



BLUE LAKE EXPANSION INUNDATION AREA

1646 ACRES, 362 ADDITIONAL ACRES



UNSURVEYED TOWNSHIP 48 SOUTH RANGE 57 EAST OF THE COPPER RIVER MERIDIAN, ALASKA
PROTRACTION DIAGRAM NO. CR13-S OFFICIALLY FIXED 5/7/1980

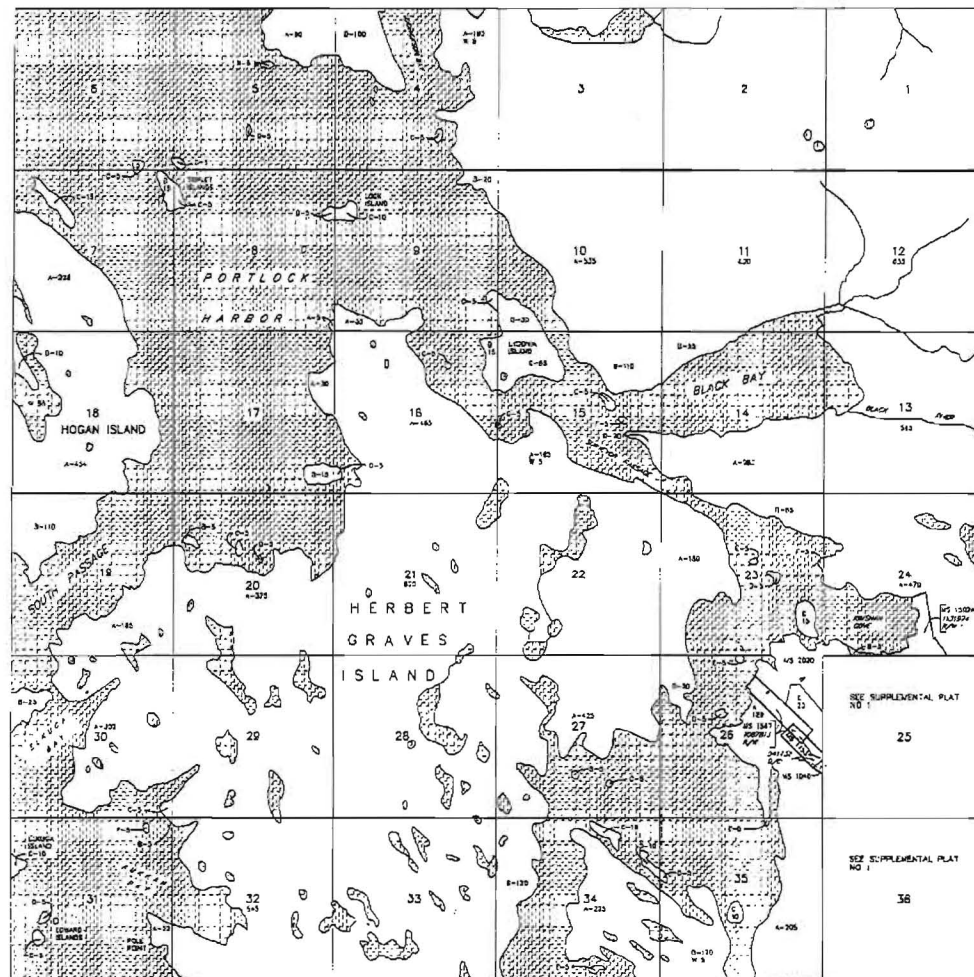
STATUS OF PUBLIC DOMAIN
LAND AND MINERAL TITLES

MTP

FOR ORDERS SPECIFYING DISPOSAL OR USE OF UN-
ACQUIRED LANDS WITHIN THIS TOWNSHIP FOR CLASSIFICATION
MINERALS, WILDER AND/OR OTHER PUBLIC PURPOSES
REFER TO INDEX OF MISCELLANEOUS DOCUMENTS

