on -- in other words, those parts of the project
22 versus the transmission lines, since they kind of
23 cover two different geographical areas.

24 So are there any other comments
25 about those resources: geology, soils, geothermal?

1 Anything we missed?

2 MR. CRENSHAW: Yeah. I don't know
3 if this is important or not, but there is an
4 existing hydro facility there, a couple of them.
5 One is dependent upon the falls for -- it's a --
6 what kind of a hydro system is that? Do you know?

7 MS. LUNDSTEDT: A Harris turbine
8 system.

9 MR. CRENSHAW: A Harris turbine
10 system coming off the falls, and it generates
11 electricity for at least two hours.

12 MS. LUNDSTEDT: Four.

13 MR. CRENSHAW: Four houses.

14 MR. CUTLIP: So these are like
15 micro-hydro sites --

16 MS. LUNDSTEDT: Yes.

17 MR. CUTLIP: -- for local
18 non-grid -- obviously, since there is --

19 MR. GRUENING: There's two of them
20 in the bay.

21 MR. CRENSHAW: And also the source
22 of potable water for the community comes out of
23 Baranof Lake.

24 MR. CUTLIP: Okay. I'm trying to
25 think of how best to characterize that. I'm

1 thinking that we would probably want to cover it --
2 probably cover it under "cumulative effects."

3 MR. CRENSHAW: And also Sadie Creek
4 and Sadie Lake provide hydro and potable water for
5 the Wilderness Lodge.

6 MR. CUTLIP: So in Baranof River --
7 let me see if I'm getting this correct. In Baranof
8 River, there are two existing micro-hydro sites?

9 MR. CRENSHAW: One.

10 MR. CUTLIP: One.

11 MR. CRENSHAW: And then back off
12 out toward the mouth of the bay, there is another
13 that comes off -- is that called Sadie Creek?

14 MR. GRUENING: Sadie Creek from
15 Sadie Lake.

16 MS. LUNDSTEDT: Well, there is an
17 existing, but now defunct, but could easily be
18 rehabilitated other hydro that's not a micro-hydro
19 in the falls as well.

20 MR. CUTLIP: In the Sadie Lake?

21 MS. LUNDSTEDT: That's in the
22 Baranof River.

23 MR. CUTLIP: Okay. But getting
24 back to the other one, the Sadie Lake --

25 MR. GRUENING: Just one.

1 MR. CUTLIP: And that drains into
2 Warm Springs --

3 MR. GRUENING: It drains into the
4 bay.

5 MR. CUTLIP: The bay? All right.

6 MR. ADAMSON: Which bay?

7 MR. GRUENING: Warm Springs Bay,
8 the one the submarine cable, I guess, is in.

9 So I'm assuming that the option is
10 that there will be -- of not running power lines
11 across Sadie Creek at this point, I guess, if I
12 understand the proposal.

13 MR. CUTLIP: Okay. So in my mind,
14 those are probably going to be more tied into the
15 cumulative effects of the project, the fact that
16 there is other development out there already.

17 Go ahead.

18 MS. LUNDSTEDT: I acknowledged in
19 front of you, so you should -- you would know
20 better. It's just been filed in FERC. There is a
21 licensing request or permitting request for 14
22 additional hydros in Baranof River.

23 MR. CUTLIP: Really?

24 Is that what you were just talking
25 about?

1 MR. BREWTON: Yes.

2 MR. CUTLIP: Okay. So was it a
3 permanent permit application, or was it some kind of
4 declaratory order or action?

5 MR. PREWITT: Jurisdiction
6 determination. It was a request for jurisdiction
7 determination.

8 MR. CUTLIP: Okay. So that's
9 probably a combined action. We can take a look at
10 that. Thanks for bringing that to our attention. I
11 didn't know anything about it. You said 14 sites?

12 MS. LUNDSTEDT: That's for, I
13 think, Phase 1 of the --

14 MR. CUTLIP: Is this a private
15 developer?

16 MR. BREWTON: Yes.

17 MS. LUNDSTEDT: I think you can get
18 it through your e-library if you look up "Dale
19 Young."

20 MR. CUTLIP: Okay. Is he a
21 landowner in the area?

22 MS. LUNDSTEDT: Yes.

23 MR. CUTLIP: Okay.

24 MR. ADAMSON: I guess I'm not sure
25 of the process, but I think they determine

1 jurisdictional determination and then file a
2 preliminary permit and then --

3 MR. PREWITT: Mike Prewitt. We
4 just finished one of these out in Dillingham, and
5 they requested FERC's review for jurisdictionality.
6 If FERC grants the non-jurisdictional request, then
7 they don't go to a preliminary permit. FERC is out
8 of the picture entirely, unlike an exemption, where
9 FERC still stays around.

10 On a non-jurisdictional
11 determination, FERC is out of the picture entirely,
12 and you proceed entirely according to state and
13 federal permitting in the state, coastal zone,
14 Corps of Engineers, et cetera. If you are
15 jurisdictional and you want to continue with the
16 project, then you do file for a preliminary
17 permit -- or not, if you are not worried about
18 protection.

19 MR. ADAMSON: This is in the
20 Tongass National Forest where these jurisdictional
21 determinations are?

22 MR. CUTLIP: We don't know exactly
23 where they're located.

24 MR. PREWITT: There's private land,
25 quite a bit of private land over there, and that

1 will probably be one of the major factors in FERC's
2 ruling.

3 MR. CUTLIP: Okay. Anything else
4 you want to add about either cumulative effects --
5 we're still kind of talking about that -- or
6 specifically geology and soils resources, things
7 like sedimentation, erosion concerns? Anything to
8 add to what we're talking about? Also geothermals
9 were noted.

10 Okay. I think we're going to move
11 on to water quantity and quality.

12 The first issue is the "Effects of
13 project construction on erosion, sedimentation, and
14 turbidity levels of Takatz Lake, Takatz Creek, and
15 Takatz Bay." We have the "Effects of accidental
16 releases of fuels, lubricants, and other wastes
17 from construction equipment and machinery on Takatz
18 Lake, Takatz Creek, and Takatz Bay water quality."
19 And we have "Effects of project operations on
20 changes to water temperature, dissolved oxygen, and
21 total dissolved gas levels of Takatz Creek and
22 Takatz Lake."

23 Are there any comments?

24 MR. CRENSHAW: So if I understand
25 your earlier corrections of my stupid analysis here,

1 you wouldn't need to add Warm Springs Bay or Baranof
2 Lake to Takatz Lake, Creek, and Bay there because --
3 something about cumulative effects would cover that?

4 MR. CUTLIP: Unless you think -- so
5 the only action that's related to the project in
6 those areas is transmission line construction,
7 operation, and maintenance. So if you think that
8 transmission line construction, operation, and
9 maintenance would affect water quality --

10 MR. CRENSHAW: Well, I think it
11 would because of the substation, the road, the
12 siting of the power line, all of those issues, which
13 could lead to mass wasting potentially, avalanche,
14 other issues, fuel -- fuel spills, all of that.

15 MR. CUTLIP: Sure. And that's
16 definitely reasonable, if you think that's, you
17 know -- that's something we can look at for sure.
18 So, okay.

19 MR. CRENSHAW: Yeah.

20 MR. CUTLIP: So you're saying
21 mostly the effects -- let me see if I've got this
22 correct -- effects of transmission line
23 construction, operation, and maintenance on water
24 quality of Baranof River, Lake, and Warm Springs
25 Bay?

1 MR. CRENSHAW: Yes.

2 MR. CUTLIP: Okay.

3 MR. CRENSHAW: And I'd mention the
4 substation as well.

5 MR. CUTLIP: Okay. So let's say
6 transmission line and substation --

7 MR. CRENSHAW: Yes. That would be
8 a good way to do it.

9 MR. CUTLIP: -- on water quality of
10 Baranof River, Lake, and Warm Springs Bay?

11 MR. CRENSHAW: Uh-huh.

12 MR. CUTLIP: And then --

13 MR. CRENSHAW: If you wanted to
14 add -- I don't know if you want to add Sadie Creek
15 to that or not, because the line won't cross Sadie
16 Creek but goes sub, goes underwater.

