

1 TAKATZ LAKE HYDROELECTRIC PROJECT
2 ALASKA
3
4 FERC PROJECT NO. 13234-001
5
6 TRANSCRIPT OF
7 PUBLIC SCOPING MEETING
8
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11 OCTOBER 8, 2009
12 SITKA, ALASKA
13
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15
16 CONDUCTED BY:
17 JOSEPH ADAMSON
18 MATT CUTLIP
19 FEDERAL ENERGY REGULATORY COMMISSION
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ATTENDEES

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3 Joe Adamson, FERC
4 Matt Cutlip, FERC
5 Christopher Brewton, City and Borough of Sitka
6 C. Mike Prewitt, City and Borough of Sitka
7 Anjulie Russell, City and Borough of Sitka
8 Kent Bovee, City and Borough of Sitka
9 Karl Wolfe, City and Borough of Sitka
10 Shawn Johnson, Alaska Department of Fish & Game
11 Martin Becker, U.S. Forest Service
12 Linda Speestra, U.S. Corps of Engineers
13 Kari Lundgren, Baranof Property Owners Association member
14 Gerry Hope, Sitka Tribes of Alaska and MTAB
15 Jeff Feldpausch, Resource Protection, Sitka Tribe
16 Stephen Morse, self/Baranof homeowner
17 Rachel Daly, self
18 Dean Orbison, self
19 Rebecca Kamiel, self
20 Kim Elliot, self
21 Autumn Rezek, self
22 Alice Smith, Videographer
23 Lynda Batchelor Barker, RDR, Court Reporter
24
25

1 THURSDAY, OCTOBER 8, 2009

2 SITKA, ALASKA

3 7:00 P.M.

4

5 INTRODUCTION

6

7 MR. ADAMSON: My name is Joe
8 Adamson. I'm with the Federal Energy Regulatory
9 Commission in Washington, D.C., and we're the agency
10 responsible for licensing all privately owned,
11 municipally owned hydroelectric projects through the
12 Federal Power Act.

13 This is a scoping meeting, and the
14 purpose is to scope out the issues associated with
15 the Takatz Lake Hydroelectric Project, FERC
16 No. 13234-001, proposed by the City and Borough of
17 Sitka. They filed what we call a Preliminary
18 Application Document and a Notice of Intent on
19 March 20th, 2009, requesting an ALP process, an
20 Alternative Licensing Process, which was granted on
21 the 28th of April of this year.

22 This process is a collaborative
23 process that allows them to be involved with the
24 public and resource agencies as they develop their
25 study plans and develop their license document,

1 scoping is, it's a process that allows you, the
2 public, and resource agencies to let the Applicant
3 and the Federal Energy Regulatory Commission know
4 what you think are the issues associated with this
5 proposed project, which the city will present in a
6 few minutes from now.

7 They are also in development of a
8 study plan process, which the city will spearhead
9 this fall and winter with the hope of initiating
10 studies in the 2010 study season, which will be
11 during the summer months.

12 If you would go to page 8 of the
13 document, which was handed out in the back, it
14 talks about the purpose of scoping, where we scope
15 out the issues. I won't go through every bullet
16 point, but just to let you know, it's a process we
17 use. If you go to pages 8 and 9, it talks about
18 the purpose of scoping, where we invite your
19 participation in the process, telling us what you
20 think the issues are and the impacts to the
21 resources that are important to you.

22 If you go to the middle of the
23 page, on page 9, it talks about comments and
24 scoping meetings and site visit. Unfortunately, we
25 were not able to hold the site visit today because

1 of weather, but the city will be trying to provide
2 opportunity between now and the wintertime to try
3 to get folks out to the site.

4 We're initiating today an
5 opportunity to allow you to publicly, in oral
6 format, express your concerns and issues. There is
7 also a period of time where you can comment in
8 written form to the city and to the Commission.
9 The due date of the comment period is December 8,
10 2009, which is 60 days from today.

11 If you go to the bottom of page
12 10. Today the meeting is being recorded by our
13 court reporter, who will be typing all that we say
14 today in this meeting and creating a transcript
15 which would be available five days from now, which
16 you can purchase directly from Ace-Federal
17 Reporters after that five-day period.

18 Two weeks from now, we will have
19 this public record, this transcript, filed in our
20 e-library system, where you can access the
21 transcripts for free. Just download them on your
22 own computer and print them out. But if you want
23 the information that is spoken about today before
24 that two-week period, if you are anxious to get
25 your hands on it, you'd have to purchase it

1 directly from Ace.

2

3

INFORMATION REQUESTED

4

5

MR. ADAMSON: If you go to pages 22
6 and 23 of the document, the Scoping Document that we
7 have out there, it talks about "Information
8 Requested." We are requesting today from you all,
9 the public and resource agencies, any known
10 information that you are aware of -- data,
11 professional opinions, information from other
12 environmental assessments or environmental impact
13 statements or similar information that has been
14 gathered around the Takatz Lake area that would be
15 helpful as information we can use in helping to make
16 our decision.

17

If you go to the top of page --
18 the middle of page 23, it talks about how you can
19 file your written comments directly with the
20 Commission, to Kimberly D. Bose, Secretary, at the
21 Federal Energy Regulatory Commission, at 888 First
22 Street Northeast, Room 1-A, Washington, D.C.

23

Or you can e-file. At the bottom
24 of the page there it talks about going to our FERC
25 online support, going to

1 www.ferc.gov/docs-filing/ferconline.asp. It's a
2 way of how you can actually file your comments
3 without mailing them in, but electronically
4 submitting them to the Commission.

5 You can also -- if you are very
6 interested in this proceeding as it proceeds into
7 the future, the second-to-the-last paragraph on
8 page 23 talks about our e-subscription process
9 where you can actually -- anything issued by the
10 Commission or filed by the public or the city to
11 the Commission, you get notified of what that
12 filing is and actually get a copy of it
13 electronically.

14

15 EA PREPARATION SCHEDULE

16

17 MR. ADAMSON: Go to page 24. There
18 we have, at 7.0, the schedule we plan on following.
19 It's the major milestones in developing an
20 Environmental Assessment. The scoping meeting is
21 today, October 2009. The final license application
22 is due August 31st, 2011. They plan on filing that
23 at that time. And then we have our other
24 milestones, with the Final EA being issued
25 September 2012. That's our -- if everything is done

1 perfectly and all the information is available, that
2 would be the earliest date we'd be able to get out a
3 final assessment, with which we can then decide how
4 to proceed with the application request by the city.

5

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COMPREHENSIVE PLANS

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FERC OFFICIAL MAILING LIST

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MR. ADAMSON: If you go to Section
10, which is on page 26, we talk about
"Comprehensive Plans."

MR. ADAMSON: If you go to the
bottom of page 26, it talks about "FERC's Official
Mailing List." If you would like to be mailed hard
copies of everything that is issued by the
Commission related to this proceeding, Takatz Lake
environmental assessments, additional information
requests, or any determination about this proceeding
on the Takatz Lake, you can request to be on the
official mailing list at FERC.

Please keep in mind that once
you -- if you'd like to let us know at the end of
today's meeting, we can actually take your name and

1 address down, and we would actually put you on the
2 mailing list when I return back to Washington
3 tomorrow, or actually next week. I can get you on
4 the mailing list directly, or you can mail in your
5 request directly to the Commission.

6 That would be for what FERC puts
7 out. Now, if you are interested in being involved
8 directly with the city, they have their own mailing
9 lists that they have available, and you can talk to
10 Chris Brewton here, who represents the electric
11 department for the City of Sitka.

12 What I'm going to do now is give
13 the table to Mr. Brewton here. He's going to
14 present the project. After he presents the
15 project, then we will go through the issues
16 associated with this project and then ask for your
17 comment at that time, issue by issue, be it
18 terrestrial issues or the socioeconomic issues.
19 He'll kind of list them out, and then you can make
20 your comments. You can come to the podium, state
21 your comment, and then we'll have the next person
22 make a comment, and then we'll move on.

23 MR. CUTLIP: Just a quick
24 housekeeping item: We encourage everyone to discuss
25 the project openly and freely today. We do ask that

1 you state your name when you come up to make a
2 statement, just so we can make sure it's clear in
3 the record. Thank you.

4 MR. ADAMSON: Mr. Brewton.

5

6 PROPOSED ACTION AND ALTERNATIVES

7

8 (Beginning of PowerPoint presentation.)