CR13-S TOWNSHIP 48 SOUTH RANGE 57 EAST OF THE COPPER RIVER MERIDIAN, ALASKA
US 850A, US 850B, US 850C, US 850D, US 850E, US 850F, US 850G, US 850H, US 850I, US 850J, US 850K, US 850L, US 850M, US 850N, US 850O, US 850P, US 850Q, US 850R, US 850S, US 850T, US 850U, US 850V, US 850W, US 850X, US 850Y, US 850Z, US 850AA, US 850AB, US 850AC, US 850AD, US 850AE, US 850AF, US 850AG, US 850AH, US 850AI, US 850AJ, US 850AK, US 850AL, US 850AM, US 850AN, US 850AO, US 850AP, US 850AQ, US 850AR, US 850AS, US 850AT, US 850AU, US 850AV, US 850AW, US 850AX, US 850AY, US 850AZ, US 850BA, US 850BB, US 850BC, US 850BD, US 850BE, US 850BF, US 850BG, US 850BH, US 850BI, US 850BJ, US 850BK, US 850BL, US 850BM, US 850BN, US 850BO, US 850BP, US 850BQ, US 850BR, US 850BS, US 850BT, US 850BU, US 850BV, US 850BW, US 850BX, US 850BY, US 850BZ, US 850CA, US 850CB, US 850CC, US 850CD, US 850CE, US 850CF, US 850CG, US 850CH, US 850CI, US 850CJ, US 850CK, US 850CL, US 850CM, US 850CN, US 850CO, US 850CP, US 850CQ, US 850CR, US 850CS, US 850CT, US 850CU, US 850CV, US 850CW, US 850CX, US 850CY, US 850CZ, US 850DA, US 850DB, US 850DC, US 850DD, US 850DE, US 850DF, US 850DG, US 850DH, US 850DI, US 850DJ, US 850DK, US 850DL, US 850DM, US 850DN, US 850DO, US 850DP, US 850DQ, US 850DR, US 850DS, US 850DT, US 850DU, US 850DV, US 850DW, US 850DX, US 850DY, US 850DZ, US 850EA, US 850EB, US 850EC, US 850ED, US 850EE, US 850EF, US 850EG, US 850EH, US 850EI, US 850EJ, US 850EK, US 850EL, US 850EM, US 850EN, US 850EO, US 850EP, US 850EQ, US 850ER, US 850ES, US 850ET, US 850EU, US 850EV, US 850EW, US 850EX, US 850EY, US 850EZ, US 850FA, US 850FB, US 850FC, US 850FD, US 850FE, US 850FF, US 850FG, US 850FH, US 850FI, US 850FJ, US 850FK, US 850FL, US 850FM, US 850FN, US 850FO, US 850FP, US 850FQ, US 850FR, US 850FS, US 850FT, US 850FU, US 850FV, US 850FW, US 850FX, US 850FY, US 850FZ, US 850GA, US 850GB, US 850GC, US 850GD, US 850GE, US 850GF, US 850GG, US 850GH, US 850GI, US 850GJ, US 850GK, US 850GL, US 850GM, US 850GN, US 850GO, US 850GP, US 850GQ, US 850GR, US 850GS, US 850GT, US 850GU, US 850GV, US 850GW, US 850GX, US 850GY, US 850GZ, US 850HA, US 850HB, US 850HC, US 850HD, US 850HE, US 850HF, US 850HG, US 850HH, US 850HI, US 850HJ, US 850HK, US 850HL, US 850HM, US 850HN, US 850HO, US 850HP, US 850HQ, US 850HR, US 850HS, US 850HT, US 850HU, US 850HV, US 850HW, US 850HX, US 850HY, US 850HZ, US 850IA, US 850IB, US 850IC, US 850ID, US 850IE, US 850IF, US 850IG, US 850IH, US 850II, US 850IJ, US 850IK, US 850IL, US 850IM, US 850IN, US 850IO, US 850IP, US 850IQ, US 850IR, US 850IS, US 850IT, US 850IU, US 850IV, US 850IW, US 850IX, US 850IY, US 850IZ, US 850JA, US 850JB, US 850JC, US 850JD, US 850JE, US 850JF, US 850JG, US 850JH, US 850JI, US 850JJ, US 850JK, US 850JL, US 850JM, US 850JN, US 850JO, US 850JP, US 850JQ, US 850JR, US 850JS, US 850JT, US 850JU, US 850JV, US 850JW, US 850JX, US 850JY, US 850JZ, US 850KA, US 850KB, US 850KC, US 850KD, US 850KE, US 850KF, US 850KG, US 850KH, US 850KI, US 850KJ, US 850KK, US 850KL, US 850KM, US 850KN, US 850KO, US 850KP, US 850KQ, US 850KR, US 850KS, US 850KT, US 850KU, US 850KV, US 850KW, US 850KX, US 850KY, US 850KZ, US 850LA, US 850LB, US 850LC, US 850LD, US 850LE, US 850LF, US 850LG, US 850LH, US 850LI, US 850LJ, US 850LK, US 850LL, US 850LM, US 850LN, US 850LO, US 850LP, US 850LQ, US 850LR, US 850LS, US 850LT, US 850LU, US 850LV, US 850LW, US 850LX, US 850LY, US 850LZ, US 850MA, US 850MB, US 850MC, US 850MD, US 850ME, US 850MF, US 850MG, US 850MH, US 850MI, US 850MJ, US 850MK, US 850ML, US 850MM, US 850MN, US 850MO, US 850MP, US 850MQ, US 850MR, US 850MS, US 850MT, US 850MU, US 850MV, US 850MW, US 850MX, US 850MY, US 850MZ, US 850NA, US 850NB, US 850NC, US 850ND, US 850NE, US 850NF, US 850NG, US 850NH, US 850NI, US 850NJ, US 850NK, US 850NL, US 850NM, US 850NN, US 850NO, US 850NP, US 850NQ, US 850NR, US 850NS, US 850NT, US 850NU, US 850NV, US 850NW, US 850NX, US 850NY, US 850NZ, US 850OA, US 850OB, US 850OC, US 850OD, US 850OE, US 850OF, US 850OG, US 850OH, US 850OI, US 850OJ, US 850OK, US 850OL, US 850OM, US 850ON, US 850OO, US 850OP, US 850OQ, US 850OR, US 850OS, US 850OT, US 850OU, US 850OV, US 850OW, US 850OX, US 850OY, US 850OZ, US 850PA, US 850PB, US 850PC, US 850PD, US 850PE, US 850PF, US 850PG, US 850PH, US 850PI, US 850PJ, US 850PK, US 850PL, US 850PM, US 850PN, US 850PO, US 850PP, US 850PQ, US 850PR, US 850PS, US 850PT, US 850PU, US 850PV, US 850PW, US 850PX, US 850PY, US 850PZ, US 850QA, US 850QB, US 850QC, US 850QD, US 850QE, US 850QF, US 850QG, US 850QH, US 850QI, US 850QJ, US 850QK, US 850QL, US 850QM, US 850QN, US 850QO, US 850QP, US 850QQ, US 850QR, US 850QS, US 850QT, US 850QU, US 850QV, US 850QW, US 850QX, US 850QY, US 850QZ, US 850RA, US 850RB, US 850RC, US 850RD, US 850RE, US 850RF, US 850RG, US 850RH, US 850RI, US 850RJ, US 850RK, US 850RL, US 850RM, US 850RN, US 850RO, US 850RP, US 850RQ, US 850RR, US 850RS, US 850RT, US 850RU, US 850RV, US 850RW, US 850RX, US 850RY, US 850RZ, US 850SA, US 850SB, US 850SC, US 850SD, US 850SE, US 850SF, US 850SG, US 850SH, US 850SI, US 850SJ, US 850SK, US 850SL, US 850SM, US 850SN, US 850SO, US 850SP, US 850SQ, US 850SR, US 850SS, US 850ST, US 850SU, US 850SV, US 850SW, US 850SX, US 850SY, US 850SZ, US 850TA, US 850TB, US 850TC, US 850TD, US 850TE, US 850TF, US 850TG, US 850TH, US 850TI, US 850TJ, US 850TK, US 850TL, US 850TM, US 850TN, US 850TO, US 850TP, US 850TQ, US 850TR, US 850TS, US 850TT, US 850TU, US 850TV, US 850TW, US 850TX, US 850TY, US 850TZ, US 850UA, US 850UB, US 850UC, US 850UD, US 850UE, US 850UF, US 850UG, US 850UH, US 850UI, US 850UJ, US 850UK, US 850UL, US 850UM, US 850UN, US 850UO, US 850UP, US 850UQ, US 850UR, US 850US, US 850UT, US 850UU, US 850UV, US 850UW, US 850UX, US 850UY, US 850UZ, US 850VA, US 850VB, US 850VC, US 850VD, US 850VE, US 850VF, US 850VG, US 850VH, US 850VI, US 850VJ, US 850VK, US 850VL, US 850VM, US 850VN, US 850VO, US 850VP, US 850VQ, US 850VR, US 850VS, US 850VT, US 850VU, US 850VV, US 850VW, US 850VX, US 850VY, US 850VZ, US 850WA, US 850WB, US 850WC, US 850WD, US 850WE, US 850WF, US 850WG, US 850WH, US 850WI, US 850WJ, US 850WK, US 850WL, US 850WM, US 850WN, US 850WO, US 850WP, US 850WQ, US 850WR, US 850WS, US 850WT, US 850WU, US 850WV, US 850WW, US 850WX, US 850WY, US 850WZ, US 850XA, US 850XB, US 850XC, US 850XD, US 850XE, US 850XF, US 850XG, US 850XH, US 850XI, US 850XJ, US 850XK, US 850XL, US 850XM, US 850XN, US 850XO, US 850XP, US 850XQ, US 850XR, US 850XS, US 850XT, US 850XU, US 850XV, US 850XW, US 850XX, US 850XY, US 850XZ, US 850YA, US 850YB, US 850YC, US 850YD, US 850YE, US 850YF, US 850YG, US 850YH, US 850YI, US 850YJ, US 850YK, US 850YL, US 850YM, US 850YN, US 850YO, US 850YP, US 850YQ, US 850YR, US 850YS, US 850YT, US 850YU, US 850YV, US 850YW, US 850YX, US 850YY, US 850YZ, US 850ZA, US 850ZB, US 850ZC, US 850ZD, US 850ZE, US 850ZF, US 850ZG, US 850ZH, US 850ZI, US 850ZJ, US 850ZK, US 850ZL, US 850ZM, US 850ZN, US 850ZO, US 850ZP, US 850ZQ, US 850ZR, US 850ZS, US 850ZT, US 850ZU, US 850ZV, US 850ZW, US 850ZX, US 850ZY, US 850ZZ

