



FERC Scoping Meetings

FERC will hold two Scoping Meetings on February 28, 2007.

Meeting 1: 9:00 am – 2:00 pm
Douglas PUD
1151 Valley Mall Parkway
East Wenatchee, WA

[Directions to Meeting 1](#)

[Official Transcripts from Meeting 1](#)

Meeting 2: 7:00 pm – 12:00 am
Columbia Cove Community Center
601 West Cliff Ave.
Brewster, WA

[Directions to Meeting 2](#)

[Official Transcripts from Meeting 2](#)

Information: For additional information, contact Bob Easton with the Federal Energy Regulatory Commission at (202)502-6045 or at robert.easton@ferc.gov.



Directions to Douglas PUD

Douglas PUD
1151 Valley Mall Parkway
East Wenatchee, WA 98802
509-884-7191

Heading North: (from Quincy)

Travel north on WA 28 to East Wenatchee.
At the second stoplight, Top Foods will be on your left.
Proceed through this stoplight and stay in the right lane.
Follow sign to West 28 – do not cross the bridge.
Turn right at the Ninth St. NE exit.
The 7-Eleven will be on your left.
At this four-way stop, turn left onto Valley Mall Parkway.
Douglas PUD is located at the north end of Valley Mall Parkway.

Heading South: (from Brewster)

Travel south on US 97.
Continue straight onto WA 28 (Sunset Hwy).
The Columbia River will be on your right.
Follow WA 28 (Sunset Hwy) toward East Wenatchee.
Douglas PUD will be on your left near downtown.
Turn left onto Valley Mall Parkway.
Turn left into the Douglas PUD parking lot.

Heading East: (from Seattle)

Travel east on I-90.
Go past Cle Elum.
Take Exit 85 toward Wenatchee.
Turn left at stop sign.
Turn right onto WA-970.
WA-970 merges with US 97.
Follow US 97 (Blewett Pass) north toward Wenatchee.
Merge onto US 2 E toward Wenatchee.
Follow US 2 over Columbia River north of Wenatchee.
At stoplight, turn right onto WA 28 (Sunset Hwy).
Follow WA 28 (Sunset Hwy) toward East Wenatchee.
Douglas PUD will be on your left near downtown.
Turn left onto Valley Mall Parkway.
Turn left into the Douglas PUD parking lot.

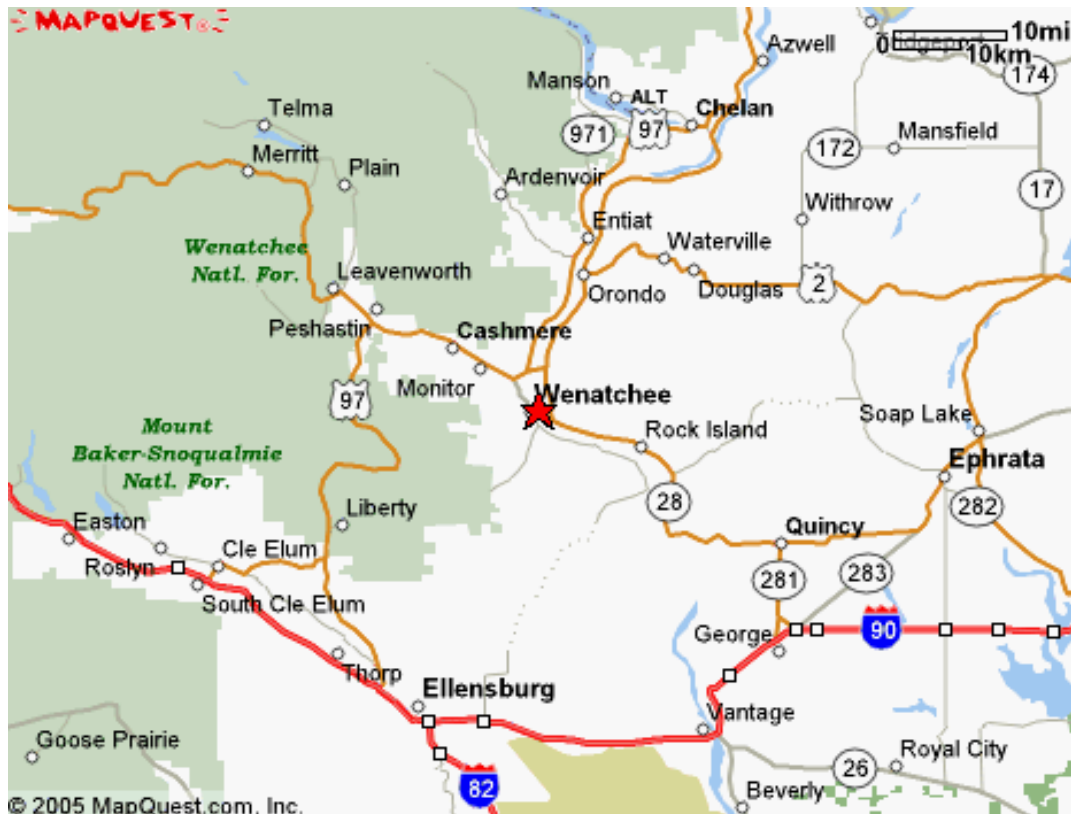
**Heading West:
(from Spokane)**

Travel west on I-90.
Go past Moses Lake.
Take Exit 151 toward WA 281 N/Quincy/Wenatchee.
Turn right onto WA 281 N.
Follow WA 281 N to Quincy.
At stoplight, a gas station will be on your left.
Turn left onto WA 28 W.
Follow WA 28 to East Wenatchee.
At the second stoplight, Top Foods will be on your left.
Proceed through this stoplight and stay in the right lane.
Follow sign to West 28 – do not cross the bridge.
Turn right at the Ninth St. NE exit.
The 7-Eleven will be on your left.
At this four-way stop, turn left onto Valley Mall Parkway.
Douglas PUD is located at the north end of Valley Mall Parkway.

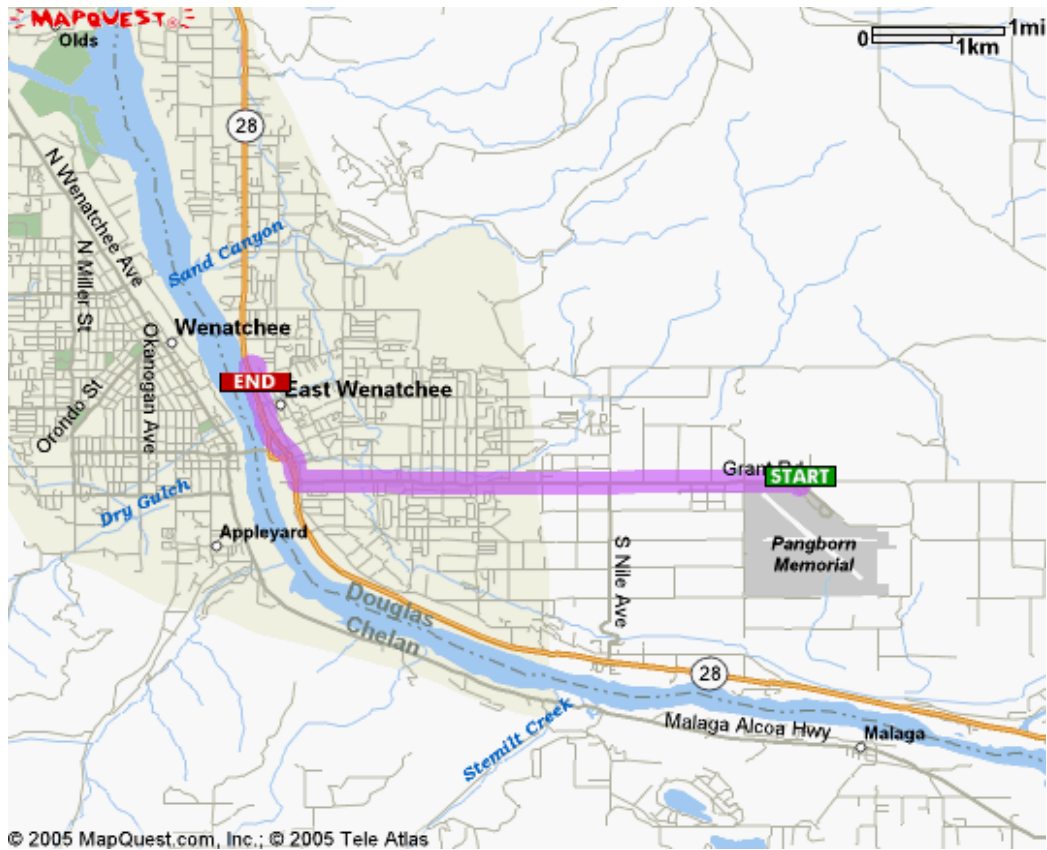
**From Pangborn
Memorial Airport:
(East Wenatchee)**

When leaving the parking lot, turn left onto Airport Way.
At stop sign, turn left onto Grant Rd.
Follow Grant Rd. toward downtown East Wenatchee.
You will pass Safeway and Les Schwab Tires.
At stoplight, turn right onto Valley Mall Parkway.
Travel along Valley Mall Parkway past downtown.
Douglas PUD is located at the north end of Valley Mall Parkway.

Maps Attached:







Douglas PUD
1151 Valley Mall Parkway
East Wenatchee, WA 98802
509-884-7191



Directions to Columbia Cove Community Center

Columbia Cove Community Center
601 West Cliff Ave.
Brewster, WA

Heading North:
(from Wenatchee)

Follow US 97 through Pateros and to Brewster.
Turn right on Bridge St.
Follow Bridge St. through Brewster.
Turn right on Cliff Ave.

Heading South:
(from Okanogan)

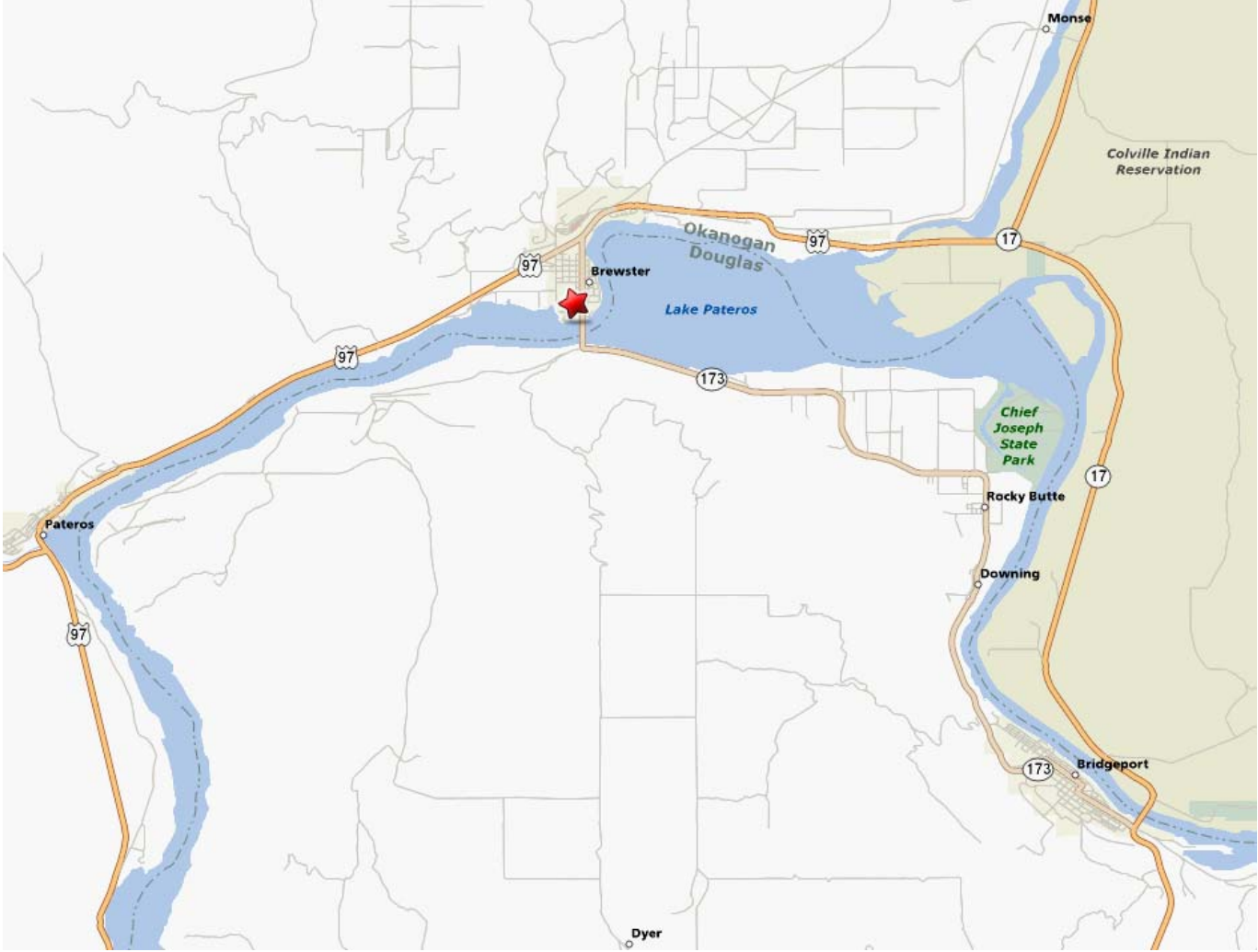
Follow US 97 to Brewster.
Turn left on Bridge St.
Follow Bridge St. through Brewster.
Turn right on Cliff Ave.

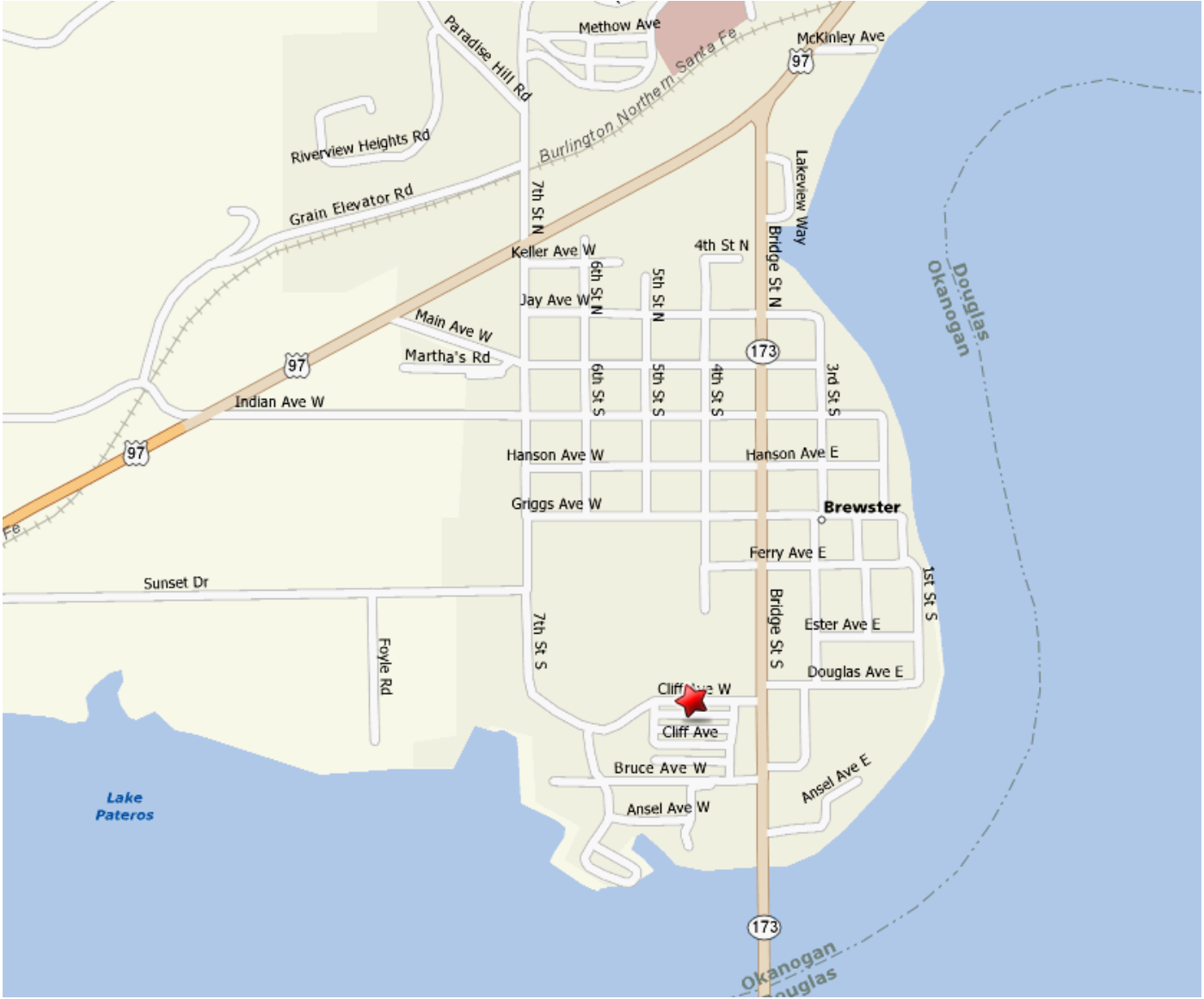
Heading East:
(from Seattle)

Travel east on I-90.
Go past Cle Elum.
Take Exit 85 toward Wenatchee.
Turn left at stop sign.
Turn right onto WA-970.
WA-970 merges with US 97.
Follow US 97 (Blewett Pass) north toward Wenatchee.
Merge onto US 2 E toward Wenatchee.
Follow US 2 over Columbia River north of Wenatchee.
At stoplight, turn left onto US-2/US Hwy 97.
Follow US 97 through Pateros and to Brewster.
Turn right on Bridge St.
Follow Bridge St. through Brewster.
Turn right on Cliff Ave.

Heading West:
(from Spokane)

Travel west on US Hwy 2 to Wilbur.
At Wilbur, turn north on WA-174 through Grand Coulee.
WA-174 becomes WA-17.
Turn left onto US 97.
Continue on US 97 to Brewster.
Turn left on Bridge St.
Follow Bridge St. through Brewster.
Turn right on Cliff Ave.





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BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

----- X	
IN THE MATTER OF	: PROJECT NO.
WELLS HYDROELECTRIC PROJECT	: 2149
----- X	WASHINGTON

Douglas County PUD Auditorium
East Wenatchee, Washington 98802

Wednesday, February 28, 2007

The above-mentioned matter came on for public
scoping meeting, pursuant to notice at 9:00 a.m.

MODERATORS: ROBERT EASTON, FERC
DAVID TURNER, FERC

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1 P R O C E E D I N G

2 MR. EASTON: I guess we'd like to get started
3 here. Good morning. I'd like to welcome you to the
4 public scoping meeting for the Wells Hydroelectric
5 Project. My name is Bob Easton and I'm from the Federal
6 Energy Regulatory Commission. I'm a project coordinator
7 for FERC on this proceeding and I'm also a fisheries
8 biologist and I did not stay at a Holiday Inn Express
9 last night.

10 With me here today also from the commission is
11 David Turner, who is a terrestrial fishery -- or
12 terrestrial biologist, and also Dave's got quite a bit
13 of expertise with the integrated licensing process which
14 is being used for this proceeding, and he'll be able to
15 steer me straight when we get into some discussions on
16 that, on that process.

17 We're going to kind of give you a brief
18 overview here of some of the things we want to cover at
19 the beginning. We'll do like a little informal
20 presentation here at the beginning, give you a little
21 background on the licensing process, discuss the purpose
22 of scoping, Douglas PUD will give a brief overview of
23 the project, and then we're going to pick our way
24 through some of the resource issues that have been
25 identified in the preapplication document and also look

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1 at some of the studies that have been proposed thus far,
2 then we'll cover some of the important dates that are
3 upcoming through this license proceeding and then we'll
4 try and finish with questions and comments.

5 We do want -- like I said, we want to keep
6 this pretty informal, so if somebody has something, a
7 comment or a question, at any point, feel free to
8 interrupt me or anybody else that's up here speaking,
9 and if you have some input when we get into resource
10 discussions, that's what we'd really like to get a lot
11 of, is interactive discussion at that point. So please
12 speak up.

13 We do have sign-in sheets in the back and we'd
14 appreciate it if everybody who is here would sign in.
15 The primary purpose for that is so we have a record of
16 who showed up. But it also is so the court reporter can
17 figure out how to spell your name if and when you speak
18 during the meeting today.

19 I refer to the court reporter. We have the
20 court reporter here taking -- making a transcript of
21 this proceeding. That will go into the commission's
22 record and it will allow us to refer back to what was
23 discussed at this meeting when we get further into our
24 analysis at the commission. It will also be available
25 to you eventually so you can look and see what was said

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1 at the meeting if there are any questions in the future.

2 One thing, did I -- you need to speak clearly
3 and state your name and your affiliation if you do speak
4 during the meeting so that the court reporter can
5 identify your comments with -- or associate your
6 comments with your name in the transcript.

7 If you don't wish to speak today, you can file
8 written comments with the commission. Instructions for
9 that are listed on pages 19 and 20 in the scoping
10 document. Hopefully everybody got a copy of that.
11 There's a few extra copies in the back there if you
12 don't have a copy of the scoping document.

13 FERC will be issuing future documents to the
14 mailing list, but it will be the FERC mailing list only.
15 When we issued the scoping document, we used our
16 official FERC mailing list, but we also sent the scoping
17 document out to the distribution list that was created
18 by Douglas PUD for the preapplication document.

19 We won't be sending out things to the Douglas
20 distribution list in the future. We'll just be sending
21 things to the official FERC mailing list. So if you
22 want to continue to get issuances directly from FERC,
23 mailed out directly, you'll need to get added to the
24 mailing list.

25 The way to determine that is look at pages 24

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1 to 29 of the scoping document. If you don't see your
2 name on there, then you're not on the official FERC
3 mailing list. In order to get added to that list, you
4 need to follow the instructions on page 24 of the
5 scoping document.

6 If I went too fast for anybody, go ahead and
7 ask questions. And I can help you after the meeting too
8 with that. It's not really that complicated, but if you
9 do want to get FERC issuances in the future, you'll need
10 to get added to the mailing list if you're not already
11 on there.

12 As I said before, this proceeding, this
13 process we're using here is the integrated licensing
14 process. It's a fairly new process with FERC. We've
15 got a handful of projects that are using this process,
16 and in order to get you familiar with it, we're going to
17 kind of give you just a brief overview of it. There is
18 a more detailed handout in the back that goes through
19 each individual step of the integrated licensing
20 process. So if you want that information, you can get
21 that from that handout.

22 But basically the main components that we're
23 going to cover here are that back on December 1st
24 Douglas PUD filed their notice of intent to file a
25 license application for the Wells project and they filed
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1 a copy of the preapplication document with FERC. That
2 basically starts the process.

3 Subsequent to that, we move into this scoping
4 process, which is what we're here for -- to do today.
5 And we then move into the development of the study
6 plans. Douglas actually has a good start on that, and
7 if you look in the preapplication document, you'll see
8 there is actually quite a few study plans that they've
9 already put together and have worked out there.
10 Typically in this process a lot of that doesn't happen
11 until later. So they got a leg up on some of that
12 stuff.

13 Once the study plans have been formalized and
14 agreed upon and approved by FERC and Douglas goes off
15 and conducts studies for a period of a couple -- one to
16 two years, so after those studies have been completed,
17 they begin preparation of their license application.
18 The license application is due to be filed by May 31st,
19 2010.

20 After that, the commission begins its review.
21 It's basically ball in our court and we need to review
22 the application to determine if it's accurate. Once
23 we've determined that it meets our regulations in terms
24 of adequacy, we go ahead and issue what we call the REA
25 notice, which means that the application is ready for
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1 environmental analysis. That notice solicits the
2 comments, terms and conditions from the various
3 stakeholders and also it provides an opportunity to
4 intervene in the proceeding.

5 After that, after we receive those terms and
6 conditions and the interventions, we then would move
7 into the preparation of the environmental document. In
8 this case we intend to prepare a draft of the final EA,
9 or environmental assessment.

10 After the final EA is issued, then there would
11 be preparation of an order by the commission which would
12 make a decision on whether to license the project or
13 not.

14 Okay. Scoping. The agency, FERC, is under
15 the Federal Power Act and we have the responsibility to
16 issue licenses for nonfederal hydroelectric projects.
17 That is considered to be a federal action. So under the
18 National Environmental Policy Act we're required to do
19 an environmental analysis of that action before we can
20 proceed with issuing or denying a license.

21 As I said earlier, for this proceeding, we're
22 intending to prepare an environmental assessment rather
23 than an EIS. We issued a scoping document back in
24 January and, as I said, copies are available in the
25 back.

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1 The scoping document includes a brief
2 description of the existing project facilities, a
3 preliminary list of resource issues, describes the
4 studies that were proposed by Douglas PUD in the
5 preapplication document. It also describes the types of
6 information we are seeking through scoping. It includes
7 a process plan, which we -- I should point out we've
8 revised that.

9 Shane pointed out that the process plan we
10 included in the scoping document had some dates that
11 fell on weekends, and in order to hit those dates, you
12 would actually have to file on Friday, but our
13 regulations allow for people to file on the subsequent
14 Monday when dates -- filing requirements fall on
15 weekends.

16 So we've revised the process plan that was in
17 the scoping document and there's obviously a revised
18 process plan on the back table also. And then the other
19 thing we included in the scoping document in addition to
20 the process plan is a proposed outline and time line for
21 the environmental assessment.

22 The main purpose of this meeting is for us to
23 kind of go over the resource issues, go over the study
24 plans and kind of have an interactive discussion about
25 those. We're really here to solicit input from the

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1 stakeholder groups, find out what type of issues we may
2 or may not have identified, if we've included something
3 that wasn't necessary in the scoping document or if
4 there's things we have left out, and also to kind of
5 steer what type of information needs we are going to
6 need in terms of our proceeding and our analysis.

7 I guess at this point I will turn it over to
8 Shane and he will give us a brief overview of the
9 project facilities and project operation.

10 MR. BICKFORD: Thanks, Bob.

11 So my name is Shane Bickford. I'm a
12 supervisor of licensing in Douglas PUD. I'm just going
13 to give you a real quick overview of the project
14 description, talk a little bit about operations and talk
15 a little bit about what Douglas PUD did to prepare for
16 relicensing.

17 So that's a shot of Wells Dam from Douglas
18 County. It's not a shot many people actually see
19 because not many people are on that side of the river.

20 Wells project is located at, river miles,
21 515.6. That's how far it is upstream from the Pacific
22 Ocean. We're the ninth project from the Pacific Ocean
23 on the main-stem Columbia River. We're 30 miles
24 downstream from Chief Joseph Dam and 42 miles upstream
25 from Rocky Reach Dam, about 50 miles north of Wenatchee,
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1 located right here.

2 This is the Wells hydrocombine, which we'll
3 talk about in a couple of minutes. This is basically a
4 high-resolution orthophoto of the Wells project. The
5 water is flowing in this direction downstream. I'm just
6 going to point out a couple of the features.

7 This is what we call a forebay. You'll
8 probably hear some people toss that term around later
9 today.

10 The reservoir is the area of the body of water
11 impounded upstream of the hydrocombine, and it backs up
12 almost to Chief Joseph Dam, about 29 and a half miles,
13 about near the town of Bridgeport.

14 Some of the other kind of unique aspects of
15 the project, we've got this really compact structure
16 called a hydrocombine, which we'll talk a little bit
17 more about in a couple of minutes.

18 There's the east earthen embankment, a west
19 earthen embankment. The total dam is about 4,000 feet.
20 This kind of odd-looking channel here is a spawning
21 channel that's no longer used. It's part of the Wells
22 fish hatchery, which raises steelhead and summer chinook
23 and rainbow trout.

24 This is the tailrace area of the project.
25 It's where water is discharged after it passes through

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1 the facility. Electricity is discharged from the
2 project down to two 230 kV transmission lines. Those
3 transmission lines go up over the Waterville plateau and
4 come down around Rocky Reach Dam where that power is
5 blended into the grid.

6 Most people have seen the dam from the
7 highway, which is over here on the Chelan County side.
8 This is the Douglas County side. Have a little park
9 facility up here called Vista Overlook. There's rest
10 rooms, there's a turbine exhibit up here. Some of the
11 folks that went on the site tour yesterday saw that.

12 There's also fabrication facilities, and in
13 the future there's going to be some backup diesel
14 generators located up there for station service. So
15 it's kind of an overview. And I'm going to dwell down
16 more into this compact structure called the
17 hydrocombine. It's really unique.

18 The futures of the hydrocombine include two
19 fishways. A lot of projects have -- some have three,
20 some have one. Wells has two, one on the east
21 embankment, one on the west embankment, which is nice.
22 Fish are able to travel right up the shoreline and
23 intersect these fish ladders quite readily.

24 We also have a switchyard located on the deck
25 of the dam. Usually that's on one of the shorelines.

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1 So that's another unique feature. It's very compact.

2 Ten Kaplan turbine units with nameplate
3 capacity of 774 megawatts, a maximum capacity of 840.
4 Note that most power plants have a powerhouse over here
5 and a spillway over here. Wells Dam, they're integrated
6 and they're together and on top of one another. So
7 these dark areas are spillways. The red points to the
8 turbine silos.

9 Those are the spillways. They have 11
10 spillways. They have over -- the capacity of the
11 spillways is over a million cfs. The juvenile fish
12 bypass facilities are located in five of the spillways,
13 five of the 11 spillways, and they're very efficient at
14 passing downstream juveniles. They have been tested
15 rigorously and the passage efficiencies are between 92
16 and 96 percent for downstream salmon and steelhead, so
17 the highest efficiency on the river.

18 The nice thing about the bypass system is it's
19 spread evenly across the river. Fish aren't
20 concentrated on one shoreline or the other. Fish are
21 dropped right back into the bulk flow of the turbines,
22 so that helps to really reduce friction.

23 So that's the hydrocombine. It's very
24 compact. Lots of things going on in a very small space.
25 This is a thousand feet of structure.

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1 So that's it for -- there we go. A little bit
2 about operations. The Wells project is a run-of-river
3 project. For those of you that are familiar with Grand
4 Coulee, that's a storage project where you have seasonal
5 drawdowns, up and down.

6 Wells project fluctuates kind of on a daily
7 basis, but the fluctuations are rather small. A very
8 limited storage, only enough water to basically keep
9 things running for a day. Daily flows, daily generation
10 and discharge are largely driven by the dams upstream of
11 us, Chief Joseph Dam and Grand Coulee Dam.

12 Again, no seasonal drawdowns associated with
13 flood control or other operations unless there is a
14 severe flood event and the Corps would request some
15 additional storage.

16 Our reservoir fluctuations usually are in the
17 range of two feet. The project is authorized to go down
18 ten feet. We don't like to go down ten feet because
19 there's nothing left in the gas tank when you go that
20 far. It also significantly reduces the head of the
21 project. So the normal operating range is ten feet.
22 Normally we're in the upper two feet of that, up around
23 781.