9 MR. BREWTON: First of all, the
10 city, as a whole, has been through the FERC
11 licensing process quite a bit lately. We've had the
12 Blue Lake relicensing. We're now working on the
13 Blue Lake amendment for the dam raise, and now we're
14 into the Takatz project. So the staff at the city
15 and our consultant, Mike Prewitt, and have become
16 quite the experienced hands at this.

17 What I'm going to talk about is --
18 there are two parts to this presentation. First
19 we'll talk about the need for the project, why
20 we're doing it. And for then the last part we'll
21 just go over some of the preliminary basics of the
22 project, what the layout is going to be, just
23 general details as we know it today.

24 So, first off, we're just going to
25 talk about the need for the project. Our hydro

1 capacity is exhausted for the city. On a normal
2 rain year, we can generate about 124,000-megawatt
3 hours of electricity. Right now, our load is at
4 120,000 megawatts and continually increasing. We
5 are going to be forced to burn supplemental diesel
6 prior to our Blue Lake project coming on line. The
7 bad news, based on our growth rate, our capacity
8 may very well be exceeded for that project the day
9 it comes on line.

10 Right now we're looking at burning
11 5 million gallons of diesel before Blue Lake comes
12 on line. At a price of \$4 per gallon, that's
13 \$20 million, which works out to be about a
14 28-cent-per-kilowatt-hour surcharge on your power
15 bill. So we really have to look at doing something
16 about building additional hydro.

17 The Takatz Lake, based on the
18 projected size and storage, could displace about
19 8 million gallons of oil per year for the
20 community. Sitka runs on oil. You've heard this
21 story before. We consume about 9 million gallons
22 of oil per year equivalent, and the city produces
23 about 20 percent of our energy needs with hydro.
24 With additional hydro, we can really reduce that
25 issue significantly.

1 Why are we looking at the hydro?

2 Well, these are oil prices from 1978 to 2009. And
3 everyone remembers where we were in those days; not
4 very happy times.

5 This is projected world oil prices
6 from the Energy Information Administration. You
7 can see the high range they are predicting is
8 \$200 a barrel, median range is \$130, and low
9 price -- they don't anticipate that happening. So
10 we're looking at -- very real prices are going to
11 be back where they were, in the \$4 and \$5 range,
12 and that's going to be the norm. So we're looking
13 at those kind of prices, and we have to be
14 aggressively getting hydro so we're not in the same
15 situation we were with those high oil prices.

16 This is a little bit busy slide,
17 but it's critical that everyone understands this.
18 There is quite a bit of stuff on here, and I'll try
19 to explain it. Let's start with the blue line.
20 That's the actual load for the city. At this
21 point, this is the projected load for the future.

22 The dotted purple line is the
23 hydro capacity on a low-water year, which is about
24 90,000 megawatt hours. The solid purple line is a
25 normal-water year, about 124,000 megawatt hours.

1 So you can see our time frame now,
2 based on a 2.1 percent load growth -- which is our
3 base case high-growth model, which includes heating
4 conversions and future electric cars. So that's
5 kind of a high load-growth case. And you see this
6 little green area here? That's where we don't have
7 enough hydro. We've got to burn supplemental
8 diesel to meet our load requirements.

9 So you'll see that even as the
10 Blue Lake expansion comes on line -- and we're
11 looking at a 2014-2015 time frame. Dean is working
12 overtime to make sure that happens as quickly as
13 possible. The current shows the refill of the
14 lake, but when we get full capacity, it is just a
15 matter of a few years before that capacity is
16 exceeded at just a 2.1 percent load growth.

17 Guess what? Our actual load
18 growth for the city has been 5 percent for the past
19 three years. With that scenario, we clearly see
20 that, even when Blue Lake is on line, that's not
21 enough hydro capacity. The other little green
22 shaded area represented \$5 million worth of diesel
23 fuel. Look at that. That's incredible. We can't
24 afford that as a community.

25 So is 5 percent realistic? No,

1 it's not. As we start running diesel, it's going
2 to drive the electrical consumption down. But
3 guess what? Since 1973, the city's average load
4 growth has been 3.8 percent. So that's what we
5 have historically averaged since 1973. So can that
6 load growth happen? Yes, it can.

7 Any questions about any of that?
8 It's a pretty frightening issue for the utility to
9 deal with. Anything we do as far as additional
10 generation takes a long time to make it happen.
11 And I should point out, we're not only looking at
12 just generation to solve our problems. We've got a
13 lot of things to go on. We're looking at load
14 reduction, energy conservation, energy
15 efficiency -- a multipronged approach to try to
16 deal with our generation shortfalls. So it's not
17 just rushing out and building new generation
18 facilities every time we think there's an issue.

19 The Takatz Lake project -- it's
20 quite an interesting lake out there. That light is
21 kind of difficult. I apologize for not having good
22 aerial photographs. Our aerial survey was just
23 done last week when we were out there. We don't
24 have the drawings and everything yet. At our next
25 scoping meeting we'll have all that, some really

1 nice color photographs so you can see what's going
2 on out there.

3 The proposed project: There is a
4 200-foot dam proposed here. There is a small --
5 about a 30-foot-high saddle dam in this area.
6 There is a gully that actually runs around the back
7 side of this and runs into the bay. So you'd have
8 to put a small saddle dam there so you wouldn't get
9 overflow out of the lake.

10 There would be a tunnel through
11 the mountain down towards the bay and about a
12 1,000-foot steel penstock to the powerhouse right
13 on the bay. And then there would be overhead
14 transmission lines around out towards the point,
15 towards Baranof Warm Springs.

16 The other part of this is, we
17 would build a dock there to facilitate construction
18 and materials. There would be a small gravel
19 access road built to facilitate getting up to the
20 dam and constructing the dam. It would be similar
21 to what we have out on our Green Lake and Blue Lake
22 facilities now, really a basic -- just a gravel
23 access road for equipment, more than anything else.
24 Any questions on that? No. Okay.

25 This is a kind of an overview of

1 the entire thing. There is the lake -- I'm having
2 a hard time seeing that myself. The powerhouse is
3 here. Overhead transmission to this point here,
4 submarine cable all the way into Baranof Warm
5 Springs and to the back of the lake, where we come
6 out and do overhead down the valley to a tunnel
7 through that mountain ridge, and then overhead,
8 tying into our existing Blue Lake/Green Lake line.

9 One thing I want to point out --
10 this design was based on the Alaska Power
11 Administration work that was done in 1968, so that
12 was the background of this project. Technology has
13 significantly improved since then, so this is our
14 best guess as to how the project is going to lay
15 out. There have been some huge improvements in
16 technology that will allow us to perhaps do longer
17 spans of underground cable, different type
18 conductors, a smaller substation footprint, all
19 kinds of significant benefits. So keep in mind
20 that, when we get into project specifics, this is
21 based on study from 1968.

22 So you're talking about a 21-mile
23 transmission line that consists of underground
24 submarine cable and overhead portions. It would be
25 constructed to either 115 or 138 kV, which will

1 match kind of the regional voltage that's going to
2 happen in the far future for our Southeast
3 interties, but it will be operated at 69 kV, which
4 is our present operating transmission voltage for
5 the city now.

6 So that's essentially the overview
7 of the project. There would also be just a small
8 distribution substation built in the Baranof Warm
9 Springs area that would serve the local folks over
10 there. It would be something that we locate in a
11 very unobtrusive location. It would be underground
12 service for most of the residents, and it should be
13 almost essentially invisible to the local
14 occupants. So there would be very little site
15 impact and quite a bit of benefit for the local
16 community there. Okay?

17 So the project specifics as we
18 know it today: The reservoir, existing, about
19 62,000-acre feet. With the dam, it would increase
20 it to about double the capacity, 124,000-acre feet.
21 The surface area would increase from 378 acres to
22 740 acres.

23 The lake itself is actually kind
24 of graphically well designed for hydro. It's
25 surrounded by steep mountains that are pretty much

1 rock, very little vegetation. It's a glacial lake,
2 so we don't think there will be any fish impacts
3 whatsoever. And the outlet for the lake is very
4 narrow, so the dam wouldn't have to be that big of
5 a structure to capture the water in that lake. And
6 there are a few photographs at the end. You'll be
7 able to look at that, and I'll explain it a little
8 further.