PL 86-487 Descriptive of West Chukotka-Perov
MTP



Lat 57°36'57" N
Long 136°05'25" W

SCALE in chains
10 5 0 5 10

NOTES
This map is the Bureau's Report of 1980, and should be used
only in a general manner. It is not a survey map. It is
not a legal document. It is not a title document. It is not a
survey map. It is not a title document. It is not a survey map.
Refer to the historical surveys for full survey information.

CURRENT TO
11-23-2009

CR Map
T 48 S
R 57 E

ACAD





POSSIBLE MOTION

I MOVE TO approve the proposed license conditions
as it relates to Blue Lake.





City & Borough of Sitka
Electric Department
105 Jarvis Street, Sitka AK. 99835
Telephone: 907-747-4000 Fax: 907-747-3208



Memorandum

May 20, 2011

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director, Electric Department *CB*
Subject: **Blue Lake License Amendment – Protection, Mitigation & Enhancement (PM&E) Terms and Conditions**

Request:

This is to request Assembly approval to authorize the transfer of City & Borough of Sitka property in the negotiations of Blue Lake License Amendment PM&E terms and conditions between CBS and Federal/State Resource agencies for the Blue Lake Hydroelectric Expansion Project.

Background:

On November 23, 2010, the CBS filed the Final Application for License Amendment and Draft Environmental Assessment (EA) to the Federal Energy Regulatory Commission (FERC) for the Project. FERC requested additional information which was filed with FERC on March 10 and April 6, 2011, which specifically required PM&E measures to be developed in consultation with federal and state resource agencies. (Attachment A) FERC subsequently accepted the license application and provided formal notice on April 8, 2011 soliciting comments, motions to intervene, protests, recommendations, terms and conditions, and fishway prescriptions. (Attachment B) With this formal notification, interested parties had 60 days (June 7, 2011) to file comments.

PM&E meetings were held with stakeholders on June 2, 2010, November 5, 2010, and May 19, 2011. (Attachment C) The June and November meetings were conducted to fully explain the Project details and solicit comments from stakeholders relative to potential PM&E measures that may be required. Subsequent to these meetings draft PM&E measures were submitted by USFS, Sitka Conservation Society (SCS) and Sitka Tribe of Alaska (STA). (Attachment D)

The May 19, 2011 meeting began the process of negotiating mitigation conditions for the Blue Lake Project Expansion. This is the final phase of receiving authorization from FERC to begin construction; it's a requirement under federal law that we do this.

Purpose:

Our negotiations with the USFS are particularly critical because terms and conditions from that agency are mandatory, that is, FERC must issue them as non-negotiable conditions to the amended FERC license. Therefore, we'd like to negotiate a favorable mitigation package before the terms and conditions become final. The terms and conditions the USFS submits by June 7, 2011 will be final conditions.

During preliminary negotiations with the USFS, we have reviewed their proposals and found one, a land transfer involving the CBS owned Chichagof property, which appears to be favorable to both the City and USFS. The action would involve the City transferring approximately 48 acres of land on Chichagof Island currently owned by the City to compensate for impacts related

Transmittal Memorandum
Blue Lake PM&E
May 20, 2011

to inundation of 362 acres of land around Blue Lake after the dam is raised. Because the land on Chichagof Island is in a designated Wilderness Area, and the inundated area is an Inventoried Roadless Area, and is required for the Blue Lake Expansion Project, this action appears to be a reasonable concession.

To go forward with negotiations, we're asking the Assembly to consider approval of this land transfer. We believe that approval of this transfer would promote favorable progress on other mitigation measures still under discussion.

Recommended Motion:

I MOVE to authorize the Municipal Administrator to execute a land transfer of City owned property as part of PM&E measures for the Blue Lake Hydroelectric Expansion Project.

Cc: Jay Sweeney, Interim Finance Director
Theresa Hillhouse, Municipal Attorney
Wells Williams, Planning Director
Marlene Campbell, Gov. Relations Director

Attachment (A)

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 2230-044 - Alaska
Blue Lake Project
City and Borough of Sitka, Alaska

City and Borough of Sitka, Electric Department
Attn: Christopher Brewton Utility Director
105 Jarvis Street
Sitka, AK 99835

February 22, 2011

Subject: Deficiencies and Additional Information Request.

Dear Mr. Brewton:

On November 23, 2010, you filed an application to amend the license for the Blue Lake Project (FERC Project No. 2230). In your application, you propose to raise the height of the dam and impoundment, construct a new powerhouse, and modify the penstock and other project facilities.

Your amendment application fails to conform to the requirements of the Commission's regulations. A list of deficiencies is enclosed as Schedule A. In addition, we need some additional information in order to complete our review of your application. Please file the deficiencies noted in the attached Schedule A and the additional information noted in the attached Schedule B within the timeframes specified in those schedules.

If any deficiency or additional information causes other parts of the application to be inaccurate, that part must also be revised and refiled by the due date. Also, please be aware that further requests for additional information may be sent to you at any time before final action on your application.

Please file your response electronically via the Internet. See 18 C.F.R. 385.2001(a)(1)(iii) and the instructions on the Commission's website (<http://www.ferc.gov/docs-filing/efiling.asp>). For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov; call toll-free at (866) 208-3676; or, for TTY, contact (202) 502-8659. Although the Commission strongly encourages electronic filings, your response may also be paper-filed. To paper-file, mail an original and seven copies to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E. Washington, D.C. 20426. Please put the docket number, P-2230-044, on the first page of your response.

You may contact Steven Sachs at (202) 502-8666 if you have any questions concerning this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Hocking". The signature is fluid and cursive, with the first name "Steve" and last name "Hocking" clearly distinguishable.

Steve Hocking
Chief, Environmental Review Branch
Division of Hydropower Administration
and Compliance

Attachment: Schedules A and B

Schedule A

Following is a list of deficiencies that we have identified after review of the City and Borough of Sitka's amendment application. Please correct these deficiencies within 30 days of the date of this letter.