17 MR. CUTLIP: And I think that's
18 what we're looking at at this point --

19 MR. CRENSHAW: Yeah.

20 MR. CUTLIP: -- unless they decide,
21 for some reason, to go over land there. But it
22 sounds like it's probably going to be on the sea
23 floor.

24 MR. CRENSHAW: Yeah. It's up to
25 you.

1 MR. CUTLIP: And then I was
2 thinking -- well, okay. I think that will cover it.
3 Does that sound good to you?

4 MR. CRENSHAW: Yeah.

5 MR. CUTLIP: Okay. Any other
6 issues of water quality or scope of -- our
7 geographic scope of analysis for these site
8 specifics?

9 MS. KANOUSE: My name is Kate
10 Kanouse. I'm with Fish and Game, Division of
11 Habitat. And I don't know if Shawn Johnson wants to
12 talk about this maybe more than I do, but one
13 question we briefly talked about last week was, it
14 looks like the tailrace coming out of the powerhouse
15 is not going to return water actually back to Takatz
16 Creek; it's going to discharge directly to marine
17 water. Is that right?

18 MR. BREWTON: That's correct.

19 MS. KANOUSE: So that's one thing
20 that we were talking about, were a little concerned
21 about. We don't know how much water, of Takatz
22 Creek water, comes from the lake versus from that
23 other drainage that looks like there is a lot of
24 water coming out of. And so there's anadromous fish
25 there in the lower portion of Takatz Creek. And

1 that's one concern that's kind of on our plate, too,
2 is we want to make sure there is enough water in
3 that creek for salmon to live out their life cycle.
4 So I just wanted to mention that.

5 MR. CUTLIP: Okay. Well, we can
6 talk about that more when we get to aquatic
7 resources.

8 MS. KANOUSE: Okay.

9 MR. CUTLIP: I appreciate your
10 comments.

11 MS. KANOUSE: Yeah. I didn't know
12 if that really fit in under water quantity or
13 aquatic resources or --

14 MR. CUTLIP: It does.

15 MS. KANOUSE: I just thought I'd
16 mention it.

17 MR. CUTLIP: We already have
18 identified the effects of project operation,
19 including alterations to existing flow regime, on
20 fish species and aquatic habitats of Takatz Creek.

21 MS. KANOUSE: Uh-huh. Okay.

22 MR. CUTLIP: But is there -- I
23 guess we can talk about that in a minute.

24 MS. KANOUSE: Sure. Yup.

25 MR. CUTLIP: Yeah. Let's hold off

1 and talk about that when we get down below.

2 Anything else about water quality?

3 Predominantly that's what we're talking about.

4 Okay. I guess we can move on to
5 aquatic resources, then. What we have identified
6 so far is: "Effects of project construction and
7 operation (e.g., sedimentation, disturbance,
8 habitat modification) on physical habitat of Takatz
9 Creek, Takatz Lake, and Takatz Bay.

10 "Effects of project operation and
11 water level fluctuations on fish species and
12 habitats in Takatz Lake.

13 "Effects of project operation,
14 including alterations to existing flow regime, on
15 fish species and aquatic habitats of Takatz Creek.

16 "Effects of transmission line
17 construction on fish communities in Takatz Bay,
18 Chatham Strait, Warm Springs Bay, Baranof Lake, and
19 Baranof Creek."

20 So we can start off with what you
21 had just brought up, and I guess I have a question
22 for you. Is there another drainage that comes into
23 Takatz Creek below the dam site?

24 MS. KANOUSE: There is. I read
25 about it in the Scoping Document, I think.

1 MR. JOHNSON: Yeah. There is --
2 Shawn Johnson.

3 There is a lot of trips coming
4 into Takatz below the lake outlet.

5 MR. CUTLIP: Okay.

6 MR. JOHNSON: And, Christopher, I
7 know you said USGS is already engaged in the lake
8 outlet, that you guys will have a handle on how much
9 water is up there. As Kate mentioned, we're
10 concerned -- well, for the whole bypass reach, but
11 particularly the anadromous reach, which is, I don't
12 know, a quarter-mile or a half-mile long at
13 saltwater.

14 And we had talked about there is
15 an old, discontinued USGS gauge site right down by
16 saltwater, and do you have plans to reestablish
17 that gauge?

18 MR. BREWTON: Yes. I think that
19 would be the best thing to do, to reestablish that.
20 So --

21 MR. JOHNSON: That would be
22 excellent.

23 MR. BREWTON: -- we'll amend our
24 agreement with USGS and install a second site and
25 get that data.

1 MR. JOHNSON: That would be great.

2 MR. CUTLIP: So would you like me
3 to add something to the effect of including
4 potential for effects on anadromous fisheries in the
5 drainage?

6 MS. KANOUSE: Well, you might have
7 covered it under Bullet 3 there, where you have,
8 "Effects of project operation, including alterations
9 to existing flow regime into Takatz Creek." So I
10 think it's probably covered.

11 MR. CUTLIP: Okay. I was just
12 going to clarify, including -- in addition to saying
13 "fish species," just tack onto the end, "including
14 potential effects on anadromous fisheries," just so
15 it's transparent.

16 MS. KANOUSE: Sure. Uh-huh.

17 MR. CUTLIP: I'll just say "Lower
18 Takatz Creek."

19 Let's see. Any other
20 aquatic-fisheries-related effects?

21 MR. ADAMSON: Can I ask a
22 clarifying point? Is it Baranof Creek or Baranof
23 River?

24 MR. CRENSHAW: River.

25 MR. CUTLIP: That should be Baranof

1 River.

2 Shawn?

3 MR. JOHNSON: Shawn Johnson again.
4 Kate mentioned the location of the tailrace
5 discharge. I had the same question she had, but
6 looking at the layout, I would assume it would be
7 pretty difficult -- had you even thought about
8 putting the discharge from the tailrace back into
9 the lower part of Takatz Creek?

10 MR. BREWTON: No. Based on the
11 geography there, that would be very difficult to do
12 that. It's kind of deceiving the way the dam -- the
13 powerhouse relative to the stream outflow is.

14 MR. JOHNSON: Right.

15 MR. BREWTON: It's kind of on
16 opposite sides of bay, so it would be difficult to
17 do that, I think.

18 MR. CUTLIP: Any other comments?

19 MR. JOHNSON: You probably don't
20 know the answer to this question since you haven't
21 really looked at details yet, but do you have any
22 feel for how much you're going to be bouncing the
23 lake up and down?

24 MR. BREWTON: No, I don't know what
25 the reservoir fluctuation would be at this point.

1 It might be in the -- during the APA study from some
2 point in time, and we'll dig that out and see if
3 it's in the details somewhere.

4 MR. JOHNSON: But it won't be
5 natural lake fluctuations anymore; it will be
6 operational?

7 MR. BREWTON: Correct.

8 MR. CUTLIP: Have you guys looked
9 at all into -- is it going to be like seasonal
10 storage or daily storage, meaning are you going to
11 store, you know, all through the summer and augment
12 winter flows, you know, power generation in the
13 winter? Or is it going to be like a daily peaking
14 or --

15 MR. BREWTON: I think it's going to
16 be a base-load unit. You know, that would be the
17 intent. It would be a base-load-type operation.

18 MR. ADAMSON: So continuous use.

19 MR. BREWTON: Right. Right. But,
20 again, that would be managed as overall operations
21 for the entire hydro facility. If there was plenty
22 of water on that side and not enough water on the
23 Blue Lake/Green Lake side, obviously you'd run that
24 one heavier than you would the other side.

25 So it would be part of the overall

1 water management for the entire hydro operation.

2 But at this point, because of the size of the
3 facility, we'd consider it as a base-load unit.

4 MR. CUTLIP: Any other comments
5 about aquatic resources? Okay. I guess we'll move
6 on to terrestrial, and Joe can cover that.

7 MR. ADAMSON: The first bullet:
8 "Effects of human access, blasting, excavation, and
9 other construction activities on wildlife.

10 "Effects of habitat loss and
11 alteration from construction of dams, power tunnel,
12 penstock, powerhouse, switchyard, transmission
13 line, access roads, and appurtenant facilities on
14 wildlife and plant species, with particular
15 emphasis on Forest Service sensitive species and
16 state-listed species.