9 The dam is just a simple concrete
10 arch dam, approximately 200 feet high, and it
11 probably wouldn't be too much longer than that
12 wide. And, like I said, the saddle dam is just
13 about a 30-foot-high thing. The penstock --
14 traditional, typical, a 6-1/2-by-7-foot unlined
15 tunnel with 72-inch steel penstock. The operating
16 head is about 1,000 feet.

17 As a rule of thumb, the pressure
18 is about 4.3 pounds per foot of elevation, so it's
19 fairly significant pressure for operating a hydro.
20 Okay.

21 The powerhouse would be a
22 relatively small footprint. We're looking at two
23 13.8-megawatt Francis turbines at 115/138 kV.
24 166 cfs discharge from tailrace. The SCADA control
25 will be from the Blue Lake powerhouse here in town,

1 and we would have essentially remote control of
2 that facility from here. We'd send folks over on a
3 monthly or weekly basis to do routine maintenance
4 and just caretaking of the plant.

5 The transmission line: 21 miles,
6 a combination of submarine, underground, and
7 overhead. Okay.

8 So this is a picture of the lake,
9 standing at the outfall, looking towards the back
10 end of the lake. It was kind of an unusually sunny
11 day when we were over there a few weeks ago. This
12 little area here is where I was talking about the
13 saddle dam has to go, and there will be another on
14 that photograph next.

15 This is the outfall of the lake,
16 the primary outfall. You'll see it's very narrow,
17 relative to the need for a dam. If you've seen the
18 Green Lake dam, you'd be able to put several of
19 these in the footprint of that one. So this slide
20 of the dam would actually go a little further past
21 this, but the photograph didn't capture that.
22 Okay.

23 This is the location for the
24 saddle dam. Right in this area is a little tiny --
25 not lake, but a little tiny depression that feeds

1 around the back side. We'd have to close that in
2 so we wouldn't lose the water. You can see how
3 green the water is. It's glacial. And as I told
4 you, it's mostly rock with very little vegetation.
5 It's just steep all the way around the lake. So
6 it's really a good site for a hydro.

7 This is the Takatz Bay. The
8 powerhouse location would be here. The tunnel
9 actually goes -- would go this direction. I'm
10 sorry. The penstock would be here. The tunnel is
11 up into the mountain this way. This is the outfall
12 from the river in this area here. And, of course,
13 this is at the head of the bay going out that
14 direction.

15 And I think that's all the -- oh,
16 one more photograph. This is the transmission
17 corridor, and it's fairly typical of both sides.
18 The idea is you come along the valley, and, of
19 course, we have to look at the engineering design
20 and figure out the correct size structures,
21 location, spans, and everything else. But the idea
22 is to come along in this area, come up into this
23 area here, approximately, and tunnel from there to
24 the other side, towards the west side.

25 So that's kind of the scope of the

1 project, as we know it now. Okay. I think that's
2 it. Okay. Any questions on that part of it, or
3 should I wait till the end? Do you guys want to do
4 that next?

5 (End of PowerPoint presentation.)

6 MR. ADAMSON: Are there any
7 clarifying questions about the project itself? If
8 you could stand, state your name, and ask your
9 question. Otherwise, we'll move on.

10 MR. BREWTON: Okay. And I do
11 appreciate everyone being here. This is a good
12 project, and it's an exciting time for the city. So
13 thank you for being here.

14 Yes, sir?

15 MR. MORSE: Stephen Morse, Sitka.
16 I was just wondering if you looked at any other
17 routes besides the Baranof Warm Springs Bay for
18 taking electricity across the island, because I know
19 there are several good passes that could be used
20 besides taking it through the most populated
21 section.

22 MR. BREWTON: I think, like I said,
23 this was --

24 MR. MORSE: -- on the other side of
25 the island.

1 MR. BREWTON: This was based on the
2 1968 study, so we would look at -- I think the
3 geography, particularly around the lake, is so steep
4 there, and where the powerhouse is, it's kind of a
5 difficult spot to get out of. But I do think we
6 will look at all options.

7 From our perspective, we want to
8 do this in the most economical, fastest way to
9 construct it with the least obtrusive impacts to
10 the community. We have no desire to go in and
11 create any kind of unnecessary trouble. So we will
12 look at that from the perspective of looking at the
13 best transmission route, weighing all those factors
14 in together.

15 So long answer -- short answer is,
16 yes, we'll look at that.

17 MR. MORSE: Okay. I have a
18 residence over at Baranof Warm Springs Bay. And I'm
19 just speaking for myself, not for the homeowners
20 association, but I know there are a lot of
21 objections to having above-ground high-voltage lines
22 running through the community -- the health aspects
23 of that, the aesthetic aspects, and the fact that
24 Baranof Lake is basically our source of water for
25 the community. So any construction or any sort of

1 disturbance around the lake -- it's like Blue Lake
2 here, you know. You want to minimize that.

3 MR. BREWTON: Right.

4 MR. MORSE: So I was just curious,
5 in the original study, if you looked at any other
6 routes that wouldn't be in a populated area.

7 MR. BREWTON: I don't know if the
8 original study looked at multiple routes. I think
9 what they did was, they went in and looked at what
10 they thought looked like the most feasible route as
11 a base-case-type study and went with that.

12 So, like I said, this is the --
13 from the 1968 study, so it's fairly old. And like
14 I said, there's new technologies, new construction
15 techniques, all sorts of new technology available
16 for us today that will minimize impacts from what
17 this project conceived when it was thought about
18 those years ago.

19 MR. MORSE: Okay. Thanks.

20 MR. BREWTON: Thank you.

21 MR. ADAMSON: Are there any other
22 questions on just the project design? We are going
23 to go into the issues and the environmental issues
24 in a few moments, but if you have any questions
25 about the project design, that's what we're asking

1 for feedback on right now.

2 Please state your name and your
3 question.

4 MS. LUNDGREN: Kari Lundgren. And
5 my question is -- I haven't had a chance to read the
6 full scope of the project, but is there any
7 speculation on creating an intertie across Chatham
8 to other communities, or is this a Sitka-specific
9 energy initiative?

10 MR. BREWTON: Good question. At
11 this point, it's -- based on what our projected
12 energy needs are, it would be a Sitka-specific
13 project. However, there is a lot of attention at
14 looking at Southeast as a region to provide low-cost
15 energy to all of our communities in Southeast.

16 So, you know, the Swan-Tyee
17 intertie is just now finishing up and getting
18 energized. The Kake-Petersburg is the next one
19 that's being looked at to be constructed. And a
20 lot of the studies show the Kake-Sitka intertie is
21 the next logical step.

22 So my personal belief is, over the
23 coming years, they have to look at that as a viable
24 option to get low-cost energy to all of our
25 communities. And there's a lot of our communities

1 that are paying 60 and 70 cents per kilowatt hour,
2 and it's just devastating to try to make a living
3 in those kind of communities.

4 So we have great resources as a
5 whole in Southeast region, and so I think the
6 Alaska Energy Authority, our state and federal
7 legislators are looking at that from a regional
8 perspective. So possibly, in the distant future,
9 yes.

10 Any other questions about the
11 project design?

12

13 SCOPE OF RESOURCE ISSUES

14

15 MR. ADAMSON: What we're going to
16 do now is go through the issues, and then after we
17 finish a specific issue -- if you start on page 16
18 of your Scoping Document, called the "Resource
19 Issues," we're going to go through those --
20 "Geologic and Soils Resources," "Water Quality and
21 Quantity," and then after we go through the bullets,
22 I'll ask for your comments. Then we will go through
23 cumulative impacts, what that means, and how we can
24 address that as an issue.

25 And then we'll allow -- open it up

1 for any public comment, general comments that you
2 would want to make at the end, after you go through
3 the issues. So you have plenty of opportunity to
4 address whatever your concerns are.

5 Let's start with Matt, and he's
6 going to go through the first several issues with
7 you.

8 MR. CUTLIP: The first resource
9 area that will be evaluated, that the city will be
10 evaluating in their Draft Environmental Assessment
11 and that FERC will also be covering in their Draft
12 and Final Environmental Assessments, is geology and
13 soils resources. Like Joe mentioned, we're going to
14 quickly cover the bullets, and then we can open it
15 up to discussion of each of the individual resource
16 areas, if folks would like to comment.

17 The first bullet item there is the
18 "Effect of project construction and operation on
19 geology and soils.

20 "Effects of project construction
21 and operation on existing mineral claims and mining
22 areas.

23 "Effects of the transmission line
24 construction on geology and soils."

25 And I would also like to add that

1 we'll likely be evaluating any potential effects on
2 the geothermal resources in Warm Springs Bay.