24 In preparation for licensing, Douglas PUD
25 really kicked off its licensing effort in 2004, and the
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1 first thing we wanted to do is to make sure we had all
2 the available information, and so what we did is we did
3 a two-prong process for that.

4 We looked internally and searched up all the
5 archived documents we could find in the district, and we
6 came up with over 20,000 documents that had close
7 association with the Wells project and would be useful
8 in our licensing. Those documents have been placed on
9 our licensing library and are publicly accessible.

10 And we also contacted 350 outside entities,
11 organizations to identify information the district may
12 not have that we would need to know about for licensing
13 and we got about 35 documents that were reflected in
14 that effort.

15 Starting in 2005, after we collected all this
16 literature, we really wanted to -- we wanted to look at
17 some of the data gaps that we might have in existing
18 information. So our plan was to fill as many of those
19 data gaps as possible by conducting baseline studies.
20 We conducted 50 baseline studies between 2005 and 2006.
21 The studies were focused on water quality, recreation,
22 resident fish passage studies, as well as wildlife and
23 technical resource studies.

24 That information is all contained within the
25 preapplication document. It's on our licensing website.

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1 We have little video clips of some of the field
2 exercises and activities associated with those studies
3 on the website for those that are interested. The other
4 reason why we wanted to do those studies that would help
5 us identify -- a lot of times when you do a study, it
6 leads to other questions, and so that's what we're here
7 for today.

8 We also -- another thing that we started in
9 2005 was stakeholder outreach. We wanted to get ahold
10 of the public and really engage stakeholders to have
11 them help us identify what the issues are that they have
12 with the project and how it operates.

13 And so basically in 2005, 2006 we had 28
14 resource work group meetings. These are technical
15 meetings with biologists, folks from the cities, the
16 counties, tribes, state government, federal government,
17 trying to understand what their issues and concerns are
18 with the Wells project.

19 We also had 33 policy outreach meetings. We'd
20 go and meet with state directors of agencies and tribal
21 councils and talk to them to understand what their
22 issues are with the operations of the Wells project, the
23 idea being let's identify issues, let's see how many of
24 those issues really have a relationship to the Wells
25 project, try and match those up with FERC's IOP criteria
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1 for studies, which are seven criteria, and then of the
2 issues that match up with FERC's criteria, let's develop
3 study plans, get those in a preapplication document so
4 that, as Bob indicated, we can be a leg up on the
5 process and be ready to implement those studies as
6 quickly as possible.

7 So the resource work groups successfully
8 identified a lot of issues. A lot of those issues
9 didn't meet the seven criteria, and of those issues that
10 met the criteria, we basically patched those up into 12
11 study plans that we put in the preapplication document,
12 which there's copies in the back. There's also CEs in
13 the back. You can get it on FERC's website. You can
14 also get it on Douglas PUD's website.

15 Those issues, those 12 issues, cross a pretty
16 broad spectrum. There are some recreation studies,
17 there are some wildlife and technical resource studies,
18 there are some water quality studies and there are some
19 fish studies.

20 So with that, I'll hand it back to Bob, who is
21 going to walk you through some of the issues in some of
22 the studies.

23 MR. EASTON: Shane, did you provide the work
24 group with sign-in sheets for people that want to join
25 the work groups? Is that the point of that?

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1 MR. BICKFORD: We do. Yes. Thank you.

2 MR. EASTON: So there are some -- there are
3 sign-in sheets for the meeting, but there are also some
4 separate sign-in sheets back there that -- for
5 Douglas -- if you've signed those, you're basically
6 saying you want to participate in the work groups, the
7 different resource work groups. So you may want to take
8 a look at those.

9 Okay. This is sort of the part of the meeting
10 we want to get a little bit more interactive with you,
11 trying to initiate some discussion here about some of
12 these resource issues and some of these study plans that
13 we put forward and the resource and information needs.
14 So feel free to speak up as we go through some of these
15 next few slides here.

16 Basically we're going to just cover some of
17 the resource areas, work our way from aquatics and --
18 through aquatic resources and then terrestrial,
19 threatened and endangered species, recreation, land use,
20 and aesthetics, archaeological and historic resources
21 and then developmental resources. Those are all
22 resource areas that we identified as having issues in
23 the scoping document.

24 And if you refer to page 13 and 14 of the
25 scoping document, you'll see the resource issues related

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1 to aquatics that we have identified. And the first one
2 that comes up is effects of the project on the input,
3 movement, accumulation, and retention of toxins,
4 primarily DDT and PCBs, originating in the Okanogan
5 River and the potential indirect effects of these toxins
6 on aquatic organisms and humans.

7 In association with that resource issue,
8 Douglas identified a study need and put together a study
9 plan to sample sediments and fish tissues in the lower
10 Okanogan River for DDT and PCBs.

11 Anybody have any comments or anything to add
12 to those -- either that resource issue and how we
13 characterized it or the -- does anybody have any input
14 or anything they want to discuss in relation to the
15 study itself?

16 (No response.)

17 I do -- I actually have something I'd like to
18 say about it. In looking at the study itself, one thing
19 I notice is that the issue is identified as having sort
20 of an interest in following what the input, the
21 movement, accumulation and retention of these toxins is,
22 but when you look at the study itself, it really doesn't
23 get at any of those.

24 And I'm not saying the study should be
25 modified to get at those, but I'm wondering if we should

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1 maybe recharacterize that issue. We basically just took
2 the leap of what was in the PAD and put it into our
3 scoping document.

4 It seems like what -- when I reviewed the
5 study itself, it looked like what you're really
6 concerned about, the stakeholder groups or whoever
7 brought this up were concerned about, is the effects of
8 project-related recreation and fishing on human exposure
9 to DDT and PCBs in the lower Okanogan River.

10 So it's not necessarily how the project is
11 affecting what's going on with the DDTs, but actually
12 it's sort of the recreation and fishing that's
13 associated with the project and the potential for human
14 exposure.

15 Anybody familiar with that issue that maybe
16 can speak up and give me an idea if that's -- if we're
17 tinkering with something we shouldn't if I change that,
18 the way that issue is characterized?

19 MS. IRLE: Well, I think there were some
20 discussions that continued after the middle of the PAD
21 and I think we're still looking at the best ways of
22 characterizing most of those.

23 MR. EASTON: In terms of the study or the
24 actual resource issue?

25 MR. BICKFORD: For the court reporter,

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1 remember to include your name and affiliation.

2 MS. IRLE: Yes. My name is Pat Irle. I work
3 for the Washington State Department of Ecology.

4 And I believe we're still looking at trying to
5 determine what appropriate -- what information we have
6 and so what kind of scope of the study should be.

7 MR. LE: Bao Le, Douglas PUD.

8 I think, just following up on Pat's comment,
9 the initial issue centered more around kind of sediment
10 dynamics. That's why I think the initial issue was
11 crafted towards more of the accumulation and retention.

12 However, as we started to discuss the issue
13 and tried to uncover the information that was available
14 through existing information studies, TMDL work that
15 ecology had done, we hadn't quite come to an agreement
16 on what the potential project effect was and how that
17 potential issue had met the seven criteria.

18 But the one thing that we did agree on was
19 that there was a human health concern and that was
20 something the Douglas PUD could address, and that's how
21 we evolved to the study that we've developed. So there
22 is kind of a disconnect there in terms of --

23 MR. EASTON: Which --

24 MR. LE: I think your point of
25 recharacterizing it might be a --

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1 MR. EASTON: Recharacterizing the issue as is
2 described in the scoping document? I mean, that was one
3 thing as I dug through the study plan, it seemed -- it
4 definitely seemed like it wasn't really getting at the
5 sediment stuff as much as you're just going out to
6 determine what's there and is this a human health risk,
7 basically. That seemed to be what I was getting from
8 it.

9 MR. BICKFORD: Just to follow up with what
10 both Bao and Pat said, what we did in our resource work
11 groups is we basically did a mini scoping. So we had
12 stakeholders identify all the issues associated with the
13 project. The issue that was identified is not
14 necessarily what the study ends up being.

15 And so the study title that was filed in the
16 PAD is "Assessment of DDT and PCB in fish tissue and
17 sediment in the lower Okanogan." That came out of an
18 issue related to accumulation, input, outflow of toxins
19 in the Okanogan. So it was kind of the umbrella issue.

20 What we did is we dwelled down on what we
21 thought we could actually measure and what the group
22 could agree on how to tie with the seven criteria, not
23 that the group -- you know, there are members in the
24 group that might think that there is a broader range of
25 issues that need to be addressed, but those are the
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1 issues that we were able to agree on for that particular
2 study plan. So that's why the study plan is written as
3 it is, DDT and PCBs, sampling fish tissue and sediment.

4 MR. EASTON: So the original issue still sort
5 of lingers, then, is what you're saying. And so if
6 anything --

7 MR. BICKFORD: It sounds like it, yeah.

8 MR. EASTON: So maybe one way to approach this
9 for trying -- I'm thinking ahead in terms of how we
10 might revise the scoping document and try and get to
11 like a final scoping document and identifying issues for
12 the environmental analysis and wondering if maybe we
13 retain the existing issue and then add another issue
14 that brings in the human health effects aspect of it,
15 because it doesn't -- I guess it does mention humans in
16 that original issue.

17 So I guess we can leave it the way it is.
18 There's really no need to add another issue. I was
19 actually, I guess, thinking I could pare it down, shrink
20 it to a more concise issue. What you're suggesting is
21 maybe just leave it the way it is since it sort of
22 covers the full scope of what people are concerned with?

23 MR. BICKFORD: Right. I think the scoping
24 document accurately described the overarching issue
25 which is toxins in the Okanogan basin. The study plan

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1 actually walks the reader through the steps. It has
2 the -- the original issue and then what the group agreed
3 upon that was for study and then goes into the details
4 for the specific study. So --

5 MR. EASTON: And I guess the only other thing
6 I would add in terms of the -- in regard to the study,
7 and this occurs with several of them, is you may - you
8 do have language in the study that says, you know, it
9 will help to -- "the information gathered from this
10 study will help to shape license requirements."

11 From our standpoint it might be helpful if you
12 expanded that to Douglas working with the work groups,
13 kind of try and identify what requirements we might be
14 thinking of in terms of -- I don't think you have to get
15 super specific on that, but it would be helpful to give
16 us an idea of what direction you might be considering as
17 a possibility of where you might end up.

18 Obviously, you can't commit to that at this
19 point. It's pretty early, but -- and just in order for
20 us to get an idea what value this study may have to us.
21 That's what we're looking at, from that angle.

22 I guess we can move to the next issue, which
23 is effects of the project on total dissolved gas levels
24 in the Wells tailrace and the Rocky Reach forebay.
25 Again, in association with this resource -- this issue

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1 is, obviously, typical of all the projects or a common
2 issue of all the projects in the mid-Columbia
3 participating in the relicensing of the Priest project
4 and the Rocky Reach project -- they haven't been
5 relicensed yet, but the proceedings, and that was an
6 issue that -- the dissolved-gas issue came up in both of
7 those projects and has been an issue in the mid-Columbia
8 for many years.

9 In association with that issue, Douglas
10 identified that they would put together a study plan to
11 continue to study the total dissolved gas production and
12 dynamics in association with operations of the project.

13 Does anybody -- I mean, this really is pretty
14 straightforward stuff. You've seen this elsewhere. The
15 only thing I thought I saw on the study plan that I --
16 getting back to the requirements aspect, is instead of
17 just saying "requirements," saying you might be
18 considering changes in operational protocols or
19 something like that. That's the kind of specifics I was
20 getting at with the previous comment about adding to the
21 study plan to try and give us an idea where things might
22 end up ultimately.

23 But does anybody have any comments about total
24 dissolved gas related to the Wells project?

25 (No response.)

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1 The next issue that was identified in the
2 scoping document was the effects of the project on water
3 temperature, dissolved oxygen, pH and turbidity. And in
4 association with that there were two studies that were
5 identified in PAD. There was a development of a model
6 to assess the project effects on water temperature and
7 then additional monitoring of DO, or dissolved oxygen,
8 pH and turbidity.

9 Does anybody have any comments regarding those
10 water-quality parameters, temperature, DO, pH,
11 turbidity? Everybody is happy with where that stands?

12 (No response.)

13 I know one thing that stood out reviewing the
14 study plans, the temperature modeling study plan looked
15 fine, except the only question I had was it wasn't clear
16 to me that -- I know we have water --
17 water-temperature-impaired section of the river here and
18 we don't have an idea of the precise effect of the
19 project and I guess that's what the modeling exercise is
20 to get at.

21 Pat, you may be able to address this better.
22 Was a similar type of study conducted for Rocky Reach
23 and also for Priest?

24 MS. IRLE: Yes.

25 MR. EASTON: So this basically has been done

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1 already at the other two projects, so it's just kind of
2 following in the same footsteps, being consistent in
3 that regard?

4 MS. IRLE: Yes.

5 MR. EASTON: Okay. Then the other -- on the
6 other side, the monitoring of the pH and turbidity and
7 dissolved oxygen, I guess there's always the mentality
8 that additional information is always good and we can
9 always collect more, but I was wondering, is there
10 really a strong need here, an indication that there's a
11 need for additional monitoring?

12 It seemed like there was -- the study plan
13 that was in the PAD kind of inferred that there's a
14 substantial amount of information that's already been
15 collected with regard to these parameters and that they
16 pretty much indicate there's no exceedance of the state
17 criteria.

18 So what exactly is the intent of additional
19 monitoring at this point? I mean, do we -- why is that
20 information needed? Is there something inadequate about
21 the existing information or questions about it or --

22 MS. IRLE: I'm trying to remember where -- I'm
23 sorry. I -- I'm sorry. I wasn't prepared for a
24 discussion. I thought this was going to be an
25 opportunity for formal comment and I wasn't prepared to

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1 provide comments for formal record.

2 MR. EASTON: We were going to -- yeah, we'll
3 get to that too.

4 MS. IRLE: This is just discussion?

5 MR. EASTON: We're just working our way
6 through the resource issues and the study plan, kind of
7 giving you our feedback and trying to sort of stimulate
8 just an informal discussion about the --

9 MS. IRLE: Okay.

10 MR. EASTON: This is not -- nobody is on trial
11 here. I mean, this is --

12 MS. IRLE: Well, it is going to go into a
13 formal record.

14 MR. EASTON: Well, that's true, but if you
15 don't desire to respond, that's fine too. I'm not
16 trying to put you on the spot.

17 All I'm asking is when I looked at the
18 information that's described in the PAD, to me, the
19 first thing that stood out was there's no indication
20 that there's been any exceedances of the state criteria
21 for these three parameters and there appears to be a
22 pretty substantial amount of information that's already
23 been collected in regards to these parameters.

24 We have our seven criteria, but I got to go
25 through in order to make a decision whether FERC thinks

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1 this plan is needed or not. So I'm trying to see if
2 there's additional information that's not described in
3 the PAD that would lead me to decide that this
4 monitoring is actually needed.

5 MS. IRLE: Okay.

6 MR. EASTON: So that's all I'm looking for.

7 MS. IRLE: Yeah.

8 MR. EASTON: I'm not trying to put you on the
9 spot.

10 MR. TURNER: Let me -- David Turner.

11 Let me just explain one thing. What we're
12 trying to do, this is where IOPU, it kind of departs
13 from your traditional approach when we do scoping, when
14 the application has already been done and filed and
15 additional information has already been laid out.

16 But within the next 60 -- no, actually 30 days
17 from now, we all have to file our study requests and
18 they commission these to make sure we know what the
19 issues are and our understanding of what those issues
20 are too so we can put forth a logical description of a
21 study. And, as Bob said, ultimately we have to make
22 some recommendations to our director as to whether a
23 study is needed or not.

24 And it's good that you guys have worked
25 through a lot of these studies, but it also brings more

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1 to us, to the scoping to ask questions to make sure that
2 we're on the same page as you guys, which we have been
3 working so hard over the last -- for the last several
4 months anyway to try to define the issues.

5 So that's why we're also talking about the
6 studies and what's been laid out.

7 MS. IRLE: Yeah. No. I'm fine with that.
8 I've just never been at a meeting in the course of the
9 last eight years where my comments got specifically
10 incorporated into a written record and it's a little
11 unnerving.

12 MR. TURNER: This is David Turner again.

13 That's true, and I know that some parties feel
14 a little more reluctant to do that. I would hope that
15 people will be free here. We're not going to pin you
16 down to that. We're trying basically to get a good
17 understanding. You have an opportunity to file written
18 comments if you want to supplement what you say here or
19 clarify it.

20 But we really want this to be interactive to
21 understand what you guys have been working through over
22 the last few months, give you our perspective as to what
23 we understood by reading the PAD and what's in the
24 record so far, so --

25 MR. EASTON: I mean, from our standpoint, it's

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1 important to realize that we're in Washington, D.C.,
2 we're back hiding across on the other side of the
3 country, and we get all the paper, hard-copy stuff of
4 what's going on out here and we would look at it, but we
5 really don't have a feel for all the details of the
6 decisions that are being made, and we're trying to come
7 out here as a part of this meeting for us, and the big
8 benefit is to figure out what are the steps and the
9 logic that you went through in developing the issues and
10 the study plans and how did you get to this point and
11 what can you tell us to help us to figure out how you
12 got here.

13 And all I'm trying to do is highlight the
14 things that I saw when I went through the information
15 that was in hard copy in front of me that brought up
16 questions. And so -- and if you don't -- don't feel
17 forced into a corner to have to even respond. If you
18 just don't have to -- want to just say, "That's where we
19 ended up," that's fine too. So I'm not trying to make
20 you feel uncomfortable.

21 MS. IRLE: Yeah. I haven't looked at the
22 documents for a while to review where we came from, so I
23 wasn't prepared to comment additionally.

24 MR. EASTON: Well, we can move forward from
25 this particular issue. We've beat this dead horse

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1 already pretty good.

2 Okay. There are several other issues here in
3 the scoping document that really don't have any studies
4 associated with them, but we did identify them as
5 resource issues that we need to address in the
6 environmental document. These issues include effects of
7 the project on aquatic and wetland plant communities,
8 the effects of the project on the spread of aquatic
9 invasive species, then we also have the effects of the
10 project and ongoing actions, including the Habitat
11 Conservation Plan, on salmon and steelhead.

12 Actually, the first two there, aquatic and
13 wetland plant communities and aquatic invasive species,
14 those are issues that showed up in some of the other
15 projects and they were included in the PAD.

16 Now, the salmon and steelhead issue wasn't
17 really in the PAD, but it's obvious that the Habitat
18 Conservation Plan is a big issue in the operation of the
19 project and we see why this is a big issue.

20 We included that because we figured there was
21 no way we were going to proceed through an environmental
22 document and not address it in any way, shape or form or
23 at least pay some lip service to it.

24 Yes.

25 MR. LACY: I'm Steve Lacy, the mayor here in
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1 East Wenatchee, for the record.

2 I came here today with really one goal in mind
3 and that was to express the concern, which I think is on
4 the part of the constituents in the city primarily,
5 about how this plan gets developed as a function of cost
6 to the Douglas County PUD, and by that I mean that we
7 certainly believe as a city that it's important to do
8 and go through and identify every important assessment
9 criteria that needs to be done in order to protect the
10 habitat, for example, but the concern, I believe, mostly
11 of my constituents would be that we don't add to the
12 process, the relicensing process, requirements that cost
13 the taxpayers money through the PUD having to expend
14 funds that would up -- necessarily or potentially up
15 rates when they are not necessary.

16 In other words, I think what you've been
17 talking about here is can we identify those areas where
18 studies have been done and there's absolutely no need to
19 go and require spending more money to inquire further,
20 and I appreciate your saying that because that's
21 consistent with the position I think the city would take
22 and that is that the PUD not be saddled with areas of
23 study or additional work when you can identify that
24 there's no real issue to be addressed.

25 And I have -- when I look at this long list of
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1 things, of potential things, that could be subject to a
2 study and subject of concern that might simply end up in
3 a lot of wheel spinning to ultimately conclude that
4 there never was an issue, then it concerns me as a
5 public official as to whether or not the PUD might be
6 incurring a lot of costs in the process that will
7 ultimately end up in the mailbox of the taxpayer.

8 MR. EASTON: Right, right.

9 MR. LACY: And so that's my concern. That's
10 the one thing I think I wanted to express on behalf of
11 the people of the area that I help lead. Okay?

12 MR. EASTON: Yeah. I appreciate your
13 comments. I know that may not be clear to everyone, but
14 that is sort of one of FERC's responsibilities, is to --
15 we're not just looking at these study plans to determine
16 if they will be -- provide just straightforward
17 beneficial information to us, but they are sort of a
18 cost aspect to the decision, and then as we move through
19 the entire process, any measures that would be
20 considered for inclusion in the license, we would
21 balance that against the cost of those measures, and
22 that's our obligation under the Federal Power Act, is to
23 look at that and balance costs against the benefits for
24 any sort of measure or study that comes up.

25 So, yeah. And that's a big part of what we're
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1 trying to do here today, is get as much information as
2 we can so we can make that type of decision. So I
3 appreciate your comment.

4 Does anybody have any comments about the three
5 issues, the aquatic and wetland plant communities,
6 anything in regard to aquatic nuisance species or
7 invasive -- aquatic invasive species or is there
8 anything to add to the issue to be identified in regard
9 to the salmon and steelhead?

10 MR. LE: Bao Le, Douglas PUD, again.

11 As you had mentioned, Bob, that in the PAD we
12 included some of the information reflected in our
13 baseline studies that were conducted in 2005. We did an
14 aquatic macrophyte mapping survey and examined -- one of
15 the objectives of that survey was to examine the amount
16 of invasive aquatic plants that were in the reservoir,
17 and in the PAD we had noted that it was quite low
18 relative to some of the other downstream mid-C
19 reservoirs. So I think that was one of the ways we
20 addressed it with just implementing a study and
21 providing some initial information from our assessment.

22 And we also conducted an aquatic
23 macro-invertebrates survey and examined kind of the
24 species composition that was available in the Wells
25 project. At the time there were several species that

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1 were non-native. Although, they haven't been
2 categorized by the state as invasive species.

3 We are currently working with the Washington
4 Department of Fish and Wildlife to do zebra mussel
5 surveys at certain times of the year. So we're
6 continuing to collaborate with invasive species programs
7 through the state to make sure that we're monitoring
8 appropriately invasive species. There is some existing
9 information and we included that in the PAD.

10 MR. EASTON: Yeah. And I saw that, and that
11 will all be helpful in evaluating these particular
12 resource issues that we've identified.

13 And I guess I should note that there were no
14 additional studies that were identified with any of
15 those particular issues, the aquatic and wetland plants,
16 invasive species or the salmon and steelhead.

17 Of course, the salmon and steelhead, we're
18 doing an ongoing study as part of the HCP, so tons of
19 additional information is continuing to come in there,
20 so -- and we expect that we'll see that through either
21 the license application directly or other filings that
22 come in through FERC as part of the existing license.

23 Okay. Now we get to what we found to be
24 somewhat of a tricky issue for us. We weren't really
25 sure where to even put it in terms of resource areas.

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1 We put it here under aquatics. It's the -- the issue as
2 described in the scoping document was "Effectiveness of
3 the nuisance wildlife control program on controlling
4 predation of listed salmon and steelhead juveniles and
5 identification and evaluation of the cost and benefits
6 of potential alternatives to the existing program," and
7 then there is a study associated with that, which is to
8 evaluate the effectiveness of the predator control
9 program.

10 We really weren't sure where you're going with
11 this one, and that's not to say -- it's just really a
12 clarity issue, I think, on our part trying to figure out
13 how -- there's stuff in the study plan that sort of
14 implies that -- I think there was a statement in the
15 study plan about making the control programs more
16 effective. That implied to me it was a fish issue, you
17 were trying to make the control program more effective
18 in terms of protecting the fish.

19 But then there's a discussion of alternatives
20 in terms of the wildlife, and it sounded almost to some
21 extent like you're trying to find ways to not impact the
22 wildlife as much but still receive the same benefit from
23 the predator control program.

24 So -- and then -- and I guess that's why
25 you're talking about looking at alternatives. So from
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1 our standpoint, there might be some ways you can tweak
2 the study plan a little bit to try and make it clearer
3 to us in terms of what the goal is with the -- and maybe
4 it covers both. Maybe it's really both for aquatics and
5 wildlife and we need to find a way to deal with that on
6 our end in terms of -- you know, we want to be able to
7 pigeonhole it and nail it right into one spot.

8 Maybe we need to be more flexible in how we
9 deal with it and where we put it, but I think there
10 needs to be some discussion on that or whatever. I
11 don't know. Can you provide --

12 MR. BICKFORD: Yeah. The -- Shane Bickford,
13 Douglas PUD.

14 This particular issue was crafted in the
15 terrestrial work group and it was an issue that both
16 U.S. Fish and Wildlife Service and Washington Department
17 of Fish and Wildlife raised that there may be impacts
18 from our predator control program on mammals and avian
19 predators as they are either hazed or lethally taken at
20 the hatchery facilities or in the tailrace of the
21 project, trying to protect salmon under the HCP.

22 And so the intent of the study is really to
23 focus on what are the problem species so that we're not
24 taking the wrong ones, and then are there alternatives
25 to taking them that could work equally well, like

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1 fencing or, you know, propane cannons, water guns,
2 strobe lights, those types of things.

3 So it's kind of a two-prong study. The first
4 part is what species are the problem so that we are not
5 taking species that really aren't a problem, they're
6 just hanging around hatcheries.

7 MR. EASTON: I got you.

8 MR. BICKFORD: And then the second half is are
9 there alternatives to the program we're implementing.

10 MR. EASTON: So it really is predominantly a
11 terrestrial issue?

12 MR. BICKFORD: Yes.

13 MR. EASTON: Told you, David.

14 (Laughter.)

15 MR. TURNER: Well, as Bob said, I just found a
16 disconnect between the way the objectives were laid out
17 in the study plan and the study title and it really
18 wasn't clear that you were looking at -- I mean, I kind
19 of guessed that you were looking at ways to figure out
20 who was the real problem, but it says wildlife in a very
21 broad term, which can mean the indirect effects of
22 hazing on songbirds. Are we flushing those?

23 And when I looked at your methods in terms of
24 looking at gut contents and some of the other things of
25 other predators, you're not really looking at those

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1 other indirect wildlife species that may be affected by
2 the hazing. You're actually looking at the predators
3 that you want to control.

4 So it was really more of a -- I wasn't real
5 sure of where you were going. The ultimate objective,
6 like I figured, was basically what you said, which
7 species should be targeted, but the overall goal was not
8 necessarily -- I didn't pick up on the second part of
9 it, that making sure we target the right ones so we
10 don't hit the -- have an adverse effect on other
11 wildlife species.

12 So we can certainly put it back in there, but
13 we may need to tweak how we've characterized that issue,
14 then. Because I figured it would be more towards the
15 goal of making sure you were effective in terms of
16 controlling numbers of losses of salmon and steelhead
17 smolts, because that was one of the aspects in that
18 study plan, is figuring out what -- how much of those
19 were being taken, by who. So there is an overlap. I
20 wasn't real sure what --

21 MR. EASTON: I think the term "effective" is
22 what -- I understand now what you mean by it, but it got
23 us -- we got sidetracked on it because we're thinking
24 the program is targeting salmon and steelhead
25 protection, so if you make the program more effective,

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1 it's more effective in terms of protecting salmon and
2 steelhead. What you really mean is making it more
3 effective at eliminating -- well, targeting the right
4 wildlife species.

5 So I -- it's almost like a semantics issue.
6 We just need -- once we understand it, we know where to
7 pigeonhole it. The good part is it's not in my resource
8 area anymore. It's in Dave's.

9 (Laughter.)

10 Does anybody have anything else they'd like to
11 add on that particular issue or the predator control
12 program?

13 (No response.)

14 The next issues are related to lamprey, which
15 has become a big issue here throughout the Columbia
16 River system.

17 MR. LACY: What's a lamprey?

18 MR. EASTON: A lamprey?

19 MR. LACY: Yeah.

20 MR. EASTON: It's a jawless fish.

21 MR. LACY: Okay. I didn't know what lamprey
22 are, but now I do.

23 MR. EASTON: They do migrate up the river from
24 the ocean, and their -- the numbers have declined, you
25 know, over the last 30 years or so and they do have a

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1 pretty significant cultural significance to the tribes,
2 and they've also become sort of a species of interest to
3 the fish and wildlife agencies.

4 So they definitely are a common issue not just
5 in the Columbia, but really through the entire Northwest
6 now. We're seeing them -- at all the FERC projects they
7 have become a species of interest and we have been
8 addressing them in all the places where they come up,
9 essentially.

10 Lamprey was an issue at Rocky Reach and it was
11 also an issue again at Priest Rapids, so -- and there's
12 analyses in both of those environmental impact
13 statements that you can see that discusses and addresses
14 lamprey and lamprey effects related to the hydropower
15 projects.

16 For this -- in this scoping document we
17 identified a couple of resource issues related to
18 lamprey. One was the effects of the project on lam- --
19 juvenile lamprey dam passage and reservoir survival.

20 There is a -- there's really not a lot of
21 information out there on juvenile lamprey dam passage
22 and reservoir survival. There's some literature, but
23 we've got -- not a lot of specific studies that have
24 been conducted, at least successfully. And there aren't
25 a lot of lamprey to play with either. So that's my
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1 other problem, collecting juvenile lamprey is difficult.

2 So as a result, we end up with a study plan
3 that primarily focusses on kind of gathering literature
4 and trying to figure out what information has been
5 collected elsewhere.

6 So Douglas has proposed in the study plan --
7 or in the PAD a study that would review lamprey survival
8 and predation rates from literature, but they also did
9 conclude a field study portion that would look at
10 predatory fish and bird dives to try and see who -- as
11 the lamprey migrate, the juvenile lamprey migrate
12 through the project area, they're trying to see what
13 species are actually consuming the juvenile lamprey and
14 having an effect on their survival as they move through
15 the project area.

16 The literature part, Dave and I went round and
17 round and I kept asking him, "Dave, does FERC approve a
18 study that is really just a literature review?"
19 Because, you know, our license applications have always
20 had a big compilation of existing literature, "So is
21 that really a study or not?"

22 I think where we stand right now, it looks
23 like FERC is saying, "Okay. In this case it works into
24 the study." And, obviously, the field study component
25 is truly the study. So I don't think it's going to run

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1 into any problems there in terms of approvals or
2 anything.

3 Does anybody have anything to add in regard to
4 juvenile lamprey or any comments or thoughts about
5 juvenile lamprey?

6 (No response.)

7 Come on, this is supposed to be interactive.
8 You know, give me something.

9 The next issue is the effect of the project on
10 adult lamprey habitat use and upstream passage. And
11 Douglas proposed two studies related to adult lamprey.
12 One was a survey of reservoir -- adult lamprey spawning
13 habitat in a reservoir, and then the other is a
14 telemetry study of adult lamprey passage.

15 I've got to admit that the habitat study
16 stands out as making me kind of squirm a little bit
17 because I'm looking at it and I'm looking at last year's
18 lamprey numbers and it's like 40 fish passed the dam,
19 and I'm wondering why you need to worry about habitat
20 when it's obviously not limiting at this point. If
21 there's 40 fish passing, I can't imagine they're habitat
22 limited right now.