Section 4.38

- (1) Further information that documents your consultation under the Commission's three-stage consultation process is required. Please aggregate and file all evidence that you have completed the three-stage consultation process including documents from any meeting(s) held, comments received and responses to comments, studies requested and conducted, a list of attendees, and federal and state agencies consulted.
- (2) Your application lacks an accompanying transmittal letter certifying that copies of the application were mailed to appropriate resource agencies, Indian tribes, and consulted members of the public at the same time the final application was filed with the Commission. Please provide evidence that copies of the application were submitted to the above entities.

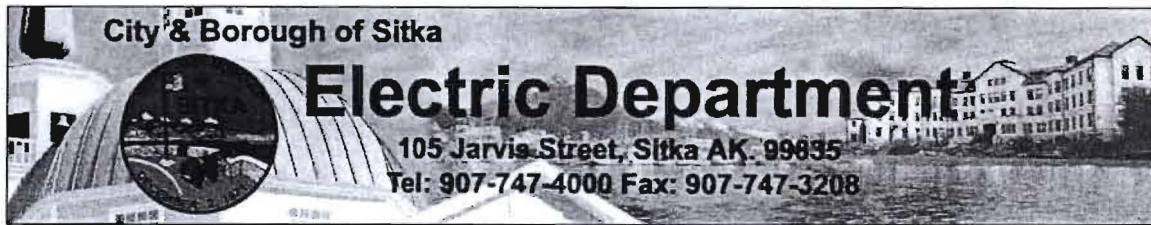
Schedule B

Following is a list of additional information that we need to complete our review of the amendment application. Please file the additional information within 60 days of the date of this letter.

- (1) Your application lacks a discussion of possible impacts to wetlands due to the proposed amendment. It is our understanding that wetlands exist in the project area and that these wetlands may be affected by your proposal. We request that you provide us with a general map locating and showing the extent of wetlands in the project area and identifying the types of wetlands present using Cowardin et al.¹
- (2) Your application does not describe any proposed protection, mitigation, and enhancement (PM&E) measures that may be needed to mitigate project effects. Please provide the details of any PM&E measures that may be needed for: (1) wetlands affected by the proposed project; (2) salmonid species (pink, chum, and coho salmon) and their essential fish habitat identified in Sawmill Creek that may be affected by the proposed project; and (3) any other environmental resources including fish, wildlife, water quality, and vegetation affected by the proposed project. All PM&E measures should be developed in consultation with federal and state resource agencies. Your filing should include documentation of consultation including agency comments and recommendations and your response to any recommendations.
- (3) The draft environmental assessment filed with the amendment application mentions, though does not include, several draft plans including an erosion and sediment control plan, a timber removal and management plan, and a spill prevention and containment plan. Please provide a schedule for filing these plans for Commission approval along with documentation of consultation with the resource agencies. All mitigation plans developed for your proposed project should be filed for Commission approval as part of your amendment application.
- (4) Your application would expand the project boundary to include additional lands. Please provide a table that shows the acreage of private and public lands currently

¹ Cowardin, L. M., V. Carter, F. C. Golet, and E. T. LaRoe. 1979. Classification of Wetlands and Deepwater Habitats of the United States. U.S. Dep. Interior, Fish and Wildl. Serv. FWS/OBS - 79/31.

within the project's approved boundary and the acreage of private and public lands that would be included via your amendment application. Identify all private and public landowners shown in the table. Finally, provide evidence that all private landowners have been notified, by certified mail, of your amendment application and your proposal to incorporate their lands within the proposed project boundary.



Ms. Kimberly Bose, Secretary,
Federal Energy Regulatory Commission
888 First Street NE,
Washington D.C. 20426

Filed Electronically
March 10, 2011

Subject: **Response to Schedule A deficiencies, Blue Lake Project
Expansion (FERC No. 2230-044)**

Ms. Bose:

This letter and the attached documents respond to your letter of February 22, 2011, describing deficiencies in our Final Application for Amendment of the Subject Project's FERC license. The content and format for the responses in Attachments I and II are explained in the response document.

If you have questions or comments, please don't hesitate to contact me at 907-747-1870, or via email at chrisb@cityofsitka.com.

Thanks for your continued assistance on the Blue Lake Project Expansion.

Sincerely,

Christopher Brewton, Utility Director
City and Borough of Sitka Electric Department

CC by email: Steve Hocking
Steve Sachs

2 attachments

RESPONSE TO SCHEDULE A DEFICIENCIES

BLUE LAKE HYDROELECTRIC PROJECT (FERC No. 2230-044) EXPANSION

Prepared by:

City and Borough of Sitka, Alaska

BACKGROUND

The City and Borough of Sitka ("City") owns and operates the Blue Lake hydroelectric project ("Project", FERC No. 2230) near Sitka, Alaska. The City intends to expand the current Project generation capacity by, among other actions, raising the Project dam and installing a new powerhouse and turbine generators.

On November 23, 2010, the City submitted its Final Application for Capacity Related Amendment (FAA) to the Federal Energy Regulatory Commission (FERC). On review of the FAA, FERC found two deficiencies related to Federal regulation requirements and informed the City of these deficiencies via electronic transmittal dated February 22, 2011. In this transmittal, the deficiencies were described in Schedule A, which required response within 30 days of the transmittal date.

Below are the City's responses to Schedule A. In each response, we restate the FERC request (in italics) and then provide the requested material

Deficiency 1

Further information that documents your consultation under the Commission's three-stage consultation process is required. Please aggregate and file all evidence that you have completed the three-stage consultation process including documents from any meeting(s) held, comments received and responses to comment, studies requested and conducted, a list of attendees, and federal and state agencies consulted.

City Response to Deficiency 1

In Attachment I, and by separate electronic filing, is a PDF format document organizing all consultation events for the Project. The document is in outline form, arranged chronologically and containing links to the documents in question. Selecting any link results in internet connection with the City's website and opening the selected document. We believe that this method obviates the need to transmit a large printed package of an extensive PDF or MS word file containing documents sufficient to respond to Deficiency 1.

Deficiency 2

Your application lacks an accompanying transmittal letter certifying that copies of the application were mailed to appropriate resource agencies, Indian tribes, and consulted members of the public at the same time the final application was filed with the Commission. Please provide evidence that copies of the application were submitted to the above entities.

City Response to Deficiency 2

In Attachment 2 are two forms of the requested mailing list: 1) a copy of the Project contact list as of the date of filing the FAA; and 2) a scanned copy of the email header showing the date, subject and recipient list for the FAA.