3 So, that said, are there any other
4 additional comments or concerns relating to geology
5 and soils resources?

6 MR. ADAMSON: Come forward, state
7 your name again, and then your question for us.

8 MR. MORSE: Stephen Morse. There's
9 nine hot springs out in Warm Springs Bay, and they
10 are very sensitive. Some of them are located right
11 next to each other. And so it's very difficult to
12 determine what the source is, if it's separate, or
13 if the sources are coming from different springs.
14 And so any sort of heavy construction or blasting
15 would possibly change the flow of some of those
16 springs, and I think that many of the residents out
17 there are very sensitive to that issue. So I think
18 that's a real concern with the residents of the
19 area.

20 MR. CUTLIP: Yes. Thanks. We
21 intend to add that to our list, so we'll definitely
22 be taking a look at that.

23 Any other comments about geology
24 and soils resources? Okay.

25 I think we'll move on to water

1 quantity and quality. The issues that we have so
2 far identified are:

3 "Effects of project construction
4 on erosion, sedimentation, and turbidity levels of
5 Takatz Lake, Takatz Creek, and Takatz Bay.

6 "The effects of accidental
7 releases of fuels, lubricants, and other wastes
8 from construction equipment and machinery on Takatz
9 Lake, Takatz Creek, and Takatz Bay water quality.

10 And finally, the "Effects of
11 project operations on changes to water temperature,
12 dissolved oxygen, and total dissolved gas levels of
13 Takatz Lake and Takatz Creek."

14 And I guess, just to add to that
15 list, there was one other item that was brought up
16 at the meeting the other day. I believe we will be
17 looking at also the effects of the transmission
18 line construction on the water bodies -- Warm
19 Springs Bay, Baranof River, and Baranof Lake -- as
20 the transmission line goes up the valley and out.
21 So just something to note, I guess.

22 Is there any discussion of water
23 quantity and quality resources?

24 MR. MORSE: Stephen Morse. And I
25 mentioned earlier that we're getting our drinking

1 water out of the Baranof. This isn't Takatz Lake,
2 but Baranof Lake, and it's connected to Baranof
3 River and the falls there, and so our water intake
4 is right there. And so any turbidity change or any
5 kind of introduction of anything into that lake
6 water is going to directly affect the community's
7 drinking water.

8 MR. ADAMSON: Okay.

9 MR. MORSE: I have a concern about
10 that.

11 MR. CUTLIP: I think it would be
12 prudent, then, to maybe -- to add that as an issue.
13 I'm sure that we identified that, water supply.

14 MR. MORSE: And a lot of those
15 issues would go away if the route was changed. It
16 might be easier just to do that. I don't know.

17 MR. CUTLIP: Okay. I think we'll
18 move on to aquatic resources. The issues that we
19 have identified thus far are:

20 "Effects of project construction
21 and operation (e.g., sedimentation, disturbance,
22 modification) on physical habitat of Takatz Lake,
23 Takatz Creek, and Takatz Bay.

24 "Effects of project operation and
25 water level fluctuations on fish species and

1 habitats in Takatz Lake.

2 "Effects of project operation,
3 including alterations to the existing flow regime,
4 on fish species and aquatic habitats of Takatz
5 Creek.

6 "Effects of transmission line
7 construction on fish communities in Takatz Bay,
8 Chatham Strait, Warm Springs Bay, Baranof Lake, and
9 Baranof River," is what that should say.

10 Any comments or concerns about
11 aquatic resources?

12 MR. MORSE: Stephen Morse, Sitka.

13 The Baranof Lodge uses the lake
14 consistently because of the fish population there.
15 There is quite a good population of trout in the
16 Baranof River area, and so that is another issue.

17 It's a very healthy population of
18 fish in that river and in the lake, and it's a
19 concern to the residents that that be maintained
20 and there not be turbidity and changes from
21 construction work.

22 MR. CUTLIP: Sure. Okay. Thank
23 you.

24 Any other comments about aquatic
25 resources? Okay. I think we're going to move

1 on to terrestrial, and Joe is going to cover that.

2 MR. ADAMSON: First bullet:

3 "Effects of human access, such as
4 blasting, excavation and other construction
5 activities on wildlife.

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

13 "Effects of noise, improved access
14 from project access roads, and increased human
15 presence on wildlife, with particular emphasis on
16 Forest Service sensitive species and state-listed
17 species.

18 "Effects of project construction
19 and operation on the control and spread of noxious
20 weeds.

21 "Effects of new substations and
22 transmission line on the potential for raptor
23 collisions."

24 We also discussed the other day
25 about the effects of construction and operation and

1 maintenance on potential for human and animal
2 conflicts. I think there was a discussion about a
3 project on nesting. Evidently --

4 MR. CUTLIP: Yeah. We also talked
5 about the potential for --

6 MR. ADAMSON: Nest trees.

7 MR. CUTLIP: Yeah, effects to nest
8 trees.

9 MR. ADAMSON: And estuary and
10 wildlife, waterfowl, related to the project
11 construction operation and maintenance.

12 Are there any other issues or
13 thoughts related to terrestrial resources that
14 folks would like to talk about?

15 MS. LUNDGREN: Kari Lundgren. That
16 generates a question, not a comment, if that's
17 possible.

18 Does the terrestrial access
19 involve public use? If there is like an access
20 road that is constructed, would that be, to some
21 degree, public use or ATV use or anything to that
22 degree?

23 MR. BREWTON: That's a good
24 question. You know, we have -- that's a good
25 question. I really don't know the answer to that.

1 We have -- like, for example, our Green Lake hydro
2 access is restricted to that particular facility,
3 yet Blue Lake -- we have public access to that
4 facility. It's not our intent to have recreational
5 use of the access road at this point. It's strictly
6 there for maintenance and operation of the
7 hydroelectric facility.

8 But that's a good question, and I
9 think that should be added into the document.

10 MR. CUTLIP: I'd like to add, too,
11 I mean, if that's a desirable outcome of the
12 project, if that's a way the project can benefit the
13 community, the City of Sitka or residents or just
14 tourists, whoever might be interested in that.
15 There may also be folks that aren't interested in
16 that.

17 But that could be something that
18 we could look at. If there is an identified need
19 for that, for more recreational access to that area
20 and that's something the project could benefit,
21 that's definitely something we could look at
22 throughout this licensing process.

23 MS. LUNDGREN: Sorry. I should
24 just stand up here. Kari Lundgren.

25 Yeah, there is probably a

1 plus-minus that would need to be processed with the
2 local city resources. You know, one that I think
3 about offhand is our search and rescue, our already
4 hard-working people who do outreach for people who
5 are lost souls just out, you know, a few miles out
6 of town. And that would really far expand their
7 scope of needing to, you know, go after those who
8 may be in peril.

9 And so, yeah, I guess that would
10 be an issue that I would think would need to be
11 well thought out with those type of resources and
12 people in mind.

13 MR. ADAMSON: Any other comments
14 about terrestrial resources?

15 We're going to move on to
16 threatened and endangered species. "Effects of
17 project construction and operation on federally
18 listed threatened Stellar sea lion and endangered
19 humpback whale."

20 And as discussed yesterday in our
21 other public scoping meeting, any candidate species
22 we're going to add to the end of that bullet.

23 Any other thoughts about
24 threatened or endangered species?

25 MR. MORSE: Stephen Morse. Yeah.

1 That whole side of the island there with Chatham is
2 very rich with humpback whales. This summer they
3 were just all over the place, and they often come
4 into the bay there at Baranof, and right into the
5 bay. Any kind of noise or interference there would
6 be -- have negative impacts. And I'm specifically
7 talking about construction, because I don't think
8 there is a lot of noise associated with the hydro,
9 but that's a concern too.

10 MR. ADAMSON: Any other thoughts
11 about threatened or endangered species?

12 Let's move on to recreational
13 resources and land use. Bullet 1: "Any need for
14 recreation facilities and public access within the
15 public boundary to meet current or future (over the
16 term of a license) recreation demand, including
17 barrier-free access and the need for any benefit of
18 interpretive opportunities (such as interpretive
19 signs) at the project."

20 I think we added to that bullet
21 that Sadie Lake and Baranof Lake trails may be of
22 an interest. And also this lady over here
23 mentioned possible use of the access road for
24 possible recreational use or possible safety
25 issues. So you may want to add something into this

1 recreational land use area related to the access
2 road use.