17 "Effects of noise, improved access
18 from project access roads, and increased human
19 presence on wildlife, with particular emphasis on
20 Forest Service sensitive species and state-listed
21 species.

22 "Effects of project construction
23 and operation on the control and spread of noxious
24 weeds.

25 "Effects of new substations and

1 transmission line on the potential for raptor
2 electrocutions and collisions."

3 Any comments about those bullets?

4 MR. ENRIQUEZ: Yes. This is
5 Richard Enriquez, Fish and Wildlife Service.

6 Bullet 1, the effects of human
7 access -- I guess I'd want to make sure that, okay,
8 "effects of human access," would that address also
9 the issue of displacement, so -- as a result of
10 human activity in that area, in the project area?

11 There are also what we call --
12 what are termed as "value comparison units," and
13 fortunately, there are no -- at least based on my
14 quick assessment of the project area, there are no
15 value comparison units that have old-growth
16 reserves in them. And I've got the numbers for
17 those VCUs, value comparison units, if you'd like
18 them.

19 But based on a quick look at them,
20 there are no old-growth reserves, because they do
21 come with different -- I guess, or could have --
22 could carry with them a different land use -- well,
23 they are a different land use designation, anyway,
24 and that's more of the Forest Service.

25 But anyway, we were involved with

1 review of these old-growth reserves, as well as
2 folks in the Forest Service and the Alaska
3 Department of Fish and Game. So anyway, a lot of
4 time and effort went into identifying those that
5 are critical habitat or are key habitat components.

6 MR. ADAMSON: Is that within the
7 Forest Service lands?

8 MR. ENRIQUEZ: Uh-huh.

9 MR. BIRK: It's in the Forest
10 Plan --

11 MR. ENRIQUEZ: Yeah.

12 MR. BIRK: -- the Forest Plan
13 Amendment.

14 MR. ADAMSON: Okay. How would you
15 want to modify this bullet to address your concerns?

16 MR. ENRIQUEZ: Well, as long as it
17 captures, you know, I mean --

18 MR. ADAMSON: It's blasting,
19 excavation -- it's construction of the project and
20 how it affects the wildlife.

21 MR. ENRIQUEZ: Well --

22 MR. ADAMSON: If you want in there
23 displacement --

24 MR. ENRIQUEZ: There are a number
25 of things going on. You know, the standards and

1 guidelines -- I guess I'll have to rely on what is
2 in the Forest Plan, but there is also -- we have a
3 1,000-foot beach buffer, and a lot of these
4 activities are going to occur within that zone. So
5 there are some concerns there in terms of -- well,
6 it's a beach, and estuary fringe standards and
7 guidelines that -- I guess to the degree possible.

8 MR. ADAMSON: Is that within the
9 Forest Service lands?

10 MR. ENRIQUEZ: That's in the Forest
11 Service Plan.

12 MR. ADAMSON: No, but within --

13 MR. ENRIQUEZ: They apply to Forest
14 Service lands.

15 MR. ADAMSON: Because this project,
16 while it's owned by the City of Sitka, the land
17 around the lake is owned by the City of Sitka --

18 MR. ENRIQUEZ: Yeah. But there's
19 other areas. I don't know --

20 MR. ADAMSON: -- the transmission
21 line certainly is within the Forest Service land.

22 MR. ENRIQUEZ: Right. That's what
23 I'm getting at. When you come around, see, I don't
24 know how the impact of that, you know, will -- could
25 affect that, but it's something to take a look at.

1 MR. ADAMSON: I think we've covered
2 that.

3 MR. CUTLIP: Yes. I mean, so
4 you're specifically saying that there are Forest
5 Service standards for construction with buffer
6 zones?

7 MR. ENRIQUEZ: Yeah, your contours.
8 There is a 1,000-foot beach buffer, okay, and within
9 those, there are standards and guidelines that
10 address, you know, I guess what activities, you know
11 are compatible with that beach and estuary fringe --

12 MR. CUTLIP: Okay.

13 MR. ENRIQUEZ: -- and what are not
14 so compatible.

15 MR. CUTLIP: So what if we said
16 something like "effects of project construction"?

17 MR. ADAMSON: Blasting?

18 MR. CUTLIP: Well, just "Effects of
19 project construction and operation on compatibility
20 with Forest Service requirements in the land use
21 plan," something to that effect? I mean, that --

22 MR. ENRIQUEZ: What do you think?
23 I mean --

24 MR. BIRK: Well, we'll be sending
25 you the standards and guides from the Forest Plan.

1 MR. CUTLIP: Okay. Can you do that
2 for the scoping comments?

3 MR. BIRK: Yes.

4 MR. CUTLIP: Because then we could
5 take a look and see whether or not we need to modify
6 these issues to make it consistent with the
7 language.

8 MR. BIRK: Yes.

9 MR. CUTLIP: Okay. That would be
10 great.

11 MR. ADAMSON: So we might leave the
12 bullet as is?

13 MR. CUTLIP: I would leave it as
14 is. Maybe just make note that we'll compare it to
15 the written comments filed by the Forest Service
16 regarding the land use buffers.

17 MR. BIRK: Okay.

18 MR. ENRIQUEZ: Again, Richard
19 Enriquez, Fish and Wildlife Service. The last
20 bullet there on page 17, "Effects of new substations
21 and transmission line on the potential for raptor
22 electrocutions and collisions," well, that's only
23 part of it, but also somewhere you should capture
24 the effects on estuaries as well and the potential,
25 and then -- well, I guess maybe it's somewhere else,

1 because that's the last bullet for terrestrial
2 resources -- but "Identify potential for increased
3 wildlife/human conflicts, i.e., bear conflicts,"
4 because there are -- this is brown bear habitat.
5 So --

6 MR. CUTLIP: Okay. Yeah, that's
7 definitely --

8 MR. ENRIQUEZ: And you're in the
9 estuaries there, and that's another thing. So --

10 MR. ADAMSON: So how are we stating
11 that? How are you writing that down?

12 MR. CUTLIP: "Effects of project
13 construction and operation on" --

14 MR. ENRIQUEZ: And one thing I'd
15 look at, and I -- we can probably get you some -- I
16 tried to, but our database person was not in when I
17 was trying to get that information this morning --
18 on the bald eagle nest locations. We can get that
19 for you, or go to our database, however you would
20 prefer.

21 MR. CUTLIP: So there are two -- as
22 I'm interpreting your comments, you have two issues.
23 One is the effects of the project -- which would be
24 construction, operation, maintenance -- on the
25 potential for human/wildlife interactions?

1 MR. ENRIQUEZ: Conflicts, I'm
2 guessing.

3 MR. CUTLIP: Conflicts?

4 MR. ENRIQUEZ: Interactions,
5 conflicts, I don't care how you want --

6 MR. CUTLIP: Okay.

7 MR. ENRIQUEZ: Yeah. What happens
8 when the oil and water come together, you know? I
9 mean --

10 MR. CUTLIP: And then effects of
11 the project on nesting trees for wildlife?

12 MR. ENRIQUEZ: Okay. This -- yeah.
13 I guess specifically I was addressing the bald eagle
14 nests, but --

15 MR. CUTLIP: Okay.

16 MR. ENRIQUEZ: -- also we do have
17 some estuaries, and there could be, you know, for
18 waterfowl as well. So that's something that should
19 be looked at to see, if it's so, that's, you know --

20 MR. CUTLIP: Okay. So -- okay. I
21 have a feeling it could probably be covered under
22 Bullet 2, but I think that we should probably
23 either --

24 MR. ADAMSON: Yeah. Let's do that.

25 MR. CUTLIP: I think that we should

1 be more specific in addressing what you're talking
2 about. So I'll make sure --

3 MR. ENRIQUEZ: Well, that was my
4 problem when I read through this. I thought that
5 they'd left -- like some, you know -- it could
6 definitely be tightened up a little bit --

7 MR. CUTLIP: Okay.

8 MR. ENRIQUEZ: -- and be more
9 specific.

10 MR. CUTLIP: Okay.

11 MR. ENRIQUEZ: Because if it comes
12 back in the study plans, that would help, you know,
13 support why we're recommending study plans.