23 So, I mean, just as a -- usually habitat
24 surveys are done and habitat analysis is done typically
25 when you're pretty positive that there's so many fish
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1 moving into an area, that there is more fish than there
2 are at this habitat.

3 In this particular case, I don't know, is
4 there anybody that wants to speak to that, to the need
5 of doing actually a survey of adult habitat within the
6 reservoir?

7 MR. LACY: Well, this is Mr. Lacy again. This
8 is exactly my issue. I mean, I say, no, don't do that
9 study because there's no -- obviously no need to do it
10 and it's just going to cost a lot of money.

11 I've lived here in this community for 29 years
12 and I've never even heard the word "lamprey" used until
13 today, and I'm sure it's been all over the PUD, but
14 outside the PUD nobody is concerned about lamprey in the
15 Columbia River, and particularly if you've got a study
16 that says 40 of them, which I assume is a fine number,
17 are passing --

18 MR. EASTON: Well, in all fairness, that
19 number is from one year, and there were --

20 MR. LACY: Right.

21 MR. EASTON: Several years ago there were 1400
22 that went over the dam. So, I mean, that's just -- but
23 it does stand out to be somewhat odd to be studying
24 reservoir habitat especially when you read the actual
25 study plan, there's quite a bit of information in there

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1 that says it's likely that there's very little in the
2 reservoir. It's likely what's there -- that what might
3 actually be there is marginal. So it's kind of -- and
4 it's not clear that there's going to be any project
5 effects on it if there is any there.

6 So from our standpoint, we'd like to know why
7 this is sort of a critical issue that's worthy of
8 spending, I think, \$120,000, or whatever it was, on in
9 terms of doing a study.

10 MR. LACY: I love to hear you say that.

11 MR. EASTON: Okay. Dennis.

12 MR. BEICH: Dennis Beich, Washington State
13 Department of Fish and Wildlife.

14 And I don't like to hear him say that. So I
15 notice that the tribes aren't here and this is of
16 particular importance to the tribes. But even beyond
17 the tribes, we are seeing a -- what appears to be a
18 decline in lamprey populations.

19 What we are trying to avoid is a listing of
20 lamprey and then we have to deal with the Endangered
21 Species Act once they become listed, and we know what
22 that's like in dealing with both steelhead and the
23 chinook populations up here.

24 I'm not a biologist, but I will give my
25 30,000-foot explanation here. Because we do have low

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1 numbers of lamprey and it looks like they are -- have
2 been declining, we're just now getting -- trying to get
3 information on them, if we do have habitat within a
4 reservoir that those lamprey are using and there's a
5 small number of lamprey, we're not sure how many there
6 used to be or how many there potentially could be, but
7 it's important to identify the type of habitat they use
8 so we don't do something to destroy that habitat and
9 further cause a decline of the population.

10 MR. EASTON: Okay.

11 MR. BICKFORD: Jim Bickford, Douglas PUD.

12 Basically the goal of the study is to identify
13 spawning as opposed to overwintering or early stage
14 spawning habitat. The project effect that was
15 hypothesized by the aquatic work group is a reservoir
16 fluctuation and dewatering in the lamprey --

17 MR. EASTON: So primarily up in the Methow and
18 Okanogan?

19 MR. BICKFORD: Primarily it's in the interface
20 between Methow and the project reservoir, and some of
21 the background that you obviously read in there that
22 indicated that the -- you know, the vast majority of the
23 reservoir does not contain habitat that's adequate for
24 lamprey spawning is true. But we want to go out and
25 make sure that that's true. If it's not true and we

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1 find lamprey in there, we want to be able to take the
2 second approach, which is the second objective of the
3 study, to determine whether the reservoir fluctuations
4 actually affect.

5 So first it's an identification of whether
6 they're even spawning in the reservoir. If they're not,
7 you're done. If they are, does the project's operations
8 affect their incubation. So that was the nexus that we
9 were striving to get in that particular study plan.

10 MR. EASTON: Okay. We'll take another look at
11 it.

12 MR. LACY: This is Mr. Lacy again.

13 I'm getting educated here and I appreciate the
14 comments about what the numbers mean, particularly or
15 potentially mean. But -- and I don't want to divert
16 just to get educated, but what are lamprey used for? Is
17 there any reason to be that concerned about whether or
18 not we have 1200 lamprey or 40 passing through our dam?

19 MR. EASTON: Anybody?

20 MR. LE: Bao Le, Douglas PUD.

21 Well, as Bob had mentioned, they are a
22 culturally significant species to the tribes, the
23 lower-river tribes. They used to harvest them.

24 MR. LACY: Do they now?

25 MR. LE: Yes, they continue to harvest them in
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1 the lower river.

2 MR. LACY: Okay.

3 MR. LE: An ecological significance, probably
4 likely when lamprey return to the Columbia --

5 THE REPORTER: I can't hear you that well over
6 here.

7 MR. LE: I'm sorry.

8 When lamprey were returning to the lower
9 river, the main-stem Columbia River, in large numbers,
10 they likely provided an ecological buffer, predatory
11 buffer for some on it. They are a nutrient source.
12 Like salmon, they come back to the rivers, they spawn
13 and they die.

14 So there are ecological benefits to having
15 that, but they're a native species, they've been in the
16 main stem longer than any of us have been here, and
17 they're -- like Bob had said, there's a lot of momentum
18 behind them right now. Fish and Wildlife Service, at
19 one time they tried to list lamprey species.

20 So for us, I think, at Douglas it was -- we
21 had identified that they are in the mid-C. There's a
22 lot of momentum towards learning more about lamprey.
23 There's a potential listing. I suspect that in the
24 future there will be some organizations that will try to
25 push for a listing again as more information becomes
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1 available.

2 And for us it was really an information -- we
3 didn't have any information to address whether they do
4 exist or not. We couldn't with any confidence say, "No,
5 they aren't spawning in our project area."

6 So we -- for us, it seemed like the
7 appropriate thing to do was to do an assessment. Even
8 though my professional opinion is there probably isn't
9 very much, if any, suitable habitat given that lamprey
10 are an upper, small tributary spawning species, we don't
11 find them in the main stem, and our tributary habitat
12 within the project boundary is limited, but it was
13 something we felt we should collect because we don't
14 have any information to address the issue as it was
15 posed by stakeholders.

16 MR. EASTON: Would the study be reservoirwide
17 or are you pretty much just going to focus in on areas
18 you pick up from GIS or whatever that's being --

19 MR. LE: The initial assessment would be a
20 desktop exercise given, you know, looking at the
21 appropriate parameters that will be suitable. It will
22 be reservoirwide, and then from there we would identify
23 areas that would need actual field surveys.

24 So if I had to hazard a guess, I would say
25 that we're probably going to find ourselves in the

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1 tributaries -- the project area portions of the
2 tributaries to do any sort of surveying.

3 MR. EASTON: Okay. To add to what you were
4 talking about in terms of the interest in the lamprey,
5 one theory I heard that was actually pretty interesting
6 is, you know, they have all these problems with the sea
7 lions eating the salmon as they're entering the river
8 mouth, and there is a theory out there that the sea
9 lions actually prefer lamprey, and if lamprey were
10 abundant, they'd be picking them off instead of picking
11 off the salmon.

12 Of course, it's kind of -- it's like a con- --
13 it's a nice theory, but it's going to take a lot before
14 we get to a point where that theory can be tested
15 because we have to bring lamprey all the way back --

16 MR. LE: Yeah. From a caloric standpoint,
17 they're much higher in caloric value and nutrition than
18 salmon are.

19 MR. EASTON: I've never had one, but I heard
20 lamprey sandwiches are really good.

21 (Laughter.)

22 MR. EASTON: Seriously.

23 MR. LACY: A little difficult to find. I've
24 never seen them on a menu.

25 MR. HALEY: Pat Haley, Port of Douglas County.

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1 The history of the lamprey, and I don't mean
2 to belabor this point because I know that there's some
3 experts in this, but I used to work at Chelan PUD where
4 they have cameras that monitor fish as it passes through
5 the fish ladders and they've been doing that for 20-plus
6 years, and I don't ever recall a lamprey ever being
7 shown up on a poster that they would have in their
8 viewing center of all of the fish that would go by and
9 it just couldn't get by that camera without it being
10 identified.

11 So I'm wondering where the history of this
12 fish has come up. You know, those dams have been there
13 for so long and there have been extensive monitoring
14 principles being applied to knowing what's going up and
15 then all of a sudden now this is new fish species
16 that's --

17 MR. EASTON: Well, they have been here the
18 whole time, obviously, and they actually -- at all the
19 dams where the counts have been going on, the focus has
20 been over the years to just count the salmon and
21 steelhead primarily and the other species that were
22 coming in weren't really getting addressed.

23 So things like bull trout, which are now
24 getting accounted for in some of these fishways, you
25 know, they were more of an impact ten, 15, 20 years ago

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1 also. So they're really -- historic data for lamprey
2 passage and bull trout passage and sturgeon and other
3 species that are all of interest now, we don't have
4 ladder counts for them.

5 In terms of -- I mean, it's really not my job
6 to give you the background on why lamprey is now an
7 issue. I can only tell you from the other side, which
8 is that as a regulatory -- representative of a
9 regulatory agency, it's clearly become an issue at all
10 of our projects, and as I said before, it's really not
11 just Columbia River projects. We're seeing it on
12 projects along the coast, down as far south as into like
13 southern Oregon area. I'm not sure about California
14 because I haven't done any projects in California and I
15 don't even know if they're down there.

16 MR. LE: The northern --

17 MR. EASTON: Are they --

18 MR. LE: North of the Bay area, yeah.

19 MR. EASTON: So they do occur. So anywhere
20 throughout the historic range where there's a FERC hydro
21 project, they pretty much have been brought to us as an
22 issue and we've been addressing it. And there have been
23 a lot of study requests and a lot of those studies
24 haven't been done because we can't find a way to do all
25 of them because they, one, require fish. You have to be

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1 able to get your hands on these fish in the case of
2 juvenile studies, and there's really no efficient way of
3 getting a large number of juveniles.

4 The adult passage studies such as the
5 telemetry study here, that has been done elsewhere. At
6 Priest Rapids they did some adult telemetry studies, and
7 at Rocky Reach, they also did a telemetry study there.
8 And then, of course, the Corps has done some of these.
9 And then you go down into the Willamette drainage and
10 it's an issue there and there's been a passage study
11 down there for adults also.

12 So when issues come to FERC, we really have --
13 we can't ignore them. It's not our job to just say,
14 "Well, you know, it hasn't been an issue in the past, so
15 therefore we can ignore it."

16 So what we usually do is we try and figure out
17 what we can do to address it, what information is
18 available, what studies can be done or should be done,
19 balance that against costs, and then in terms of
20 protection measures that ultimately might end up in a
21 license, that all gets thought through in terms of
22 reasonableness, basically.

23 The public interest and, you know, benefits
24 are weighed against costs and ultimately there's a
25 thumbs-up or thumbs-down call that's made at the agency

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1 by the people that are really empowered there, which is
2 not me. I'm just a fish guy. So I'll make a
3 recommendation and they either go with it or they don't.

4 So that's all -- that's really -- I mean, in
5 terms of lamprey, where that issue comes from, my
6 understanding is really a lot of it's driven by the
7 tribes and their cultural resource interest in it and
8 then also the fish and wildlife agencies that see it
9 and, you know, they're concerned because they've been
10 looking at declining numbers. The numbers they do have
11 suggest there's a lot less lamprey than there were back
12 in the '60s.

13 MR. LACY: One more question and then I think
14 I'll be satisfied on this issue. You may not be able to
15 answer this. This is Mr. Lacy again. I'm sorry.

16 You may not be able to answer this because you
17 said you're a fish guy, but what does one of these
18 studies that we have just been talking about cost? Do
19 you have any idea?

20 MR. EASTON: I believe that -- the ones that
21 are included in the PAD?

22 MR. LACY: Yeah, these that are being
23 suggested.

24 MR. EASTON: They actually have -- all -- each
25 one of them has a cost associated with it. I don't have

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1 the exact cost on the top of my head.

2 MR. LACY: They're in the big PAD document?

3 MR. EASTON: Yeah. There's a cost estimate
4 for each one of them. I think the two-step -- one of
5 them was a two-step -- the habitat study is a two-step
6 study. So there's going to be an initial cost to do the
7 base, you know, indicator of whether there is any
8 habitat.

9 If you don't find habitat, then you don't go
10 to the second step of actually looking for spawning. So
11 that would -- you would actually have a lower cost than
12 the total. I don't know what the breakdown is on that.
13 Maybe Bao can give you that information.

14 MR. LE: Yeah. I can tell you if I find it
15 here.

16 MR. EASTON: I believe the cost is roughly a
17 hundred thousand, a hundred --

18 MR. BICKFORD: Yeah, it's a little over a
19 hundred thousand.

20 MR. EASTON: A hundred to \$120,000, in that
21 range, the total cost of this habitat study. The
22 telemetry study I think was roughly a hundred thousand,
23 somewhere in that ballpark. Juvenile study, I don't
24 remember. I can't remember what the cost was on that.

25 MR. BICKFORD: That was less than 50 because
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1 it's --

2 MR. EASTON: 46,000, maybe something like
3 that?

4 MR. BICKFORD: Yeah, something like that. I
5 don't have the number in front of me.

6 MR. LACY: We're talking about some real
7 money.

8 MR. EASTON: It's all real. I mean, we take
9 it very seriously no matter what the cost is. It's --
10 we were going to get into it a little bit later in this
11 presentation. Actually, Dave will probably cover it.
12 We've got study criteria. It's basically like a
13 decision matrix that FERC uses in order to determine
14 whether we think a study should be done or not.

15 MR. LACY: That's helpful. Thank you.

16 MR. EASTON: And when we get to that, you'll
17 see that one of the things we think about is -- I mean,
18 cost is factored in as a consideration.

19 MS. HOWE: I'm Gail Howe, mayor of the City of
20 Pateros, and I just wanted to bring home a little bit
21 about lamprey.

22 I live on the mouth of the Methow River and
23 one day my daughter came up from the beach and said,
24 "Mommy, what's all of the little baby snakes doing? I
25 don't want to go in the water." And that just is an

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1 explanation that there had been a lot of fluctuation in
2 the reservoir and there was handfuls and gobs of these
3 things floating on the shore.

4 So that was my introduction to what lampreys
5 were, because I'm not a fish person and I'm not a
6 biologist, I'm more of an economist, and I could care
7 less otherwise about the lamprey.

8 MR. LACY: It sounds like a habitat to me if
9 they're growing there.

10 MR. EASTON: Yeah. It's possible that they --
11 well, total speculation here, obviously. It's possible
12 they were spawning right in that area. It's also
13 possible that those were a migratory form of the
14 juvenile that were coming from some point upstream and
15 then happened to be moving through that area at the
16 time. You know, that's just pure speculation. No real
17 way to know based on -- I mean --

18 MR. LACY: Yeah.

19 MR. EASTON: -- we'd have to do a study. So
20 you probably don't want to know that bad.

21 MR. LACY: Don't get me wrong. Again, I'm --
22 I believe that we should be concerned about the
23 environment, about these species, and if it's necessary
24 to do that study, even if it's three or \$400,000 -- I
25 mean, I'm not taking the position that we should just
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1 simply not do what's necessary and keep the bill down in
2 the box. I'm more concerned about making sure that
3 those criteria that FERC is using to determine that
4 studies are actually necessary are actually met.

5 MR. EASTON: Yeah. I appreciate that. I know
6 what you're saying.

7 MR. LACY: Right.

8 MR. EASTON: Does anybody have anything else
9 they'd like to address in terms of lamprey, or thoughts,
10 questions?

11 MR. ELDRED: Tony Eldred, State Fishing and
12 Wildlife Department.

13 For many years I was just -- I was only a
14 fisheries bio just for the Department of Game, the
15 Department of Wildlife, predecessors of the Fish and
16 Wildlife Department.

17 And madam Mayor, her question -- or her
18 comment there, lamprey, these specific lamprey come up
19 and spawn in tributary streams and they spend -- as
20 David knows, they -- no, it's -- as Bob knows, they
21 spend the first couple of years of their life typically
22 in banks and mud upstreams. They grow, develop and then
23 they emerge from their mud and they travel downstream.
24 It's so-called downstream migrants, and yet they really
25 put on the growth in the ocean.

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1 But the point that I'm making is even though,
2 understandably, this group may be comprised of European
3 settlers, this country, the Yakima tribe will be very
4 interested in this subject of the lamprey and that they
5 get appropriate attention, and I'll get to where I'm
6 going, that if you get -- well, I think it's very
7 practical to proceed with this study now that -- and it
8 behooves all of this group I think to support the study.

9 If it were to get short shrift as being
10 studied, reviewed or commented upon in the draft EIS and
11 the final EIS and then ultimate license orders, it --
12 looked at very critically by the Yakima tribe and their
13 very learned attorney, and there's certainly a
14 possibility that if you have to come in and do an
15 extensive study late in this licensing procedure, it
16 could really cobble things up at the end.

17 So in a practical sense, by doing this, the
18 district staff learns a good deal, fishery science
19 learns a good deal about restoration of lamprey, one of
20 these offbeat species, so to speak, and then you avoid a
21 bump in the road toward getting the new license for the
22 project.

23 MR. EASTON: Okay. Thank you.

24 Are we done with the lamprey?

25 (No response.)

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1 I guess -- I think we can move on. We've got
2 a really -- there's really three other issues we
3 identified in the scoping document related to fish.
4 There were no studies associated with these because I
5 guess existing information seemed adequate to address
6 these issues. The other three issues were the effects
7 of the project on white sturgeon spawning, rearing,
8 recruitment, movements and abundance.

9 White sturgeon is another one of these species
10 that really hasn't been focused on for -- in the past
11 historically and it's recently become a pretty serious
12 species of interest at all of the mid-Columbia projects
13 and is addressed at Rocky Reach and at Priest Rapids and
14 is now an issue here at this project.

15 Another issue is the effects of the project on
16 bull trout survival and habitat. Again, another issue
17 that's consistent with what we saw at Rocky Reach and
18 Priest Rapid. And I only refer to those two projects
19 because, I mean, they really are -- you know, in
20 terms -- from FERC's standpoint, we processed those
21 applications recently, so we're looking at it trying to
22 say, "Okay. Have we been consistent in terms of how
23 we've addressed issues and identified issues?"

24 And basically all I'm telling you is that
25 things that came up at Rocky Reach and Priest and how we
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1 handled them, we for the most part are seeing the same
2 issues here and we intend to proceed the same way in
3 terms of how we address them and information we look for
4 and along those lines.

5 And then the last issue is effects of the
6 project on resident fish, which, again, is another issue
7 that was in the earlier two projects.

8 Does anybody have comments about sturgeon or
9 bull trout or resident fish?

10 MR. ELDRED: Well, Bob, I would just say that
11 the previous discussion about how far do we go with this
12 study on the lower Okanogan, the contaminants, recently
13 a study was released, a state study, regarding the park
14 quality of Lake Chelan, and it turns out that in --
15 there are two basins in Lake Chelan, for those of you
16 who might not be acquainted. The northerly basin
17 occupies about, oh, some 30 or so miles of the length of
18 the lake and it's very deep, about 1500 feet its deepest
19 point. The southerly basin is ten to 15 miles long and
20 it's much shallower, only a maximum of about 400 feet.

21 And it was recently found that there are very
22 significant levels of DDT -- residual DDT in some of the
23 sediments but also in those so-called bottom dwellers,
24 benth organisms and bottom-feeding fish, and also in
25 fish which prey on organisms, little creepy-crawly

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1 creatures that the fish eat on, they had high levels.

2 So it -- conceivably you could wind up with an
3 interest, an urging of doing a similar study as was done
4 at Lake Chelan, and by doing this you're going to get, I
5 think, a step ahead by this information. What's coming
6 out of the Okanogan?

7 The Wells Reservoir is the first settling
8 basin, so to speak. It flows into the Okanogan. And I
9 presume that there has been significant sediment deposit
10 in Wells Reservoir by now, after 40 years. And it will
11 give some idea of what transfer there potentially could
12 be for these carcinogens and other toxicants that would
13 be coming down the Okanogan, be depositing for some time
14 in Wells Reservoir and potentially transferring through
15 the food chain.

16 MR. TURNER: Just one point, Tony. The thing
17 about that is the people need -- and I'm not downplaying
18 the importance of knowing that, but me as a regulator
19 have to try to figure out, well, how is the project
20 influencing that other than its sediment deposition.
21 But the next step, what would you expect the project to
22 do about it, and that's where we need to take the next
23 step and understand where that -- how that information
24 is useful.

25 MR. ELDRED: That's a good \$64 question.

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1 MR. TURNER: So that's kind of where we're
2 going. It's a two-part question. The proximate effect
3 is what would you expect the commission to require the
4 project to do to address it. And if there's no
5 connection there, then it may not be the responsibility
6 of the licensee to undertake that kind of study. I'm
7 not downplaying the importance, but is it really the
8 responsibility of the project? So that's kind of the
9 question.

10 The way it was phrased here is from a
11 recreational point of view, we may want to provide some
12 kind of information base or have the applicant do
13 something that alerts people to those kinds of problems
14 if there is a problem.

15 MR. ELDRED: Well, potentially --

16 THE REPORTER: I can't hear you. I'm sorry.

17 MR. ELDRED: Oh. Tony Eldred, State Fish and
18 Wildlife.

19 The state having this information, the State
20 Department of Health, frequently -- well, as need
21 arises, they put out these -- issue these notices
22 informing people of potential deleterious or harmful
23 toxicants in tissues of fish that are -- a lot of people
24 might eat.

25 Well, Douglas PUD might have the same gorilla
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1 on their back potentially down the road. What can they
2 do? They can possibly have the local health department
3 be notified of this information possibly to put out a
4 health warning. That's about as far as you can go
5 because you have a reservoir there which seems to me to
6 physically defy a solution.

7 MR. LE: Bao Le, Douglas PUD.

8 And just following up on Tony's comments, I
9 think that's the intent of the study that's proposed to
10 examine fish in recreation areas, the DDTs and PCBs in
11 fish in recreation areas in the Okanogan. The intention
12 is to inform public health issues and either work with
13 the Department of Health, signage, things like that.

14 So the idea is to follow-up on some of the
15 work that ecology has done through their technical
16 assessments and their tml development to try to inform
17 the users of the project areas.

18 MS. IRLE: Pat Irle with the Department of
19 Ecology.

20 And I think this is the last remaining issue
21 in discussions between Grant PUD and ecology, and I
22 don't think there's been a final decision made, but it
23 was trying to identify whether or not Grant PUD
24 actually -- the project actually was affecting movement
25 of the sediment, and they presented us with some
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1 information that looks like it will be useful in
2 addressing that.

3 MR. EASTON: Okay.

4 MR. TURNER: Did you mean to say Douglas PUD
5 instead of Grant?

6 MS. IRLE: Yes. Sorry. Guess what I've been
7 doing lately?

8 MR. EASTON: Actually, I was saying earlier to
9 Scott and Bao when I was talking to them before the
10 meeting, I said, "I'm positive I'm going to say Chelan
11 or Grant when I mean Douglas at some point during this
12 meeting because I've spent so much time on these two
13 proceedings already." I don't even know if I've done it
14 or not, so -- but Dave will be sure and point it out,
15 I'm sure.

16 I think if we're done with aquatics -- does
17 anybody have any other issues that they'd like to
18 discuss, information needs that they would like to talk
19 about in regard to aquatic resources?

20 (No response.)

21 If not, I'm going to -- what's that?

22 MR. TURNER: You guys want to take a break?

23 MR. EASTON: Do you want to take a break?

24 MR. TURNER: Take a ten-minute break or a
25 five-minute break? Let's take a ten-minute break. It

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1 will be a quarter of.

2 (Recess taken from 10:36 a.m. to 10:50 a.m.)

3 MR. EASTON: I guess we don't really recognize
4 many of you. Some of you we have seen before. But we
5 did get a request -- I guess, I figured everybody knew
6 everybody. But we got a request to do introductions.
7 So we're just going to basically go around the room,
8 everybody just say your name. If you're affiliated with
9 something, agency or stakeholders group or whatever, go
10 ahead and give your affiliation. If not, just give your
11 name.

12 I'll start off. My name is Bob Easton. I'm
13 with the Federal Energy Regulatory Commission and I'm a
14 fish biologist.

15 MR. TURNER: David Turner. I'm a wildlife
16 biologist and part of the team of FERC.

17 MR. BLANCHARD: I'm Jim Blanchard with the
18 Bureau of Reclamation.

19 MR. HEMINGER: I'm Lynn Heminger, a
20 commissioner at Douglas PUD.

21 MR. DEVINE: I'm John Devine with Devine
22 Tarbell & Associates, consultant for the Douglas PUD.

23 MR. CLUBB: I'm Bob Clubb with Douglas PUD.

24 MR. BICKFORD: Shane Bickford, Douglas PUD.

25 MS. HOWE: Gail Howe, mayor, City of Pateros.

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1 MR. JENKINS: Steve Jenkins, mayor, City of
2 Bridgeport.

3 MR. BEICH: Dennis Beich, Washington State
4 Department of Fish and Wildlife.

5 MS. IRLE: Pat Irle, Washington State
6 Department of Ecology.

7 MR. SODERSTROM: Keith Soderstrom, Bainbridge
8 Manufacturing, Waterville.

9 MR. LACY: Steve Lacy, East Wenatchee.

10 MR. BRIZENDINE: Greg Brizendine, manager,
11 East Wenatchee Water District.

12 MR. HALEY: Scott Haley, director for the Port
13 of Douglas County.

14 MR. SKAGEN: Ron Skagen, commissioner of
15 Douglas County PUD.

16 MR. HUNTER: Kem Hunter, town of Waterville.
17 That's K-e-m as in Mary.

18 MR. BERNHEISEL: Lee Bernheisel, Okanogan
19 Wilderness League, OWL.

20 MR. KREITER: Scott Kreiter, Douglas PUD.

21 MR. LE: Bao Le, Douglas PUD.

22 MS. MILLS: Denise Mills, Washington
23 Department of Ecology, Regional Water Quality section
24 manager.

25 MR. MCGEE: Jim McGee, Douglas PUD.

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1 MR. ELDRED: Tony Eldred, State Fish and
2 Wildlife Department.

3 MR. JEFFERS: Gar Jeffers, attorney for
4 Douglas PUD, and I too have never seen a lamprey.

5 MS. VIBBERT: Meaghan Vibbert, Douglas PUD.

6 MR. DOBBINS: Bill Dobbins, manager, Douglas
7 PUD.

8 MR. DAVIS: Jim Davis, commissioner, Douglas
9 PUD.

10 MS. MAYO: Mary Mayo, Douglas PUD.

11 MR. HAWKINS: Brad Hawkins, Douglas PUD.

12 MR. EASTON: Okay. I'm turning it over to
13 Dave and he's going to walk through some of the other
14 resource issues.

15 MR. TURNER: Unfortunately, I think you're
16 going to be stuck with me for the rest of the meeting
17 here, so let me know -- I'm kind of a low speaker, so if
18 you need me to talk up, let me know.

19 There are a number of issues that were
20 identified in association with terrestrial resources.
21 Obviously, one earlier that we talked about that was in
22 there that we have recharacterized, and we'll move back
23 into terrestrial, and that's the -- regarding the loss
24 of the salmon and steelhead and even lamprey.

25 There was one issue -- actually two. The
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1 first two are on the bullet on page 14, whether the
2 project transmission line represents avian electrocution
3 or collision hazards and then also whether the -- and
4 this was my take on what you guys were trying to
5 accomplish with the information that's to be gathered in
6 your proposed study, and that -- the second issue is
7 whether -- the transmission line right-of-way management
8 practices on wildlife and botanical resources. There
9 was one study proposed in there that is basically a
10 wildlife survey and habitat exercise.

11 I guess I have a couple of questions, but did
12 anybody have any problems over the way I characterized
13 the issue to begin with? I tried to focus the issue
14 regarding these resources to look more at the effects of
15 the project and maybe what the PUD is actually doing on
16 the ground that may have an influence as opposed to some
17 of the concerns that seem to be raised in the issue
18 description. Any comments? Questions?

19 (No response.)

20 As I said, I do have one quick -- or a couple
21 of quick questions in that one of the things it seemed
22 to be focussing on with regards to the transmission
23 lines is that you were looking at transmission line
24 collision and electrocution hazards, but the description
25 of the efforts in their literature survey, it's very
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1 unclear as to where that information is going.

2 There are a number of guidelines out there,
3 the area protection guidelines that are put out by the
4 Fish and Wildlife Service and -- I think it's EEI. I'm
5 wondering, was that effort intended to be part of that
6 analysis when you said you were going to look at the
7 literature surveyed to figure out what's going on out
8 there?

9 MR. MCGEE: Jim McGee, Douglas PUD.

10 This study was identified by the terrestrial
11 work group, basically Fish and Wildlife Service and
12 Washington Fish and Wildlife.

13 We started out discussing collisions and
14 potential electrocution problems on the transmission
15 lines, and within the group we really couldn't get to a
16 place where -- we couldn't come up with a methodology
17 that would allow us to really identify either of those
18 problems.

19 Electrocution is probably not a problem on the
20 transmission line just because of its basic
21 construction. But the problem with trying to identify
22 collisions on the line is that predatory species out
23 there, if there is a problem, are going to feed on the
24 birds that end up on the ground, and going out and
25 surveying to see if we have dead birds under the lines,

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1 not finding dead birds doesn't mean we don't have a
2 problem.

3 So we ended up looking more at collecting
4 baseline information and trying to see if we have
5 problems with species like sage grouse, some of the
6 terrestrial species in Washington State, like badgers
7 and those species that may be affected by our
8 right-of-way management or work on the lines and to
9 collect information, if it's out there, that would lead
10 us to believe that we might have some collision
11 problems. It's a really difficult study to try and get
12 to collision and electrocution problems.

13 MR. TURNER: Just a couple of points, then.
14 And we can talk about this later in terms of the process
15 and the study means. There are, as I pointed out, some
16 guidelines. You can do some very general stuff by
17 looking at topography and habitat and characterizing
18 that, trying to figure out where there might be a
19 potential problem.

20 I just ask one general question. Is there
21 information to suggest that there is a problem?

22 MR. MCGEE: That's the problem, there is no
23 information to suggest there is or there isn't.

24 MR. TURNER: It is well known that
25 transmission lines can pose collision hazards, and I

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1 would be very surprised, given the sites that we saw
2 yesterday, that the transmission line itself, given the
3 size and the spacing between the conductors, that they
4 do pose electrocution hazards.

5 But nonetheless, since there was a study
6 proposed, I wanted to kind of figure out where you were
7 going --

8 MR. MCGEE: Yeah.

9 MR. TURNER: -- and make sure that I
10 understood what the objectives of those studies were.

11 Did you have something, Shane?

12 MR. BICKFORD: Yeah. Shane Bickford, Douglas
13 PUD.

14 To me the objective of the study, not being a
15 wildlife biologist, was to go out and understand if our
16 right-of-way activities, specifically roads to access
17 towers we control underneath the tower structures, is
18 affecting RTE plants or RTE animals, and to me that was
19 really the focus. The group was also interested to know
20 if collision was taking place and if raptors and corvids
21 were also using the structures to prey on other species.