3 Next bullet: "The effects of
4 construction and operation of a transmission line
5 and future transportation corridor issues."

6 At yesterday's meeting, the
7 thought that came to the group was to change it to
8 the "Effect of construction and operation on the
9 land use designation within the project area."
10 That was a way of stating it.

11 MR. CUTLIP: The "land use
12 designation," for those of you who are unaware, is
13 part of the Forest Plan for the Tongass National
14 Forest, so that particular area will have a land use
15 designation. And the project may or may not
16 conflict with what that has been designated, so
17 we'll be taking a look at that.

18 MR. ADAMSON: Any comments on
19 "Recreation Resources and Land Use"?

20 MR. MORSE: Related specifically to
21 the Baranof Warm Springs Bay area, that's zoned
22 recreation, and it's used extensively for
23 recreation. All summer I think we get upwards of
24 1,000 yachts stopping in there, and hiking up the
25 trail to the lake. So that -- any kind of a

1 high-voltage line that was along that same trail
2 would impact that recreational use.

3 The bay also gets -- the last two
4 years ago, we got 35 feet of snow in the winter,
5 and then last winter we had over 20 feet. So you
6 could basically walk over the top of our picnic
7 shelter on the snow.

8 And so, there again, year round,
9 keeping just the snow cleared is a job, but there
10 is very minimal area where you could put a
11 high-voltage line without having slides in the
12 picture. And the recreation is year-round out
13 there, so -- but much increased in the summer. So
14 any impacts on that with the construction would be
15 very negative.

16 Also, there is a commercial lodge
17 operating out there in the bay. It's located in
18 the bay, and they use the resources of the lake and
19 the hot springs as well, their customers, and so
20 they would be impacted, I would think. Their
21 business would be impacted by any construction out
22 there.

23 MR. CUTLIP: Thank you. We'll make
24 sure and make note of that.

25 MR. ADAMSON: Moving on to

1 aesthetic resources, unless there's any further
2 comments about recreation. Okay. We'll move on to
3 aesthetic resources.

4 "The effect of project
5 construction, facilities, and operation on the
6 aesthetic values of the project area," and then we
7 added "including the Forest Service's cabin on
8 Baranof Lake." We added that to that bullet from
9 the previous scoping meeting.

10 Second bullet: "Effects of
11 construction noise to residents and visitors within
12 the project area, particularly within the Warm
13 Springs Bay vicinity." The effects of -- then we
14 added concern about a substation in the Warm
15 Springs area being developed.

16 "The effects of siting of the
17 substation and transmission location on private
18 landowners," so the EA would address that as an
19 issue. We thought about adding that as a bullet.

20 Any other comments about aesthetic
21 resources?

22 MR. MORSE: Yeah. Just from the
23 Baranof Warm Springs Bay issue, again, the
24 aesthetics are the whole reason that people are out
25 there in the bay, and that's why it's a recreational

1 area; and not just the aesthetics, but also the
2 health impacts of high-voltage wires that would be
3 about above ground or below ground. I don't know
4 the implications of --

5 MR. BREWTON: It's a combination of
6 above-ground, submarine cable, and underground
7 facilities. As the project is designed now, it
8 would be underground and submarine cable all the way
9 from leaving Takatz Bay, all the way through Baranof
10 Warm Springs Bay, through the lake, and coming up on
11 the inlet side of the lake.

12 So everything through Baranof Warm
13 Springs would be either submarine cable or buried
14 at this point. So there would be no overhead
15 facilities through that part of the project.

16 MR. MORSE: So it would go buried
17 through town?

18 MR. BREWTON: Yeah. The submarine
19 cable would be in the bay itself.

20 MR. MORSE: And then it would have
21 to come out. To get up to the lake, there is three
22 quarters of a mile of trail.

23 MR. BREWTON: Right. I was talking
24 about some of the new technologies. What we can
25 look at -- there's directional boring. There's some

1 other kinds of technologies that you can actually
2 install stuff without doing any surface disturbance.
3 But like I said, the project, as designed now, is
4 very rudimentary. As we get into the detailed
5 design and development, those issues would get
6 fleshed out and we would be doing that.

7 But our interest is not impacting
8 the community. We want to provide service and
9 provide energy for the benefit of all folks in
10 Sitka and Baranof Island. So we're not interested
11 in impacting that particular location.

12 MR. MORSE: All right. Well,
13 that's great, but I know that a lot of people out
14 there are concerned about that impact.

15 MR. BREWTON: Right.

16 MR. MORSE: And I'm sure that the
17 homeowners association will be preparing a letter to
18 deal with their concerns, you know. And I'm
19 speaking for myself tonight, but --

20 MR. BREWTON: Well, that's the --
21 if could I speak on that. That's the purpose of
22 this meeting, is for us to get public input on any
23 kind of issues or concerns you have so that we can
24 study those and take necessary actions to either
25 mitigate those or correct those or do some

1 alternative design to make those issues go away.

2 So we appreciate you making the
3 comments and bringing up every possible issue you
4 can think of so that we can address that and deal
5 with it up front. So we really appreciate you
6 stepping forward and bringing up these issues. So
7 thank you.

8 MR. ADAMSON: Just to reiterate, we
9 are at the very beginning of their process in
10 developing their project. They have a preliminary
11 plan that we're commenting on today. Their final
12 license application, where they have fleshed out the
13 whole project and developing it, isn't due to be
14 filed with the Commission until August of 2011.

15 So there is plenty of time for the
16 resource agencies and the public to get involved in
17 working with the city to come up with their final
18 plans. So you guys -- it's great that you're all
19 here at the very beginning of the process to really
20 come up with a good plan to put before the
21 Commission, for us to be able to make a good
22 decision.

23 MR. CUTLIP: If I might add to
24 that, there are also means to study visual impacts.
25 We can do visual impact assessments, and we're

1 collaborating with folks to try and figure out ways
2 to minimize any potential aesthetic issues. Also,
3 pretty typical filings that come in with the license
4 application are things like sediment erosion control
5 plans. That's pretty standard requirements for new
6 construction, or any construction, for that matter.

7 So these are pretty standard, you
8 know, best management practices, and I'm sure the
9 city will work collaboratively with folks to get
10 those developed to make sure everybody hopefully is
11 on board and that the project is constructed in the
12 least environmentally obtrusive manner.

13 MR. ADAMSON: Cultural resources --
14 oh, do you have a comment before I move on from
15 aesthetics? Please feel free.

16 MS. LUNDGREN: Kari Lundgren. I
17 just want to put an exclamation point on what
18 Mr. Morse said. I, too, am a property owner at
19 Baranof Warm Springs, but I'm also a business owner
20 in Sitka, and we depend upon -- and we appreciate,
21 actually, for living on a rock on the Pacific Rim,
22 very reasonable power rates, but, boy, anything to
23 improve it would be great. So I am also
24 pro-sustainable, sensible development as well.

25 And I'm also really appreciative

1 of, for lack of a better term, your disclosure
2 that, you know, the routing of the line was based
3 on something that happened -- unfortunately, after
4 I was born -- quite a while ago, but -- and the
5 fact that technology has changed, and probably
6 given other opportunities for this project, both
7 aesthetically but also may open opportunities for
8 it to be routed through something else.

9 Recognition of, you know, the
10 economics that happen out there -- you know,
11 Baranof Wilderness Lodge is just that. I don't own
12 it, I don't run it, but I have a great respect for
13 the business out there that has been long-running
14 and very sustainable both for that community, but
15 also for Sitka, and the tremendous amount of
16 economics that it brings to the float plane
17 service, the food service. I won't say anything
18 about the alcohol.

19 And, you know, also for someone
20 who has, you know, flown over that area quite a
21 bit, you know, and knowing and being a part of the
22 float plane pilot group here in town, there is a
23 real, albeit nontechnical, consensus that there are
24 a lot of other potential routes in that area, and
25 realizing that -- or hoping, actually, that that

1 will be looked at, the routing, you know. Is it
2 really based on the 1968 trek, you know, goat trail
3 or whatever it was, that was picked up -- I'm just
4 teasing -- that that could be -- that one could
5 circle back and take a serious look at that, if
6 technology could reroute it through a different
7 area for a variety of reasons: economic,
8 aesthetic, et cetera.