14 MR. ADAMSON: These are just broad
15 statements --

16 MR. ENRIQUEZ: I understand.

17 MR. ADAMSON: -- just to try to
18 capture --

19 MR. ENRIQUEZ: And not to be --
20 that it would fall through the cracks, you know.

21 MR. ADAMSON: We'll make sure it
22 doesn't. So --

23 MR. ENRIQUEZ: Okay.

24 MR. CUTLIP: What about ospreys?
25 Are they an issue?

1 MR. ENRIQUEZ: I'm sorry?

2 MR. CUTLIP: Ospreys?

3 MR. ENRIQUEZ: Ospreys? No, not in
4 that area.

5 MR. CUTLIP: Not in that area?
6 Okay. It's just -- I'm not a wildlife biologist.
7 I'm just trying to clarify.

8 So mostly bald eagles and
9 waterfowl?

10 MR. ENRIQUEZ: Yeah. Migratory --
11 yeah. And then -- yes. I don't know about goats.
12 I mean, you do have some high country there. I
13 guess that would be something to just take a look
14 at, especially for, you know, when you are going --
15 working on the proposed work in the higher
16 elevations.

17 MR. CUTLIP: Would those be covered
18 under the Forest Service sensitive species, things
19 like bald eagles, goats?

20 MR. ADAMSON: Bald eagles would,
21 but goats would not, would they?

22 MR. BIRK: I don't think goats --
23 goats aren't a sensitive species.

24 MR. CUTLIP: Okay. So it would be
25 more of an ADF&G management issue?

1 MR. ENRIQUEZ: Correct.

2 MR. CUTLIP: Do you know of
3 anything else besides goats in that area for
4 wildlife? Is there deer?

5 MS. KANOUSE: There's deer. Yup,
6 we have deer. A lot of brown bears. God, off the
7 top of my head --

8 MR. ADAMSON: Badgers?

9 MS. KANOUSE: Those are the big
10 ones. No badgers.

11 MR. CUTLIP: So blacktail deer,
12 brown bears, and goats.

13 MS. KANOUSE: There was -- yeah.
14 There's a lot of small furbearers out there, but the
15 big ones we already mentioned.

16 MS. LUNDSTEDT: And if I may, more
17 recently moose.

18 MS. KANOUSE: Really? No kidding?

19 MS. LUNDSTEDT: No kidding.

20 MR. JOHNSON: Confirmed moose
21 sightings?

22 MS. LUNDSTEDT: Confirmed moose
23 sightings.

24 MS. KANOUSE: In Warm Springs Bay
25 or --

1 MS. LUNDSTEDT: In the general
2 vicinity.

3 MS. KANOUSE: Interesting. Huh.
4 Good to know.

5 MR. CUTLIP: Where are those coming
6 from? Are they indigenous to the area, or are they
7 reintroduced -- or introduced, I should say?

8 MS. LUNDSTEDT: They are -- I'm not
9 sure if they have been -- how you define it, but
10 they are coming over from Kuiu and the southern tip
11 of Admiralty.

12 MR. CUTLIP: Yeah. Okay.

13 MS. LUNDSTEDT: Kupreanof, Kuiu.

14 MR. CUTLIP: Interesting.

15 MR. ADAMSON: Kuiu? I'm sorry.
16 I'm not following. What is Kuiu?

17 MS. KANOUSE: It's an island.

18 MR. CRENSHAW: It's not an acronym;
19 it's an island.

20 MS. LUNDSTEDT: K-U-I-U.

21 MR. ADAMSON: Let's move to
22 threatened and endangered species. "Effects of
23 project construction and operation on federally
24 listed threatened Steller sea lion and endangered
25 humpback whale."

1 Are there any other listed species
2 in the area?

3 MR. ENRIQUEZ: Not yet.

4 MR. CUTLIP: What's the potential?
5 Oh, okay.

6 MR. ENRIQUEZ: Until somebody finds
7 one that -- you know, and petitions us to look, and
8 we go look, and either --

9 MR. CUTLIP: Oh. I wasn't sure if
10 there was a candidate or something.

11 MR. ENRIQUEZ: We have only one
12 that's been kind of -- and it's the Kenitz's Murlet
13 (ph), but that's still not listed.

14 MR. CUTLIP: Okay. Is it a
15 candidate? Do you know?

16 MR. ENRIQUEZ: Yeah.

17 MR. CUTLIP: Oh, it is? So that's
18 something we'll be looking at too.

19 MR. ADAMSON: Is it in this area?

20 MR. ENRIQUEZ: If you were to ask
21 me right now for a consultation, I would say this
22 project would not affect those species, potentially
23 would not affect those species. That's the way I
24 would address it right now.

25 MR. CUTLIP: Okay.

1 MR. ENRIQUEZ: And you have the
2 murlets -- Marble Murlets as well. I don't know if
3 it's sensitive on your species list, but --

4 MR. BIRK: I don't know.

5 MR. CUTLIP: Okay. Well, in any
6 event, we'll be asking for a species list as we move
7 farther along before we do the EA. So I'm assuming
8 we would do it before the PEA stage, but if not,
9 we'll definitely be doing it before we write our EA
10 so we can get an updated list.

11 But this was mainly just to
12 identify that we will be looking at all federally
13 listed threatened, endangered, and candidate
14 species. And so far we've identified those two.
15 So if there's no further discussion on that, we can
16 move on.

17 MR. ADAMSON: Recreation land use,
18 Bullet 1: "Any need for recreation facilities and
19 public access within the project boundary to meet
20 current or future (over the term of a license)
21 recreation demand, including barrier-free access and
22 the need for and benefit of interpretive
23 opportunities (such as interpretive signs) at the
24 project."

25 So this is basically any existing

1 or future recreational use and how this project
2 will impact that.

3 MR. CRENSHAW: It might be useful,
4 either under that bullet or the next one, to
5 specifically mention the two trails in the area.
6 There is one that goes up to Sadie Lake, which any
7 transmission corridor will surely pass across.

8 MR. ADAMSON: Does this bullet
9 cover that? It's basically any existing
10 recreational use that's within the area.

11 MR. CRENSHAW: Yeah. The Sadie
12 Lake trail could be missed if you didn't know
13 specifically. You might think it's a muddy ditch.
14 And the Baranof Lake trail also -- yeah. It -- it's
15 probably covered, but it wouldn't hurt to specify.

16 MR. CUTLIP: We can identify it,
17 and then we'll take a look at it in the EA and
18 decide whether, you know, to do an analysis on what
19 it --

20 MR. CRENSHAW: Yeah.

21 MR. CUTLIP: -- how the project may
22 or may not affect the Baranof trail and the Sadie
23 Lake trail.

24 MR. CRENSHAW: Yeah.

25 MR. CUTLIP: So I think it's worth

1 noting.

2 MR. ADAMSON: I'll just put them in
3 brackets, okay, under the bullet.

4 MR. CRENSHAW: That's useful.

5 MR. CUTLIP: And how do you spell
6 "Sadie Lake"? Is it --

7 MR. CRENSHAW: S-A-D-I-E, I
8 believe.

9 MR. CUTLIP: Okay.

10 MR. ADAMSON: Effects of
11 construction -- I stopped at "recreation" because
12 the next one is "land use issues."

13 "The effect of construction and
14 operation of a transmission line and future
15 transportation corridor issues," simply how they
16 coincide. Any questions about that bullet?

17 MR. ENRIQUEZ: Richard Enriquez.
18 Just for clarification, could you maybe put some --
19 future transportation corridor issues? Okay. How
20 far -- what do you mean by that, or what is meant by
21 that? Because are you talking about all of
22 Southeast, or are you talking about a grid that
23 would tie on to Canada? Exactly what are we talking
24 about here?

25 MR. ADAMSON: I think it's

1 specifically addressing that corridor that exists
2 within the Forest Service land use map, where it
3 talks about where the transmission line is going,
4 this corridor here (indicating).