ATTACHMENT I

ELECTRONIC RECORD of BLUE LAKE EXPANSION PROJECT

STAKEHOLDER CONSULTATION

(SELECT LINKS to VIEW DOCUMENTS)

BLUE LAKE PROJECT EXPANSION
Consultation Record
3/8/11

** date = document filed with FERC and date filed*

<u>Notice of Intent</u> *03/11/2008	March 10, 2008
<u>Request for ALP</u> *03/11/2008	March 11, 2008
<u>Draft Communication Protocol</u> *3/25/2008	
Comments/Communication Protocol Approval:	
• <u>USDA Forest Service</u>	March 19, 2008
• <u>USDA Forest Service (addition to participant list)</u>	April 1, 2008
• <u>USFWS</u>	April 22, 2008
• <u>ADNR</u>	April 23, 2008
• <u>ADF&G</u>	May 6, 2008
• <u>STA</u>	May 13, 2008
 <u>ALP Authorization</u>	 Sept. 2, 2008
 <u>Initial Consultation Document</u> *3/13/2008	 March 12, 2008
<u>Initial Consultation Meeting</u>	April 17, 2008
Comments:	
• <u>USDA Forest Service</u>	Sept. 8, 2008
• <u>USDA Forest Service Hydropower Team</u>	Sept. 2, 2008
• <u>USDA Forest Service</u>	July 23, 2008
 <u>Scoping Document 1</u>	 Nov. 11, 2008
<u>Scoping Meeting and Site Visit</u>	Dec. 11, 2008
<u>Scoping Document 1 Comments</u>	
• <u>USFS</u>	Feb. 2, 2009
• <u>SCS</u>	Dec. 15, 2008
• <u>ADF&G</u>	Feb. 11, 2009
 <u>Scoping Document 2</u> *06/29/2009	 June 29, 2009
<u>Scoping Document 2 Comments:</u>	
• <u>ADF&G</u>	July 2, 2009

STUDIES:

- I. Minerals
 - A. Draft Plan – Feb. 6, 2009
 - B. Comments:
 - 1. USGS – Feb. 6, 2009
 - 2. USFS – Sept. 19, 2008
 - C. Final Plan – Feb. 26, 2009

Blue Lake Project Expansion – Consultation Record

- D. Draft Report – None
- E. Final Report – June 22, 2009

II. Sedimentation

- A. Draft Plan – Jan. 19, 2009
- B. Comments:
 - 1. ADF&G – Sept. 30, 2009
 - 2. USFS – Feb. 9, 2009
 - 3. USFS – March 23, 2009
- C. Rev'Draft – Feb. 26, 2009
- D. Comments:
 - 1. USFS – May 7, 2009
- E. Final Plan – May 12, 2009
- F. Draft Report – Aug. 18, 2009
- G. Comments:
 - 1. USFS – Oct. 2, 2009
- H. Final Report – Dec. 9, 2009

III. Timber

- A. Draft Plan – Feb. 26, 2009
- B. Comments:
 - 1. ADF&G – April 7, 2009
 - 2. USFS – March 27, 2009
- C. Rev Draft – April 7, 2009
- D. Comments:
 - 1. USFS - May 12, 2009
- E. Final Plan – May 13, 2009
- F. Cruise Report – Aug. 10, 2009
- G. Check Cruise – Sept. 21, 2009
- H. Final Report – Oct. 16, 2009
- I. Comments:
 - 1. STA – Nov. 23, 2010

IV. Wildlife

- A. Draft Plan – May 6, 2008
- B. Final Plan – June 20, 2008
- C. Draft 2008 Report – Aug. 2009
- D. Comments:
 - 1. USFS - Oct. 2, 2009
- E. Final 2008 Report – Jan. 21, 2010 *01/27/2010

V. Cultural

- A. Draft Plan – July 8, 2008
- B. Comments:
 - 1. USFS – July 21, 2008
- C. Phase II Plan – Sept. 24, 2008

Blue Lake Project Expansion – Consultation Record

D. Comments:

1. USFS – Oct. 8, 2008
2. ADNR – Sept. 25, 2008
3. STA – Sept. 4, 2008

E. Draft Report – Feb. 26, 2009

F. Comments:

1. ADF&G – April 7, 2009

G. Final report – April 20, 2009

1. Sitka Historic Preservation Commission- 2009

VI. Vegetation

A. Draft 2008 Report – Aug. 7, 2009

B. Comments:

1. USFS – Oct. 2, 2009

C. Final Report – Feb. 24, 2010

D. Comments:

1. USFS - March 16, 2010

VII. Scenery

A. Draft Plan – April 1, 2009

B. Comments:

1. USFS – March 26, 2009

C. Final Plan - No Comments

D. Draft Report – July 8, 2009 *07/10/2009

E. No Comments

F. Final Report

VIII. Recreation

A. Draft Plan – July 11, 2008

B. Comments:

1. USFS – July 17, 2008

C. Final Plan – Nov. 25, 2008

IX. Intake Temp

A. Draft Report – Jan. 30, 2010

B. Comments:

1. ADF&G – June 21, 2010

C. Final Report – July 26, 2010

X. Fisheries

A. Draft Study Plan – Feb. 27, 2008

B. Final Study Plan – May 16, 2008

C. Draft 2008 Report – May 22, 2009

D. Comments:

1. USFS – Oct. 2, 2009

E. Final 2008 Report – Dec. 17, 2009

Blue Lake Project Expansion – Consultation Record

<u>Draft Amendment Application</u> *3/9/2010	March 5, 2010
<u>Preliminary Draft EA</u> *3/9/2010	March 5, 2010
<u>Draft Amendment Application Comments</u>	
FWS	June 7, 2010
SCS	June 5, 2010
ADF&G	June 7, 2010
USFS	June 11, 2010
Roadless Rule Meeting w/ USFS	Sept. 10, 2010
<u>Response letter to FERC and Final Meeting Minutes</u>	Oct. 21, 2010
USFS Special Use Permit Application	Sept. 21, 2010
<u>Draft Timber Management Plan</u>	Oct. 27, 2010
Comments:	
<u>STA</u>	Nov. 23, 2010
<u>FWS</u>	Nov. 4, 2010
<u>DEC</u>	Jan. 24, 2011
<u>Draft Erosion and Sediment Control Plan (ESCP)</u>	Oct. 27, 2010
Comments:	
<u>USFS</u>	Jan. 13, 2011
<u>Final Erosion and Sediment Control Plan (ESCP)</u> *3/1/2011	March 1, 2011
<u>Mitigation Meeting 1</u>	June 2, 2010
<u>Mitigation Meeting 2</u>	Nov. 5, 2010
<u>Final Amendment Application</u> *11/23/2010	Nov. 22, 2010
<u>Final Draft EA</u> *11/23/2010	Nov. 22, 2010
FERC Washington DC Meeting	Nov. 30, 2010
<u>Third Party Request</u>	Feb. 1, 2011

** date = document filed with FERC and date filed*

ATTACHMENT II

1.) BLUE LAKE EXPANSION PROJECT MAILING LIST as of NOVEMBER 23, 2010.

2). SCANNED NOVEMBER 23 FAA TRANSMITTAL EMAIL SHOWING ALL RECIPIENTS.