9 MR. BREWTON: One thing I'd like to
10 add, to point out: The 69 kV transmission line --
11 that system runs throughout the City of Sitka today.
12 It runs along Halibut Point Road. It runs -- the
13 line through the roundabout, that's a 69 kV circuit
14 on top. So we're not talking about these 300-foot
15 gargantuan-type towers. Just so you understand the
16 level of voltage we're talking about here is
17 relatively low voltage, relative to the electrical
18 business.

19 So when you're driving around
20 town, take a look at some of the pole lines and
21 stuff we have running through Jarvis Street
22 substation, to our Marine Street substation, along
23 Sawmill Creek Road. You'll see 69 kV throughout
24 the town. So that's the type of system we're
25 looking at.

1 MR. MORSE: I thought you were
2 talking 128.

3 MR. BREWTON: It will be designed
4 for 128 but operate at the lower voltage.

5 MR. MORSE: So would that change if
6 you hooked into the intertie?

7 MR. BREWTON: It would at that
8 point, but it would probably change -- you know,
9 whether it would change coming back to the city or
10 change just out to the intertie there, that's more
11 of a technical-design-type question.

12 So, anyway, I just wanted to point
13 that out so folks can get a visual understanding of
14 what we're talking about when we're talking about
15 these voltage levels.

16 MR. ADAMSON: Any more on
17 aesthetics? All right.

18 Cultural resources: "Effects of
19 project construction and operation on the project's
20 defined area of potential effects." I misspelled
21 that word. It's supposed to be "area," not "are."
22 "Defined area of potential effects."

23 Second bullet: "Effects of
24 project construction and operation on historic and
25 archaeological resources that are listed or

1 considered eligible for inclusion in the National
2 Register of Historic Properties.

3 "Effects of project construction
4 and operation on properties of traditional
5 religious and cultural importance to an Indian
6 tribe.

7 "Effects of project construction
8 and operation on subsistence resources (hunting,
9 fishing, and gathering) and associated areas."

10 Any other comments related to
11 cultural resources?

12 Remember, state your name and your
13 question.

14 MR. FELDPAUSCH: I'm Jeff
15 Feldpausch. I'm the Resource Protection Director
16 for the Sitka Tribe.

17 If you haven't done so already, I
18 would recommend that you bring -- or contact the
19 Angoon and Kake tribal governments. The Takatz
20 area may have some cultural -- significant cultural
21 importance to those tribes.

22 MR. ADAMSON: Just to state, we did
23 go out -- the Commission did issue letters to all
24 the tribes within the area. I went through a list
25 of -- I don't have that list here, but we did make

1 an attempt to contact many of the tribes. The
2 Kootznoowoo tribe we actually had a conversation
3 with, so we are making an effort.

4 Socioeconomics: "Effects of
5 project construction and operation on local,
6 tribal, and regional economies." And then we added
7 a bullet from yesterday's meeting: "Effect of
8 project construction and operation on private
9 landowners." And that could be within the Warm
10 Springs area as well as Takatz itself.

11 "Effect of project construction,
12 operation, and maintenance on commercial uses in
13 the area, particularly the Baranof Wilderness
14 Lodge." We added that as a bullet from the
15 previous meeting.

16 Any other comments related to
17 socioeconomics?

18 MR. MORSE: Stephen Morse. Just a
19 brief comment on the historical -- the one we just
20 did. There are several buildings out there that are
21 historical, have historical significance. And there
22 are no roads basically at the bay. They are all
23 boardwalks. And so any sort of heavy equipment is
24 very, very hard to get into the town, and -- because
25 there is really nowhere for it to go except on the

1 boardwalk, which won't support the weight of most
2 heavy construction equipment.

3 And so any -- there are a couple
4 of buildings. One unfortunately recently fell
5 down, but they are -- could easily be put on the
6 historic register, historic places on the boardwalk
7 itself there. And the trail goes right past those
8 particular buildings. So that would be a concern
9 of putting a power line in that community area.

10 MR. ADAMSON: Thank you. Any other
11 questions about cultural resources or
12 socioeconomics?

13 We'll move on to "Developmental
14 Resources." This is more related to the City of
15 Sitka as it's impacted by its own project. First,
16 the "Effects of any recommended environmental
17 measures on project generation and economics." So
18 as we go through the process of evaluating their
19 final license application which will be filed,
20 there may be environmental measures proposed and
21 how that impacts the economics of the project.

22 Also the second bullet: "Effects
23 of project construction, operation, and maintenance
24 on the project's economics," so how economically
25 viable is the project itself?

1 Any other statements or comments
2 related to developmental resources? Okay.

3 Matt is going to talk about
4 cumulative impacts, which is on page 15 of your
5 document.

6

7 SCOPE OF CUMULATIVE EFFECTS

8

9 MR. CUTLIP: As it says in the
10 Scoping Document, "According to the Council on
11 Environmental Quality's regulations for implementing
12 the National Environmental Policy Act" --

13 MR. ADAMSON: It's at the bottom of
14 the page, just to let you know.

15 MR. CUTLIP: -- "a cumulative
16 effect is the effect on the environment that results
17 from the incremental effect of the action when added
18 to other past, present, and reasonably foreseeable
19 future actions, regardless of what agency or person
20 that undertakes such other actions. Cumulative
21 effects can result from individually minor but
22 collectively significant actions taking place over a
23 period of time, including hydropower and other land
24 and water development activities."

25 FERC usually looks at cumulative

1 effects in terms of geographic and temporal scope.
2 Geographic scope is the distance from the action
3 that you are also considering other actions that
4 may occur within a given geographic area. And for
5 the temporal scope, we usually look at a time scale
6 of 30 to 50 years, which is the typical duration of
7 a FERC license.

8 So I guess to clarify on what
9 exactly is a cumulative effect, we were talking --
10 at the meeting yesterday, we noted that we had not
11 identified any cumulative effects based on our
12 preliminary analysis of what was presented in the
13 pre-application document and on our staff analysis.
14 But I will note that we were made aware of several
15 other potential actions that could occur in the
16 project area.

17 Those included the potential for
18 road development to that side of the island, as
19 well as various proposals -- or a proposal for a
20 commercial -- apparently a commercial-scale fish
21 hatchery and hydroelectric facility in the area, as
22 well as some existing small micro-hydro projects in
23 the area.

24 So we're going to look at the
25 comments that are filed, as well as review the

1 transcripts, and make a determination on whether
2 those actions are, in fact, reasonably foreseeable
3 within the next 30 to 50 years and make a
4 determination on whether they would cumulatively
5 affect the resources.

6 Those that were likely -- the
7 resources that would likely be affected, if, in
8 fact, those actions were reasonably expected to
9 occur, would probably be terrestrial resources,
10 aquatic resources, and also the geologic resources,
11 including the geothermal hot springs in the area.

12 So with that said, are there any
13 other comments on the cumulative effects analysis?
14 Okay.

15 MR. ADAMSON: At this point in
16 time, I'd like to provide opportunity for folks just
17 to make any statements they would like before this
18 meeting, and then I'll close with some additional
19 comments to ensure how you can make written comment
20 to the Commission either electronically or through
21 the mail or become part of the mailing list, just to
22 review that.

23 So at this time we open the floor
24 to anyone who would like to make a statement. Make
25 sure you state your name.

1 PUBLIC TESTIMONY

2

3 MR. ORBISON: I'm Dean Orbison.
4 I'm representing myself. I live here in Sitka. I
5 also work for the electric department. And I'm
6 somewhat familiar with the Takatz project and the
7 Blue Lake project and the Green Lake project and all
8 the other projects that the city has worked on over
9 the years.

10 I was involved in the relicensing
11 of Blue Lake. I was involved in the Blue Lake
12 amendment that we're doing right now, our
13 application that we put in for Lake Diana. We did
14 all of these -- I was involved as a city employee.
15 We did all of these with the ALP process.

16 It was a collaborative process
17 where the city worked with the people in this room
18 to collaboratively put together the conditions for
19 the license and to work through the licensing, the
20 relicensing issues, the scoping, the studies, the
21 EA. We did it collaboratively with the people in
22 this room, and I think we did a very good job at
23 it. The city did a good job at it. We came up
24 with solutions that were beneficial to everyone
25 involved, and I think the city is pretty good at

1 doing this.

2 Maybe the next step of this
3 meeting is to answer the question that I have, but
4 what I'm seeing here tonight isn't a whole lot like
5 the ALP process that we have gone through with the
6 last three projects. The scoping meetings that
7 were done in the past were held by the city. We
8 collected information from all the stakeholders.
9 We recorded the information. We answered all the
10 questions. And when it was all over, we submitted
11 it to FERC for their final review, which they did,
12 and saw that all the questions were answered and
13 that everything was satisfactory. And they either
14 gave us the license or they didn't. In this case,
15 they did give us the license.