5 MR. CUTLIP: I'm thinking, too,
6 this is probably going to be covered under
7 cumulative effects.

8 MR. ENRIQUEZ: Well, that's kind of
9 what I'm --

10 MR. CUTLIP: Since we're talking
11 about --

12 MR. ENRIQUEZ: I guess I'm trying
13 to nibble at it a little bit, because, you know,
14 we've got this big, grandiose scheme of an intertie
15 and so forth. And the cumulative effects -- there
16 are things going on that have been proposed that may
17 have some connection to this project.

18 MR. CUTLIP: So you're talking
19 about the grand scheme of the intertie?

20 MR. ENRIQUEZ: Yes.

21 MR. CUTLIP: The Southeast Alaska
22 intertie?

23 MR. ENRIQUEZ: That's correct.
24 Uh-huh.

25 MR. CUTLIP: Okay.

1 MR. ADAMSON: We can also put an
2 asterisk by it to represent that it will be affected
3 by cumulative effects, be discussed under cumulative
4 effects.

5 MR. CUTLIP: Yeah. I think we want
6 to look at that more under cumulative effects,
7 because it would be hard to talk about something
8 having a site-specific effect on something that may
9 or may not happen somewhere down the line. So I
10 would actually --

11 MR. ENRIQUEZ: The operative word
12 is "may," "potentially," and all that, you know,
13 so --

14 MR. CUTLIP: Yeah. I think we may
15 want to consider --

16 MR. ENRIQUEZ: Collectively --

17 MR. CUTLIP: One thing we could say
18 here is -- and I don't know if the Forest Service --
19 is there an existing LUD conflict with this project,
20 like we have on Soule?

21 MR. BIRK: Part of it, and I'm not
22 sure what, is in remote recreation, which is pretty
23 restrictive. But we'll send you those comments.
24 You know, the Sitka Ranger District will have that
25 information when you go over there.

1 MR. CUTLIP: Okay. So they are
2 going to be at the meeting tomorrow?

3 MR. BIRK: Yeah.

4 MR. CUTLIP: Is that why they are
5 not here today, because they're going to be there
6 tomorrow?

7 MR. BIRK: Yeah.

8 MR. CUTLIP: Okay. I was just
9 curious why, because usually there's a lot more
10 Forest Service staff, local staff that come to the
11 meetings.

12 MR. BIRK: Yeah. They'll be going
13 to that meeting. The Ranger District is the one
14 that has all this information for this project.

15 MR. CUTLIP: Okay. Great. So I
16 think -- what I'm proposing that we do with that is
17 say something to the effect of, "The effects of
18 construction and operation of the project,
19 specifically the transmission line, on the land use
20 designations within the project area," and leave the
21 whole potential future actions to the cumulative
22 effects discussion. Does that work?

23 MR. ENRIQUEZ: I think it -- yeah,
24 that works.

25 MR. CUTLIP: And just keep it as a

1 land use issue.

2 MR. ADAMSON: Did you have it as a
3 transportation corridor issue?

4 MR. CUTLIP: I would say, "The
5 effects of construction and operation of a
6 transmission line on" -- or I would just say,
7 instead of "a transmission line," "on the project
8 operation," because we don't -- because I don't know
9 if it's just the transmission line. Is it just the
10 overhead? Is it other parts of the substation or
11 other things that could also affect the land use
12 designation in the area? "The effects of
13 construction and operation of the project on the
14 land use designations of the project area."

15 MR. ADAMSON: Any other recreation
16 resource land use issues you want to raise at this
17 point?

18 Let's move to aesthetics. "The
19 effect of project construction, facilities, and
20 operation on the aesthetic values of the project
21 area."

22 MR. CRENSHAW: Yeah. Ron
23 Crenshaw --

24 MR. ADAMSON: Let me finish the
25 second bullet. "Effects of construction noise to

1 residents and visitors within the project area,
2 particularly within the Warm Springs Bay vicinity."

3 Now you can make a comment.

4 MR. CRENSHAW: Ron Crenshaw. I
5 think on the first bullet, use the asterisk again.
6 An example is the public-use cabin the Forest
7 Service manages at the head of Baranof Lake.

8 MR. CUTLIP: I think what we might
9 say there is "Including" -- at the end we can just
10 say, "Including the Forest Service cabin."

11 MR. CRENSHAW: Yeah. It's going
12 to -- you're going to have a grand view of the
13 transmission line from the cabin.

14 MR. CUTLIP: Okay. Cabin on
15 Baranof Lake?

16 MR. CRENSHAW: Uh-huh.

17 MR. CUTLIP: And is that
18 predominantly a fly-in cabin?

19 MR. CRENSHAW: Yes.

20 MR. CUTLIP: Okay.

21 MR. CRENSHAW: Some boat in from
22 the other end.

23 MR. CUTLIP: So boat-in or walk or
24 hike?

25 MR. CRENSHAW: No, you can't hike

1 there.

2 MR. CUTLIP: Okay.

3 MR. CRENSHAW: But you can --

4 MR. CUTLIP: How would you get your
5 boat up there?

6 MR. CRENSHAW: Well, there's --
7 there's a boat launch for hardy boat drivers at the
8 Baranof River end of Baranof Lake. People can pack
9 a boat up the trail to the lake and then paddle up
10 to the cabin.

11 MR. CUTLIP: Got you.

12 MR. ADAMSON: How about the second
13 bullet? Noise? No further questions on aesthetics?

14 MR. CUTLIP: Is there any aesthetic
15 effects for the private landowners?

16 MS. LUNDSTEDT: Is that not
17 included in this?

18 MR. CUTLIP: It is, but I'm just
19 wondering if there's anything you want to specify
20 or -- I mean, the substation location, things of
21 that nature. Is that an issue?

22 MR. CRENSHAW: The whole thing is a
23 huge aesthetic issue --

24 MR. CUTLIP: Okay.

25 MR. CRENSHAW: -- for the

1 community. I don't know how you would make it -- I
2 think you'll look at all of that.

3 MR. CUTLIP: Yeah, we will. I just
4 want to make -- I mean, if there's something that --

5 MR. ADAMSON: This is broad.

6 MR. CUTLIP: Yeah. If the
7 substation location is going to be a major issue,
8 say, for landowners because it's down in a location
9 where the private property is -- you know, I don't
10 know the project area that well, but it seems like
11 that could be problematic. Let's bring it up now
12 and make sure that siting of the substation, for
13 example, is something that is really worked out in
14 advance of them submitting a final proposal.

15 So if it's not an issue, it's not
16 an issue.

17 MR. CRENSHAW: Well, it's a huge
18 issue. I don't know how to address it.

19 MR. CUTLIP: I think you just did,
20 so that's fine. I just wanted to make note of that,
21 the substation placement, in addition to the
22 transmission line.

23 MR. ADAMSON: Are we adding that?

24 MR. CUTLIP: Yeah, I would,
25 definitely. I mean, there's things you can do to

1 mitigate for aesthetic effects, obviously, but we
2 need to make sure and identify it as an issue
3 before -- before we take it that far.

4 MR. CRENSHAW: Yeah. That's a hard
5 one. The city has recently subdivided a whole lot
6 of land in there, so basically from the mouth of
7 Baranof Warm Springs Bay all the way to the river --
8 in fact, all the way to the lake is subdivision,
9 subdivided lots, unoccupied, still owned by the
10 city.

11 But other than the core town site,
12 there is no development of residences. So right
13 now, it's a problem for the town site. It's an
14 issue for the town site.

15 MR. CUTLIP: Okay.

16 MR. CRENSHAW: Eventually it would
17 be an issue with respect to all of those subdivided
18 lots, I suppose.

19 MR. CUTLIP: And is there -- are
20 there other private lands in the vicinity of Warm
21 Springs Bay, or is it just --

22 MR. CRENSHAW: It's all on the bay,
23 as far as I know.

24 MR. CUTLIP: So not the subdivided
25 lots, but actual other landowners besides Forest

1 Service, the city? I mean, is there private land
2 ownership out there?

3 MR. CRENSHAW: Elsewhere, other
4 than the town site and --

5 MR. CUTLIP: Yeah.

6 MR. CRENSHAW: -- where I just
7 mentioned out --

8 MR. CUTLIP: Yeah.

9 MR. CRENSHAW: All along the --
10 what is it, the north side of the bay? North. All
11 of that is pretty much private property.