PARTICIPANT LIST
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11/22/10

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Subject: Final Draft Environmental Assessment, FERC P-2230, Blue Lake Project Expansion
Attachments: BLE_FDEA_Volume 2_final 11 22 2010.pdf

Date: November 22, 2010

To: Blue Lake Hydroelectric Project Expansion Distribution

Attached please find a PDF format document containing Volume II of the Blue Lake Project Expansion, Final Draft Environmental Assessment (FDEA), describing the environmental aspects of the proposed action. The Application is in two Volumes, Volume I was distributed in the previous e-mail

The Final Amendment Application and Final Draft Environmental Assessment was e-filed with FERC on November 22, 2010.

If you have immediate questions or concerns, don't hesitate to call me at 907-747-1827.

Thanks for your continued involvement in the Blue Lake Project Expansion.

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Subject: Final Amendment Application, FERC P-2230, Blue Lake Project Expansion
Attachments: FAA Volume 1_final_11 22 2010.pdf

Date: November 22, 2010

To: Blue Lake Hydroelectric Project Expansion Distribution

Attached please find a PDF format document containing Volume I of the Blue Lake Project Expansion Final Amendment Application. The Application is in two Volumes, with Volume I containing:

- **Initial Statement** with project background and general description;
- **Exhibit A**, describing the existing and proposed project features;
- **Exhibit B**, describing project operation;
- **Exhibit C**, describing the overall schedule;
- **Exhibit D**, describing costs and financing;
- **Exhibit F**, project maps and boundary; and
- **Exhibit G**, project preliminary design drawings.

Volume II, which will be transmitted electronically immediately after this communication, contains the Final Draft Environmental Assessment (FDEA), describing the environmental aspects of the proposed action.

This Final Amendment Application and Final Draft Environmental Assessment was e-filed with FERC on November 22, 2010.

If you have immediate questions or concerns, don't hesitate to call me at 907-747-1827.

Thanks for your continued involvement in the Blue Lake Project Expansion.

Dean

RESPONSE to REQUESTS for ADDITIONAL INFORMATION

SCHEDULE B

BLUE LAKE HYDROELECTRIC PROJECT

(FERC No. 2230-044) EXPANSION

Prepared by:

City and Borough of Sitka, Alaska

April, 2011

BACKGROUND

The City and Borough of Sitka ("City") owns and operates the Blue Lake hydroelectric project ("Project", FERC No. 2230) near Sitka, Alaska. The City intends to expand the current Project generation capacity by, among other actions, raising the Project dam and installing a new powerhouse and turbine generators.

On November 23, 2010, the City submitted its Final Application for Capacity-Related Amendment (FAA) to the Federal Energy Regulatory Commission (FERC). On review of the FAA, FERC informed the City, via electronic transmittal dated February 22, 2011, of certain needs for additional information, described in Schedule B of the transmittal, which required responses within 60 days of the transmittal date.

Below are the City's responses to Schedule B requests. In each response, we restate the FERC request (in italics) and then provide the requested material.

REQUEST 1

Your application lacks a discussion possible impacts to wetlands due to the proposed amendment. It is our understanding that wetlands exist in the project area and that these wetlands may be affected by your proposal. We request that you provide us with a general map locating and showing the extent of wetlands in the project area and identifying the types of wetlands present using Cowardin et. al.

CITY RESPONSE

In Attachment I is a National Wetlands Inventory (NWI) map showing wetland areas potentially-affected by raising the Blue Lake dam. This map was provided by the US Forest Service, and is not the result of an official wetlands delineation study.

Included is a legend defining acronyms for the various wetland types shown on the map. It is not known whether the wetland types correspond to those described in Cowardin, et. al., as requested by FERC, but the classifications in the map are currently accepted by USFS in Sitka. The areas, however, have not been ground-truthed. This map will be largely supplemented by the wetlands delineation described in response to Request 2, below.

REQUEST 2

Your application does not describe any proposed protection, mitigation and enhancement (PM&E) measures that may be needed to mitigate the project effects. Please provide the details of any PM&E measure that may be needed for (1) wetlands affected by the proposed project; (2) salmonid species (pink, chum, and coho salmon) and their essential fish habitat identified in Sawmill Creek that may be affected by the proposed project; and (3) any other environmental resources including fish, wildlife, water quality, and vegetation affected by the proposed project. All PM&E measures should be developed in consultation with federal and state resource agencies. Your filing should include documentation of consultation including agency comments and recommendations and your response to any recommendations.

CITY RESPONSE

In the following sections, we address each of the numbered items in Request, including:

- 1) Wetlands;**
- 2) Salmonid species and associated fish habitat in Sawmill Creek; and**
- 3) Other environmental resources including fish, wildlife, water quality and vegetation.**

1) Wetlands

Discussions with the USACOE wetlands specialist in Sitka focused on the need for a process which will address effects on wetlands and Waters of the US, which will require mutual consideration of both wetlands and fish habitat throughout the potentially affected area. Baseline surveys for fish have been completed using studies during the Blue Lake relicensing and for the Expansion. Baseline studies for wetlands will be initiated as soon as the snow leaves the ground in spring, 2011.

The mitigation planning process will involve three preliminary steps and timeframes as described in Table 1.

Table 1. Wetlands Mitigation Planning Stages and Associated Timeframes

Planning Stage	Objective	Schedule
Step 1. Wetlands Delineation	Quantify the area and types of potentially-affected wetlands and Water of the US;	June-July, 2011
Step 2. Jurisdictional Determination	Determine jurisdiction of the USACOE in further mitigation planning;	July-August, 2011
Step 3. Wetlands and Fisheries Monitoring	Document possible development of new wetlands and project-related effects on Blue Lake rainbow trout;	For 3-5 years beginning in spring, 2014.

The City Final mitigation proposals will be based on net positive and negative impacts to wetlands and fisheries resources. The USACOE has suggested on several occasions that it will be necessary to conduct monitoring studies to 1) more precisely determine wetlands which might be created after the reservoir is raised; and 2) document possible enhancement of rainbow trout spawning areas in Blue Lake Creek which might become accessible after the dam raise.

Exact monitoring methods and timeframes will be the subjects of one or more technical meetings with tribes and agencies. For Blue Lake fish populations, monitoring would best relate to the baseline surveys done for relicensing and the Expansion amendment application.

The City expects to begin mitigation planning and negotiations after the wetlands delineation is complete in summer, 2011, but before completion of the monitoring studies, to gain insights into the types and costs of mitigation measures.

2) Salmonid Species and Associated Fish Habitat in Sawmill Creek

At the time of Final Amendment Application, the City and consulting agencies did not note significant impacts to salmonids in Sawmill Creek. Based on EES, 2010, any impacts associated with altered stream temperature (resulting from operation of the relocated project intake) would be minimal. This conclusion was presented in EES, 2010 and in the Final Amendment Application, and no reviewer has disputed the assertion.

However, the City recognizes the need for temperature and fisheries monitoring studies of Lower Sawmill Creek to determine the validity of the projected temperature

simulations, and effects of operation, particularly on pink and chum salmon in lower Sawmill Creek.