22 And so basically the study is focused around
23 doing cover type for habitat, trying to understand if
24 RT&Es are affected by our maintenance activities, and
25 then in addition to those surveys, if observations are

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1 made of dead birds underneath transmission lines, that
2 would then be followed up with further assessment.

3 There is also a literature-review component
4 that would look at the EEI information to see if there's
5 topography or if there's wetlands that are being crossed
6 where you see migratory waterfowl or near tropicals that
7 would come in contact with them.

8 MR. TURNER: It poses a greater risk hazard
9 because of those --

10 MR. BICKFORD: Right.

11 MR. TURNER: That's where I was going with
12 that information. If that is the intent, I'm
13 comfortable with it. But from what was in there, some
14 of the detail that was missing, I really wanted to make
15 sure I understood what the issue was and what was
16 driving this.

17 MR. DAVIS: Jim Davis, Douglas PUD.

18 With regard to dead birds under transmission
19 lines, in the rural areas in north Douglas County, there
20 may or may not be some there. I understand that. But
21 it's problematic. You better be there before the coyote
22 gets there or you'll never find the carcass.

23 MR. TURNER: Well, that's very well understood
24 and that's a problem with a lot of the studies that are
25 going on. And, again, it really is one. I guess I have

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1 never seen an issue with sharp-tailed grouse in
2 transmission lines that are that high.

3 So when you talk about any collisions, you're
4 actually talking about raptors and waterfowl and that
5 kind of stuff, so you can start looking in those areas
6 and just kind of making a general assessment.

7 But, as I pointed out earlier, with that
8 information, where does it lead you with regards to
9 collisions? Are we talking about marking the lines
10 potentially? It's -- those are the kinds of measures
11 that may ultimately be discussed, but you need a basis
12 to make that recommendation.

13 So I can see the value of doing that kind of
14 information gathering, but it wasn't really clear in
15 there where you were really taking that information.

16 Anything else in the transmission lines?

17 (No response.)

18 The third bullet is -- and that was the only
19 issue that seemed to have need for recreation -- or need
20 for additional information, but I got some other
21 questions as we go along that may pose some different
22 ideas.

23 But effects of the project-related recreation
24 on wildlife habitats and disturbance to wildlife and the
25 alteration and modification of habitat. The recreation
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1 issue, as I understood it, really wasn't necessarily
2 focussing on associated disturbances of recreation. It
3 seemed to be more focused on, I guess, the indirect
4 effects of adjoining land-use requirements or demands
5 from -- of development and the like.

6 I, again, tried to focus this one back onto
7 some things that are normally associated with a project
8 and its operations. I mean, we do require applicants to
9 provide for recreation and we do -- because of -- this
10 is one of the multiple purposes of this project and it
11 has been talked about in terms of -- in many of our
12 mid-Columbia projects as an effect on wildlife.

13 But I'm wondering if I have overstepped what
14 the concerns were or the concern was as developed by the
15 resource work group meetings, or is this a legitimate
16 issue that I have characterized for those who attended?
17 Any comments?

18 MR. ELDRED: David, are you still -- I
19 couldn't get everything you were saying. Are you still
20 focussing -- is the subject is there an effect of the
21 transmission line?

22 MR. TURNER: No. I moved onto another issue,
23 Tony.

24 MR. ELDRED: You moved onto recreation?

25 MR. TURNER: Right. The third issue at the
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1 bottom of page 14 that carries over to 15,
2 project-related rec- -- project-related recreations and
3 the effects on wildlife. Is skiing, waterfowl and those
4 issues a concern to the resource work groups?

5 MR. ELDRED: Tony Eldred, Department of Fish
6 and Wildlife.

7 We are looking at our -- potentially to see if
8 the glass is half empty. Our experience with previous
9 projects, that we find that there can be very
10 substantial indirect adverse impacts from recreation,
11 from recreators loving the great outdoors to death, so
12 to speak.

13 This -- it would seem -- looking at Wells
14 Reservoir now in the recreation season, the summer
15 recreation season, it would seem not, but, for instance,
16 with Grant PUD on one of them, in the 1960s who would
17 have foreseen what would be occurring there in 2000, and
18 it -- it presents an extreme challenge for the
19 Department of Fish and Wildlife and the utility to
20 protect the native shorelands and the wildlife habitat
21 with these recreators recreating, when they do their
22 thing.

23 So we're looking at the future. We didn't
24 tell the relicensing staff where our experience has
25 been, what we've experienced elsewhere and saying what

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1 is the potential for something similar happening at
2 Wells. We don't know. We can't protect -- we can't
3 project or prophesize.

4 But it would seem perhaps the greatest
5 impediment of a replaying of what has happened elsewhere
6 would seem to be that at Wells the -- downriver, on
7 Wanapum, in a recent recreation survey Grant PUD found
8 that 73 percent of the recreators surveyed originated --
9 they live in the Puget Sound area, in the megalopolis
10 over there, and the local recreators are few in number.

11 So it would not seem a great likelihood that
12 because of more difficult travel obstacles, instead of
13 four-lane, six-lane highways between Puget Sound and the
14 Columbia River at Wanapum, that's both a blessing and a
15 handicap for people who are interested in Wells. It's a
16 somewhat longer distance. The highways can't convey the
17 high-speed traffic, recreation traffic, that we --
18 that's experienced at Wanapum, but we're trying to peer
19 into a very foggy crystal ball. We just brought this
20 up. We didn't predict. We just said, "What are we
21 going to do about what might happen?"

22 In some ways it would be a blessing for the --
23 economically, but for other aspects, project concerns,
24 fish and wildlife and outdoor-related recreation, it
25 could have very much what we've experienced elsewhere.

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1 It could have a very adverse recreation. So we're
2 trying look at both sides.

3 MR. TURNER: And there's nothing, existing
4 information to allow you to provide that sort of
5 analysis on hand, basically? Because there's no studies
6 proposed.

7 MR. ELDRED: We can tell you with certain
8 amenities like highways that can handle a lot of
9 high-speed traffic and adequate number of boat launches
10 and very -- lots of parks around the reservoir that
11 accommodate big crowds, yes, yeah, it's -- every time
12 you add something more that's going to benefit
13 recreators along or on the reservoir, it's going to
14 increase the likelihood, probability of adverse impacts
15 to natural -- other natural resources.

16 But as it stands right now, in my view, the
17 greatest impediment to we experiencing what happened --
18 is happening at Wanapum is the moving from -- traveling
19 from Puget Sound over here. You can't hardly get here
20 towing a 20-foot boat and your -- all your equipment
21 that you bring for -- including the kitchen sink, it's
22 much harder to do that.

23 MR. TURNER: Thank you, Tony.

24 Is there any other comments on that?

25 (No response.)

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1 I skipped a bullet, actually. The one
2 preceding that is the effects of Douglas's land
3 management practices, which include weed control, soil
4 erosion control, and other permitting policies, such as
5 installation of docks and water systems, fences,
6 landscaping and agricultural uses, on wildlife and
7 wildlife habitats.

8 Again, this is one that I have
9 recharacterized, maybe inadvertently, from the
10 intentions of the resource work group, but I did so
11 because I wanted to focus more on what the project's
12 influence is on these kind of actions and maybe what the
13 resource work groups would be worried about, and I think
14 it's going to tier off some of the things that Tony was
15 talking about and that's the indirect effects of
16 recreation and development along the project shorelines.

17 I just kind of wanted to throw it out there
18 that there seems to be a concern associated with the
19 disposition of certain project lands. It's unclear as
20 to what project lands you might be talking about and
21 what those effects might be on wildlife and wildlife
22 resources.

23 That is a difficult issue to grapple with in
24 an environmental analysis without knowing the specifics,
25 and I would hope that there might be some further

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1 discussions if that is truly an issue as to what the
2 concern might be. If it is, I would propose that we
3 kind of limit it to the things that the PUD does do and
4 that's the -- again, the specifics of their land
5 management practices.

6 Does anybody have any comments, concerns or
7 questions about what -- the way I've characterized the
8 issue?

9 (No response.)

10 Flipping to page 15, we picked up with one
11 that is very common with a number of projects and that's
12 the effects of the frequency, timing, and amplitude of
13 reservoir fluctuations on waterfowl and riparian
14 habitats.

15 There seems to be enough information to deal
16 with this issue based on the baseline information that
17 the PUD gathered in characterizing it, but it also seems
18 to be that those conclusions were that there is no
19 adverse effects on wildlife and on riparian and wetland
20 habitats.

21 So I'm wondering if it's much of an issue to
22 even carry forward into the analysis, but we can
23 certainly deal with what we have if it's a big concern
24 for most folks.

25 Comments, questions?

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1 MR. BEICH: Dennis Beich, Department of Fish
2 and Wildlife.

3 I want to step back, and I apologize for
4 having to step back.

5 MR. TURNER: That's fine.

6 MR. BEICH: Is this list what FERC is putting
7 forward as those areas that will be studied or is what
8 you're asking is there really a need for these studies?

9 MR. TURNER: Well, actually, there is those
10 studies proposed for those issues, but these are the
11 issues that are going to need to be examined in the EA
12 that we ultimately look at.

13 In other words, when we do an environmental
14 assessment, we are often looking at specific
15 recommendations down the line as to whether or not -- or
16 an issue or a potential project effect to define whether
17 there should be some kind of measure put in place.

18 Maybe there's enough information to dismiss
19 the issue and we don't need to do anything, but if there
20 is not enough information to do that analysis based on
21 some future recommendation, we want to talk about
22 whether or not we have that information base or not to
23 make that analysis.

24 So these are the issues that have been
25 defined. The second question is do you have enough
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1 information to analyze those issues, and if so,
2 ultimately do you have enough information to make a
3 recommendation.

4 And my take on what's been put together in the
5 preapplication document suggest that these issues have
6 been floated, there is not really a defined problem, you
7 may not need to do anything in the future. So is it an
8 issue that really requires much of an analysis or should
9 it even be carried forward as an issue for the future?

10 If everybody is dead set on having it analyzed
11 and looked at and it is a typical issue to be faced with
12 in the mid-Columbia and we see projects have
13 fluctuations, that's not a problem, we can certainly do
14 it, and we have enough information, in my view, right
15 now to probably do that analysis, but the overall
16 question is, is it even worth addressing at this point.
17 I mean, do we see us doing anything in the future to
18 deal with it?

19 MR. BEICH: And, again, I apologize because
20 I -- although I've had staff participating in the
21 various work groups that Douglas PUD has put together to
22 begin this process, I have not been directly involved,
23 so I don't want to, you know, impose myself on a process
24 that's already been ongoing. But, also, we don't have
25 really here the appropriate staff to address some of

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1 these specific questions.

2 And so I guess I'll talk with Douglas PUD at
3 some break to see if we do have some issues regarding
4 these particular items, whether the -- whether we would
5 be submitting that or how, if they've been discussed in
6 work groups or not thoroughly. So I'm just throwing
7 that out.

8 MR. EASTON: You do have the opportunity to
9 file the written comments --

10 MR. TURNER: Right.

11 MR. EASTON: -- by the end of the scoping
12 period, and so this isn't the entire scoping process.
13 This is the meeting where we have the interactive part
14 and then there's a written part.

15 So if your staff looks at the scoping
16 documents, identifies a bunch of issues that they think
17 need to be retained and they're important issues to your
18 staff, you should highlight that into written comments
19 and file that with the commission.

20 MR. TURNER: And, again, in terms of the study
21 groups, we're really in the beginning of that process.
22 We've even kind of talked through this and we have
23 adequate information and what I see before me suggests
24 that it is. There's probably no need to continue to
25 worry about it. It's just that it seems like some of

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1 the baseline information suggests that these issues
2 could go away, and if that's the case, then we don't
3 need to carry it forward. But I just want to make sure
4 that there is something there.

5 Again, the study plan process, which I'll talk
6 about a little later on, we can even begin to flush out
7 if there's something else missing, but I'm not
8 suggesting that there is at this point, so --

9 MR. BEICH: Thank you, Dave.

10 MR. MCGEE: Jim McGee, Douglas PUD.

11 We've had about seven issues in the
12 terrestrial work group, including a couple you've just
13 discussed, where the group hashed out whether or not we
14 felt that it was a problem, and the only ones that came
15 to the surface that we really felt we needed to move
16 forward with were the predator study for the hatcheries
17 and we collected the baseline information and the RTE
18 information for the transmission lines.

19 We felt that though they had brought up these
20 initial -- these questions initially, that there was
21 enough information to say that they didn't feel that
22 there was even a need for a study or necessarily a need
23 for additional evaluation of those questions.

24 There's also a question about mule deer
25 swimming across the river, and we have no evidence that

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1 there was ever a migratory herd that swam across the
2 river. The state shoots lots of mule deer during their
3 season, so the odds of having an impact on those species
4 is pretty slim.

5 The same thing, there's no evidence right now
6 that recreation is having a serious impact on wildlife
7 on the reservoir other than the white pelicans moving
8 from our reservoir to another reservoir.

9 So the committee felt that, you know, though
10 they brought these issues up, we discussed them, that we
11 didn't have any intention of moving forward on any of
12 those.

13 MR. TURNER: Well, it's a two-prong question,
14 and I'm glad you brought up the migratory -- the mule
15 deer stuff because that was my next bullet.

16 Again, I was wondering, is there information
17 to suggest that there is a problem, and, two, if there
18 isn't a problem, why is it an issue? And if it's not an
19 issue that we need to be worried about, then I would
20 suggest we leave that out. We don't need to focus that
21 effort.

22 You've walked through the scoping process and
23 talked about it and raised that issue and said, "We have
24 enough information to address it, but we also don't have
25 a problem and foresee a problem. We don't need to move
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1 forward with an issue in the project analysis."

2 And that's where maybe you guys are not
3 getting a good picture, but we kind of have to be
4 thinking about the end product, and that's the future
5 license for this thing and where the recommendations
6 might go, and our environmental analysis will need to
7 look at the evidence that's put forward to make that
8 recommendation.

9 If there's not an issue, we don't want to
10 spend the time and the ink on it to deal with those
11 issues if they are not an issue. So that's kind of what
12 I'm trying to address here.

13 MR. BLANCHARD: Jim Blanchard, Bureau of
14 Reclamation.

15 A couple of the terms that you're using
16 possibly cause me a bit of heartache. I think there's
17 an awful lot of data on how the reservoir is operated
18 and how the river is operated, but to say that there
19 isn't an issue that needs to be addressed in an EA I
20 don't think is a fair characterization.

21 I think you do need to talk about reservoir
22 operations and look at the other two processes that have
23 gone on in the river and it's certainly been one of
24 them.

25 There are coordination agreements between all
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1 of the groups that operate dams on the upper Columbia
2 that are not going to be a part of this license as a --
3 as something open for major discussion. I don't
4 think -- you cannot take Wells out of the -- out of the
5 power coordination agreement.

6 MR. TURNER: Oh, I don't think there's any
7 intention to do so.

8 MR. BLANCHARD: No, no. And that's what I'm
9 saying, that you do -- that that needs to be addressed
10 within the EA. And then there are other things that --
11 you know, all the way down to the bar agreement and the
12 way Wells operates within that so that the way they
13 operate their reservoir is integral to the way that the
14 river is operated.

15 MR. TURNER: For sure, and we intend to look
16 at that. But those operations have certain
17 ramifications. The more -- those ramifications are
18 generally in the aquatics issues more than it is in the
19 terrestrial side of things, and that's what I'm
20 suggesting. And, obviously, we will look at those
21 effects.

22 But if there's something associated with mule
23 deer migration barriers, does the reservoir create a
24 migration barrier, if the information suggests that
25 that's not -- there is no effect, there's no problem,
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1 then we don't want to spend a lot of effort -- even if
2 it's -- even if it means we don't need any additional
3 information to dismiss it, we probably don't even need
4 to spend time on the environmental analysis to talk
5 about it if it's not an issue. So that's kind of where
6 I'm coming from.

7 Back there.

8 MR. DAVIS: Jim Davis, Douglas PUD.

9 I'd like to pick up on Mr. McGee's comments
10 about the mule deer migration and also suggest to
11 Mr. Beich that it would really be helpful if the state
12 could weigh in and describe the positive effects of the
13 Conservation Reserve Program enrollment at Douglas
14 County. That's what's really driving the exploding
15 numbers of mule deer. We're not talking about a
16 decrease.

17 I'm fourth generation. I live up there. And
18 mule deer, they are so plentiful, they're pests, and
19 that didn't happen until the Conservation Reserve
20 Program came along, and 33 percent of upper Douglas
21 County is involved in that program, and I would suggest
22 that in Mr. Beich and the state's comments that they
23 articulate that, because I think if he talked to his
24 biologists, they would substantiate that.

25 MR. BEICH: Well, feeling a need to respond,

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1 Dennis Beich.

2 Actually, the Department of Fish and Wildlife
3 is on record of supporting the Conservation Reserve
4 Program and we've been working with Douglas County
5 PUD -- or Douglas County commissioners as well as the
6 Farm Bureau and Cow Association to work with our federal
7 delegation to keep that program intact. We think it's a
8 valuable program, not just for the wildlife, but for the
9 economy of Douglas County.

10 And have we moved on to the mule deer bullet?

11 MR. TURNER: I think we did indirectly.

12 MR. BEICH: And then I have just first a
13 couple of general comments I'd like to get out. I'm not
14 sure when the appropriate time would be to do that.

15 MR. TURNER: Go for it.

16 MR. BEICH: David, I want to just thank you
17 and the other FERC staff that take the time to come out
18 here and have these meetings and talk to the public and
19 actually see the project itself. I think that's very
20 beneficial and it's greatly appreciated.

21 I'd also like to say that Douglas PUD has at
22 least so far been a pleasure to work with, and actually
23 that was meant as a joke.

24 (Laughter.)

25 MR. HEMINGER: You have to tell us when to
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1 laugh.

2 (Laughter.)

3 MR. BEICH: We worked with Douglas PUD
4 throughout the last -- we've had a very good
5 relationship with them and I assume that's going to
6 continue. They're a pleasure to work with and they look
7 at -- they look for constructive solutions to
8 contentious issues, they hold open public meetings and
9 the transparent process is appreciated.

10 And Mayor Lacy just left, but I think they're
11 very sensitive to -- well, they hold to their power
12 production mission and respect the ratepayers and try to
13 hold those costs down but still remain sensitive to
14 resource issues, and that's appreciated.

15 With that, the -- on this -- the effects of
16 the project reservoir as a migration and movement
17 barrier to mule deer, I'm hoping we just don't -- well,
18 let me phrase this different.

19 I've expressed both in the Grant PUD forms as
20 well as the Chelan PUD forms that I feel that -- the
21 agency feels there's a need for taking a look at the
22 existing pools and the migration impediment that they
23 may be causing to indigenous species. The -- and it's
24 just not mule deer. It's a range of species, including
25 pigmy rabbits, jack rabbits, Columbia-basin ground

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1 squirrel perhaps and badgers. It's -- it would be a
2 list of species, not just mule deer.

3 We have a number of pools up and down the
4 Columbia River, and those pools just taken by themselves
5 may not be the straw that breaks the camel's back, but
6 we have a number of projects, whether development
7 projects or the Columbia-basin irrigation project, we
8 have a Columbia River initiative ongoing, there's a
9 number of things that cumulatively have an impact on
10 these short-step species, and we're starting to see a
11 decline in those short-step species, and it would be
12 helpful to have information to see what the impacts of
13 the pools have during normal operation of the project on
14 migration of the species, and if there is indeed an
15 impact, then, of course, we can look at that and add it
16 to the rest of the things going on within the area to
17 try to address the decline of those species. Again, it
18 would be looking to prevent listings of those species.

19 So I would just as soon we didn't focus just
20 on mule deer, but looked at a list of potential species
21 that could be -- probably are impacted.

22 So the Department of Fish and Wildlife does
23 have a concern about the pools presenting a migration
24 barrier and would like to see some additional
25 information obtained as to the extent of that.

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1 MR. TURNER: That raises two questions in my
2 view. As I understood, the resource work groups felt
3 there was enough existing information --

4 MR. BEICH: That's fine.

5 MR. TURNER: -- to deal with that, and I read
6 the PAD and I found nothing to suggest that there was
7 any -- other than profession opinion, which has a great
8 value, I couldn't decipher what the logic was to make
9 that decision, there was enough information to address
10 it.

11 If it is in fact an issue and we can carry
12 that forward in the analysis, then that's fine. We will
13 include it. We may even expand the issue when we look
14 at that.

15 The second part of that question, though,
16 would be what information would you be gathering and how
17 would you be gathering it. You need to be thinking
18 about that because you need to put forth those study
19 requests in the next month.

20 And where are you going to take it? And where
21 do you -- what existing information do you have?
22 Where's the problem? Why is this an issue? And what do
23 you see doing with that information that you gathered in
24 regard to that, how the reservoir is going to affect the
25 migration?

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1 MR. JENKINS: Before we leave the deer
2 issue --

3 THE REPORTER: What's your name?

4 MR. JENKINS: Steve Jenkins, City of
5 Bridgeport.

6 You know, Douglas County is doing a great job
7 on the FERC process. I like the way it's going and the
8 information it's sharing and the professionals are
9 attending the meetings and whatnot.

10 But our community, we have -- recreation is
11 important to our community. It's tourist dollars. So
12 the fish, the deer, the wildlife, everything is
13 important and protection is important, but we have a
14 fear that it's going to be like Chief Joseph Dam when
15 they did their mitigation and their studies up there,
16 when you turn around and spend money to put seven wells
17 in the river to pump water up onto the shore for
18 mitigation, you know, it -- those types of costs put a
19 concern on the community. At what cost is this going to
20 be and is it realistic and is it going to affect the
21 economic driver of the county, in other words,
22 inexpensive power? That's what draws private industry
23 and tax base and that's very important to us also.

24 Our community doesn't want to see the low base
25 rate go on studies or mitigations that really aren't

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1 essential, and that's just an example of one of them.
2 To us and to the general public, those mitigation sites
3 were tremendous dollars and of no value.

4 We don't have a problem with mitigating
5 wildlife or anything else. It's very important to us.
6 But those types of costs are extreme and I think it puts
7 us at risk, Douglas County, of losing our fair and our
8 reasonable rates.

9 MR. TURNER: Well, as Bob mentioned earlier,
10 those are all factors that we will need to balance in
11 our considerations when we make the ultimate
12 recommendation to the commission of whether to relicense
13 and under what conditions. It's -- without specifics,
14 it's hard to respond to your concern, but we will
15 definitely be considering those measures.

16 Shane, did you have something? You were just
17 standing up?

18 MR. BICKFORD: I just wanted to note a
19 general-process statement. I know a lot of the things
20 that were bulleted in the scoping document under
21 terrestrial were -- as Jim indicated, seven of those
22 were things that the regional local biologists and
23 tribes, you know, we sat down and hashed through the
24 existing literature.

25 Mule deer is one of them in particular that we
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1 looked at, sharp-tail, sage grouse, and a lot of the
2 other short-step species, and we sat down and scoped all
3 these issues in the terrestrial resource work group.
4 You'll see a full listing of all the issues that were
5 scoped in the PAD, and in a lot of cases it was
6 professional knowledge, but in the case of mule deer and
7 sharp-tail it was professional knowledge based upon
8 information that is readily available.

9 And so if that information was not in the
10 preapplication document, we will be adding that to the
11 record, and we've got some migratory mule deer studies
12 that we'd like to add to the record and we have some
13 sharp-tail information that we'll be adding as well just
14 to beef up, basically, the same thing that the resource
15 work group, the conclusions that they came to as filed
16 in the PAD.

17 MR. TURNER: That's perfect.

18 MR. BICKFORD: So that will help your guys'
19 EA.

20 MR. TURNER: Well, exactly. And if there is
21 existing information -- that was what the intent of the
22 preapplication document was. When an applicant starts
23 this, it's supposed to gather what they can in terms of
24 relevant and reasonably available information, pull it
25 together so that these kinds of questions that don't pop
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1 up in scoping -- or at least we can ask them in a
2 logical manner, and it doesn't mean that it is the
3 end-all, the be-all. The PAD is the beginning -- it's
4 just the beginning of the process. It's not the end.

5 So if you've got additional information to
6 address our concerns and can put it in the record, then
7 it kind of helps to define whether or not we need
8 additional information. So if you could do that sooner
9 rather than later, it would definitely help me out.

10 MR. HUNTER: Yes. Kem Hunter, Waterville
11 Chamber of Commerce, president. Also here on behalf of
12 Mayor DeVaney, Waterville mayor.

13 I'd like to make some general comments for the
14 record about the scoping process. Probably reiterating
15 what some of the other folks have said. We have a
16 concern about the cumulative expense of studies if they
17 are not really necessary to the end goal, which is the
18 relicensing.

19 Obviously, there's a lot of things that have
20 to be closely looked at but they are mandated by state
21 and federal environmental law, the Endangered Species
22 Acts and a number of other laws, so -- and that should
23 be the focus.

24 When you get to the point of, "Well, while
25 we're doing these studies anyway, there are some other
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1 things we might like to look at that are nice to look
2 at," then I question at some point whether those kinds
3 of inquiries are appropriate in this particular forum
4 because ultimately they'll be paid for by taxpayer and
5 ratepayer dollars.

6 So I just want to keep in mind what the goal
7 here is and focus on what is required under state and
8 federal environmental law during the environmental
9 assessment process.

10 The other comment is when it comes to actually
11 doing the studies, my understanding of the
12 environmental -- of the procedure is that best available
13 science has to be -- has to be incorporated into the
14 study and the findings.

15 I emphasize the word "available" here. If a
16 study -- there's a huge amount of research that's been
17 done on a lot of -- in a whole host of areas. If the
18 science is available out there that can -- that is
19 reliable and is relevant to the inquiry, the necessary
20 inquiry, and if it can be extrapolated so that adequate
21 findings can -- and conclusions can be made, then that
22 should be enough. It doesn't necessarily trigger the
23 requirement of a new field study which would be very
24 time consuming and much more expensive.

25 Also, as I've heard testimony to the effect
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1 that in this limited area of inquiry, the sampling --
2 the size of the sampling may be so small that the
3 results may not be reliable, so that would be all the
4 more reason to rely on best available science that's out
5 there and apply it to our particular questions in this
6 case rather than to do a new and expensive field study.

7 Thank you.

8 MR. TURNER: Maybe we should -- I have a slide
9 toward the end of the presentation that will probably
10 address some of your concerns, but -- so I'd like to
11 hold off on that, and if there's more questions about
12 that, it will come up.

13 I'd like to stick from here on out on the
14 issues at hand. But I think I have some things that
15 maybe in hindsight it would have been better to talk
16 about in the beginning, but it will maybe help tie
17 things up here and relieve some of your concerns.

18 Anything else on the issues of migration and
19 reservoir fluctuations?

20 (No response.)

21 I have added -- the last bullet there is the
22 adequacy of the wildlife management program in reducing
23 the project effects on wildlife. This was an attempt to
24 recharacterize some concerns of one of the issues that
25 was raised in the PAD and that was the effects of -- or
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1 discontinuing the support for the Wells wildlife
2 convention area.

3 I had had a concern that we might be going
4 down a path that is difficult to analyze and the
5 recommendations that might be difficult to support from
6 the commission's point of view.

7 One of the -- we issued a policy statement on
8 settlement agreements back in September of 2006,
9 September 21. A couple of those points are salient
10 whether we get into settlement discussions or not and
11 those are that we really need to make sure there's a
12 clearly defined relationship between any ultimately
13 recommended measure and the project effects and purposes
14 related to those resources that are being affected and
15 that information needs to be based on substantial
16 evidence in the record. That's easier to do when we're
17 looking at specific measures as opposed to funding
18 levels.

19 And I just want people to keep in mind when
20 they raise those concerns -- and I completely understand
21 where those concerns were coming from, but I've seen a
22 number of similar issues raised in the Grant proceedings
23 and the Chelan proceedings and just kind of want to
24 alert folks that we may -- as we go down this licensing
25 path, we need to be concerned with what we've done in
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1 the past, and I think if you look at those proceedings,
2 you're going to see similar kinds of analyses and
3 conclusions drawn when we look at those measures.

4 Any questions, comments, concerns?

5 MR. BERNHEISEL: Lee Bernheisel.

6 I just -- I came in late and I apologize for
7 that, but I have some specific comments on protocols on
8 certain things and I was just wondering if you could
9 explain when we do have a chance to comment upon those
10 today.

11 MR. TURNER: Well, I have to ask the question,
12 to comment on -- you have an opportunity to comment on
13 the issues now. We have a comment period that closes --
14 what? --

15 MR. EASTON: April 2nd.

16 MR. TURNER: -- April 2nd on the issues. At
17 that date you also need to be putting forth any
18 information requests that you have that you feel is
19 necessary for the commission to have an adequate
20 information base to make its decisions on.

21 There's another -- there's other points in the
22 process where we'll also talk about in -- towards the
23 end of this discussion or in the end of the issue
24 discussions where there are other points you need to
25 talk about, the commission's environmental analysis,

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1 what you recommend in terms of what the license might
2 need to include and those types of things. So if you
3 can hold that and if I don't get to it, we can raise it
4 again.

5 MR. BERNHEISEL: Yeah. My issues are based on
6 the scoping itself and there are certain issues -- or a
7 certain issue that I want to discuss that should be
8 scoped and I feel it's not being properly scoped at this
9 point.

10 MR. TURNER: Now is the time to raise it.

11 MR. EASTON: An issue related to a resource or
12 resources?

13 MR. BERNHEISEL: Yes, a resource.

14 MR. EASTON: Yeah, you can --

15 MR. BERNHEISEL: But, no, I don't want to
16 interrupt, you know, the flow of what your schedule is,
17 so I've been kind of waiting to discuss this issue.

18 MR. EASTON: What issue?

19 MR. BERNHEISEL: Spring chinook.

20 MR. EASTON: Well, we covered fish, but you
21 can -- that's fine. You can talk about it right now.

22 MR. BERNHEISEL: Okay. Well, maybe I'll back
23 up and go into the fisheries resource on spring chinook.

24 My name again is Lee Bernheisel. I live in
25 the Methow Valley and I represent the Okanogan

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1 Wilderness League.

2 My involvement has been fairly extensive with
3 Douglas County PUD on fish issues and I have been
4 involved since the early '90s and that was after the
5 last license was basically signed for operation of
6 Wells.

7 I'll start with saying that I feel that there
8 needs to be an environmental impact statement done on
9 the protocols for spring chinook in the Methow basin,
10 and I'm going to go into some issues that I want to
11 discuss that -- the reason why I think an EIS and a
12 range of alternatives needs to be done on this specific
13 resource.

14 My original involvement was reading the
15 protocols for spring chinook after the license was
16 signed off on in the early '90s. In that particular
17 agreement it was agreed by all parties that signed off,
18 including Federal -- FERC, that the spring chinook
19 should be treated very, very specifically for the
20 viability of the wild chinook, wild spring chinook.