12 MR. CUTLIP: Okay.

13 MR. ADAMSON: I'll move on to
14 cultural resources. I did want to make a correction
15 on the first bullet. "Effects of project
16 construction and operation on the project's defined
17 area of potential effects." I forgot the "A." It's
18 "area of potential effects."

19 Second bullet: "Effects of
20 project construction and operation on historic and
21 archaeological resources that are listed or
22 considered eligible for inclusion in the National
23 Register of Historic Properties."

24 Third bullet: "Effects of project
25 construction and operation on properties of

1 traditional religious and cultural importance to an
2 Indian tribe."

3 The fourth bullet: "Effects of
4 project construction and operation on subsistence
5 resources (hunting, fishing, and gathering) and
6 associated areas."

7 Is there a question about cultural
8 resources?

9 Let's move on to socioeconomics:
10 "Effects of project construction and operation on
11 local, tribal, and regional economies." This is a
12 general statement.

13 MR. CRENSHAW: Property values?

14 MR. ADAMSON: The effect of --

15 MR. CUTLIP: Would that be mostly
16 like project features, aesthetic effects -- adverse
17 aesthetic effects on property values, or putting --

18 MR. CRENSHAW: Yes. I'd -- yeah.
19 It's sort of -- this project is sort of inimical to
20 the reason people are there.

21 MR. CUTLIP: So you're saying if
22 the project gets built, people won't go there?

23 MR. CRENSHAW: No, I'm not saying
24 that.

25 MR. CUTLIP: Okay. That's what I'm

1 trying to -- can you clarify exactly what you're
2 saying?

3 MR. BIRK: If you build the
4 project, land values will go down?

5 MR. CRENSHAW: Potentially. The
6 attraction of the bay is its remoteness, its scenic
7 values and so on. That's why it exists. As those
8 values are taken away, then it has less -- well, I
9 suppose a different kind of population might like
10 that, might -- you know, you can always -- a
11 different species might move in.

12 MR. ADAMSON: So "Effect of project
13 construction and operation on private landowners,
14 private land values"?

15 MR. CUTLIP: I would say that's
16 probably the most straightforward --

17 MR. CRENSHAW: There is not much
18 reason to live there other than the values that this
19 project will diminish. I don't know how else to say
20 it. That's good enough, I guess. I could come up
21 with an acronym for that.

22 MR. ADAMSON: You got that?

23 MR. CUTLIP: Yes.

24 MR. ADAMSON: Any other
25 socioeconomic issues?

1 Let's move on to developmental
2 resources. First bullet: "Effects of any
3 recommended environmental measures on project
4 generation and economics."

5 Second bullet: "Effects of
6 project construction, operation, and maintenance on
7 the project's economics."

8 MR. CRENSHAW: Ron Crenshaw. I
9 feel kind of mouthy; I apologize for this. But
10 there is a commercial lodge in the bay that might
11 be -- it's a wilderness lodge that will be affected
12 by this, so that's a specific example on the --

13 MR. ADAMSON: On the
14 socioeconomics?

15 MR. CRENSHAW: -- on the economics.

16 MR. CUTLIP: Yeah, probably
17 socioeconomics. You probably want to say something
18 to the effect of --

19 MR. ADAMSON: Who owns that?

20 MR. CRENSHAW: Mike Trotter. It's
21 called Baranof Wilderness Lodge.

22 MR. ADAMSON: So it's a private
23 ownership?

24 MR. CRENSHAW: Yes.

25 MR. ADAMSON: So "The effect of

1 project construction and operation on private land
2 values" would not be covered under that?

3 MR. CUTLIP: I would also say on
4 maybe -- well, I'm wondering if we should --

5 MR. CRENSHAW: Well, it's not --
6 no, it wouldn't be covered, because it's not so much
7 the land value as the attraction for customers.
8 It's the business value rather than the land value.

9 MR. ADAMSON: "Effect of project
10 construction, operation, and maintenance" --

11 MR. CUTLIP: Say on commercial --

12 MR. ADAMSON: -- "on commercial" --

13 MR. CUTLIP: -- tourism? I don't
14 know how you would say it. Tourism operations,
15 something to that effect.

16 MR. ADAMSON: Commercial use?

17 MR. CRENSHAW: Yeah. Yeah.

18 Maybe --

19 MR. ADAMSON: Uses? Commercial
20 uses in the area?

21 MR. CRENSHAW: Maybe, yeah. It
22 wouldn't hurt to mention that specifically. That
23 lodge has been there for 30 years.

24 MR. ADAMSON: And I'll just put --
25 I'll put in quotes or brackets -- what's the name of

1 it?

2 MR. CRENSHAW: Baranof Wilderness
3 Lodge.

4 MR. ADAMSON: Baranof Wilderness --

5 MR. CRENSHAW: Lodge.

6 MR. ADAMSON: -- Lodge. So that
7 would be under socioeconomics.

8 MR. CRENSHAW: I think so.

9 MR. ADAMSON: Okay. Good.

10 Developmental resources -- this is
11 mainly the project owner, how environmental
12 measures will affect how much money they make off
13 the project. And the second bullet is: "Effects
14 of project construction, operation, and maintenance
15 on the project's economics," so how much it costs
16 to run the project, how much profit they are able
17 to get out of the operation. Any comments about
18 that?

19

20 POTENTIAL STUDIES

21

22 MR. ADAMSON: There is a section
23 called "Potential Studies." We encourage you to
24 work with the Applicant, the City of Sitka, because
25 they are going to go through a process of developing

1 their study plans this fall and winter. They
2 have -- in the PAD, they have identified some of the
3 studies. We're not going to go over those
4 specifically now, but you can work with them to
5 raise issues on how they can gather information in
6 order to answer these issues and effects that we
7 have just discussed.

8 Those are on pages 19, 20, 21, and
9 22 of the Scoping Document. These are basically
10 taken out of the PAD.

11 Yes, sir?

12 MR. CRENSHAW: Going back to the
13 different bullets, different resources, health is
14 not mentioned, and there are people concerned about
15 the health effects of -- particularly of an overhead
16 transmission line, substations. Is that a valid
17 concern, something that should be added?

18 MR. CUTLIP: Yeah. We can take a
19 look at it. I don't see why it wouldn't.

20 MR. ADAMSON: Would that be a
21 separate -- it would almost be a separate category.

22 MR. CUTLIP: Yeah. I'm not sure.

23 MR. CRENSHAW: Human health?

24 MR. CUTLIP: Yeah, human health.
25 We can start there and see where it goes.

1 MR. CRENSHAW: Okay.

2 MR. CUTLIP: Effects of the
3 high-voltage transmission, or relatively
4 high-voltage transmission line, on human health?

5 MR. CRENSHAW: Yeah.

6 MR. CUTLIP: I can also see how --
7 I'm assuming this issue has come up before, and we
8 can probably go back and dig through some old
9 environmental documents see how we addressed it in
10 the past.

11 MR. ADAMSON: So human health
12 effects of -- what do we have? Of the transmission
13 line?

14 MR. CUTLIP: Of --

15 MR. ADAMSON: And substation.

16 MR. CUTLIP: -- quote, unquote,
17 high-voltage transmission line on human health, take
18 a look and see what the research shows.

19 Sue?

20 MS. WALKER: Sue Walker, National
21 Marine Fisheries Service. I'm glad you brought that
22 up. Under "aquatic impacts," we should also add a
23 look at the effects of electromagnetic radiation on
24 fish and marine mammals.

25 MR. CUTLIP: Got it.

1 MR. ADAMSON: That would be for the
2 submerged transmission line?

3 MS. WALKER: Submerged transmission
4 line.

5 MR. ADAMSON: Before we move on to
6 "Studies," are there any other resource issues you
7 want us to talk about that have not been addressed
8 by Section 4?

9 MS. WALKER: There is one. I don't
10 know where exactly it fits in, but we will be citing
11 the results of a preliminary study of the effects of
12 climate variability and climate change on hydropower
13 in Southeast Alaska with a study with did with the
14 City and Borough of Sitka, focusing on Blue Lake and
15 Green Lake. And we'll be asking to look at the
16 potential effects of that variability and that
17 change on project operations for the length of the
18 license. It is similar to what we've done for
19 similar relicensing in the Lower 48. It's becoming
20 pretty standard.