16 So what I'm seeing today is that
17 you're asking the people at this meeting to give
18 you comments. Are you also asking them to give
19 those comments to the city so that the city can
20 respond to them?

21 MR. ADAMSON: Absolutely.

22 MR. ORBISON: Okay. That hasn't
23 been entirely clear, because in the past, it was
24 done entirely by the city. FERC came in at the very
25 end to review the process and to see that all the Ts

1 were crossed and that we did have consensus among
2 the stakeholders. And when FERC found that there
3 was consensus among the stakeholders, they issued
4 the license after they reviewed it and did the EA
5 and so forth like you're talking about.

6 But it was done primarily between
7 the city and the stakeholders before FERC got
8 involved. That's not exactly what I'm seeing
9 tonight.

10 MR. CUTLIP: Yeah. I'll try to
11 address that. So in the past, under the Alternative
12 Licensing Process, FERC used to take at times a
13 little bit more of a back seat and allow the
14 applicant to conduct scoping. We would always, as
15 far as I know, attend scoping or, for the most part,
16 try to attend scoping.

17 But there has been a real effort
18 in the last couple of years to make sure that FERC
19 is present at the initial scoping meeting, because
20 it is a requirement of our regulations that that
21 scoping occurs pursuant to NEPA. And we just want
22 to make sure the public has an opportunity to
23 comment before FERC and that we're actively
24 involved in the process. I mean, it's just been
25 one of the initiatives under the ALP, so that's why

1 we're here.

2 With that said, we are going to be
3 assisting the city in generating the Scoping
4 Document 2. Most likely the city will take the
5 first stab at it, and then they'll submit it to
6 FERC sort of informally as a draft. We'll take a
7 look at it.

8 Ultimately, the city will be
9 filing that document with FERC, but we'll be
10 working together with the city to generate the
11 Scoping Document 2. And then that will set the
12 stage for the Environmental Analysis and the study
13 planning effort.

14 So I guess it's just an attempt by
15 FERC to be a little bit more involved up front
16 maybe than what you've seen in the past, but it's
17 still very much the same process.

18 And after the scoping period is
19 over, we likely won't get heavily involved in the
20 study planning effort unless there is a need for
21 that. And the next time that you'll probably hear
22 from us with any great deal of effort would be at
23 the time that you file your preliminary Draft
24 Environmental Assessment and draft license
25 application, and we'll conduct our review of that

1 just like the rest of the stakeholders, and we'll
2 likely file comments on that from our perspective
3 so that we can ensure that the document that you
4 prepare in your final license application is as
5 close as possible to what we want to see in the way
6 of our EA.

7 So outside of this scoping
8 process, that will be the next time that you
9 probably hear from us.

10 MS. SPEESTRA: Do you have two EAs?
11 Does the city create an Environmental Assessment and
12 FERC create an Environmental Assessment?

13 MR. CUTLIP: Yeah. They'll take a
14 stab at it. It's called the Preliminary Draft
15 Environmental Assessment or Applicant-prepared
16 Environmental Assessment. And there will be a
17 draft -- there will actually be a draft and final
18 version of the city's document. And then once that
19 gets filed, FERC will generate their own EA, and
20 that will likely also be a draft and final. I think
21 that's what we committed to at this point.

22 MR. ADAMSON: In any original
23 project, FERC will generally do a Draft
24 Environmental Assessment, open it up for comment to
25 the public and resource agencies. We address those

1 comments in a Final Environmental Assessment.

2 MR. CUTLIP: So there is a bunch of
3 opportunity to comment. We're just getting started.

4 MS. SPEESTRA: But wouldn't your
5 EAs parallel each other? If they were drastically
6 different, there would be a problem.

7 MR. CUTLIP: Well, that's the goal,
8 but there is never a guarantee that the product that
9 we get from an applicant -- and I'm not saying this
10 at all as negativity towards the city, because I
11 haven't worked with the city before. But you have
12 to understand that some of the applicants prepare
13 environmental documents that aren't exactly up to
14 par with what FERC would have to issue to make sure
15 they satisfy their requirements for NEPA.

16 So we hope that to be the case,
17 that we could basically just adopt the city's --
18 the Applicant-prepared Environmental Assessment,
19 but that is definitely not always the case. And we
20 will file comments. That's why -- we'll likely
21 file comments on their draft application and draft
22 environmental document to make sure that, if there
23 are things missing, that we can hopefully get those
24 by the time the final application comes in so that
25 we don't have to issue things like additional

1 information requests after they file their final
2 license application.

3 And then we can just move forward
4 with issuing our EAs, satisfy any other statutory
5 requirements associated with licensing, like
6 Section 401 of the Clean Water Act, water quality
7 certification, a biological opinion pursuant to the
8 Endangered Species Act, if necessary, and then
9 issue the license.

10 MR. ADAMSON: If you go to page 7
11 of the document, you'll see the process plan and
12 schedule that the city will be following. That is
13 their schedule. You see the first date. It says
14 "March 20th, 2009." That's when they filed their
15 Preliminary Application Document and their Notice of
16 Intent.

17 And then the next process was the
18 Scoping Document 1, which was -- well, here it says
19 September 4th, but it was really filed August 27th,
20 2009. And then the scoping meetings are being held
21 today. The plan is to have a Scoping Document 2 by
22 January 2010, study planning in the fall of 2009
23 into the spring of 2010, study execution in --
24 actually, I guess that would be the spring and
25 summer of 2010, and then spring and summer of 2011.

1 And then they are going to file a
2 draft license application and their Draft EA, the
3 city's EA, in the spring of 2011. And then the
4 stakeholders will have an opportunity to comment on
5 that document. And then the final license
6 application is filed with FERC on August 31st,
7 2011.

8 And then if you go -- that's their
9 schedule they are following. And then our EA
10 schedule, which I addressed earlier, I believe is
11 on the bottom of page 24, and it starts off with
12 today's scoping meeting of October of 2009, then
13 their license application filed August 31st, 2011.

14 And then if everything is going
15 according to plan and all the information is there
16 before the Commission, then we can have it ready
17 for Environmental Analysis, and then our Draft EA
18 and Final EA. So we have those dates that we're
19 going to be trying to follow and meet.

20 So also there is plenty of
21 opportunity, working with the city and then working
22 with FERC, to have comment and involvement in this
23 process.

24 So before I move on and close the
25 meeting, I want to provide continual opportunity at

1 this point if anybody would like to make any
2 additional comments.

3 MR. HOPE: My name is Gerry Hope,
4 "Gerry" with a "G." And I'm working for the Sitka
5 Tribe of Alaska as a transportation manager, but I
6 also am a board member for the Marine Transportation
7 Advisory Board, MTAB, which advises the Alaska
8 Marine Highway service.

9 But before I get into comment
10 about that, I just want to clarify. Jeff had
11 talked about Kake and Angoon, and for Angoon he
12 said Kootznoowoo, which is a Native corporation,
13 based on the Alaska Native Claims Settlement Act,
14 which is not a federally recognized tribe. It's a
15 common mistake. A lot of people, especially from
16 the Lower 48, don't know the difference between a
17 Native corporation and a federally recognized
18 tribe.

19 The federally recognized tribe
20 name is the Angoon Community Association in Angoon.

21 MR. ADAMSON: Okay.

22 MR. HOPE: And unfortunately, the
23 Native corporation in Kake decided to put "tribal"
24 in their name, and they're not tribal. They are a
25 corporation, the Kake Tribal Corporation. The

1 federally recognized tribe in Kake is the Organized
2 Village of Kake.

3 The reason why Jeff mentioned that
4 is because -- and I don't mean to misspeak for the
5 tribes so much here, but just a little bit of
6 background.

7 The territorial area, service
8 area, for the Sitka Tribe of Alaska doesn't go all
9 the way over to Chatham Strait. Angoon and Kake
10 get that part of Baranof, and so that's why it's
11 really important to talk to the Angoon Community
12 Association and the Organized Village of Kake.