21 Part of this program was to do an enhancement
22 program in the Methow Valley and the Methow basin and
23 there were specifics related to those protocols, the
24 number of fish that could be gathered for the hatcheries
25 and other specific reasons and they were always in favor

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1 of having the run for the spring chinook on the wild run
2 maintained and the maintenance of the spring chinook was
3 important that we leave more spring chinook in the river
4 than take out for the three subspecies of spring chinook
5 in the basin.

6 That being said, this protocol has changed
7 many, many times. The process involved in changing the
8 protocols for spring chinook was a closed process. It
9 was something that I was involved in, but I basically
10 had to break the door down to get into the involvement
11 process with Douglas County PUD and the other licensees,
12 Grant County and Chelan County.

13 As I said, the protocols would change because
14 the people involved, which was the fisheries agencies,
15 had ultimate authority to be able to change this without
16 much discussion. The public wasn't involved, as I said,
17 and these were changed yearly. We got further and
18 further away from the protection of the spring chinook.
19 We started collecting more than we had that escaped into
20 the spawning grounds.

21 The adaptive management in this process I do
22 not feel worked and part of it was because it changed,
23 changed dramatically, and it was based on production
24 goals rather than return of the spring chinook, and it
25 still is. And production has to do specifically with

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1 how much pounds of spring chinook are produced each year
2 and released into these three different sub basins of
3 the Methow.

4 The protocols actually flip-flopped in the
5 mid-'90s, which I commented on, and it was done in a
6 very closed process again, but it was done by one
7 portion of the fisheries agencies, their biologists,
8 saying that to save the species, we had to collect more
9 fish rather than less. It never went back to the
10 original licenses, never went back. So we've had this
11 flip-flop in the protocols from the original licensee,
12 which doesn't give me a lot of comfort in the new
13 process.

14 And so I feel that it's appropriate to go look
15 at the spring chinook protocols again and have a range
16 of alternatives on that specific species to see which
17 would be best for the spring chinook.

18 We have also had fish kills that I'm aware of
19 at least three times on both releases and disease within
20 these enhancement fisheries. We've had predation
21 problems with hav- -- introducing coho into the system,
22 which are larger fish and may eat the spring chinook
23 because they're smaller.

24 We've had lots of different things happen in
25 the Methow and it really has not been looked at to this

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1 point, and I'm hoping that this might be another
2 opportunity to look to see what's best for the spring
3 chinook within the Methow basin.

4 My analysis, which I was the only one
5 collecting data for a number of years, on returning wild
6 spring chinook showed that it was pretty much a wash on
7 whether or not the return of the hatchery fish, the
8 enhanced fish or the beta fish was outproducing the
9 other.

10 So we spent a lot of money on enhancements and
11 a lot of money on production and I realize there's some
12 legal issues involved in this and that the courts have
13 mandated certain things to look at these production
14 goals, but I think the fish themselves need to be taken
15 care of and I think they need a second look.

16 And that's pretty much all I really wanted to
17 say on this. But, you know, I would like to see an EIS
18 down for the protocols on spring chinook in the Methow
19 basin and that's just an isolated part of the EA that I
20 would like to see drawn out of it.

21 Thank you.

22 MR. EASTON: Can I just ask a couple of
23 questions and try to clarify a few things?

24 MR. BERNHEISEL: Sure.

25 MR. EASTON: When you say "protocols," are you
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1 referring to the hatchery protocols?

2 MR. BERNHEISEL: Well, it's more than the
3 hatchery protocols. It's protocols for both escapement
4 and hatchery.

5 MR. EASTON: And these are the management
6 goals that are implemented through --

7 MR. BERNHEISEL: Yearly, every spring, to my
8 knowledge, the fisheries agents that I've been --

9 MR. EASTON: This isn't part of the -- is this
10 part of your HCP that --

11 MR. CLUBB: Bob Clubb, Douglas PUD.

12 We went through a long process with the
13 Habitat Conservation Plan which addresses the spring
14 chinook, summer/fall chinook, coho, steelhead and
15 sockeye and there was an EIS produced before and a
16 biological opinion by National Marine Fisheries Service
17 before it went before the commission and adopted as part
18 of our license.

19 So there is a process that goes on. I know
20 Lee doesn't feel like it is as open as it should be, but
21 it goes through a coordinating committee that has
22 representatives of the resource agencies, tribes to make
23 these decisions on an adaptive management basis with
24 overall goals of meeting the "no net impact" standard by
25 maintaining naturally spawning populations.

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1 And so I think we've tried to address Lee's
2 concerns in that process and that has been formally
3 documented in an EIS that was generated by National
4 Marine Fisheries Service.

5 MR. BICKFORD: That was in 2002.

6 MR. EASTON: Right. And that's -- we were
7 actually a cooperating agency on that.

8 MR. BICKFORD: Yes.

9 MR. BERNHEISEL: Just as a point of the
10 process itself, the HCP process kind of changed the
11 cooperative base of how the PUDs were operating in their
12 meetings and I asked to be able to come to the HCP
13 meetings just so I could continue to get information on
14 what the protocols and things were, and I was denied
15 access to those meetings at the HCP level.

16 And so, you know, again, you know, I'm -- it's
17 something that's very difficult for the public to get an
18 oar into this process at this point, and I'm not
19 criticizing, but this gives me another opportunity with
20 opening up the license for 40 years to be able to get
21 more public involvement through an EIS process on these
22 protocols and that's why I'm asking.

23 MR. EASTON: The point of this meeting is for
24 us to get an idea of what the resource issues are and
25 the information needs are, and if there's issues that we

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1 did not identify in this scoping document that you think
2 need to be addressed in the environmental analysis, then
3 you should put those forth.

4 It sounds like you have concerns specifically
5 with spring chinook and how they're handled and
6 addressed managementwise in the Methow basin.

7 MR. BERNHEISEL: That's correct.

8 MR. EASTON: So that's the kind of issue I can
9 take back and try and do a job that could -- you know,
10 spend some time on it, looking at it and trying to
11 figure out how I can characterize it in a way that fits
12 into our scoping document.

13 MR. BERNHEISEL: I would be happy to find time
14 to supply you with the documents I've supplied in the
15 past on the protocols that have -- on what is felt is
16 needed for the spring chinook if that would be of some
17 help. It wasn't any help in the earlier process, but --

18 MR. EASTON: Keeping in mind that one of the
19 things we will be focussing on primarily -- I'm just --
20 I'm wondering if we're having sort of a disconnect here
21 in that what we're looking at is the project and how the
22 project is operated. The management of the species or
23 the fisheries agencies are beyond FERC's authority. We
24 can't really tell NMFS how to manage the salmon and
25 steelhead.

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1 If NMFS decides to tell us to put certain
2 things into their license, they have some mandatory
3 condition authorities where they can basically give
4 things to FERC and say, "Put this in the license."

5 MR. BERNHEISEL: And that's what happened --

6 MR. EASTON: FERC doesn't have any authority
7 to say no to some of those things. And if so, we don't
8 issue a license or we issue a license and things go in.

9 So there is some difficulty of getting at some
10 of the like management goals of the agencies through the
11 FERC process. We can't really -- we don't generally
12 expand our scope wide enough to go out and reevaluate
13 their management approach. What we really hope to look
14 at is the scope of the project in terms of the project's
15 impacts on the species.

16 Now, for spring chinook, this project is
17 pretty good overall in terms of passage survival and
18 things along those lines.

19 Now, the hatchery program, if that's what
20 you're getting at in terms of how they manage the
21 hatchery program, they don't set statement goals. Those
22 goals are going to be set primarily by the agencies.

23 MR. BERNHEISEL: Actually, it was part of the
24 license. That's where this originally came from. The
25 license in 19- -- in early '90s when they went through

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1 their last relicensing --

2 MR. EASTON: Is this project construction?

3 MR. BICKFORD: No. That was not a
4 relicensing. That was just an approval of the
5 settlement agreement on fisheries issues.

6 MR. BERNHEISEL: Okay. It was a settlement
7 agreement that was a part of the FERC process. It was
8 part -- FERC was involved, NMFS was involved, and they
9 came up with a set of protocols. Those protocols are
10 the ones that I'm talking about and those were agreed to
11 by all parties, including NMFS, Douglas County PUD,
12 FERC. All those parties agreed to it.

13 That changed. That has changed dramatically
14 in the last ten years. And it never has gone through
15 the process again. And it may not have been
16 relicensing, but it was certainly a proposal between
17 Douglas County PUD, FERC, NMFS and the tribes, I
18 believe.

19 MR. EASTON: I think maybe the best -- I mean,
20 you've provided us with your oral testimony, so I think
21 we have a picture of what your concerns are, and if you
22 have any intent of filing any written materials, we have
23 a written --

24 MR. BERNHEISEL: Again, I could certainly
25 refile what I've already filed in the past.

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1 MR. EASTON: Well, that would be fine.

2 MR. BERNHEISEL: And so it goes to a different
3 agency. But I did write a letter back in the mid-'90s
4 on what other people thought the protocol should be and
5 these things were changing.

6 MR. EASTON: Well, I think that that may be
7 something that would be worthwhile as taking that and
8 sending it into the commission and giving us a chance to
9 look at it. I think --

10 MR. BERNHEISEL: I will resubmit it.

11 MR. EASTON: We're going to need -- from our
12 standpoint, we're going to need to sit back and look at
13 this and figure out how it exists into the existing
14 licensing process.

15 MR. BERNHEISEL: HCP?

16 MR. EASTON: Well, the HCP, they haven't
17 gotten to a point yet where that -- they have formally
18 proposed that the HCP will be part of their relicensing
19 application because we don't have a relicense
20 application at this point.

21 So we don't know -- I think there's an
22 implication that they're going to carry forward with the
23 HCP and that's part of the commitment to the HCP.

24 From FERC's standpoint, until you put it in
25 the license application and put it before FERC, you

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1 don't have a proposal. So we don't know what your
2 proposal is until you formalize it, and we're years away
3 from that.

4 So there's two and a half years of
5 negotiations here for you to work with them on what you
6 think they need to propose.

7 MR. BICKFORD: The only proposal that we've
8 put in so far is a placeholder that states, in our
9 notice of intent to relicense, is a statement that we
10 plan on not changing operations in the project.

11 MR. EASTON: Right.

12 MR. BICKFORD: So the presumption of the HCP
13 would be included as part of that package because it's
14 part of the existing license.

15 MR. EASTON: We're really early in the
16 process. We're trying to identify the issues. If
17 you've got an issue, I think you should file some
18 written comments to indicate what your issue is and how
19 you think we should handle it and address it.

20 And then to the extent it fits within the
21 scope of what FERC does in terms of relicensing, we can
22 address that issue in the environmental document and
23 then try and address it through measures in the license
24 if it's appropriate.

25 MR. BERNHEISEL: A question for FERC. Is FERC

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1 going to be responsible for doing -- they're responsible
2 for doing the EA, and if they chose to go in deeper into
3 the process, would you be responsible for doing the EIS
4 or would that be Douglas County PUD that would be doing
5 the EIS?

6 MR. EASTON: We'll prepare both documents.

7 MR. BERNHEISEL: FERC will?

8 MR. EASTON: Me, FERC, will. I'm from FERC.

9 MR. BERNHEISEL: Oh, okay.

10 MR. EASTON: I'm sorry. I guess I should have
11 made that clear.

12 MR. TURNER: And right now it's going to be an
13 environmental assessment on the license and what aspects
14 are incorporated in the --

15 THE REPORTER: I can't hear you.

16 MR. TURNER: I'm sorry.

17 We were proposing to do an environmental
18 assessment and what measures will be attached to that
19 new license. We're not proposing to do an EIS at this
20 time because we don't see the level of controversy that
21 would probably drive us to that, but we may ultimately
22 change our mind and this scoping is part of that effort.

23 MR. BERNHEISEL: That's why I came today, just
24 because you have to get your oar in at the start of the
25 process or else you might as well not be here. Thank

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1 you.

2 MR. EASTON: Yeah. Thank you.

3 MR. TURNER: You got the discussion on your
4 point.

5 Getting back to terrestrial resources. Any
6 other comments or questions on terrestrial resources?

7 (No response.)

8 With that, we're getting closer to lunch, I
9 think we can probably wrap this up in the next 30
10 minutes or so if people want to continue and we can
11 gauge it as we get into discussions on the land use and
12 recreation. But I recommend we continue to move forward
13 and see where we are.

14 Our recreation, land use person, due to budget
15 constraints, couldn't be here today, so I'm standing in
16 her stead. I will try to do my best to answer any
17 questions you may have in that regard.

18 After reviewing PAD, we basically came up with
19 three issues: Effects of the project operations on
20 access to and use of public boat launches and docks. In
21 that same vein, it's the effects of the aquatic
22 vegetation and sediment conditions on public access to
23 and use of project waters.

24 And then the last bullet is the adequacy of
25 the existing recreation facilities and public access

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1 within the project boundary to meet current and future
2 demands, including a barrier-free access for folks with
3 disabilities.

4 Did we adequately capture the issues? There's
5 a couple of studies being proposed and basically those
6 are, again, looking at the aquatic vegetation and
7 sediment issues and how it influences access and taking
8 the baseline studies that have been gathered to project
9 what future demands might be and whether those
10 facilities are adequately meeting that demand.

11 Is there any other questions or comments,
12 resource concerns?

13 (No response.)

14 Okay. Take that as a no.

15 We do have certain responsibilities under
16 Section 106 of the National Historic Preservation Act to
17 consider the project's effects of operations on cultural
18 resources of significance, historic, archaeological and
19 traditional resources. And with that, we are -- or
20 Chelan is proposing -- or -- I'm sorry. I knew I would
21 do that. Douglas is --

22 MR. BICKFORD: That's okay. Chelan can
23 propose it.

24 MR. TURNER: -- proposing to look at and do
25 some cultural resource surveys, basically looking at

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1 existing information, going back out and, as I
2 understand it, kind of making sure everything is still
3 status quo. There is already a lot of existing
4 information on cultural resource sites, but we're just
5 kind of reevaluating those sites.

6 Is there any issues on cultural resources,
7 comments or concerns?

8 (No response.)

9 Again, I'll take that as a no.

10 There was one other issue here that apparently
11 we didn't create a slide for and that was developmental
12 resources, and as our standard -- primarily because
13 there's no study prepared, so as part of our standard
14 process we will look at environmental measures to figure
15 out and weigh those against the project -- against their
16 costs and make a decision as to whether or not on
17 balance those measures should be made part of the
18 license.

19 As Bob talked about earlier, there are certain
20 conditions that do get placed on a license that we don't
21 have a choice on, such as the section of water quality
22 certification conditions or Fish and Wildlife Services,
23 Section 18. Those will be analyzed, the cost to the
24 project in terms of what they would be in terms of
25 alternative sources of power will also be looked at in
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1 our environmental assessment and those decisions will be
2 weighed by the commission in making a recommendation for
3 inclusion about whether to issue the license and what
4 conditions are to be placed on that license.

5 The last line, and this is the one that I
6 intended -- it probably should have been in the
7 beginning and it would have put forth a lot of
8 discussion and maybe even resolved a lot of discussion
9 we had about what we need to do in terms of studies, but
10 there are seven study criteria that the commission came
11 up with in collaboration with industry, agencies, NGOs
12 and the like. We have developed and approved the
13 integrated licensing process.

14 The intent here is to get people to focus on
15 information that's needed to make a decision to address
16 the issues that have been raised in a particular
17 proceeding. The tool here is to look at the criteria,
18 and the reason this study -- this slide is up here is to
19 remind folks that in the next 30 days if you need to
20 provide any kind of request for additional information,
21 you need to address these criteria, and the commission
22 is going to consider the information put forward here in
23 making that decision as to whether we want to -- whether
24 we're going to require Douglas to do a particular study
25 or not.

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1 And basically, in a nutshell, and I don't want
2 to belabor this because I know you guys have been at --
3 the resource work groups have been discussing the
4 criteria, the plans that are there and lay it out and
5 talk about the study criteria, and that is a credit to
6 your efforts here in this proceeding.

7 But just for the uninitiated, I'm going to run
8 real quickly through them, and that is to -- the study
9 request needs to identify the study goals and the
10 objectives: What do you intend to accomplish and how do
11 you intend to accomplish it?

12 It needs to inform or consider resource
13 management goals. This criteria is really directed more
14 towards an agency than it is, say, a nongovernmental
15 organization or somebody that doesn't have directed
16 mandates, but, in other words, how does that information
17 you're going to gather inform or apply to your resource
18 management goals?

19 Consider the public interest requirements.
20 This one, again, is more focussed towards
21 nongovernmental organizations who don't have particular
22 mandates. In other words, if you -- let's take a white
23 water interest. If you're -- if the project may have an
24 effect on white water recreation and you want more white
25 water recreation, you think there's a study needed for
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1 white water recreation, you would put forward and say
2 this -- why this is a particular -- in the public's
3 interest to require this kind of a measure and we need
4 this information to make that decision. You need to
5 consider what existing information is there, and this
6 goes to your point earlier.

7 If there's a lot of information known about a
8 particular issue, then we need to weigh what that
9 information is and where -- where the information gap is
10 that needs to be filled. If there's enough there to
11 address the issue, it may not be worth doing a study
12 just getting to that recommendation.

13 And the fourth bullet -- or the fifth bullet
14 here is really the one that is key and that's the nexus
15 to the project operations and effects, and the second
16 part of it, as many people keep -- forget, and that's
17 how are you going to use that information to make a
18 recommendation for the license. There needs to be a tie
19 to -- between the information that's gathered and the
20 project and it needs to inform a license decision. It
21 can't just be information for information sake.

22 The methodology needs to be consistent with
23 accepted practices, and that kind of goes to another
24 concern that you raised earlier. That doesn't
25 necessarily mean you can't invent new policies if

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1 there's not -- or new studies out there that -- there's
2 an issue raised but you need to be creative about
3 finding a solution.

4 If there is no signs of accepted methods but
5 you're able to come up with something you think will
6 work, that can be put forward. But generally it should
7 be consistent with scientifically accepted practices and
8 it needs to consider the level of effort and cost
9 associated with that.

10 We're not talking about here you need to --
11 the more detail on that effort and cost is important,
12 but what we're trying to do is weigh whether or not the
13 proposed study that's going to cost \$200,000 is going to
14 give us a certain amount of information but a proposed
15 study that would maybe need \$25,000 is going to have
16 just about the same quality of information and the
17 incremental gain is not that much.

18 The commission is going to consider all these
19 factors when the study is put forward, and if there's
20 any debate among whether or not that study is going to
21 be needed or not, these are the factors we are going to
22 weigh in making that decision.

23 Any questions? Did I get to the comments that
24 folks had raised earlier?

25 (No response.)

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1 I just want to hit a couple of important dates
2 that are coming up. Again, it's spelled out in detail
3 in the process plan in the back. Your study requests
4 and your comments on the issues are all due by
5 April 2nd.

6 The PUD will take that information and put
7 together a proposed study plan. This must be filed with
8 the commission by May 17th. Again, there is already
9 good effort put forward in that effort -- put forward in
10 developing this proposed study plan that most folks were
11 in agreement with. So you're well ahead of where the
12 process needs to be, but we'll still have to have a
13 proposed study filed by May 17th.

14 Then the PUD will have to hold at least one
15 meeting. The commission will attend that meeting for
16 sure by June 8 -- yeah, June 18th, 2007. That kind of
17 begins the informal process of trying to resolve any
18 disputes among parties about what kind of studies.

19 The commission will sit down, work with
20 everybody. The PUD needs to sit down and work with
21 everybody to kind of craft any additional support for a
22 study or try to resolve any differences in what needs to
23 be done for that particular study that may not be agreed
24 to by all the parties.

25 At the end of that 90-day period, which begins
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1 from the filing of the proposed study plan, the PUD must
2 file a revised study plan that makes -- that considers
3 all the comments and efforts that went through to try to
4 resolve those disputes by September 14th, 2007.

5 Then the commission within 30 days will issue
6 its study plan determination, which will resolve those
7 disputes by basically saying PUD has to use these
8 studies as outlined in the revised study plan with any
9 certain modifications, if we've been convinced by other
10 parties that those modifications need to be made to the
11 study plan.

12 Any questions?

13 MR. ELDRED: That last one, David,
14 "Determination," that means you're at the revised study
15 plan, that's it?

16 MR. TURNER: That's the revised study plan --

17 MR. ELDRED: Yeah.

18 MR. TURNER: -- and that's the one the
19 commission has approved.

20 MR. ELDRED: Yeah.

21 MR. TURNER: They'll go forward and implement
22 those studies. Now, there is another step about a year
23 out when we'll have an initial study report coming in.
24 We'll revisit those studies to make sure that they were
25 conducted as proposed and the information that was
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1 gathered is meeting the needs of the goals and
2 objectives that were laid out in that study.

3 MR. ELDRED: So by "Determination," it means
4 the commission has approved the final study plan and you
5 got a green light, go for it?

6 MR. TURNER: Right.

7 MR. ELDRED: Okay.

8 MR. TURNER: Well, that one, if there's not
9 any other questions -- is there anybody else that has
10 any other issues that we didn't cover here today?
11 Anything else that we want to consider?

12 MS. HOWE: Is this the last opportunity today
13 for any comments?

14 MR. TURNER: No. You have, again, by
15 April 2nd to file written comments.

16 MS. HOWE: I know. Today, I said.

17 MR. EASTON: If you want to speak something
18 that -- read something into the record or --

19 MS. HOWE: Yes, I do.

20 MR. EASTON: -- provide some comments, you
21 need to do that now.

22 MS. HOWE: Well, I have a better comfort zone
23 of reading something than speaking off of the top of my
24 head, so --

25 MR. EASTON: That's fine.

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1 MS. HOWE: Thank you. So I did prepare
2 something for that reason.

3 I'm Gail Howe, City of Pateros, and Pateros
4 has been affected a great deal from Wells Dam reservoir,
5 depending on whether we exist or we didn't exist, so I'd
6 like to read my statement right now. Thank you.

7 Thank you for the opportunity to comment on
8 Wells Hydroelectric Project, Number 2149, Preliminary
9 Application Document and Scoping Document 1 for
10 relicensing. The City of Pateros appreciates the
11 efforts of Douglas PUD and FERC in keeping stakeholders
12 informed.

13 A number of recent actions have resulted in
14 opportunities related to the City of Pateros and Douglas
15 County PUD's relicensing of the Wells project. In 2005
16 the State of Washington developed the Okanogan Trails
17 Corridor Management Plan for a portion of US 97, the
18 state designated scenic and recreational byway that
19 extends from Pateros to the border between the United
20 States and Canada. The name "Okanogan Trails" was
21 selected because of a number of historic trails within
22 and leading to the byway, including the rivers as "water
23 trails."

24 The management plan presents recommendations
25 and strategies for enhancing visitors' experiences and
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1 tourism opportunities while preserving unique resources
2 contributing to the quality of life in the region. The
3 City of Pateros, which is located at the confluence of
4 the Columbia and Methow Rivers, is the southern gateway
5 to the Okanogan trails scenic byway.

6 A regional visitor information center to be
7 located in Pateros is in the planning stages. Pateros
8 is the closest community to Wells Dam, located
9 approximately eight miles downstream from the city.
10 With limited access and operation of the visitor
11 information center in Wells Dam powerhouse due to
12 security concerns, an opportunity exists for a
13 partnership between Pateros and Douglas PUD to share in
14 providing public information on Wells Dam and the
15 reservoir at the new visitor information center in
16 Pateros.

17 This urban setting of the visitor information
18 center in the city of Pateros would be consistent with
19 the district's commitment to natural resource
20 conservation. It is proposed that an investigation into
21 this opportunity be addressed in the relicensing
22 process.

23 In December 2005 the Pateros city council
24 accepted a downtown business plan addressing the
25 interaction between the city's commercial business
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1 district, Memorial Park and the river. A key element of
2 the plan is a public pier, plaza, and
3 historic/interpretive features in the park associated
4 with Ives' Landing, honoring the original
5 founder/namesake of the community.

6 The riverfront area throughout Memorial Park
7 is rip-rapped providing limited interaction and
8 accessibility to the water. The pier would provide a
9 safe, publicly accessible means of connecting people
10 with the dynamic river throughout the year.

11 Secondly, the plan calls for a covered
12 pavilion or similar structure to serve as a focal point
13 of the events in the park. This would provide for
14 interpretive and historic presentations in the
15 riverfront setting, including the significant impact of
16 hydropower, cultural impacts over time associated with
17 changes in the Columbia River, and other subjects of
18 interest to the community and visitors alike.

19 The 1982 Public Use Plan emphasized that the
20 facilities that are available largely control what
21 people are able to do, and if the facilities do not
22 exist, then people are not participating in those
23 activities. It is requested that the recreation needs
24 studies include public use facilities that provide
25 greater accessibility and use, river-based cultural and
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1 historical themes, and informational opportunities.

2 As part of the 1987 Recreational Action Plan
3 for development of Memorial and Peninsula Parks, Pateros
4 agreed to provide maintenance and operation of these
5 facilities, which it has done. Park operation costs
6 have risen, while city population and city resources
7 have diminished in a relative sense over the years.

8 While the city has not tracked specific costs,
9 it would like to work with the Douglas PUD to come up
10 with an assessment of future maintenance and operation
11 costs over the next relicensing period. Development of
12 a maintenance management plan for the parks is one way
13 to assess the overall operational impacts and identify
14 opportunities for the city and Douglas PUD to work
15 cooperatively over the next license term. The City of
16 Pateros requests that maintenance and operation needs
17 for Memorial and Peninsula Parks, tennis courts and boat
18 launches be studied and costs assessed. This includes
19 water and wastewater use and utility impacts.

20 New development is already occurring and will
21 continue to increase in our area. One of the
22 recreational demands often heard by city staff is the
23 need for boat storage. Much of the boating demand is by
24 visitors from the Puget Sound area across the Cascade
25 Mountains, 150 to 200 miles away. The ability to store
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1 boats in Pateros in or out of the water would be of
2 significant benefit to boat owners and the environment.
3 It is asked that Douglas PUD study the need for and
4 benefits of boat storage.

5 The City of Pateros has numerous concerned
6 local citizens and businesses affected as a result of
7 granted permits for use of Wells Reservoir area. All of
8 the City of Pateros riverfront property borders Douglas
9 PUD reservoir land. It is asked that Douglas PUD study
10 the direct, indirect and/or cumulative impact of the
11 Wells Dam project on local communities.

12 Douglas PUD recently secured an interest in
13 the Cascade-Columbia River Railroad right-of-way between
14 Wells Dam and the City of Brewster. The railroad
15 right-of-way generally follows the Columbia River, but
16 as it crosses the Methow River, it swings inland and
17 passes through the City of Pateros' commercial business
18 district.

19 Should the railroad abandon its interest, the
20 City of Pateros will be greatly impacted by whatever
21 actions Douglas PUD takes on the property. The city
22 proposes that Douglas PUD include alternatives for use
23 of this riverfront property including recreational
24 trails and sidewalk linkages between the urban parks.

25 The City of Pateros will work with Douglas PUD

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1 on the details of the requested studies. We are pleased
2 with the opportunity to present these issues and
3 concerns directly to FERC staff and will provide further
4 detail in written comments prior to April 2nd, 2007.

5 Thank you.

6 MR. TURNER: Thank you.

7 Anything else?

8 (No response.)

9 I just want to remind folks again, if you want
10 to be on the official FERC mailing list, follow the
11 instructions in the scoping document.

12 Transcripts of this meeting will be available
13 on FERC's own records information system, our eLibrary
14 system, no sooner than about ten days from now. You can
15 access the eLibrary system at FERC.gov. Transcripts can
16 also be purchased for 25 cents a page from our ace
17 reporter here if you want it sooner. I'd recommend you
18 consider waiting, but it's up to you.

19 Anything else? If not, I thank you all for
20 your participation and involvement and appreciate your
21 input. I enjoyed the meeting.

22 (End of proceeding at 12:26 p.m.)

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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

IN THE MATTER OF PROJECT NO.
2149
WELLS HYDROELECTRIC PROJECT WASHINGTON

Columbia Cove Community Center
601 West Cliff Avenue
Brewster, Washington

Wednesday, February 28, 2007

The above-mentioned matter came on for public
scoping meeting, pursuant to notice at 7:00 p.m.

MODERATORS: ROBERT EASTON, FERC
DAVID TURNER, FERC

1 P R O C E E D I N G

2 MR. EASTON: Good evening. I'd like to welcome
3 you to the Federal Energy Regulatory Commissions' Public
4 Scoping Meeting for the Wells Hydroelectric Project. My name
5 is Bob Easton and I'm a Fisheries Biologist at the Commission
6 and I will be Project Coordinator for this proceeding.

7 With me tonight is Dave Turner who's also from
8 the Commission. And Dave is a Terrestrial Biologist.

9 I'll kind of just quickly run through this
10 presentation and then we'll get to your comments. Before we
11 get too far into this presentation, I want to point out that
12 there's a sign-in sheet over there. We'd like for you to
13 sign in. I think everybody got that as they came through.
14 There's also some handouts you may want to pick up.

15 We're going to do a brief little presentation, as
16 I said. We'll go over the process itself, just kind touch on
17 what the process is in terms of re-licensing steps and the
18 sequence of that. We will also kind of touch on the purpose
19 of scoping, which is what we're here doing tonight. This is
20 a scoping meeting.

21 Then Shane Bickford from Douglas PUD will give a
22 brief description of the project facilities and project
23 operations. And we'll kind of touch on the resource issues
24 and the studies that have been proposed so far. And then
25 we'll kind of give you an overview of the important dates

1 that are upcoming through this process, then open it up to
2 your comments and try and respond as best we can to those.

3 I guess I already said about the registration,
4 sign-in, and the handouts. We do have a court reporter here
5 tonight. She'll be recording the discussion, presentations,
6 as well as the comments that you make. That's so that we
7 have a record of the statements that are made here tonight
8 and we can refer back to those when we get back and don't
9 have to do it all off the top of our heads. We can actually
10 look back at the transcript. It also will be available to
11 any of you eventually. You can buy copies of this or get it
12 off the Internet at a later date.

13 It's important that if you do speak tonight, you
14 state your name, your full name if it's a complicated name.
15 It helps the court reporter to spell it out for her. And if
16 you work with somebody, maybe name your affiliation, the
17 agency or organization you're associated with.

18 You don't have to make oral comments tonight if
19 you don't wish to. You can just be here and observe. That's
20 fine. If you choose to provide written comments, those
21 written comments are due by April 2nd. If you look in the
22 Scoping Document -- I believe it's pages 19 and 20 of the
23 Scoping Document, which is available over there -- there's a
24 copy of it -- pages 19 and 20 describe how you can file your
25 written comments with the Commission, Federal Energy -- FERC,

1 I should say. Commission could be confusing, I guess.

2 Lastly, there's a mailing list that the
3 Commission maintains and all things that we send out will go
4 to that mailing list. The Scoping Document -- we sent the
5 Scoping Document out to our official mailing list, but we
6 also sent it out to the distribution list that Douglas PUD
7 had written using -- included in the Preapplication
8 Documents.