3) Other Environmental Resources

Fish

Fish monitoring and mitigation actions are described in the foregoing sections relating to Blue Lake rainbow trout populations and to salmon populations in Sawmill Creek.

Wildlife

The license amendment materials, including reports by Bovee 2009, 2010 and the FDEA (City 2010) suggest that the primary impacts to wildlife would relate to increased hunting pressure (primarily by mountain goat hunters) afforded by raised water level and easier boat access.

To address this potential impact, the City intends to restrict access to Blue Lake by gating the reservoir access road. This will limit boat usage to smaller craft and motors and to usage levels similar to those under current boat access conditions.

The City will prepare a Draft Blue Lake Access Control plan for Stakeholder review by May 1, 2011.

Water Quality

Water quality will be addressed separately for Blue Lake and for Sawmill Creek. For Blue Lake, water quality concerns will relate to management of timber in the potentially-inundated area and to construction activities near the dam and new intake. The City has prepared a final Erosion and Sediment Control Plan (ESCP, see response to Request 3, below) to prevent construction related sediment and other construction related substances from entering either Blue Lake or Sawmill Creek.

In addition, because Blue Lake is the City's primary drinking water supply, the Sitka Water Department is required to monitor raw Blue Lake water according to strict Alaska Department of Environmental Conservation (ADEC) specifications. This and monitoring for several other factors will be the basis for Draft Water Quality Monitoring Plans to be prepared during summer, 2011, for Stakeholder review, particularly by ADEC.

In addition to Blue Lake water quality monitoring, the City will monitor Sawmill Creek water to detect inputs from the Blue Lake construction activities, and to document any changes in water temperature which might arise from relocating the Project intake works.

Vegetation

For vegetation there will be an obvious loss of vegetation types and well as wildlife habitat for all acreages to be inundated. The City has begun discussions with USFS, ADF&G, NMFS and the USACOE to discuss mitigation and compensation measures for these losses. It is expected that these discussions will continue through summer, 2011, and will result in agreements on mitigation and compensation for direct losses. At issue will be: 1) protection of sensitive plants; 2) compensation for loss of timber value; and 3) mitigation and/or compensation for loss of wildlife habitat.

REQUEST 3

The draft environmental assessment filed with the amendment application mentions, though does not include, several draft plans including an erosion and sediment control plan, a timber removal and management plan, and a spill prevention and containment plan. Please provide a schedule for filing these plans for Commission approval along with documentation of consultation with the resource agencies. All mitigation plans developed for your project should be filed for Commission approval as part of your amendment application.

CITY RESPONSE

Erosion and Sediment Control Plan

The City filed the Final Erosion and Sediment Control Plan (ESCP) with the Commission on March 1, 2011. This plan contained the consultation record showing agency comments and changes in the Draft Plan as italics in the Final text.

Timber Removal and Management Plan

In 2010, the City distributed a Draft Timber Removal and Management Plan to address the potentially-inundated timber in the Blue Lake Creek valley. Comments on this plan and further consultation among City departments has led to the decision to leave the timber in place during and after inundation. The City is preparing a draft Inundation Plan to describe the process and schedule for this operation. This draft plan will be submitted for Stakeholder review in May, 2011.

Preliminary Draft Plans

In Attachment II are four "Preliminary Draft" plans to denote that they will be sent to Stakeholders for review prior to preparation of Draft Plans. These plans are very similar to plans that have recently been approved for several other hydro projects in Southeast Alaska. The City does not expect significant changes in these plans on review.

The City intends to distribute these, and perhaps other, plans in spring, 2011. Included in Attachment II are plans to address:

- **Environmental Compliance Monitoring;**
- **Bear Safety; and**
- **Cultural Resources Plan;**
- **Hazardous Materials and Spills.**

Other Monitoring Plans

During spring and summer, 2011, the City will distribute several other plans expected to be more specific and to require further consultation. Drafts of these plans are not included in this transmittal, but are likely to address:

- **Access Control and Monitoring.** The City intends to restrict access to Blue Lake to address potential impacts to wildlife and water quality. The plan to do this involves interaction with other City departments because of its relation to drinking water quality; those departments and the Alaska Department of Environmental Conservation (ADEC) have already begun discussions of this plan;
- **Water Quality Monitoring.** In association with the Access Control Plan and as a part of the overall monitoring the effects of construction, Blue Lake inundation and Sawmill Creek water temperature, the City will prepare an overall Water Quality Monitoring Plan. The Draft of this plan will be distributed in Summer, 2011; and
- **Wildlife Monitoring.** The City will prepare a Draft Wildlife Monitoring Plan to monitor, among other factors: 1) effects of construction disturbance on wildlife; 2) efficacy of the Blue Lake access restrictions described above; and 3) effects of inundation on wildlife in the potentially inundated area. This draft plan will be distributed in summer, 2011.

REQUEST 4

Your application would expand the project boundary to include additional lands. Please provide a table that shows the acreage of private and public lands currently within the project's approved boundary and the average of private and public lands that would be included via your amendment application. Identify all private and public landowners shown in the table. Finally, provide evidence that all private landowners have been notified, by certified mail, of you amendment application and your proposal to incorporate their lands within the proposed project boundary.

CITY RESPONSE

During relicensing of the Blue Lake Project, the City was asked to revise the Project Boundary to include the reservoir and an area around the perimeter of Blue Lake (in the original license, most of the lake and surrounding area was not in the Project Boundary). The new license (issued in 2007) shows this new boundary.

Within the expanded boundary area, all land is owned and managed by the US Forest Service (USFS) as part of the Tongass National Forest. There are no private or other state or federal agency holdings within the Project Boundary as revised during relicensing.

During relicensing, however, there were no changes to the Project Boundary for all other Project areas. The boundary in all areas below the Project dam, including those along Sawmill Creek, around the various powerhouses, and within the various transmission corridors, remains exactly as it was before relicensing and will remain the same after the Expansion. In these areas there are private and other non-federal property holdings. None of these holdings, however, would be affected by the Expansion, because there would be no change in the Project Boundary in those areas.

Because there will be no effect on any of these private or non-federal lands, the City has not contacted these private property owners to solicit comments on the Expansion

LITERATURE CITED

EES, 2010. Evaluation of change in Blue Lake Hydroelectric project intake location of water temperatures and anadromous salmonid utilization in Sawmill Creek. City and Borough of Sitka, Licensee. Prepared By: Dennis Schult and John Blum. February, 2010. 32pp.