13 I'm just basically here to gain
14 information for the Marine Transportation Advisory
15 Board on my own interest as a board member, because
16 there had been some discussion about a possibility
17 of having a ferry dock over on that side of the
18 island. It probably won't happen, might not
19 happen, but when there is multiple opportunities
20 for different kinds of events such as this -- I
21 know the tribal government of the Sitka tribe had
22 opposed one of the alternatives, which was to go
23 north, because of archaeological reasons, because
24 of tribal citizen land ownership reasons, because
25 subsistence activities would be negatively

1 impacted. And there is a wide range of other
2 reasons why, but they did not oppose the one going
3 across the island to Baranof Warm Springs.

4 Now, I know that there are people
5 here in residence that are appropriately concerned
6 about any kind of development. And that's why I'm
7 here, just to fact-find. I'm not here to propose
8 anything. I'm just really interested in finding
9 out where we are in this process and then bring
10 back the documents that you have shared with the
11 public tonight with that meeting, recognizing that
12 it's a very long process, what may or may not
13 happen through this. But certainly we'll recognize
14 that there is a need to really be concerned about
15 the high cost of energy and the kind of opportunity
16 we have for something of this nature.

17 The reason why I did feel like I
18 needed to speak up is because of the spoken
19 opposition to the route that's laid out, as this
20 is -- tonight happens, unfortunately, to be the
21 strongest opportunity for more ferry service to
22 Sitka. So it might turn out that we, as a
23 community, between Baranof Warm Springs residents
24 and the Sitka residents, we'll have to have our own
25 little chat amongst ourselves and find out: Okay.

1 Well, if there are alternative routes, what might
2 that be when it comes to other activities, such as
3 a more accessible Alaska Marine Highway service to
4 Sitka, which has been a real bear and has been a
5 real sore spot for Sitka for a long time too.

6 But I thought I would be real shy
7 and not say anything until it got further along in
8 the scoping activity in the schedule, but then
9 hearing the opposition tonight to the proposed
10 route, I felt it was important to give a little bit
11 of balance, a little bit of background, but not to
12 create a conflict, hopefully.

13 MR. ADAMSON: Thank you for your
14 comment, and I'll go back and make sure we look at
15 the Angoon Community and Organized Community of
16 Kake.

17 MR. HOPE: Organized Village of
18 Kake.

19 MR. ADAMSON: Village.

20 MR. HOPE: OVK.

21 MR. ADAMSON: Yeah. We'll make an
22 effort to make sure they have been contacted.

23 Any other comments or statements
24 about this project, feel free to speak now.

25 MR. MORSE: Stephen Morse. I just

1 want to thank you for the opportunity to participate
2 in the scoping. As a homeowner over at Baranof, I
3 expected to get a letter. I didn't get a letter
4 about this, and I found out about it yesterday via
5 e-mail from some other interested people.

6 But when it was suggested -- I
7 haven't spoken to the road issue. That was --
8 that's a whole nother issue that the homeowners
9 association has come out against over there. I'm
10 probably one of the few that would have not minded
11 a road, but that's an issue that several people
12 said, "Well, maybe this is a backhanded way to get
13 a road through to their side of the island, since
14 they'll need a road to take care of the electric
15 line."

16 You know, I personally didn't see
17 it as that, because I thought the tunnel will be
18 small, you know, to get an electric line through
19 there. But I know that the homeowners association
20 has come out against that. The majority vote of
21 the people on that side of the island was against
22 the road.

23 So the hatchery issue in Baranof,
24 in Warm Springs Bay, has been hashed over for a
25 long time, and I don't think that there is a

1 consensus that a hatchery -- that's a good spot for
2 a hatchery either.

3 But I mainly wanted to speak to
4 the electric line coming right through the
5 community, and I think that's a mistake. You know,
6 I think there are other ways to direct that line,
7 personally, and I'd be certainly willing to sit
8 down and look at those routes, if I was invited or
9 got a letter in the mail. Thank you.

10 MR. ADAMSON: I would encourage you
11 to make sure that you are part of their mailing
12 list, and if you want to be a part -- that leads
13 right into Section 10 on page 26, talking about how
14 to be officially on the FERC mailing list.

15 So if you would like to be a part
16 of that, you can see me at the end of the meeting,
17 and I'll write your name and address down and put
18 you on FERC's mailing list.

19 If you would like to be a part of
20 the city's mailing list, please get in contact with
21 Chris Brewton, so anything that they're working
22 through -- because they are in a collaborative
23 process. They are at the beginning of the process,
24 and they're working with the community and the
25 resource agencies as they develop their final

1 plans -- preliminary and moving towards final
2 plans, I should say.

3 MR. BREWTON: Right.

4 MR. ADAMSON: Any other comments
5 before I make some final statements?

6 Just to reiterate, the comment
7 period for this Scoping Document 1 closes on
8 December 8, 2009. It's a 60-day period. If you
9 have any comments you want to file about this
10 Scoping Document and the issues associated about
11 the proposed project, I encourage you to file them
12 with the Commission either electronically or by
13 mail. That information is in this document.

14 I'd also encourage you to file
15 your comments with the city itself so they have
16 those issues, but whatever you file with the
17 Commission, the city is going to get ahold of,
18 because I bet they are e-subscribed. An
19 e-subscription is another way of getting anything
20 filed with the Commission related to this project.

21 Please use Project No. 13234-001
22 Takatz Lake Hydroelectric Project. And go to our
23 website at FERC.gov and look for -- under -- I'm
24 not sure what resource -- there is a link there
25 called "e-subscription," telling you how to

1 subscribe to anything filed with the Commission
2 related to this project.

3 MR. CUTLIP: I was going to say
4 there is also -- there is the quick comment method
5 of commenting, which is significantly easier. A lot
6 of people have found the comment and filing
7 requirements on the web page to be somewhat
8 cumbersome. And the quick comment -- there is a
9 reference to it on the very top of page 24. It's a
10 very easy and effective way to file comments. So I
11 would encourage you to take a look at that as well.

12 MR. ADAMSON: And you had a
13 statement that you'd like to make?

14 MS. SPEESTRA: Will you update the
15 scoping document? There were a lot of bullets that
16 you said were added from last night's meeting and
17 tonight's meeting from those comments.

18 MR. ADAMSON: Absolutely.

19 MS. SPEESTRA: And what's the time
20 frame for that?

21 MR. ADAMSON: The time frame for
22 that -- the comment period for commenting on this
23 Scoping Document 1 is December 8, 2009. Then we're
24 going to take those comments -- the city is going to
25 revise this document and then send the draft to

1 FERC, and we will see if it meets our requirements
2 and then send it back to the city.

3 And they hope to issue it January
4 of 2010, but it may go to February, depending on --
5 probably in January, by the end of January, they'll
6 have a revised document called a Scoping
7 Document 2.

8 MS. SPEESTRA: Okay. I get it.

9 MR. ADAMSON: And then they'll use
10 that as they develop their preliminary Environmental
11 Assessment as part of their final license
12 application, which is to be filed by August 31st,
13 2011.

14 MS. SPEESTRA: So all the comments
15 from tonight will be incorporated into the Scoping
16 Document No. 2?

17 MR. ADAMSON: Correct.

18 MS. SPEESTRA: Okay. So if you
19 want that in writing, you should do that, but your
20 oral testimony will have been recorded and will be
21 incorporated in the Scoping Document 2?

22 MR. ADAMSON: Absolutely.

23 MS. SPEESTRA: Okay. That makes it
24 clear. That wasn't --

25 MR. CUTLIP: The way that we have

1 been doing this recently is, we will evaluate all
2 the comments. For the most part, Joe and I have
3 been recording all of the additional issues that
4 have been requested to be added to list. We'll also
5 go back and take a look at the transcripts.

6 And I don't -- unless there is a
7 reason why an issue is brought forward that we
8 don't think is warranted in the verbal testimony,
9 we'll -- we won't respond to those. We'll most
10 likely just add those issues to the Scoping
11 Document 2, unless we feel it's not warranted, and
12 then we'll respond to those.

13 But pretty much all of the written
14 comments, if there is an actual comment or a
15 concern, for the most part, we'll try to also
16 address those comments in the comment response
17 section of the Scoping Document 2.

18 So our intent is to make sure that
19 we don't leave anybody out and that we evaluate all
20 the concerns that were brought forward throughout
21 the scoping process in that SD2.

22 MR. ADAMSON: Any further comments?
23 Otherwise, I'm going to close the meeting.

24 Thank you for coming. And if you
25 would like to be added to the mailing list of FERC,

1 please come forward, and I'll write your name and
2 address down. Have a good evening.

3

4 (Scoping Meeting concluded at 8:36 p.m.)

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