9 In the future we won't be sending out things to
10 the distribution list. If you're not on the official FERC
11 mailing list, you won't receive any FERC mailings. In order
12 to get added to that list, you need to send a letter,
13 basically, to the Commission and ask to be added to the
14 mailing list. You can determine if you're already on the
15 list by looking at pages 24 to 29 of the Scoping Document.
16 All of the people who are on the mailing list are listed
17 there. If you don't see your name, you're not on it. So
18 send us a letter. And the instructions on how to get added
19 to the mailing list are on page 24 of the Scoping Document.

20 This is sort of a brief overview of the
21 integrated licensing process. It's a new process that a
22 handful of projects have been using to prepare their license
23 applications. I'm not going to go into a lot of detail about
24 the process. There's actually a detailed handout over here,
25 the colored one that's got blue and green boxes on it and

1 pink boxes. That's a breakdown of all the individual steps
2 of the entire integrated licensing process. As far as this
3 slide, it really just kind of touches on some of the key
4 issues.

5 Back in December, December 1st, 2006, Douglas
6 filed their Notice of Intent to prepare a license application
7 and their Preapplication Document at the Commission. That
8 basically started this process.

9 We then prepared a Scoping Document which we
10 issued in January, and that Scoping Document basically starts
11 this scoping process where we are trying to identify issues
12 and gather information for the Environmental Analysis that we
13 will prepare at some point in the future.

14 After scoping ends, which that's April 2nd is the
15 end of scoping, Douglas will continue -- they've actually
16 started early on study plan development. They've gotten
17 pretty far along with that. Normally a lot of that would
18 happen after scoping. They've really got a leg up on it,
19 which was great for them.

20 Anyway, they'll complete the study plan
21 development and then do several years of studies and then
22 develop their license application. The application will then
23 be filed with the Commission for our review on May 31st,
24 2010. That's by May 31st, 2010.

25 After the application is filed, then really the

1 ball is in FERC's court to kind of move the proceedings
2 along. We will review the application and issue what we call
3 the REA Notice, which REA just stands for Ready For
4 Environmental Analysis. And when that notice goes out, we
5 solicit comments again from the public. And the agencies
6 send us their terms and conditions that they think should be
7 included in the license. This also is an opportunity for
8 people to intervene in the process basically as a party to
9 the process.

10 After we get the comments back from everyone,
11 from the REA Notice, we then proceed with our development of
12 our environmental document. In this case we're planning on
13 preparing a Draft Environmental Assessment and a Final
14 Environmental Assessment.

15 After those documents are prepared, we move on to
16 an order. And the order is basically a decision from the
17 Commission on whether a license should be issued for the
18 project and what terms should be included in that license.

19 This is just sort of a brief overview of scoping.
20 The Federal Power Act gives FERC the responsibility of
21 licensing all nonfederal hydroelectric projects. Issuing a
22 license for a project is considered a federal action, and
23 federal actions require that we prepare -- according to the
24 National Environmental Policy Act, we are required to do an
25 Environmental Analysis associated with any federal actions.

1 So that -- as part of the preparation of all our NEPA
2 document, we need to do some scoping. That's what we're here
3 to do today.

4 Through scoping we try to identify issues that
5 should be addressed in the Environmental Analysis. We
6 discuss existing conditions in the information, try and
7 gather information from you in terms of what the issues are,
8 and also what information you think we need to add to what's
9 already in our record available to us. And that's, I guess,
10 along the lines of additional information needs.

11 Then also the Process Plan, which is available
12 over on the table, that's actually -- we included the Process
13 Plan in the Scoping Document. Shane just pointed out quickly
14 after I issued the Scoping Document that some of the dates
15 that we had in our Process Plan actually fall on weekends.
16 And so if you were required to file something on a Sunday and
17 you really had to meet that date, you would have to file on a
18 Friday so you lose a couple of days.

19 Our regulations actually spell out that anything
20 that lands on a weekend, you are allowed -- you get extended
21 to the following Monday for filing. So what we did in order
22 to clarify that, so you didn't have to worry about it, is
23 revised the Process Plan. And copies of that are available
24 over here on the table. If you look at it, you'll see
25 there's probably about -- I think there's 30 dates on there

1 or something about that. They run all the way out to the end
2 of the process. So that kind of gives you an idea of how
3 this plays out in terms of timing anyway.

4 I guess at this point I'll turn it over to Shane.
5 He's going to do a brief project description and discuss some
6 project facilities and operations, and then we'll kind of get
7 to some of the resource issues. Thanks.

8 MR. BICKFORD: My name is Shane Bickford. I'm
9 Supervisor of Re-licensing for Douglas PUD. I'm going to
10 give you just a real quick overview of the Wells Project,
11 some of its unique features, talk a little bit about the
12 operation. Got Mike Brun here tonight to correct me if I
13 screw up, which is good. And I want to talk a little bit
14 about some of the things that Douglas County PUD did to
15 prepare for re-licensing.

16 So most of you know where Wells Dam is located.
17 It's right here on River Mile 515.6 on the Columbia River.
18 It's the ninth project up from the Pacific Ocean, 515 miles
19 upstream from the Pacific Ocean. It's the last project that
20 anadromous fish can pass. There is no fish pass at Chief
21 Joseph Dam. Two tributaries; the Okanogan -- the Methow
22 isn't on here. Just trying to do a simplified map. It's 30
23 miles downstream of Chief Joseph Dam. The reservoir is about
24 29-1/2 miles long. We're 42 miles upstream of Rocky Reach
25 Dam and about 50 miles north of Wenatchee.

1 So this is a high-resolution orthophotography of
2 the project. What you can see is kind of an
3 interesting-looking facility right here. We call that a
4 hydrocombine. The dam structure itself includes about 1,000
5 feet of earth and embankment on the east shoreline, another
6 2,000 feet on the west embankment. Water flows in a
7 north/south direction. This is the reservoir that is out
8 here off of Brewster. It goes up to Bridgeport. These docks
9 are the Boat Restriction Zone. We call it the BRZ.
10 Sometimes that acronym will be thrown around.

11 This area in the immediate vicinity of the
12 four -- of the project we call the forebay. You may hear
13 that term as well. The tailwater is the receiving body of
14 water below the project after the water is passed through the
15 spillway into the turbines.

16 This kind of snaked S-pattern over here is the
17 Wells Fish Hatchery. That's the spawning channel that is no
18 longer being utilized. That facility -- the Wells
19 facility -- Wells Fish Hatchery raises steelhead, resident
20 rainbow trout, and summer/fall chinook.

21 There's some maintenance facilities located over
22 here. And when you drive past the Wells Project on the
23 highway, you'll see what we call "Vista Overlook." There's a
24 park, restrooms. There's a turbine exhibit out there,
25 petroglyphs.

1 The power that's generated at the Wells
2 hydrocombine is sent to the regional power grid across 230-kV
3 transmission lines. These transmission lines touch into
4 Chelan County, but they -- shortly after they cross the
5 Columbia River go up over the Waterville Plateau, come down
6 approximately near Rocky Reach Dam. The transmission lines
7 are about 41 miles long.

8 So kind of dwelling down into that interesting
9 structure that's the hydrocombine, there are a lot of things
10 going on in a very tight space. We've got two fish ladders,
11 one on the east and one on the west side of the project. The
12 idea is that fish tend to hug the shoreline; therefore, they
13 climb the ladder very easily. Two fish ladders and -- the
14 battery is running low.

15 We also have a switchyard on top of the deck of
16 the dam. It's kind of unusual. Most switchyards are located
17 either on the right or the left bank of the project. On
18 Wells it's right on top of the deck of the dam. There's a
19 lot of things that are packed into a very tight space here.

20 I think that laptop is -- there we go.

21 As you can see kind of the lighter structure with
22 the red arrows there, those are the turbine silos. There are
23 ten Kaplan turbines, propellor turbines, in Wells project.
24 We have a capacity of 774 megawatts, maximum capacity of 840
25 megawatts.

1 And the dark areas in between each one of those
2 turbine silos is a spillway. We have eleven spillways with a
3 spillway capacity of a little over a million cubic feet per
4 second, which is a lot of water.

5 We've modified several of those spillways, five
6 of them to be exact, for juvenile downstream migrants,
7 primarily Salmon and steelhead, but also beneficial to
8 lamprey and other species like bull trout and resident fish.

9 This bypass system is very efficient, the most
10 efficient on the Columbia River. It has guidance rates of up
11 around 92 and 96 percent. That means 92 to 96 percent of the
12 fish go through the spillway via the bypass, as opposed to
13 going through the turbines. Survival through the spillways
14 is also very high, around 99 percent. So we're very proud of
15 our fish bypass system.

16 All these things are in a very tight, confined
17 area. Most hydroprojects that you think of, Chief Joe, they
18 have a spillway and they have a powerhouse. Wells Dam,
19 they're combined. You put the switchyard on top of that.
20 You have two fish ladders so -- as Mike indicated, you have
21 the maintenance facilities.

22 A little bit about project operations. It's a
23 operation run-of-river project. What does that mean?
24 Run-of-river project means the amount of water that the Wells
25 Dam receives from Chief Joseph Dam and from the two

1 tributaries in a day's time roughly equals the discharge that
2 comes out of Wells on that day. Very limited active storage.
3 The flows, again, are really dominated by Chief Joe and Grand
4 Coulee. The side tributaries make up a pretty small
5 proportion of the total flow that goes through this project.

6 That also results in fluctuations that go on with
7 the reservoir, like some folks saw today out there. There's
8 no seasonal drawdown that takes place. We don't draw down
9 for flood control like you might see at Grand Coulee and then
10 fill. Pretty much the reservoir oscillates within a pretty
11 tight band, most of the time within the upper 2 feet of the
12 reservoir. So most of the time you'll see the project
13 between elevations 781 to 779. We do have a 10-foot
14 operating range for the project. That's our normal operating
15 range.

16 Next slide. In preparation for the re-licensing
17 the Douglas PUD has done a lot of things. Back in 2004,
18 because this is a pretty important effort, we wanted to make
19 sure we had all of the existing data that -- that was
20 available on the Wells Project. So what we did is contacted
21 everybody we could think of; any consultants or
22 organizations, tribes, federal and state agencies. And we
23 contacted over 350 of those and requested information if you
24 have anything about the Wells Project that would help us in
25 understanding any species, the interaction with the project,

1 with the river, et cetera. We did get some really good
2 responses from that effort.

3 We also spent a great deal of effort looking
4 internally at Douglas PUD looking for documents related to
5 Wells Dam. And we found over 20,000 documents, the vast
6 majority of those documents are located in our licensing
7 library in East Wenatchee, the Licensing Department. It is a
8 publicly-accessible area where people can come in and take a
9 look at any of the reports or any of the studies or any of
10 the background information contained in there.

11 So once that effort was done, we had a pretty
12 good idea of the environmental baseline. There have been
13 several other bigger licensings going on downstream of us so
14 we had a pretty good idea of the types of studies that needed
15 to take place.

16 So what we did is in 2005 we launched into an
17 effort to conduct our baseline studies. We conducted 15
18 baseline studies on various resources; recreation to water
19 quality to botanical resources, et cetera. And the idea was
20 to get as much information as we could, get that information
21 into our Preapplication Document to inform this process, and
22 to help us identify what other information gaps might be out
23 there. A lot of times when you do a study, it leads to
24 another question.

25 So we completed all those studies. They're

1 all -- you can find those reports on the Douglas PUD
2 licensing website. There's snippets of them in the
3 Preapplication Document. There's hard copies and CD's over
4 there. And you can also get to that Preapplication Document
5 from ferc.gov. So we completed baseline studies.

6 The next thing that we launched off on in 2005
7 was stakeholder outreach. And what we did is we went out and
8 we contacted all the cities, the counties, the local
9 government, state government, federal government that would
10 have an interest in the Wells Project, as well as the Indian
11 tribes.

12 And the outreach was intended to do two things.
13 One, it was to identify issues that people have with the
14 operation of Wells Project. And then walk through those
15 issues and match them up with FERC's seven study criteria,
16 which they'll go into in a little bit, to try and identify
17 what other studies Douglas PUD needed to do during this more
18 formal process.

19 So we held actually 28 resource work group
20 meetings in four resource areas; recreation, aquatics, which
21 is fish and water quality issues, terrestrial, which is
22 botanical and wildlife issues, and cultural. And we had 28
23 of those meetings between October of 2005 and October of
24 2006. We had 33 policy outreach meetings basically meeting
25 with directors of state agencies, you know, county

1 commissioners, to see what their issues were and if their
2 issues matched up with their technical representatives.

3 We distilled that down into 12 studies that we
4 put in the Preapplication Document that -- that basically
5 resource agencies, tribes, stakeholders to the project, feel
6 are important and that Douglas PUD agrees with the
7 stakeholders that they meet FERC accepted criteria. So all
8 those 12 of those agreed-upon studies are also found in the
9 Preapplication Document and are on our website.

10 And so with that, I think Bob is going to launch
11 off into some of the issues and some of the study topics.

12 MR. EASTON: Thanks, Shane.

13 In the Scoping Document, if you look at pages 13
14 through 16, we identified the resource issues. Well, we list
15 the resource issues that we identified based on the review of
16 the PAD, the Preapplication Document. There's issues related
17 to aquatic resources, terrestrial resources, threatened and
18 endangered species, recreation, land use and aesthetics,
19 ecological and historic resources, and then developmental
20 resources, which is basically power and economics, project
21 economics.

22 Under the aquatic resources there's a -- I'm not
23 sure how many issues we identified. I think it looks like
24 it's about 10 or 12 issues that we identified in here. I'm
25 just going to basically -- I'm not going to read them all to

1 you. You can read them yourself. They're in the Scoping
2 Document. But, basically, I'll just give you an idea of what
3 kind of things will be covered.

4 We looked at -- one of the issues we identified
5 was toxins; PCBs and DDT, in the lower Okanogan River, which
6 is within the project boundary. We also identified total
7 dissolved gas -- project affects on total dissolved gas
8 levels as being an issue.

9 Project affects on water temperature, dissolved
10 oxygen, pH, and turbidity was another issue we identified,
11 affects on aquatic and wetland plant communities, and also
12 aquatic invasive species. Those were other issues we listed
13 here.

14 Of course, affects of salmon and steelhead is an
15 issue. Affects on lamprey, both juvenile lamprey during the
16 downstream migration and adult lamprey during upstream
17 migration. We had a question at the meeting this morning of
18 what a lamprey is. I guess the best way to answer that may
19 be if you're not familiar with what a lamprey is, a lot of
20 people call them eels, I think. They're not technically an
21 eel, but people call them that. If you need to know more
22 about lampreys, see your local fisheries biologist and talk
23 about it.

24 There's also some issues related to white
25 sturgeon, which are within the project reservoir, and bull

1 trout which are a federally-listed endangered species --
2 threatened species. And then there's also -- we also
3 identified the issue of project affects on resident fish as
4 being something we need to consider in our Environmental
5 Analysis.

6 So those are all the topics that we will try to
7 address, or at least based on this proposal, that's our
8 preliminary list of issues that we will attempt to address in
9 our aquatics analysis within the Environment Assessment that
10 we would have to prepare when we get to that step of the
11 process that we had up here on the screen when we were
12 talking about the integrated licensing process.

13 Now, for many of those issues, the work groups
14 determined that there really wasn't any need for additional
15 information, that existing information is adequate to
16 evaluate those issues. For several of those issues they
17 identified studies that they think need to be done. That's
18 what Shane was referring to in terms of study plans.

19 Some of the studies that were listed are sampling
20 sediments and fish tissues in the lower Okanogan River to
21 find detections levels or determining what levels of DDT and
22 PCBs occur in that area.

23 And they also determine that they needed to --
24 the PUD had collected quite a bit of information regarding
25 total dissolved gas, but they -- what their intent is here

1 with this study is to continue to look at that data and
2 determine sort of the production dynamics, meaning what
3 actually is causing the gas levels to go up in the area below
4 the project and what can they do in order to reduce the
5 project's affect on total dissolved gas.

6 Another study that they plan on doing is to
7 develop a model to determine sort of the incremental affect
8 of the project on changes in water temperature moving through
9 the project area. And they also intend to conduct additional
10 monitoring of dissolved oxygen, pH, and turbidity in the
11 project area.

12 We will be -- when these studies are finalized and
13 eventually -- the PUD is basically sending these to us in a
14 sort of draft form at this point. Eventually they will be
15 formalized and sent to FERC, and FERC will have to sign off
16 on those before they run off and do them.

17 They can do some of them on their own, but they
18 generally want our support on them and then -- also our
19 support is sort of an indication that we think they're
20 valuable and worth doing and we're going to use the
21 information that comes from those as part of our
22 Environmental Analysis. So they don't need our blessing, but
23 I think we want to work together and want to be collecting
24 information that's really needed.

25 Some of the other aquatic studies is an evaluation of

1 the effectiveness of the predatory control program. This is
2 sort of a -- we weren't sure in reviewing it where it fit.
3 It really fits better, I think, under the terrestrial
4 resources. After we talked about it this morning, we got a
5 better grasp of it. It really covers both areas, though.
6 The predator control program is a program they implement to
7 reduce the effect of birds and other mammals -- mammalian
8 predators on juvenile salmon and steelhead survival as they
9 move through the project. And this study would be an attempt
10 to identify alternative ways of implementing that program
11 that would have equal effectiveness in terms of protecting
12 the juvenile salmon -- or benefitting the juvenile salmon and
13 steelhead, but also have -- may be more effective in terms of
14 the deterrent effect on predator species; the birds or the
15 mammals that are in the hatchery areas or the tailwater where
16 they're feeding on the juvenile fish.

17 And then the other studies were primarily related
18 to the lamprey. They are going to do a -- or propose to do
19 a -- basically a literature review of existing information
20 related to juvenile lamprey survival as they move downstream
21 through hydropower projects. Primarily it had to be a
22 literature review because there's really no good technique
23 for studying this yet. Nobody has developed a method for
24 studying it. There's also not very many lamprey out there to
25 study, so you need more fish if you're going to get out there

1 and play with them.

2 They do also as part of that study intend on getting
3 out and collecting some predators that might be feeding --
4 likely fish and bird predators that might be feeding on
5 juvenile lamprey as they move through the project area to see
6 what kind of stomach contents they have and if they have been
7 feeding on the juvenile lamprey. That's a field aspect of
8 that study.

9 They're also proposing to look in the reservoir and
10 try and identify areas where there's some adult lamprey
11 spawning habitat and determine -- if they do find potential
12 adult lamprey spawning habitat, they'd go back later and look
13 at it and see if there's actual spawning going on in these
14 areas.

15 And then, lastly, the last part of the study they're
16 proposing to do is radiotelemetry study of adult lamprey
17 passage and movement through the fish ladder and try to
18 identify the effectiveness or the efficiency of the ladders,
19 the rates that the fish move through the ladder, and see if
20 there's any problem areas that can be improved to expedite
21 the movement of the lamprey as they go through the fish
22 ladders, obviously, without impacting salmon and steelhead.
23 I think that's pretty much it for this.

24 Dave did mention -- I forgot to cover that, but Dave
25 mentioned that if you have questions about the IOP process --

1 we kind of briefly went over it earlier. I think the group
2 we met with this morning, most of them had been participating
3 in the work groups. And I'm not familiar with any of you so
4 I don't know what your familiarity with the process is. But
5 if you have questions about it, either ask them now or wait
6 until we get more into the discussion period and ask us about
7 it. But feel free to ask questions about the process and
8 then also to provide, you know, your input regarding these
9 resource issues and studies.

10 We do want to keep this pretty informal. It doesn't
11 have to be like a real court-type proceeding or anything. So
12 speak up if you've got something on your mind. Go ahead and
13 jump in at any time. Just state your name and affiliation.

14 I'm going to turn this over to Dave. He's going
15 to run through the rest of this stuff here, and then we'll
16 get into the -- open it up and you guys can hit us with your
17 comments and your thoughts.

18 MR. TURNER: Okay. We identified about --
19 basically, we reviewed the Preapplication Document and the
20 record that was put before us. And a lot of work, as Shane
21 explained, has gone into identifying these issues. So what
22 we've captured here, with some modification of stats to try
23 to really hone in on issues that are associated with the
24 project and project affects on those resources. We tried to
25 capture that in our summarized bullets.

1 Basically, for terrestrial resources we're
2 looking at how the transmission line may be affecting avians
3 or birds and raptors, or do they pose a hazard to them in
4 terms of electrocution or collision. Are the PUD's
5 management practices within the transmission line
6 right-of-way influencing habitat adversely or positively,
7 actually, for other birds.

8 We're also going to be looking at in our
9 Environmental Assessment whether the PUD's land management
10 practices and permitting policies are having an effect or
11 influence on wildlife and wildlife habitats.

12 A common issue that comes up in many proceedings
13 that the Commission has presided over for reservoirs is the
14 effect of reservoir fluctuations on many of the aquatic
15 species like riparian water fowl and riparian wetland
16 habitat. Fluctuations can influence the quality of this
17 habitat, affect the survival rates of water fowl.

18 One issue that was raised by a number of the
19 parties is whether the reservoirs themselves form migration
20 barriers to species like mule deer that may need to get from
21 one side of the reservoir to the other to find their habitat
22 needs.

23 And then we'll look at their existing wildlife
24 policies and that kind of stuff and determine whether or not
25 there needs to be changes in the next license period.

1 Basically, the only study that came out --
2 everybody felt that there was enough information to do an
3 analysis to look at those issues, but the only one that
4 really needed additional information was what's going on
5 within the transmission line corridor, what kind of habitat
6 types does it cross and what kind of species exist within
7 that and how might be, as I said, those factors of management
8 be an influence to those species.

9 Regarding recreation, land use, and aesthetics,
10 really it really boils down to how access is being influenced
11 by project operations or aquatic vegetation, sedimentation,
12 which could be influenced by the presence of the reservoir.

13 We're also going to be looking at whether or not
14 the existing facilities are adequate to meet existing and
15 future demand.

16 Basically, there's a couple of studies that have been
17 identified. One, again, it really looks at mapping out those
18 habitats, but looking at those access sites like the boating
19 ramps and other places to see if aquatic vegetation and
20 sediment is building up and influencing access. And the
21 reservoir fluctuations, how is that affecting -- or the
22 drawdowns, available -- do they prevent people from getting
23 into the reservoir and utilizing it for recreation purposes
24 and when does that occur and how often and why.

25 And, again, we'll be looking at and projecting needs

1 for the next licensing period in terms of what future demands
2 there might be for recreation and whether or not existing
3 facilities are meeting those demands.

4 I did skip over threatened and endangered species
5 by accident. We do have a responsibility under the
6 Endangered Species Act to ensure that our licensing action
7 doesn't cause the threatened and endangered species to --
8 result in jeopardy of their existence. So we'll be looking
9 at the effects of project operations and the reservoir
10 operations and the project as a whole on a number of
11 threatened and endangered species, including the Bald Eagle,
12 a plant that's called Ladies' Tresses. It's basically an
13 orchid. A number of states -- state-listed species and then,
14 obviously, the salmon and steelhead and bull trout resources.

15 Regarding archeological and historic resources, we
16 have an obligation under the National Historic Preservation
17 Act, Section 106, to also look and make sure our actions are
18 not adversely affecting those archeological and historic
19 sites.

20 The PUD is looking at the existing data going
21 back. There's a lot of existing data on those sites already.
22 We're going to go back and be looking to make sure that
23 things haven't changed over the course of these last license
24 years.

25 Before we -- there is the last issue that's on page 15

1 of the analysis is developmental resources. That's a
2 standard section of our environmental documents where we look
3 at the cost of various environmental measures versus what's
4 being produced by the project in terms of energy.

5 The Commission has an obligation to balance those
6 environmental or nondevelopmental resources with the
7 developmental side of those resources and try to figure out
8 whether those measures are in the public interest to be
9 applied to the next current -- to the new licensing.

10 Now, there are some measures that are going to be
11 outside the Commission's control. And those are what we term
12 "mandatory conditions." And they're applied to in this case
13 Department of Ecology's water quality certification. This
14 project will have to receive their water quality
15 certification before we can license it.

16 The conditions that the Department of Ecology
17 places on the license, again, are outside the Commission's
18 jurisdiction. We either have a choice to license the project
19 with the conditions or not license it.

20 The other mandatory conditions would be dealing with
21 the fishway prescriptions that might be imposed by the
22 Department of Interior or the Department of Commerce.

23 We've kind of blown through a lot of the issues here.
24 And a lot about the process, and I know it's probably a very
25 quick overview. But as Bob said, we don't have a good feel

1 for your understanding. We want to make sure we have enough
2 time here for you to express your concerns or issues. And I
3 think this is probably the best time to talk about it. And
4 then I'll step back in and finish the rest of the
5 presentation with regards to the process and some important
6 dates. And if there's additional information needs, some of
7 the things you need to tell the Commission, or tell the FERC
8 and us about those additional information needs. So with
9 that, I'd like to kind of open it up to the floor for any
10 questions, comments, concerns that you might have.

11 MR. EASTON: Statements.

12 MR. TURNER: Statements, whatever you want to
13 pose in terms of -- anybody got anything they want to say?
14 Anything you want to put on the record?

15 MR. EASTON: You didn't come here to hear us.
16 Come on. Somebody has got something.

17 MR. TURNER: It's a lot to cover, like I said,
18 but we want to make sure we give you guys enough time. And
19 the PUD has done a very good job from what we can tell from
20 the outreach effort, so maybe a lot of this -- and this
21 morning it turned out to be a lot of overview that people
22 really didn't need because they understood what was going on.
23 But I don't know if that's the case at the more local level,
24 which is what we've intended to cover here.

25 MR. BENNER: Well, I have a couple of questions

1 and comments.

2 MR. TURNER: State your name for the court
3 reporter.

4 MR. BENNER: Tom Benner. I'm a Brewster
5 resident. I understand that the cost of environmental
6 mediation measures is borne by the PUD; is that correct? In
7 other words, it comes out of the revenues from power
8 generation?

9 MR. EASTON: Whatever requirements end up in the
10 license there will be their obligation to finance those.

11 MR. BENNER: So is there any consideration given
12 by FERC to the effect of the project on the community -- the
13 communities that border the project?

14 MR. EASTON: In terms of what type of
15 resources --

16 MR. BENNER: Well --

17 MR. EASTON: Are you talking about in terms of
18 power rates or are you talking --

19 MR. BENNER: No. This is the only project which
20 acquired fee ownership of the project lands. As I understand
21 it, no other -- no other project actually acquired fee
22 ownership. If we go south and look at --

23 MR. EASTON: You mean through the mid Columbia?

24 MR. BENNER: Yes.

25 MR. EASTON: I think there are actually quite a

1 few projects that FERC administers over. We have 1,600
2 projects that we've licensed and there's quite a few that
3 actually have few ownership of significant portions of land
4 or all their land.

5 MR. BENNER: On the Columbia River?

6 MR. EASTON: Well, no. That's what I'm saying is
7 throughout the United States we license projects, so for us
8 it's not a unique issue to have that.

9 MR. BENNER: Well, I know -- I've lived here for
10 almost 27 years, and it's -- although I wasn't here when the
11 original condemnation occurred, which was back in the early
12 '60s, but I know from my contacts in the community that a lot
13 of the landowners along the river who lost their -- their
14 land to the project at what was even then a mere pittance. I
15 mean, it was almost given away in order to facilitate the
16 creation of the project. And, of course, that was an era
17 when -- when the area was still lightly populated. The area
18 was not well developed.

19 But the representations as it's been related to
20 me of the PUD's condemnation agents was that there would be a
21 number of public improvements made for the benefit of our
22 community, and none of those have occurred except for a few
23 boat launches. And so we have a project that's generating 37
24 million dollars in gross revenues each year, as I understood
25 it, approximately, that is at this point pretty well

1 amortized. I don't -- I think the construction debt has
2 pretty much paid off. And the revenues from the project are
3 being poured into all those studies and environmental
4 mediation efforts. And it seems like from our end -- and I
5 know I speak for a lot of people -- people here just from
6 living here -- that the more remediation that's done, the
7 more we lose the benefit of the recreational resources that
8 are available to us here.

9 And I think there's a concern that the representations
10 that were originally made back when the property was acquired
11 have not only not come true, but we're in -- we're in a worse
12 situation now. And I don't know what sort of things will be
13 done to protect endangered species of fish and other wildlife
14 or what will be done to protect the plant life, but I fear
15 that whatever is done is going to be at our expense.

16 And the people on the other side of the river who
17 own Douglas County PUD have the benefit of electrical power
18 at 2 cents a kilowatt. In Okanogan County, this side of the
19 river where all the towns are and where most of the
20 population is, we pay 4.4 cents a kilowatt. We have no
21 development along the river. The tax base has not -- has not
22 increased because of that. And we -- I think a lot of us
23 would like to know during the licensing process what
24 attention is being given to our community and the well-being
25 of our community.

1 actually. That's what the scoping is all about. We want to
2 know what your issues are, what information you think we need
3 to know about in order to address those issues. And then as
4 we get further down the road where they've actually filed the
5 license application with us, which occurs out in 2010, then
6 we would take this information you've provided us now and try
7 and address those issues with whatever information has been
8 gathered between now and then and -- and basically give you
9 kind of our response to that.

10 MR. BENNER: I don't mean to hog the floor, but I
11 have a follow-up question. Is there intervention at this
12 point? Are there any interveners in the licensing process at
13 this point?

14 MR. EASTON: Well, there probably are interveners
15 that are left over from some previous proceedings. FERC has
16 proceedings -- we basically create what we call a subdocket
17 for each new proceeding related to a project. And we do have
18 intervenors that are probably lingering from previous
19 proceedings, but we haven't solicited interventions on this
20 proceeding yet.

21 And that was one of the things I mentioned on
22 that slide was when we get to the REA Notice -- after the
23 application is filed, we will issue a Ready For Environmental
24 Analysis Notice, which solicits comments, terms, conditions
25 from the agencies, stakeholder groups, organizations. But at

1 that time we also solicit interventions.

2 MR. BENNER: Now, it's the organized interveners
3 that have the loudest voice in the process. Would you agree
4 with that proposition?

5 MR. EASTON: They have the right to file a
6 rehearing request on any decision that the Commission
7 actually ultimately makes. Other than that, their voice is
8 heard equally, whether they intervene -- whether you
9 intervene or not. You don't -- people that provide us
10 comments here at this meeting have equal standing at this
11 point with everyone because there are no interveners. But if
12 you were an intervener and he was not an intervener and you
13 brought me an issue and he brought me an issue, I've got to
14 address both of them. That's my job.

15 MR. BENNER: Well, I guess the process
16 involves -- the focus of it is in Washington, D.C., not here,
17 in Brewster, Washington. In other words, the Commission
18 meets in Washington D.C. to assess all of the information and
19 all the material that goes through the procedural steps in
20 the process. I mean is that a correct statement?

21 MR. EASTON: I work in D.C. if that's -- and the
22 five Commissioners that all actually make the decision
23 ultimately all work in D.C.

24 MR. BENNER: So it's the interveners that have a
25 voice, whether they hire lawyers or representatives or

1 whatever they do, that appear at the hearings in Washington
2 D.C. that really -- really, I guess, get on the map of the
3 Commission. Would you agree with that?