21 MR. ADAMSON: So rainfall changes?
22 Is that what you're talking about?

23 MS. WALKER: Rainfall,
24 temperature -- well, actually, precipitation in
25 terms of rainfall, snowfall, temperature

1 evapotranspiration.

2 MR. CUTLIP: Sue?

3 MS. WALKER: Yeah?

4 MR. CUTLIP: Can you -- will you be
5 able to file something written that discusses more
6 clearly what exactly you want us to look at?

7 MS. WALKER: Yeah. In fact, we
8 tried to arrange to have a presentation in Sitka
9 tomorrow by the climatologist with the first phase
10 of the study results. But we're expecting the first
11 draft of a report soon, this month, and we have
12 preliminary data which projects the effects of
13 climate variability. And by that I mean Pacific
14 decadal oscillations and El Nio/La Nia events and
15 long-term global climate change on precipitation and
16 temperature specific to the Sitka area and the
17 Southeast Alaska area on an annual basis and on a
18 seasonal basis.

19 MR. CUTLIP: Can you file that --
20 can you file a comment, though, so I know --

21 MS. WALKER: That summarizes it?

22 MR. CUTLIP: -- know exactly what
23 you want to see in an EA.

24 MS. WALKER: I can, and I've also
25 looked at some biological opinions that were

1 recently filed like on Applegate, that really
2 succinctly show how available climate change data
3 has been used to request studies for new projects.

4 MR. CUTLIP: Okay. That works.

5 MS. WALKER: It's actually a lot
6 simpler than you would imagine.

7 MR. CUTLIP: It would just be nice.
8 With the new administration, the way that we have
9 been looking at climate change, there is a lot going
10 on right now in climate change, and I'm not sure we
11 have a policy right now on how we deal with climate
12 change. I want to make sure I get the right
13 information from folks before we commit to doing
14 something or looking at something at least in the
15 environmental document.

16 MS. WALKER: We'll get you written
17 comments that would summarize that. You probably
18 don't want it in the oral comments now.

19 MR. CUTLIP: Okay. Thanks.

20 MR. CRENSHAW: Ron Crenshaw. I
21 don't know where it would fit in here, but two
22 winters ago, there was 35 feet of snow in Baranof,
23 and it crushed some amazing uncrushables -- like if
24 there were overhead power lines, substation
25 structures above the ground. And this is more --

1 well, I guess it's not so much a consideration in
2 locating, I guess, as it would be in --

3 MR. ADAMSON: Design.

4 MR. CRENSHAW: -- design, yes. So
5 that's maybe not appropriate here, but it's unique
6 to the area.

7 MR. CUTLIP: We have a division of
8 dam safety and inspections which handles most of the
9 safety concerns through Part 1 of the Federal
10 Power -- of the Federal Power Act or through our
11 implementing regulations, but I think it's part 12
12 of the Federal Power Act.

13 But we have a whole division of
14 civil engineers that deal with most of the safety
15 concerns of these projects. They are involved with
16 the review of various stages of design, and then
17 they also have annual inspections, depending on the
18 hazard of the dams and pertinent facilities. So I
19 have a feeling that what you're getting at is going
20 to be covered through the process.

21 MR. CRENSHAW: The difficulty out
22 there, of course, is there's no rain gauging
23 stations or wind stations or things that record
24 these. If they could go back and get the data on --
25 I mean, the only people that know that are the

1 people that live there or the caretakers.

2 MS. WALKER: NOAA has all the
3 available climate data, because we have collected it
4 for the study. And the closest station with the
5 longest record of weather data is Little Port
6 Walter, which may be possible to extrapolate up to
7 Baranof Warm Springs Bay.

8 MR. CRENSHAW: Yeah. I don't know
9 that.

10 MS. WALKER: As far as weather
11 records, it's extremely detailed and extremely long.
12 We have also got all of Sitka's records that could
13 be extrapolated. But it should be done.

14 MR. CRENSHAW: Yeah. Okay. It's a
15 snow hole.

16 MR. ADAMSON: Any other comments so
17 we can -- I don't want to drag this on too long.

18 MR. CUTLIP: Do you want to talk
19 about your schedule from here on out? Is that --
20 how about your schedule?

21 MR. PREWITT: Mike Prewitt.
22 Generally, we're going to concentrate -- after this
23 meeting and we get your comments, we'll concentrate
24 on draft study plans, with the objective of going
25 through a draft submission and getting comments on

1 those, and then negotiating final study plans.

2 And the timetables on the
3 individual studies can actually be different. They
4 don't all have to be done by the 1st of April 2010,
5 but I think the aquatic studies probably should.
6 We'd like to focus on that then, so if we've got
7 any emergent salmonids over there, rainbow trout,
8 anything that spawns in the lake, whatever, we can
9 be out there on an approved study plan to start
10 looking at those in April or May of next year.
11 From there on out, it may be a little bit longer
12 before we'll start our cultural studies, because
13 there is probably snow over there. It was frozen
14 in June and part of July, wasn't it, this year?

15 MR. CRENSHAW: Oh, yeah.

16 MR. PREWITT: So we have got access
17 difficulties for the others -- botanical, whatever,
18 but, yeah, study planning with an emphasis on
19 aquatics over the winter and into the spring.

20 MR. ADAMSON: Can I add something?
21 Who is going to get that draft study plan? Because
22 there are some people here -- or is everyone on your
23 mailing list, so they can have --

24 MR. PREWITT: We have a stakeholder
25 list, and the decision is made at some time whether

1 we do every single stakeholder or just the
2 applicable agencies. We have drifted in the past
3 more to doing all the stakeholders. Everybody gets
4 a look at the study plans. The major agencies
5 always get all of them.

6 MR. ADAMSON: I mean, is the Warm
7 Springs community -- are they part of the
8 stakeholders?

9 MR. PREWITT: Yes. They are not on
10 the list at this time, but I expect you're going to
11 be on the list after this meeting.

12 MR. CRENSHAW: Okay.

13 MR. ADAMSON: Okay. And they'll
14 definitely be --

15 MR. CRENSHAW: Because I don't
16 think we were before this meeting. I don't think we
17 were listed as a stakeholder.

18 MR. PREWITT: No. Our list before
19 this meeting was what you'd call a generic list of
20 folks that we normally involve, but we don't know
21 the individual landowners at that point. We do know
22 now, and that list will grow.

23 And, to be honest, we encourage
24 you and your community, your remote community out
25 there, to get as many people on the stakeholder

1 list as you can, because we'd rather hear from them
2 now than hear from them at the time of licensing.

3 MR. CRENSHAW: We want to make sure
4 at least that the Baranof Property Owners
5 Association is shown as a stakeholder by all the
6 agencies, so at least we get notified that way.

7 MR. ADAMSON: So I would encourage
8 you to be on their list as well as our list.

9 MR. CUTLIP: I was just going to
10 add a quick comment. Do you know if they are
11 currently on the FERC official mailing list?

12 MR. CRENSHAW: I don't think they
13 are, but I --

14 MR. CUTLIP: I can put you on --

15 MR. CRENSHAW: Okay.

16 MR. CUTLIP: -- so you don't have
17 to go through the rigmarole of writing in.

18 MR. CRENSHAW: Let's do that.

19 MR. CUTLIP: As long as I get the
20 applicable contact info today, I can put you on.

21 MR. CRENSHAW: Okay.

22 MR. CUTLIP: It's a lot easier than
23 having to file a request.

24 MR. CRENSHAW: Thank you.

25 MR. PREWITT: As far as the rest of

1 the schedule goes, we'll proceed through the summer
2 of 2010 on studies. There is a possibility, a good
3 possibility, that the agencies will request two
4 years' worth of study, which would put us into 2011.
5 We have got 2011 September for our final license
6 application, so regardless of the study sequencing,
7 we're going to have that.