4 MR. EASTON: Well, we probably won't hold
5 hearings in Washington D.C. If we hold any hearings, they'll
6 be here. It will -- just as this is basically. This is as
7 close to a hearing as you're going to get.

8 MR. BENNER: I think --

9 MR. EASTON: I'm confused with where you're going
10 with that because I don't think --

11 MR. TURNER: There are steps in the integrated
12 licensing process where everybody is going to be able to
13 provide input. This is really the first, and we're asking
14 for you to help us at this point define what your concerns
15 are and what you guys believe the need is and what your
16 interests are. There will be other places and points
17 throughout the process where you can also be involved.

18 The PUD to their credit has set up resource work
19 groups that they're taking a very collaborative approach to
20 these questions, and they're opening that to you as well. So
21 this process is by no mean closed to anybody.

22 Now, to the extent any organized intervener
23 might, be it American Rivers or some others that may have
24 a -- you know, have as their mandate and their job, yes, they
25 do that because that's basically their livelihood and their

1 job and they're organized enough to come to those meetings
2 and to participate. But they have no more opportunity than
3 anybody else.

4 MR. EASTON: And we don't respond to their --
5 their issues any differently than we would anybody's who
6 didn't intervene issues. I think that gets us back to what I
7 said originally. An intervention in terms of how it works in
8 this process, it gives you a place so that once the
9 Commission issues its decision if you don't like it, you can
10 request rehearing of it.

11 MR. TURNER: Other than that there's no other
12 obligation --

13 MR. EASTON: You get no benefit, basically, by
14 intervening other than that.

15 MR. BENNER: Well, again, I'm sorry. I don't
16 mean to hog the floor. But I guess I just want to restate
17 that it has been my impression having lived almost half my
18 life here that a lot of people have let this just go by.
19 They complain about it. They're concerned about what it --
20 what it holds in store for our community during the next 20
21 years from 2012 until 2032. And the -- the process seems to
22 put an awful lot of emphasis in protecting plants and
23 animals, but doesn't seem to give much consideration to the
24 effects it has had on the two communities; Brewster and
25 Bridge -- Brewster and Pateros, which are most affected more

1 than any other group of people or landowners in this area.

2 MR. EASTON: I think -- I think your impression
3 is sort of an accurate picture or snapshot of where we're at
4 right now. We haven't gotten a lot of information from the
5 towns yet. We haven't heard that. That wasn't included in
6 the PAD because those -- either you weren't engaged, you
7 didn't go to the meetings and tell them what you wanted and
8 they didn't include it in the PAD. So we don't -- we haven't
9 heard that yet.

10 So we're here. This is the point of this
11 meeting. If you've got specific issues, specific items that
12 you want us to address and look at, this is the time to bring
13 them up. And if you don't have them ready to go right now
14 this second at this meeting, that's fine because you've got
15 until April 2nd to file written comments. And I think, you
16 know --

17 But from our standpoint we need specifics. Just
18 saying that the towns have been impacted and the PUD should
19 do something for the towns, that -- we can't really work with
20 that. We need to know how the towns were impacted, what the
21 project is doing, what the project is not doing, what types
22 of things you want.

23 And so to the extent that it fits within sort of
24 our process in terms of our authorities, whether it's within
25 our jurisdiction legally -- because we don't have -- like

1 they own a lot of land that's not even in the project
2 boundary and we don't have authority over that land
3 necessarily. So there's a lot of legality to that aspect of
4 it.

5 But the point being really we need your specific
6 issues. We need to hear what your concerns are. And that's
7 why we're here. You can do it today or you can do it in
8 writing, like I said. So --

9 MR. SMITH: J.D. Smith, City of Brewster.

10 MR. EASTON: You're next. I promise. Sorry.

11 MR. BICKFORD: I'd just point out one quick
12 thing. There is this clipboard up here as the sign-in sheet
13 for the recreation, socioeconomic, land use, aquatic, water
14 quality work groups. So if anyone is interested, please sign
15 up on the clipboard.

16 MR. EASTON: And basically what he's saying is
17 that's how you get involved. I mean, you can go -- you can
18 come straight to FERC and deal just with us if you want, or
19 you can go and you can -- I mean, it's really going to be
20 more effective if you go sit and meet with the PUD and talk
21 about this stuff. So if you've got a lot of issues, maybe
22 joining the work groups is a way to get involved and engaged
23 and hit the PUD with these issues. And if that's
24 unsuccessful and you need to come straight to us, we'll do
25 both. However you need to do it. We don't want you to feel

1 like we're not listening and we definitely -- the hard part
2 for us is we understand you've got an issue, but we do need
3 the specifics on that issue.

4 MR. BICKFORD: The other way to get your issues
5 addressed of some of the cities is that the mayors have been
6 very active in the work groups over the past year and a half.
7 And if you don't want to come to a meeting, you don't have
8 time to come to a meeting, let your mayor of your town or
9 county commissioner know about it and come to the meeting, or
10 they send people to the meetings. And then that can help you
11 get your issues on the table.

12 UNIDENTIFIED MAN: Maybe your mayor is more busy.

13 MR. BICKFORD: Sorry.

14 MR. SMITH: My question is after the April 2nd
15 deadline, whether or not you submit a plan or you submit
16 comments or whatever your submission is and that goes to the
17 FERC Board, will there be opportunities after that to change
18 that plan or add to or take from -- you know, obviously
19 things change over time. It looks like you have a two-year
20 timeline before the REA is done.

21 MR. EASTON: Well, there's two critical things
22 that happen on April 2nd. One is we need to -- we're going
23 to come out with the revised version of the Scoping Document.
24 The Scoping Document identifies what the issues are that
25 we're going to evaluate in the Environmental Assessment. In

1 an ideal world, everything that we'll address will be listed
2 after April 2nd in the Revised Scoping Document. But the
3 world is not ideal so there's a possibility that if something
4 comes up two years down the road and ends up in our lap, if
5 it's a totally new issue that came out of the blue and --
6 because conditions change basically -- we're going to have to
7 find a way to address that. I mean, that issue becomes a
8 real issue. And just because we skipped over a date on April
9 2nd doesn't mean that things can't be added.

10 There is sort of a threshold there. We aren't
11 going to want to add issues that were clearly an issue back
12 here and we just ignored them and now -- and held back and
13 then all the sudden dumped them on the FERC, you know, two,
14 three years down the road.

15 So if you've got something now, bring it to us
16 now. That helps us get this going and sets us up in the
17 right direction. In terms of the studies it's even more
18 critical because, obviously, the studies, you've got to get
19 those done before you file the application. And so April
20 2nd -- April 2nd is sort of the deadline for putting in study
21 requests. After that the bar in terms of trying to request
22 studies that haven't already been proposed or considered gets
23 put up a lot higher. It's a lot harder to start requesting
24 new studies as we get further out into things.

25 Of course, after the study period is gone, those

1 two years there, it's almost impossible to get a study done
2 because they filed their application. It's now before FERC.
3 We're running with it on the other side in terms of doing our
4 job, which is processing the application and reviewing it.
5 And it's -- we're going to be very reluctant to go back to
6 them at that point and say "You need to do a study for two
7 years," or whatever, when we're supposed to have really
8 gotten past that point.

9 Just the process has got to have some drop-deads
10 at some point. So we put those in there. The reality is
11 they're not perfect drop-deads because there are things that
12 can pop up later and change things.

13 So, anyway, April 2nd is a pretty critical date.
14 If you do have study requests or you do have input in terms
15 of issues that we're going to evaluate, that would be the
16 best time to get them in.

17 MR. TURNER: I think Bob hit the nail on the
18 head. We're really expecting people to get engaged now if
19 they're intending to get engaged at all. It's prudent
20 because they have to develop the application. We need to
21 know what the issues are so that when we look at it, we can
22 decide whether or not we have the information before us
23 enough to address your concerns. And if not, we may need to
24 ask for something. The Commission has an obligation to ask
25 for studies too. And we're going to look at your concerns

1 when we ask those questions and once we approve their study
2 plan. So, as Bob said, it's really prudent and important
3 that you put those issues, pen to paper now, and let us know
4 where you're going.

5 MR. EASTON: Did we get his name? Okay.

6 MR. WEBSTER: Lee Webster, City of Brewster.
7 Thanks for the opportunity to hear our concerns and also
8 thanks for picking the Rec Center. Appreciate that.

9 MR. EASTON: Oh, okay.

10 MR. WEBSTER: You said April 2nd was the deadline
11 for our requests for studies?

12 MR. EASTON: Uh-huh.

13 MR. WEBSTER: The City is currently in the
14 process of their own recreation assessment or needs
15 assessment. When would that need to be in with you folks?

16 MR. EASTON: Well, any sort of, like, outside
17 plans and things that are being developed, I mean, the best
18 thing to do is obviously file them as soon as you get them
19 done.

20 MR. WEBSTER: Okay.

21 MR. EASTON: I mean, there is sort of a time at
22 which it will become awkward for us to try and incorporate it
23 into the process is really going to be way out after 2010. I
24 mean, if you sent us a plan after we've already issued our
25 Final Environmental Assessment, and we're already -- we're

1 drafting a license order basically, we're -- the ship has
2 pretty much sailed. At that point it's going to be tough for
3 us.

4 Now, the reality is that happens all the time and
5 we still try to fold it into the order. We have to fold it
6 in. It doesn't get the same treatment maybe it would get in
7 an Environmental Assessment. But in terms of plans and stuff
8 like that, again, it's going to be best to get it in as soon
9 as possible. If you got it in now, that would be ideal. If
10 it's not going to be done for six months, then when it is
11 done, that's the time to send it.

12 MR. TURNER: Do you have a projected date for
13 when that will be done?

14 MR. WEBSTER: We've been scrambling for April
15 2nd, but I wanted to hear it from you folks that April 2nd
16 was the end all.

17 MR. TURNER: Are you talking about a study
18 request or --

19 MR. WEBSTER: No. I'm talking about submitting
20 study results.

21 MR. TURNER: Study results.

22 MR. EASTON: Sort of your needs assessment,
23 basically?

24 MR. WEBSTER: Essentially.

25 MR. EASTON: Yeah, so that kind of information

1 really is helpful to us any time we get it. The earlier the
2 better.

3 MR. TURNER: Particularly if it's going to help
4 inform whether or not we need additional information. If
5 you're submitting results to suggest we need to do something
6 else, it may influence whether or not we need to ask
7 something or how we ask for that information.

8 MR. EASTON: Yeah. I mean, I guess if it leads
9 to -- if you think it's going to lead to study requests of
10 the PUD, then, obviously, if it comes in August of 2008 or
11 something, it's starting to get kind of late at that point.

12 MR. WEBSTER: Okay. I also have a letter here
13 that I agreed to read tonight as far as public input. It
14 will also be submitted electronically, as well as in written
15 form. This is from Mr. Ron Oules and I do believe it
16 currently ties into some of the things Mr. Benner was saying
17 as well.

18 "To whom it may concern: I would like to express
19 a very important area of concern with direct application to
20 the Douglas County PUD and FERC re-licensing. I am not aware
21 of every specific detail involved in this process, but I have
22 tried to cover areas of concern and discussion I hope you
23 consider. The Douglas County PUD has said they have a
24 requirement to own all the land around the "Wells Pool" of
25 the Columbia River.

1 "These FERC requirements and the PUD's apparent
2 refusal to compensate or assist the town of Brewster has
3 strangled our area economically and recreationally. The
4 value of this land taken out of the public tax base is huge
5 with only a minimal amount of like-kind money paid by Douglas
6 County PUD. Add in the lack of access and availability to
7 use these lands by the public just compounds the negative
8 impact of Douglas County PUD on our community.

9 "The negative impact and affect is not disputable
10 as one only has to drive 20 miles south to the area of the
11 Columbia River controlled by Chelan County PUD. You will
12 find multiple RV parks that are full all summer long, housing
13 developments, and use of the water for recreation by very
14 large numbers of people. The only major difference is the
15 PUD who controls or is responsible for that area of the
16 Columbia River. The Chelan County PUD has invested large
17 amounts of money back into the communities they affect.
18 Douglas County PUD has invested an appallingly small amount
19 back to the communities they affect, and according to their
20 statements they are not going to unless forced by FERC in the
21 new re-licensing requirements.

22 "I have looked at the surrounding areas and it is
23 obvious to me a large RV park with river access and amenities
24 would be a huge economic and social boon to Brewster. I
25 believe FERC should require the Douglas County PUD to fully

1 fund the installation of a project like this on all of the
2 Foyle property they purchased. The Foyle property would have
3 been prime property for a housing development that would have
4 brought a large and prosperous benefit to the town of
5 Brewster through private development had the PUD not
6 purchased it. It is well known the Foyle property was
7 purchased by the PUD to "mitigate" its damages to the town of
8 Brewster. The shameful part is based on Douglas County PUD's
9 previous lack of positive actions nothing would happen unless
10 they were made to by FERC or someone else. Yet the Douglas
11 County PUD will continue making millions of dollars at the
12 cost of our community. A large quality RV park with large
13 river access will offset the negative impact the Douglas
14 County PUD has caused by their FERC requirements and apparent
15 lack of concern for the communities they affect.

16 "In closing I would again ask FERC to make the Douglas
17 County PUD fund a large modern RV park encompassing all the
18 Foyle property with full river access. This may cost the
19 Douglas County PUD some funds, but there is no doubt with
20 today's energy prices they would recoup their costs in a
21 minimal amount of time. Sincerely, Ron Oules."

22 I think that's kind of what Mr. Benner was getting at
23 in long form, at least in a portion of it. We talked about
24 this and beat it around in the recreation work group a little
25 bit and it was pretty much shot down because of study

1 requests. I'd like to have some comment on that. And my
2 request would be to compare and/or contrast fee title
3 ownership of the Wells Pool or land bordering Wells Pool with
4 that of, say, Chelan County's PUD. And what I'm talking
5 about is tax base in the form of development of waterfront
6 properties.

7 Does that make sense?

8 MR. TURNER: It sounds to me like there's two
9 points there. If I understand you correctly, I'll responding
10 to it. One, we do look at recreational needs, if there is a
11 demand for some recreational park. If there's a demand for
12 some recreational activities that's not being met; that is,
13 we can require the PUD to meet those requirements.

14 I'm not the recreation person on this project.
15 We didn't have the funds to send everybody out. So
16 unfortunately we'll get back and then Patti Laport (phonetic)
17 who is the actual Recreation Planner on this project will
18 take a look at your concerns and see if studies have been
19 done. We'll answer the questions that you pose there in
20 terms of recreational needs. If not, we may need to have
21 additional information gathering.

22 In regards to the fee title versus -- a lot of
23 times we get easements and that kind of stuff. The
24 Commission requires an applicant to have -- or we define
25 project boundaries around a land -- around projects typically

1 with about a 200-foot buffer sometimes. But we require them
2 to have enough rights and interests to operate that project
3 to meet the various project purposes. And that includes not
4 only generation, electrical generation, but recreation,
5 wildlife habitat, fisheries management, mitigation goals, all
6 those purposes with which we issue licenses.

7 It doesn't really matter to us in what form they
8 have that obligation, whether it's a fee title or easements.
9 In this case they own that. And I think it's a lot cleaner
10 for an applicant that owns that land in fee title because
11 they have a lot more control over those lands and easements.

12 With regards to the tax base, this has come up
13 quite frequently, particularly on municipalities. We've seen
14 that on a number of proceedings.

15 MR. EASTON: I think it came up on Chelan,
16 actually.

17 MR. TURNER: On Chelan. It's coming up on the
18 boundary re-licensing on the City of -- Seattle City Light up
19 on the Ponderay.

20 The Commission does not typically get into those
21 aspects of the State regulations that provide for taxes to
22 the State -- or the Counties to compensate for any issues
23 that may be associated with development of a project.

24 We focus on those things that are associated with
25 the project purposes; recreation, wildlife, generation, water

1 withdrawals associated with, you know, municipalities, those
2 kind of things. Things that affect the general operation of
3 projects. We don't try to get into -- it's outside the
4 Commission's purview and responsibilities to start looking at
5 tax-base issues, particularly where there's a State law that
6 deals with that.

7 Does that answer your question? Maybe you don't
8 like the answer, but did that answer the question?

9 MR. WEBSTER: Well said.

10 MR. EASTON: I think if you look into some of the
11 other proceedings -- and, of course, not everybody wants to
12 go and research proceedings. But we always talk about
13 precedent and where the Commission has acted in the past with
14 regard to loss of tax base regarding property -- purchasing
15 fee title.

16 I think there's projects all across the country
17 where this particular issue comes up. I think it's on the
18 Niagara project out in New York State. It's a huge issue
19 right now. There's towns out there that have basically tried
20 to find a way to recover some of the tax losses there too.
21 And shortly you will probably see a Commission order that
22 will speak to that. And they're been other Commission orders
23 that speak to that.

24 I mean, you're sort of -- with us all we can tell
25 you is what we understand. I think to some extent you've got

1 to go -- sometimes for some of these issues they get really
2 tricky. You've got to go look at what the Commission has
3 specifically stated in the license orders.

4 I think the only thing I could do, perhaps, is if
5 you sent me an e-mail, I might be able to direct you to some
6 of the proceedings where this particular issue has come up.
7 And then you can maybe dig into some of those license orders
8 and find out what the Commission specifically said about it.
9 Because I don't think you really want my interpretation of
10 the issue because I don't really -- I don't have the
11 background in particular on it. Really it's the lawyers that
12 generally deal with that one, and neither one of us are
13 lawyers.

14 MR. TURNER: Good point. And it's just my
15 understanding that we've -- and if the -- the conclusions and
16 answers that we've been giving in the proceedings up on the
17 boundary of the project up in Seattle City Light, that's the
18 reason I was able to give you my interpretation.

19 MR. WEBSTER: So the precedent is typically to
20 deny our relation to the project?

21 MR. EASTON: I'm not sure how --

22 MR. TURNER: I'm not sure I understand where
23 you're going with that comment but --

24 MR. EASTON: We don't deny relation to the
25 project, but I don't think there's been -- I'm not aware

1 of -- I'll say it this way: I'm not aware of any Commission
2 decisions where any town has recovered the tax losses due to
3 land ownership by a project. That's -- that's what I know.

4 Now, I'm a fish biologist. I haven't gone
5 through and read all the orders to find out where all the
6 difference instances where that's come up. I apologize for
7 not being well versed on that particular issue. But I think
8 the best I can do, like I said, is if you shoot me an e-mail
9 or call me, I'll try and at least steer you to some of the
10 proceedings where it has come up and where it has actually
11 been addressed by the Commission. And then you can kind of
12 see specifically what we have said. And it's really --
13 again, it's kind of -- it's what the Commissioners and the
14 attorneys have said. It's not -- not the FERC -- not the
15 field biologists and fish biologists. We don't want to take
16 the heat on this one.

17 MR. BENNER: Tom Benner again. I spoke earlier.
18 If I understand -- if I understand what you're saying -- I
19 want to make sure I'm interpreting it correctly -- the
20 Commission is not concerned about the effect of the project
21 on the community in which it's located? Is that --

22 MR. EASTON: That's not what I said.

23 MR. BENNER: Okay. So it's just specifically the
24 loss of the tax base you're suggesting may -- may not --

25 MR. EASTON: I think -- I think I was pretty

1 clear. I really -- what I said is my understanding is I am
2 not aware of any proceedings where we have ruled in favor of
3 a town or city that has come to FERC and said "We've lost tax
4 revenue because of this project. We want to recover some of
5 that." I'm not aware of any ruling where FERC has found a
6 way to help them to recover those tax losses.

7 But you really need to look at it in more detail
8 directly through what FERC has specifically said. I know I
9 work for FERC and I should know that, but, you know, I don't
10 play around in that area very often.

11 MR. BENNER: To quote your associate, and his
12 words were, quote, "It's a lot cleaner for the PUD to control
13 fee title to the project lands."

14 Yeah, it is cleaner for the PUD. And it helps
15 the PUD facilitate their purpose which is to generate
16 hydroelectricity and control the project. But the fee
17 ownership of the project lands has prevented a lot of the
18 lakeside development and the use of the resource. And that's
19 had a big impact on the financial well-being of citizens of
20 this area, as well as their property values.

21 MR. EASTON: Right. And I think the two
22 responses to that are, one, we need to know what the issues
23 are. So the specifics first. And then the other is -- I
24 think the other statement he made that is probably more
25 accurate is that they need to ensure that they can operate

1 the project for project purposes. And however they obtain
2 rights to those lands within the project boundary in order to
3 achieve their project purposes is okay with us, as long as
4 they have the legal rights. So if it turns out it's fee
5 title, that's their choice. We don't make them do that. If
6 it turns out it's an easement, that may work too. We're okay
7 with that.

8 So they've made the decision on fee title, and to
9 a great extent that has no -- we don't care. It doesn't
10 really make a difference to us.

11 Now, I'm not saying we don't care about the
12 issues of how that affects the towns, you, the other
13 communities around here. I'm just say we don't get involved
14 in telling them how to get that access to those lands,
15 basically.

16 You want to go?

17 MR. TRETWOLD: Sure. Jerry Tretwold,
18 T-R-E-T-W-O-L-D. I live here in Brewster. I'm a City
19 Councilman. I kind of want to tag in on what my buddy Tom
20 and JD Smith and our mayor talked about.

21 We understand what you're doing and, you know,
22 the movement of fish and the saving of fish and waterflows
23 and land and all the environment. That's important to you.

24 But what's important to us --

25 MR. EASTON: Well, that's not us. We're -- we're

1 regulatory. Right? So we sit back and we make the decision.
2 I mean, you've got to realize we're not here advocating
3 anything at this time.

4 MR. TRETWOLD: I understand you're meeting all
5 the rules and regulations by which we all have to live and
6 operate by.

7 MR. EASTON: Sure. Yeah, we're obligated.

8 MR. TRETWOLD: But what we're concerned about is
9 communities, and we're talking about Bridgeport and Brewster
10 and Pateros and the other fact that says what's in it for us.
11 I mean, what is going to happen that's going to be good for
12 us? The licensing is important to the PUD. And they don't
13 want to see a lot of us storming in and rushing against their
14 plan. They want to fix the ripples and the tide right now up
15 front. And we want to see opportunities for us in our
16 communities.

17 Like Mayor Webster shared with you, the plan, you
18 know, is due on April 2nd. Our concern is we'll have a plan
19 in, but is that plan supposed to be perfect or can it be a
20 sketch plan? Because there's a lot of engineering studies,
21 costs, and things we need to know and learn.

22 And then I'd like to hear a little bit about what
23 the PUD can do for communities. I mean, you guys are kind of
24 backing away from that just a little bit. You don't want to
25 come right out and say it, but we'd like to hear it. We've

1 seen other projects down the river. How did those occur and
2 what do you see in store for the Bridgeport, Brewster, and
3 Pateros area?

4 MR. EASTON: Again, it gets back to the
5 specifics. I mean, I'm not trying to be evasive in any way
6 here. It's -- any particular issue that you bring to us
7 we're going to look at it primarily as a -- how does it
8 relate to the project under -- as it stand under FERC's
9 jurisdiction? And how does it interact with project
10 purposes, project purposes beyond just generating
11 electricity?

12 So if you bring us an issue and we think it is an
13 impact of the project or an effect of the project or even an
14 appropriate enhancement that the project -- that they have a
15 responsibility to do some sort of enhancement in regard to
16 whatever issue you bring us, then it is possible or likely
17 that when the order -- an order is issued, assuming the
18 project gets re-licensed, that it would include language that
19 requires them to implement those measures.

20 There have been some agreements between some of
21 the licensees that we administer over with different
22 townships throughout the country, and a lot of those -- some
23 of those, I should say, end up in the licenses because of how
24 they interact with that project purposes aspect and also the
25 relationship to the project boundaries, is an important

1 aspect.

2 But a lot of those also -- those agreements don't
3 end up in the FERC license. They get implemented. The
4 agreements are basically a settlement between a town and a
5 licensee. But they end up as being like an outside
6 agreement. FERC doesn't administer over them. Because we
7 look at them -- they bring them to us. They file them with
8 the Commission. And the licensee will even say "We want this
9 in our license." And we look at it and we say "This isn't
10 related to project purposes. We think it's a good thing.
11 It's okay that you do it, but we're not going to put it in
12 the license and we're not going to make you do it. If you
13 want to do it, you've go to do it on your own." So -- and
14 that gets back to basically how the Commission views its
15 responsibilities in terms of overseeing these projects.

16 I think -- does that to some extent answer your
17 question?

18 MR. TRETWOLD: Most of it. So in relationship to
19 our request -- you heard him read the letter -- the detail,
20 that does not need to be there, as I'm understanding you, on
21 April 2nd? But the plan of what we want to do needs to be
22 there? Is this correct?

23 MR. EASTON: As best as you can define whatever
24 the issues are. It sounds -- you're referring to the trailer
25 park?

1 MR. TRETWOLD: Correct.

2 MR. EASTON: Yeah. I mean, you're going to want
3 to bring that issue to us in terms of describing why that's a
4 responsibility of the project to do that, how it's going to
5 benefit the surrounding area. The why part in terms of why
6 the project -- we call that "nexus." You know, what is the
7 nexus between the PUD and this campground?

8 I think it's clear in your mind why it works, why
9 there's a nexus there. But we need you to explain that to us
10 so that we can understand it.

11 It's -- it's -- in a lot of these projects
12 there's things going on around a lot of these projects where
13 people want something like a campground, and a lot of those
14 measures don't have an obvious nexus to the project because
15 it looks to us as just being -- especially when it's outside
16 of a project boundary, it's not necessarily an area where the
17 project affects it.

18 In this case, like I said, they own land outside
19 the project area. That land really doesn't have anything to
20 do with us. That land is their land. They bought that land
21 for whatever reasons they felt they needed to buy it. They
22 never brought it into the project boundaries, so it has
23 nothing to do with project purposes. So some of those land
24 issues related to -- or issues related to those type of
25 lands. If you bring something to us and the nexus is related

1 to those lands, we're going to probably look at those things
2 and say -- well, I shouldn't say probably, but very possibly
3 we're going to look at those issues and say "We don't think
4 this really fits in the license."

5 MR. TRETWOLD: With you guys. So is there study
6 steps that you go along -- you know, for us, the City of
7 Brewster, we have extra money and the Council wants to do
8 this project, but we realize that there's costs involved to
9 present this to you. You know, a basic plan of why and how
10 and where, that's not going to take a lot of money. But if
11 you start asking for heavy details just to consider that,
12 we're looking at survey costs --

13 MR. EASTON: No, I don't --

14 MR. TRETWOLD: -- construction costs --

15 MR. EASTON: I don't think -- it's not -- no,
16 we're not looking for that. You don't have to have -- I
17 guess you misunderstood. You're talking about like an
18 engineering plan --

19 MR. TRETWOLD: Yes.

20 MR. EASTON: -- in terms of when you say plan.
21 And, no, we don't need that. We need to know specifics in
22 terms of really more the nexus-related stuff, how it relates
23 to the project, why it would be the project's responsibility,
24 what the benefits would be. More, really, general stuff than
25 specific stuff.

1 MR. TURNER: The conceptual level would be enough
2 for us to be able to figure out exactly where you're going
3 with your recommendation and what you'd like to see and why.

4 MR. TRETWOLD: And so then once it makes it onto
5 the Board and it gets higher and higher on your level, then
6 you start asking for more and more information from us? Is
7 that how it works?

8 MR. EASTON: Yeah.

9 MR. TURNER: It's possible.

10 MR. EASTON: Yeah, but generally we don't direct
11 our questions to you. We're going to direct our questions to
12 the licensee because that's where we have our authority and
13 where we have our hook. We can ask them to do things. We
14 can't ask --

15 MR. TRETWOLD: You just saved us some money then.

16 MR. EASTON: We can't make you do anything.

17 MR. TRETWOLD: Thank you.

18 MR. WEBSTER: Lee Webster again, City of
19 Brewster. I guess the main question I want to ask you is can
20 you define what your project boundaries are in terms of
21 mitigation and enhancement measures? The reason I ask that
22 is you saw in the Chelan re-licensing project where some of
23 the things the Chelan PUD and the surrounding communities
24 agreed on, FERC said no to because they're outside of project
25 boundaries. But looking back in the history of some of the

1 Wells paperwork and the recreation action plans, they're --
2 in some of their recreation action plans they're citing
3 campgrounds that are 50 miles away as -- as in our recreation
4 area.

5 And also you take, for example, in 1997 when we
6 had the Chief Joe State Park out here which was on a set of
7 islands out here in the Columbia in our little neighborhood,
8 that was sold. That money was taken and invested some 50
9 miles away. So I understand that was part of the original
10 agreement as well. But can you define those boundaries for
11 us?

12 MR. TURNER: Well, the project boundaries as
13 currently licensed are defined and drawn out in a number of
14 maps that are in the Preapplication Document. You know, that
15 doesn't mean that we can't modify the boundaries in the
16 future licenses. If we find a need for -- for -- to require
17 the PUD to implement additional action somewhere, then
18 they're going to have to obtain the rights and -- the
19 sufficient rights to implement those actions.

20 And if they're going to be responsible for those
21 actions over the course of the license, we'll have them
22 modify the project boundaries and bring those lands into the
23 project boundaries.

24 MR. EASTON: The boundary is essentially a line
25 that's established right now. And if you look at the maps in

1 the PAD, you'll see it. But like Dave is saying, the line
2 can be modified. It's not in stone.

3 MR. TURNER: With regards to how we look at the
4 project boundaries when we're looking at environmental
5 issues, it's not really -- it's an imaginary line. I mean,
6 wildlife -- project affects may extend beyond the project
7 boundaries. And we can look at those effects in that regard.

8 But where it's important is from an
9 administrative type of review. Once we issue the license, we
10 expect the licensee to hold, again, enough sufficient rights
11 to implement the actions on that. So we make sure we draw a
12 project boundary around that.

13 From a recreational point of view, we often do
14 look beyond the project boundaries to see what kind of
15 recreational facilities are being provided and where and how
16 people might be using the existing reservoir to meet those
17 demands. If an RV park is sufficiently close and they're
18 staying there and coming over to the project to recreate, and
19 that's enough to meet the current demands for those
20 facilities, it may not be in the public interest to require
21 the PUD to do something else to provide for additional RV
22 parks or camping or whatever it might be if those -- if those
23 demands are not being exceeded at the project.

24 If there is greater demand at the project and
25 those demands aren't being met to provide recreational

1 access, then we may likely require the PUD to do something to
2 enhance the recreational access at the project.

3 But to make that assessment we need to consider
4 what's here now, what's close by, how are those people using
5 the project, and where are they using it and where are they
6 staying, and all those other types of visitor dynamics before
7 we make that decision.

8 We're not going to just jump in and require the
9 PUD to do something if we don't think it's -- it may cost --
10 it may have changes in the public -- in the charges, the
11 interest rates. Because, I mean, the changes to the
12 generation to -- those measures have a cost to generation and
13 to the project, and those are often passed on to the rate
14 payer. And it's our job to make sure we're not overly
15 burdening the general rate payer to meet those needs.

16 But it's a balancing act. We do recognize that
17 there are certain environmental measures and certain things
18 about the project that we need to meet. And recreation is
19 one. And that's part of the decision we end up making. And
20 we'll consider those costs in making those decisions.

21 Does that answer your question?

22 MR. WEBSTER: Yeah, there's a line. Thank you.

23 MR. MILLER: My name is Mark Miller and I'm a
24 resident here. I'm not trying to make this personal, but you
25 both work for FERC, correct?

1 MR. EASTON: Yes.

2 MR. MILLER: And do you live in this state? I'm
3 not trying to get any more specific than that.

4 MR. EASTON: No.

5 MR. TURNER: No.

6 MR. EASTON: I'll say where I live.

7 MR. MILLER: No, no, no. I don't need it. I
8 just wanted to know if you lived even remotely around here.

9 MR. EASTON: We both work in Washington D.C.

10 MR. MILLER: Okay. Thank you. I have a letter
11 that was written by a pretty bright individual I'd like to
12 read if I may. It's relevant, especially if you haven't
13 lived here. And before I read it, I'd like to make a -- you
14 continue to refer to specific requests, and until the -- you
15 know, some of the members of the public spoke, there was not
16 a comment or a slide that addressed the economic impact for
17 the communities.

18 So -- so I'd like to -- and I'll help our Mayor
19 by April 2nd, if he'll accept my help, to ask that we ask for
20 an economic study of the impact on our communities. And
21 unfortunately it seems as though the PUD has the money for
22 studies on orchids, which you mentioned, and the lamprey and
23 dissolved gases, which I'm sure are important, but I'm
24 hopeful that some money could be spent on our behalf --
25 excuse me -- our communities' behalf for that economic study

1 So I'm trying to be specific.

2 And something that I'd like to say before I
3 finish with this letter is I'm sure we could provide evidence
4 that in the meetings that occurred over 50 years ago that
5 were not unlike this one that there was a great deal of
6 discussion of the economic benefit of the project on the
7 communities. And it seems like that has been ignored now and
8 the burden is upon us to prove that there's been an economic
9 impact when I believe we could find evidence quite readily
10 that those promises were made, at least that reference or
11 that implicit benefits were referenced. And they've been
12 eroded by -- and I feel uncomfortable saying these things.
13 I've got to explain one other thing. Some of the people that
14 work for the PUD I consider to be my friends. So I'm not
15 trying to make this personal. I'm really talking about
16 economics only.

17 And so with that being said, I would like to
18 indicate however that the policy, you know, the big picture
19 is one of a slow erosion of the economic benefits to our
20 community as they were presented 50 years ago. And I'm
21 hopeful that we could do something to prevent that from
22 happening for another 50 years. Because I can only -- if we
23 have a vision of what that's going to look like 50 years from
24 now at the rate kind of the constriction has occurred, I
25 think it would be a pretty -- a pretty sorry picture for our

1 community of the direction I'd like to see our community go.
2 I'm one that would like to see us move forward economically.
3 And I don't mind just saying that clearly.

4 One of the things -- I'm going to cite just one
5 illustration and then I'll finish with this letter and that's
6 it. But I wrote a letter to the editor some time ago to the
7 Douglas County -- a letter to the editor of the Quad City
8 Herald. There was an article in the paper that proposed a -
9 an alteration. I shouldn't say an alteration, but an
10 amendment to the Douglas County PUD's land policy. I suppose
11 that there wasn't even a land policy that even resembled when
12 the license was first issued the policy we have today.

13 The policy we have today makes it difficult for
14 us to recreate. That's my opinion. And the amendment I'm
15 referring to is one about -- I'd like to quote it. It's kind
16 of buried in a bunch of language. It says that you can't
17 even temporarily -- now, this is a quote. "Whether a vessel
18 or a platform or some kind of barge or substantial
19 development is -- is even temporarily tethered to the
20 shoreline, that would be" -- how did they put it -- "that
21 would interfere with the licensing and it's unacceptable in
22 the policy."

23 So if you want to really take that to what that
24 could be interpreted to mean sometime from now, as I see the
25 constriction, I don't see how you could even have a boat in

1 the water because you can't even temporarily come to the
2 shoreline, if you read this. I don't know if I can pass it
3 to you, but maybe you could take a peek at that when you have
4 a chance or maybe I could enter it into the record.

5 But that kind of stuff scares me because I read
6 it and I think -- I actually addressed it to one of the PUD
7 employees and he said "Oh, we'll never -- that will never
8 happen. We won't enforce that." I thought I don't believe
9 that. I'm sorry. I actually believe it will be enforced and
10 at some point we won't even have boating because of that kind
11 of policy. It may sound extreme, but that's how I feel.

12 So I'm going to finish by reading this letter
13 quickly, if I may. Because the fact that you're from out of
14 the area, I think it might be interesting.

15 "...let's take a moment to move away from
16 Brewster to Seattle, Baltimore, Atlanta or Dallas. Let's
17 leave Brewster spend some time in one of America's
18 metropolitan areas, and then come back. Let's fly over
19 Brewster and then view Brewster from a different demographic
20 point of view.

21 "The first thing we would observe is the
22 geographic diversity and beauty of our area. If our aircraft
23 made a 20-mile loop with Brewster as its axis, we would fly
24 over the plains, the lower Okanogan Valley, portions of the
25 highlands and foothills, and into the east slope of the

1 Cascade Range. We would view the Methow Valley as it
2 approaches the Columbia and see the Columbia River south of
3 Wells Dam, together with its substantial lakeside
4 development.

5 "On landing and approaching Brewster we would be
6 struck by the Dyer Hill to our south and as we approached
7 Brewster, Billy Goat in the distance" -- that's the mountain
8 out there -- "mapping the mouth of the Methow Valley. In the
9 summer, the orchards would be lush on both sides of Highway
10 97 and in late June the odor of apple blossoms in the air.

11 "Then there would be the uglier signs of human
12 habitation, particularly rural poverty. The rural poverty
13 will overwhelm some observers who will automatically harbor
14 thoughts about the signatures of poverty, including the
15 erosion of social values and the loss of the sense of
16 community. Our area would look like a failing farm town.

17 "But there are, as we know, wonderful, even
18 inspiring parts of this community. The riverfront area,
19 including the recreational center" -- which we're in now --
20 "pool" -- our swimming pool -- "school sports fields, park
21 and boat launch areas are first class public improvements.
22 Of course there are other public parks on the Columbia River,
23 but they are too far" -- excuse me -- "too few and
24 inadequately supported by the power utility.

25 "As we all know, wildlife and environmental

1 protection have received the bulk of FERC's attention.
2 Private environmental groups and the State's Wildlife Agency
3 have been actively involved in the Federal licensing process.
4 It would seem that the trend is to emphasize habitat and
5 wildlife protection at the expense of human recreation and
6 our local economy.

7 "The Douglas County PUD has really only been
8 nominally involved in its responsibilities to promote and
9 develop a recreational resource. This community is almost
10 solely dependent on agriculture" -- excuse me -- "upon the
11 agricultural marketplace for its vitality. That vitality, in
12 spite of the best efforts, good work and integrity of local
13 agricultural producers, has been severely compromised. The
14 effect of local" -- excuse me -- "global market has been hard
15 on us. As cities like Leavenworth, Chelan, Wenatchee and
16 Entiat prosper, we continue to unravel economically.

17 "In 1982 FERC granted the PUD's application to
18 raise the pool two feet, from 779 feet to 781 feet mean sea
19 level. Recreation was identified as a primary priority of
20 the project and yet the PUD made no showing that recreation
21 would be enhanced or that any economic benefit flowed to the
22 communities affected by the additional generating capacity.
23 Of course, the PUD benefitted handsomely.

24 "In 2001" -- by the way, almost done. "In 2001
25 the PUD reaped an incredible windfall because it sells power

1 on the open market after satisfying the needs of its
2 constituents. None of the benefits from the increased wealth
3 of the Douglas County PUD were distributed in a manner which
4 enhanced recreation or the economy of project communities.

5 "The Wells Dam project is due for re-licensing in
6 2012. I am asking that an economic study be undertaken and
7 mitigation be proposed by the PUD."

8 MR. EASTON: Who's the author?

9 MR. MILLER: I'll give you the author later if
10 you'll authorize it.

11 MR. EASTON: Yeah, and if you'd like, you could
12 also send that to us and we'll just enter it in written form
13 into the record too.

14 MR. MILLER: Thank you.

15 MR. EASTON: Yeah. Thank you. I think we
16 understand the significance of this issue to the community.
17 I mean, you've made it clear to us that it's a big deal. And
18 I think from our standpoint -- I mean, we are outsiders, but
19 I empathize. I really --

20 MR. MILLER: I believe you. I don't hold that
21 against you. I just want to make sure you understand where
22 we come from here.

23 MR. EASTON: Yeah.

24 MR. BENNER: One more question. Does FERC do any
25 sort of economic analysis of the project? Let me -- let me

1 break that question down a little bit. For example -- and I
2 don't know the numbers so these are just illustrative.
3 They're not targeted to this project because I don't know
4 what the numbers are.

5 But if, for example, a hydroelectric project is
6 generating 40 million dollars a year and its costs of
7 operation are 10 million, and there's 30 million dollars left
8 over to utilize for -- for fish studies or
9 how-much-oxygen-is-in-the-water studies, and so forth, does
10 any -- does any attention result in -- in the -- in economic
11 affect on the community in which the project is located?

12 In other words, if there's -- do you look at
13 the -- the profitability of the project in determining how
14 the PUD is to allocate its resources?

15 MR. EASTON: In other words, do we make a
16 decision that if a project is extremely profitable, then
17 we're more likely to give a community money than --

18 MR. BENNER: I guess that's -- yeah, that's the
19 thrust of my question.

20 MR. EASTON: -- than if it's not extremely
21 profitable?

22 MR. BENNER: Yes.

23 MR. EASTON: That doesn't really -- it doesn't --
24 most of the issues don't work that way. Almost all of the --
25 all of the issues I can think of in terms of how we handle

1 them, whether it's a fish issue, a recreation issue, a
2 socioeconomic issue, when we evaluate it, we look at its
3 incremental affect economically on the project and we make a
4 determination of whether it's worth the cost basically.

5 First, you've got to have the nexus, though. So
6 if we don't think that the project has any responsibility in
7 regard to a particular issue, then we never get to the cost
8 analysis at all.

9 MR. BENNER: Well, I don't understand that
10 because if you go to San Diego, they're paying 18 cents a
11 kilowatt for electricity. People in San Francisco pay 15
12 percent. People in Seattle, 6-1/2, 7 percent.

13 MR. EASTON: I'm paying 11.

14 MR. BENNER: The people of Douglas County, bless
15 their hearts, are paying 2 cents a kilowatt. And that's a
16 result of the -- you know, the good decision making of the
17 people that put together the Douglas County PUD and planned
18 for the hydroelectric project and then acquired the property.

19 But now it's almost like owning an oil well.
20 It -- it is -- and I believe that an economic analysis of the
21 PUD would show that there's a tremendous amount of -- of
22 excess earnings that can be dedicated to a multitude of
23 different things.

24 And no doubt, you know, some of it is going to
25 have to go to environmental studies and whatever remediation

1 steps are necessary. But I think the effect on this
2 community and the economic impact the project has on this
3 community should also -- should also be given some attention.

4 And, I guess, my question is whether -- whether
5 FERC conducts any sort of economic study, number one. And,
6 secondly -- I already asked this question, but, secondly,
7 does FERC take into consideration the effect of the project
8 on the community which abuts it?

9 MR. EASTON: We don't do economic studies. We
10 usually use information that's provided by the PUD or
11 whatever licensee we're working with and we do an economic
12 analysis.

13 In terms of the question about do we care about
14 what happens in terms of the economic impact on the
15 community, I think you asked it before and I think I answered
16 it before. I'm not trying to be flip, but I can't really
17 give you a different answer. It really comes back to the
18 same thing: Is there a nexus, and do you have specifics in
19 terms of what you need done, and -- and do we believe it's in
20 the public interest and is it related to the project
21 purposes, and do we have jurisdiction over it, legal
22 jurisdiction and authority over it? If all those things turn
23 out to be a yes, then the Commission may include something in
24 the licensing.

25 Back to the -- the economic thing gets kind of

1 strange. When you look at the profitability of a project and
2 then you try and decide what you should do in regards to its
3 profitability, intuitively you would think if a project has a
4 lot of -- is highly lucrative, that they should be spending a
5 lot of money as a result. But what it actually works out as
6 is we have a lot of projects that aren't very lucrative.

7 FERC -- see, we have to be consistent. That's
8 one of the our responsibilities is to be consistent in how we
9 preside over all the projects that we have to make decisions
10 on. There are a lot of projects across the country that are
11 much smaller and less lucrative than, for instance, the Wells
12 Project. Some of them are actually operating at a negative,
13 at a loss. Those projects operate at a loss in the hope that
14 the power rates in their area will come up in the future and
15 they'll start becoming profitable again.

16 When we review a measure for those, we don't look
17 at whether they're profitable or not. We just look at
18 whether it's in the public interest to do that measure. And
19 if it is, we make them do it, even if it makes them go more
20 negative.

21 So -- and we've actually run projects out because
22 of that. There have been projects that basically when they
23 get their license, they -- or know what they're going to get
24 in their license -- because you can see what's coming once we
25 get through the Environmental Analysis. We've had projects

1 turn tail and say -- come back and say "Look, we know what
2 you're going to give us. We don't want the license," and
3 they surrender it. They basically come back to us and say
4 "We're going to shut the project down." I'm not saying
5 that's happening here. I'm saying with these nonlucrative,
6 negative-operating projects.

7 So I guess the point is from our standpoint we're
8 trying to be fair in how we look at all of these. So -- and
9 we've made a ruling -- there was a legal decision years
10 ago -- it was like 1995 or something. Basically FERC came
11 out of that legal proceeding and -- we got taken to court,
12 and I'm not sure if we considered it to be a win or a loss.
13 But the decision ultimately was we don't look at the over --
14 overall profitability of a project in regard to how we make
15 these little individual decisions on measures.

16 So I understand the intuitive aspect of what
17 you're getting at in terms of profitability. But actually it
18 would work against all those negative projects and there
19 would never -- a lot of those measures would never get done
20 at projects that are marginally positive or negative.

21 And it turns out a lot of those projects do
22 accept their licenses and do do the measures that are good
23 for the communities in those areas. And eventually they do
24 find a way to turn a profit as they proceed through their 30-
25 or 50-year license.

1 MR. BENNER: In a way what you say, though, is
2 more than counter-intuitive. It doesn't make sense. The
3 reason that the PUD is able to deliver power so inexpensively
4 to its rate payers and generate what I believe to be a
5 substantial amount of excess earnings above what they're
6 operational costs are is because they're using a public
7 resource. The PUD is using the Columbia River.

8 And I know there's a lot of -- you know, a lot of
9 claims staked to the Columbia River, and probably more
10 powerful voices than the few thousand people that live
11 adjoining the project. But I guess maybe what we
12 collectively need to do is put together the information, the
13 factual foundation for the proposition that we're presenting
14 to you today. In other words, the proposition that promises
15 were made 40, 50 years ago, that -- that those promises were
16 not fulfilled, and that the project, particularly the fee
17 ownership of project lands, has had an impact on the economic
18 vitality of this community. Maybe that's something --

19 MR. EASTON: Yeah, that's --

20 MR. BENNER: -- that we need to do.

21 MR. EASTON: Sure. That's what we're saying.
22 You need to put together your specific information. The
23 details of what your concerns are, and draw the nexus
24 conclusion. And put that stuff together and give it to us.

25 You can either do it here right now, if you're

1 prepared. It doesn't appear that you're right there yet,
2 but -- or file it in writing and -- I mean, obviously, before
3 April 2nd is ideal. And if it doesn't get to us then, then
4 when you do get it to us, we'll have it.

5 And we'll -- either way we're going to have to
6 address. But addressing it means we'll evaluate the issue,
7 dig into it, look at it, and figure out whether it fits under
8 our jurisdiction, whether it fits in terms of public
9 interest, whether there's a nexus to the project, whether it
10 makes economic sense. And then ultimately the Commission
11 would make a decision on that.

12 MR. TURNER: But, again, we really do need the
13 specifics of where you're going with that. We understand
14 your economic situation. It's not uncommon to see a lot of
15 projects that are located in remote areas. And often those
16 remote areas don't have the economic viability the big
17 metropolitan areas have with a whole lot of diversity.

18 But -- but it's difficult for us to say "Yeah,
19 what do you want us to do about it" until we see where you
20 might be taking that -- that measure. We understand your
21 economic conditions and concerns, but what kind of particular
22 measure are you looking for? We've heard one tonight.
23 That's the RV park. I don't know if there's others you might
24 be taking -- a situation or something like that.

25 MR. SMYTH: Art Smyth, City of Brewster. I think

1 what everybody is really trying to get at is FERC -- is it
2 under FERC's scope to see that under their present license
3 that all the promised mitigation that was there for the
4 license up until this 2012 deadline has been met as far as
5 that license? And any mitigation continuing on in the
6 future, is that something that FERC looks at, says, "Okay.
7 Under the term of your license, this mitigation was required.
8 Was it completed or was it not completed and are you going
9 to" -- and are they going to continue to do that in the
10 future?

11 MR. TURNER: We do look at a project's compliance
12 with its existing license when we issue a new license.

13 MR. EASTON: Promises that occur outside the
14 license aren't something that we enforce, obviously. We
15 don't -- we don't know the specifics of what you're talking
16 about, so I don't know if it was in the original license or
17 not.

18 You might know or the PUD might know. And we'd
19 have to go back and look at the license history to figure
20 that out.

21 A lot of those projects -- not just this
22 particular project, but a lot of projects have been built
23 across the country where local promises have been made during
24 the original development of those deals, basically. You
25 know, they're outside deals is what they are that were cut.

1 And they never ended up in the licenses at FERC. And we
2 never enforced them because they weren't in the licenses at
3 FERC.

4 If they worked out and the deal, you know, was
5 implemented, then there was no complaints. If the deal
6 didn't get implemented and people came to FERC, we say "It's
7 not in the license." I mean, the sad truth of it is it's
8 a legal problem. It's not our problem. It's some -- it's a
9 deal that was cut outside of FERC's jurisdiction. We can't
10 all the sudden say to a licensee "Well, you made this deal.
11 We never were going to enforce it on you, but now we're going
12 to bring in the license and make you do it at a later date."
13 It just doesn't work like that so --

14 MR. SMYTH: So where could an individual or an
15 individual body find out what mitigations were as far as what
16 mitigations are in the terms of the present license?

17 MR. TURNER: It's in the license articles that go
18 forth in the license. And, actually, in the Preapplication
19 Document there is a summary of what those license article
20 requirements are.

21 MR. BICKFORD: On the Douglas PUD license website
22 all the license articles are posted there and they're very
23 easy to search through.

24 MR. TURNER: But probably what is important is
25 not really what the past promises were, but what are the

1 current needs in the area. What -- in other words, what --
2 we are where we are today and we like to be forward looking.
3 And what measures are going to be necessary and relevant to
4 the project to meet those recreational needs? And recreation
5 is a generally accepted and recognized project purpose for
6 the Commission. And we have an obligation to make sure that
7 we provide for recreation in our project. It is a public
8 resource. We recognize that. And that is one of the reasons
9 why we consider nondevelopmental resources like fish and
10 wildlife habitat, recreational access --

11 MR. EASTON: Aesthetics.

12 MR. TURNER: -- aesthetics, a whole bunch of
13 resources that factor into our decision. So where are those
14 needs? What are you looking for now to meet those needs?

15 MR. SMYTH: My question is not really being
16 answered. My question is: Is the terms of the present
17 license that was issued 50 years ago or thereabouts --
18 okay -- there were terms in there that required certain
19 mitigation, correct?

20 MR. TURNER: In all probability, yes.

21 MR. SMYTH: Okay. So is there -- is it under the
22 scope of this present licensing term to go back and make sure
23 that those terms of mitigation were met?

24 MR. EASTON: This proceeding that we're in right
25 now, this is the re-licensing proceeding. We don't spend --

1 we're not as a part of that re-licensing proceeding going
2 back and looking at what was done and determining whether
3 they complied with the license. That action of reviewing
4 that is an ongoing action that occurred during the entire
5 license term, the existing license term, by -- we've had
6 several different -- division name changes, but there's a
7 division called the Division of Compliance basically,
8 Licensing and Compliance, right. And we don't work in it
9 so -- we're the re-licensing guys. But they've administered
10 over that license the entire time. Complaints that came in
11 should have been addressed, and we assume they have. And
12 determinations were made on whether something was in the
13 license, whether the PUD was complying with it.

14 So as part of this proceeding, it's really not --
15 we're not looking back. I mean, what -- you know, I think --
16 and that's not to say that the issues -- I mean, it's not --
17 you're bringing up real issues that can be addressed as we go
18 forward. But in terms of going back and looking at whether
19 things should have been done differently in the original
20 license or whether the original license was complied with,
21 that's not really what we're here for. It's not what this
22 proceeding is about.

23 MR. SMYTH: So prior compliance on this present
24 licensing will have nothing to do with the next license?

25 MR. TURNER: I wouldn't say that prior compliance

1 is not -- doesn't have anything to do with it. Like I said,
2 when we issue a license, we do look at the licensee's
3 obligations and whether they've met them sufficiently.
4 Predominantly, as Bob was talking about it, that's done to
5 see whether or not there's been complaints filed, whether or
6 not they fulfilled obligations, whether we've issued orders
7 that they haven't complied with.

8 But it's not really to look retroactively at that
9 license. As Bob said, we're not in a complete vacuum Back
10 East, but unless somebody brings this to our attention
11 throughout the course of the license, we assume everything is
12 going along well. We do have an environmental review every
13 five years in this case that looks to see whether or not in
14 terms of its license is being complied with. And when we go
15 back and issue the new license, we look at that and find
16 nothing to suggest otherwise, we don't see where there's a
17 problem.

18 Some licensees have had a problem in the past.
19 We've had complaints come in. We've issued orders requiring
20 people -- we've even issued penalties for noncompliance.
21 It's rare, but it has happened. And in those situations we
22 have included requirements in the license for certain plans
23 to better ensure licensee compliance. But I don't envision
24 that to be the case here. I don't know that for a fact, but
25 I don't believe that --

1 MR. EASTON: Yeah. I mean --

2 MR. TURNER: -- there's been a history here of
3 problems.

4 MR. EASTON: -- it's very likely that if we went
5 and talked to our compliance folks -- and I'm just
6 speculating here by this. This is typical for many of the
7 bigger projects that we administer over, and Wells is one of
8 the bigger projects -- you would find that there's a
9 multitude of requirements in the existing and that the
10 licensee has pretty much implemented them in good faith all
11 the way through the license term.

12 The places where we get a lot of problems with
13 compliance is usually small guys. It's the little
14 mom-and-pop guy that can't afford to do the things he's
15 committed to in his license. And that's -- but in the case
16 of these bigger projects, they generally have good compliance
17 with their licenses because they know we're going to hit them
18 if they don't.

19 And I'm not trying to say we're some big, mean
20 guys up in D.C. with a whole lot of weight to throw around,
21 but the one thing we do have is we've got the licensing to
22 hold over their head. And if they don't comply with it, we
23 can go as far as shutting them down. And they don't want
24 that.

25 UNIDENTIFIED WOMAN: And you don't want that.

1 MR. EASTON: Right. I mean, ultimately nobody
2 wants that. I mean, we don't really want to do that type of
3 proceeding either because we're going to get tons of bad
4 press out of it ourselves. We're not looking for that.

5 But, you know, if there's a problem
6 compliancewise, it's usually pretty obvious. And in terms of
7 this particular project, I'm not aware of anything. But I
8 haven't done like a full check on what's going on
9 historically here either.

10 MR. SMYTH: So future mitigation can be a term of
11 a future license?

12 MR. EASTON: Yeah, that's what the licensing is
13 all about. So all the things --

14 MR. SMYTH: That can be in there?

15 MR. EASTON: Yeah. Oh, yeah. And then anything
16 that ends up in that license, they're going to be required to
17 comply with and implement.

18 MR. TURNER: That's what I was meaning by being
19 forward looking. You need to be thinking about where we are
20 today, where we need to be in the future. And think about
21 those in terms of what you envision for this area and what
22 you'd like to see. Again, those things need to be related to
23 the project for us to have jurisdiction over it and require
24 the licensee to do that.

25 Any either comments or questions?

1 you to tell us what you also believe is necessary to make a
2 reasoned decision based upon your review of the
3 Preapplication Document. If you haven't done that, I
4 encourage you to look at that because it is a summary of what
5 we know to date about the Wells Project and resources it
6 affects. And that's really the real basis for where we've
7 derived our issues for scoping tonight, and the basis of
8 where our study requests are going to come from.

9 But when we developed the integrated licensing
10 process, one of the things we tried to accomplish is to make
11 sure, again, that we have a strong information base and to
12 make sure that we were getting studies that were relevant to
13 that information base. To help stakeholders develop that
14 kind of information, we developed seven study criteria, and
15 those criteria explain to the Commission why that study is
16 necessary. And so we're looking to parties to address these
17 things.

18 The study needs to talk about the goal and the
19 objectives of the study, if you have one. And you need to
20 explain what you intend to do and how that study should be
21 conducted and what it should be telling you.

22 The second bullet here, consider resource
23 management goals, is one constructed primarily for resource
24 agencies that have specific mandates that they're trying to
25 achieve. So an information need that they may -- or a gap

1 they may need to fill needs to tell us why that information
2 is necessary to help achieve that resource goal. You need to
3 explain to us why it would be -- that particular resource
4 issue or study need is associated with public interest. This
5 third bullet is really sort of towards you guys. Why is it
6 in the public interest to be considering that piece of
7 information, and why is that piece of information important
8 to achieving that public interest need?

9 You need to explain to us "Well, this is what we
10 know about the project. This is what we know is existing
11 about this specific information, but here is the information
12 gap. This is why we need to do that study." It needs to
13 tell us what -- why the existing information isn't good
14 enough to make an analysis of that.

15 The next bullet really is the crux of what Bob
16 and I were talking about; the connection to the project.
17 What is the -- what is the -- how is that information -- how
18 is that effect associated with the project and its operation
19 and how is that information going to inform a license
20 recommendation?

21 It can't be just information for information's
22 sake. But how would it inform the Commission about how to
23 develop the license recommendation or requirement for the
24 future license?

25 The methodology. You need to tell us what you

1 envision that the PUD would need to do. I mean, what's the
2 scope of the study? What's the method that needs to be
3 gathered?

4 And you need to talk about and give consideration
5 to the level of effort and cost. How much is it going to
6 cost to do that study? Obviously, you may not be an expert
7 and know that, but we need to at least know what the scope of
8 that effort would be so that we can basically determine
9 whether or not gathering that information and spending the
10 money on that information is going to result in something
11 that we can use and it's worth doing. It may be some
12 existing information or another method that's proposed by the
13 PUD will help answer it so it could be done at a lesser cost.
14 The Commission is going to be weighing all those factors in
15 the future studies. Is there any questions with regard to
16 that?

17 Just some important dates that are coming up,
18 again. Comments on the Scoping Document that we've issued
19 and requests for studies are due by April 2nd. This is --
20 this is a fairly fast-paced process. We've got defined dates
21 in here to get this done, to get the information needs and
22 approve study plans so that the PUD can be out there
23 gathering the data and put together their application by the
24 due date they have to file it.

25 What they're going to do with the study requests

1 and the comments of scoping, the PUD will develop a poststudy
2 plan. They've already got a really big leg up on that.
3 There's a -- Shane was talking about the studies in the back
4 of the PAD that talk about the seven criteria. And that's
5 another good venue or template to follow in terms of the kind
6 of information that needs to be included in those study
7 requests.

8 When that proposed study plan comes in, the PUD
9 then has to have at least one meeting, if not more than one
10 meeting, to try to resolve any study disputes. And the
11 Commission will be involved in those to the extent we can be.
12 At least we'll be here for that first meeting, and if there's
13 subsequent meetings, we'll try to be here. If not in person,
14 at least by teleconference. Unfortunately, again, our budget
15 based on Congress is limiting our travel abilities, but we
16 try to accommodate those needs as best we can.

17 Based on the outcome of those study meetings,
18 there's basically a 90-day period from the time that the
19 proposed study plan is filed to -- to that conclusion of the
20 90 day -- there's a 90-day comment period where the PUD and
21 us will try to resolve any study disputes. They'll take that
22 information and file the revised study plan with the
23 Commission.

24 We'll issue -- and after that the Commission will
25 consider those comments and the proposed study plan and issue

1 the study plan determination that basically tells the PUD
2 "These are the studies you must go conduct," and what those
3 modifications are, if there are any modifications in the
4 revised study plan. And that occurs by October of '07.

5 So as you can see, there's a lot to do over the
6 next six -- well, next few months, anyway.

7 MR. EASTON: Through October.

8 MR. TURNER: Through October there's a lot to get
9 accomplished. And, again, to the PUD's credit, with resource
10 work groups, there's -- a lot of this stuff has already been
11 ironed out. There may be some additional information you
12 need to come through on the study requests that we need to
13 work through, but I think we have got a real leg up on the
14 issue.

15 And with that, again, I'd like to offer you one
16 more opportunity to express any other concerns, ask any more
17 questions about the process, what's coming up in the future.

18 MR. HARDY: I live in Douglas County. My name is
19 Dennis Hardy. I'm a retired PUD employee, for those of you
20 that don't know that. We have -- the rate payers in Douglas
21 County pay low rates now, but we have a lot of retired people
22 like in Bridgeport. And, you know, any big project on this
23 river is going to affect rate payers of Douglas County. And,
24 yeah, we do pay less than Okanogan. We do pay less than
25 Nespelem. But I look at it as our commissioners, our

1 managers had the foresight to go ahead, construct the dam,
2 borrow the money to do it, make it work. And we've
3 benefitted from that tremendously. So I wouldn't want to see
4 any huge project raise the rates in Douglas County above and
5 beyond what they are. Thank you.

6 MR. TURNER: Anything else?

7 Just a few closing reminders then, basically, is
8 that, again, your study comments are due by April 2nd.
9 Douglas plans to hold a meeting -- wait a minute.

10 If you want to be on the FERC mailing list,
11 follow the -- the information in the Scoping Document to get
12 on that mailing list. And with that, I'll close the meeting,
13 unless anybody else has any comments or questions.

14 Thank you very much for your participation. We
15 really appreciate your thoughts and we'll take it back with
16 us.

17 (Proceedings Concluded.)

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REPORTER'S CERTIFICATE

I, ALISON J. HOWZE, Certified Shorthand Reporter, do hereby certify:

That the foregoing proceedings were taken before me at the times and place therein set forth, at which time any witnesses were placed under oath;

That the testimony and all objections made were recorded stenographically by me and were thereafter transcribed by me or under my direction;

That the foregoing is a true and correct record of all testimony given, to the best of my ability;

That I am not a relative or employee of any attorney or of any of the parties, nor am I financially interested in the action;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 5th day of March, 2007.

ALISON J. HOWZE, CCR

CCR # 2575

Notary Public in and for the
State of Washington, residing
at Wenatchee.

My commission expires on October 31, 2008.