8 And on the way to that, there is a
9 draft license application that has to come out, and
10 there is a 90-day review period on that. It's the
11 single biggest stakeholder involvement and review
12 in this whole project. You'll have other EAs and
13 notices and things with a shorter period, but you
14 get 90 full days on the draft license application.
15 That license application, the draft, will also
16 contain a fairly large and substantial preliminary
17 Draft Environmental Assessment written by the City
18 and Borough of Sitka.

19 Under the Alternative Licensing
20 Process, the City and Borough is given
21 dispensation, using FERC's guidelines and format,
22 to prepare its own initial draft of an EA.

23 MR. ADAMSON: That's on page 7 of
24 your Scoping Document, is their schedule, "Working
25 with the city."

1 MR. PREWITT: Yes.

2 MR. ADAMSON: And that is an
3 important page to keep in mind as they are
4 developing their license application.

5 And then if you go to page 24 of
6 the Scoping Document, those are relevant dates for
7 FERC's process. Once they file their final license
8 application -- filing, December 31st, 2011 -- it's
9 our process of developing the Environmental
10 Assessment, which we use for our decision document.

11 And just to review --

12 MR. PRUETT: Tape?

13 MR. ADAMSON: Let's take a
14 five-minute break while he changes his tape, and
15 then I'm going to --

16 MR. PRUETT: It's only going to
17 take a second or two.

18 MR. ADAMSON: Oh, it's only going
19 to take a second? Okay. We're getting close. I'd
20 rather not stop. (Pause.)

21

22 PROPOSED EA OUTLINE

23

24 MR. ADAMSON: So page 24 is our
25 schedule. If you look on page 25 and 26, I would

1 ask you to look through -- this is our basic format
2 for an EA that the Federal Energy Regulatory
3 Commission follows. We will probably make -- there
4 shouldn't be really any changes to this. Everything
5 we have addressed, but if you have any comments on
6 this outline, please let us know in your comments.
7 It covers everything that we have covered today.
8 It's just the basic outline of what the structure of
9 the EA will look like.

10
11 COMPREHENSIVE PLANS

12
13 MR. ADAMSON: If you go to the
14 bottom of page 26, these are the comprehensive plans
15 that the Commission currently has on file that we
16 use as part of our analysis. One of these listed
17 under the Federal list -- the first one is "Forest
18 Service, 2008, Tongass National Forest land and
19 resource management plan." And then we have the
20 "U.S. Fish and Wildlife recreational fisheries
21 policy."

22 If you know of any other studies
23 or resources that we can use as part of this
24 licensing proceeding, please let us know in your
25 comments, and then let us know how to access them

1 so we can put them on the record so they are
2 available for our analysis, or if you want to file
3 them with the Commission, please let us know.
4 Again, following page 26, 27 talks about how to get
5 on our mailing list.

6 And I think that's it. Are there
7 any further questions? I think we've gone through
8 exhaustively the issues and how to file comments
9 and how to become part of the mailing list, how to
10 be involved with the city as part of their
11 Alternative Licensing Process, and how to be
12 involved in making comments with them.

13 And with no further comment, I'll
14 close the meeting.

15 MR. CRENSHAW: Aren't you going to
16 take general testimony or comments?

17 MR. ADAMSON: Would you like to
18 make a statement? If you would like to make a
19 statement --

20 MR. CRENSHAW: I would, briefly.

21 MR. ADAMSON: Okay. Feel free.

22

23 PUBLIC TESTIMONY

24

25 MR. CRENSHAW: Ron Crenshaw. I'm

1 past president of the Baranof Property Owners
2 Association. My wife is the current treasurer.
3 There are about 20 families who are members of the
4 Baranof Property Owners Association. There are
5 about 20 families who are members of the Baranof
6 Property Owners Association. There are about 13
7 existing cabins there, with more under construction.
8 My family has owned and maintained a cabin there for
9 better than 50 years.

10 The bay is very special to us and
11 always has been, as well as those who have spent
12 considerable amounts of their time in their second
13 homes out there. Sarah was raised there, along
14 with her sister, by her mother. She grew up in the
15 springs, living there summer and winter, so is
16 probably the best resource of what goes on in the
17 bay.

18 What makes Baranof Warm Springs
19 Bay special is the recreational value. It's a
20 combination of federal, state, municipal, and
21 private land out there. And the state has
22 designated the land that it owns -- has classified
23 it all as recreational land.

24 And we -- it's the aesthetic and
25 natural and beautiful environment that has

1 attracted so much tourism to the bay. There are
2 tens of thousands of people that visit the bay. In
3 the winter, just -- they're there and they're gone.
4 Small cruise ships, private boats from Seattle --
5 it seems to be on everybody's list when they leave
6 Seattle to stop at Baranof Warm Springs Bay. It's
7 probably the one place in Southeast Alaska that
8 boaters have on their list to visit, and for
9 obvious reasons, if you've ever been there.

10 What makes it such a wonderful
11 place are the mineral hot springs. There is a
12 grotto, and we have built -- the homeowners have
13 built a public bath house that has three baths that
14 are free to the public to use. We hire a
15 caretaker, and the lodge also hires a caretaker, so
16 there are two winter caretakers out there
17 year-round to look over the facilities.

18 All of the facilities have been
19 built by the homeowners and maintained by the
20 homeowners with the assistance of the City and
21 Borough of Sitka in buying materials. We do all
22 the work, transport the materials, and pay for our
23 caretaker.

24 And the value to the bay is its
25 remoteness. It is unchanged, essentially, from the

1 day it was made. Our streets are boardwalks from
2 four to six feet wide that are built and maintained
3 by the property owners and enjoyed by all of
4 visitors.

5 We also maintain a public-use dock
6 with a grid. It's about the only place where a
7 boat in distress can put in. It's a bomb-proof
8 bay. It's a lovely bay. It's a refuge for the
9 fishermen, and we just don't want to see it
10 changed.

11 And we will use all the resources
12 at our disposal to avoid -- and we have
13 traditionally avoided projects to destroy what we
14 all came there to enjoy. We've opposed the road to
15 Baranof. Sitka thinks it would be great. The city
16 thinks it would be great to have a road to Baranof
17 Warm Springs Bay. If you've ever been there, then
18 you can imagine a parking lot with traffic coming
19 from Baranof and the state ferry, coming into the
20 bay; it's gone forever -- the road to Sitka, the
21 ferry terminal, the world-class fish hatchery that
22 is proposed at the base of the falls.

23 The State DNR recently tried to
24 dispose of a major chunk of estuary, the prime
25 recreational area across the bay from where the

1 property owners live. They tried to dispose of
2 that to the University of Alaska.

3 All of these things have not
4 happened, and there is a lot of people that are
5 extremely grateful that they haven't. And we hope
6 that this project will be another casualty on our
7 list of places that we have fought to protect, the
8 bay and the values that we all love there.

9 We're not -- I guess we are; we're
10 selfish. And if you'd been there and you owned a
11 piece of property there, or you even visited there
12 once, you'd be selfish too. It's just a very
13 special place, and we want to keep it that way.

14 Thank you.

15 MR. ADAMSON: Thank you for your
16 comment.

17 Any other comments? Statements?
18 Then this meeting is closed.

19

20 (Scoping Meeting concluded at 3:20 p.m.)

21

22

23

24

C E R T I F I C A T E
S T A T E O F A L A S K A)
) s s .
F I R S T J U D I C I A L D I S T R I C T)

I, LYNDA BATCHELOR BARKER, Registered Diplomat Reporter and Notary Public duly commissioned and qualified in and for the State of Alaska, do hereby certify that the foregoing proceedings were taken stenographically before me and thereafter reduced to typewriting by me or at my direction.

That the foregoing transcript is a full, true and correct transcript of the proceedings, including questions, answers, objections, statements, motions and exceptions made and taken at the time of the foregoing proceedings.

That all documents and/or things requested to be included with the transcript of the proceedings have been annexed to and included with said proceedings.

That I am not a relative or employee or attorney or counsel of any of the parties in these proceedings, nor a relative or employee of such attorney or counsel, and that I am not financially interested in said proceedings or the outcome thereof.

IN WITNESS WHEREOF, I have set my hand and affixed my Notarial Seal this 10th day of
October, 2009.

LYNDA BATCHELOR BARKER, RDR,
Notary Public for Alaska
My commission expires: 5/6/2012