Attachment (B)

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

City and Borough of Sitka, Alaska

Project No. 2230-044

NOTICE OF APPLICATION ACCEPTED FOR FILING, READY FOR
ENVIRONMENTAL ANALYSIS, SOLICITING COMMENTS,
MOTIONS TO INTERVENE, PROTESTS, RECOMMENDATIONS,
TERMS AND CONDITIONS, AND FISHWAY PRESCRIPTIONS

(April 8, 2011)

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection:

- a. Type of Application: Amendment of License
- b. Project No.: 2230-044
- c. Date Filed: November 23, 2010; supplemented by filings on March 10 and April 6, 2011
- d. Applicant: City and Borough of Sitka, Alaska
- e. Name of Project: Blue Lake Project
- f. Location: The project is located on Sawmill Creek in the Borough of Sitka, Alaska. The project occupies federal lands managed by the U.S. Forest Service within the Tongass National Forest.
- g. Filed Pursuant to: Federal Power Act, 16 USC 791a-825r.
- h. Applicant Contact: City and Borough of Sitka, Electric Department, Attn: Christopher Brewton, Utility Director, 105 Jarvis Street, Sitka, Alaska 99835 (907) 747-1870
- i. FERC Contact: Mr. Steven Sachs (202) 502-8666 or Steven.Sachs@ferc.gov
- j. Deadline for filing motions to intervene and protests, comments, recommendations, terms and conditions, and fishway prescriptions is 60 days from the issuance date of this notice; reply comments are due 105 days from the issuance date of this notice.

Project No. 2230-044

- 3 -

n. Comments, Protests, or Motions to Intervene: Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

o. Filing and Service of Responsive Documents: All filings must (1) bear in all capital letters the title "COMMENTS", "PROTEST", "MOTION TO INTERVENE", "TERMS AND CONDITIONS" or "FISHWAY PRESCRIPTIONS" as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name, address, and telephone number of the person protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis and otherwise comply with the requirements of 18 CFR 4.34(b). All comments, motions to intervene, or protests should relate to project works which are the subject of the amendment. Agencies may obtain copies of the application directly from the applicant. A copy of any protest or motion to intervene must be served upon each representative of the applicant specified in the particular application. If an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency. A copy of all other filings in reference to this application must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 4.34(b) and 385.2010.

p. As provided for in 18 CFR 4.34(b)(5)(i), a license applicant must file, no later than 60 days following the date of issuance of this notice of acceptance and ready for environmental analysis: (1) a copy of the water quality certification; (2) a copy of the request for certification, including proof of the date on which the certifying agency received the request; or (3) evidence of waiver of water quality certification.

Kimberly D. Bose,
Secretary.

Project No. 2230-044

- 2 -

All documents may be filed electronically via the Internet. See, 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site at <http://www.ferc.gov/docs-filing/efiling.asp>. If unable to be filed electronically, documents may be paper-filed. To paper-file, an original and seven copies should be mailed to: Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at <http://www.ferc.gov/docs-filing/ecomment.asp>. You must include your name and contact information at the end of your comments.

Please include the project number (P-2230-044) on any comments, motions, recommendations, or terms and conditions filed.

k. Description of Request: The applicant proposes to increase the height of the project's concrete arch dam by 83 feet and to construct a new water intake in the reservoir 109 feet above the existing intake. The higher maximum reservoir elevation would inundate an additional 362 acres of Forest Service lands within the Tongass National Forest. The proposal also includes the construction of a new Blue Lake Unit powerhouse containing three 5.3 megawatt (MW) turbine-generator units near the existing powerhouse. Additionally, the Fish Valve Unit would be replaced with a new 1 MW turbine-generator unit and the 870 kilowatt Pulp Mill Feeder Unit would be decommissioned. The project's total installed capacity would change from an existing 7.5 MWs to 16.9 MWs. The licensee also proposes to construct a new underground surge chamber located about a quarter mile up the power conduit from the powerhouse on land owned by the licensee.

l. Locations of the Application: A copy of the application is available for inspection and reproduction at the Commission's Public Reference Room, located at 888 First Street, NE, Room 2A, Washington, DC 20426, or by calling (202) 502-8371. This filing may also be viewed on the Commission's website at <http://www.ferc.gov/docs-filing/efiling.asp>. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1-866-208-3676 or e-mail FERCOnlineSupport@ferc.gov, for TTY, call (202) 502-8659. A copy is also available for inspection and reproduction at the address in item (h) above.

m. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

Document Content(s)

P-2230-044Notice.DOC.....1-3



Attachment (C)

MINUTES

BLUE LAKE HYDRO EXPANSION PM&E NEGOTIATIONS MEETING

BLUE LAKE EXPANSION PROJECT

FERC No. 2230

City and Borough of Sitka Electric Department

June 2, 2010

The meeting was held in the City and Borough of Sitka Electric Department ("City") conference room and began at about 2:00 PM.

In attendance were:

Melissa Dinsmore	US Forest Service (USFS), Sitka
Perry Edwards	USFS, Sitka
Shawn Johnson	Alaska Department of Fish and Game (ADF&G) Sport Fish Division, Juneau
Phil Mooney	ADF&G Wildlife Division, Sitka
Robert Chadwick	ADF&G Sport Fish Division, Sitka
Rod Flynn	ADF&G Wildlife, Juneau
Richard Enriquez	US Fish and Wildlife Service (USFWS), Juneau
Jeff Feldpausch	Sitka Tribe of Alaska (STA)
Andrew Thoms	Sitka Conservation Society (SCS), Sitka
Christopher Brewton	City, Utility Director
Jessica Stockel	City
Dean Orbison	City
C. Mike Prewitt	City, FERC licensing consultant
Lindsey Schiller	City
Karl Wolfe	City, Contractor for Fisheries
Kent Bovee	City, Contractor for Wildlife

Attending via teleconference were:

Sue Walker	National Marine Fisheries Service (NMFS), Juneau
Kate Kanouse	Alaska Department of Natural Resources (ADNR), Juneau
Gary Prokosch	ADNR, Anchorage
William Groom	ADNR, Juneau

Chris welcomed the attendees and asked them to give their names and affiliations. He said that the meeting's purpose was to begin discussions and negotiations on terms and conditions (T&C), also called measures to Protect, Mitigate and Enhance (PM&E), for the Blue Lake Project Expansion amendment process. He turned the meeting over to Mike and Dean who conducted the meeting based on a PowerPoint presentation. In the following, discussions are described relative to the PowerPoint slides.

Slide 1

Mike welcomed the attendees, and said that the City had submitted the draft amendment application to Stakeholders and FERC on March 5, 2010, and that comments on that document were due on June 5.

He said that the City had reviewed the License Order for Juneau's Lake Dorothy hydro project as a basis for the PM&E discussions. He emphasized that it was important to the timeline to reach agreements on all PM&E measures as early as possible to meet the Project construction schedule.

Slides 2 and 3

Dean then explained the Expansion schedule and needs for timely action if construction dates were to be met. He said that the project would have to be scheduled to enable filling the reservoir during September or October of any year. He said that if the reservoir could not fill during this period, it would not be able to meet generation needs during the winter and that those needs would need to be met using diesel generation. He said that if the City couldn't meet this schedule, they would wait an additional year to begin commissioning, rather than absorb the cost of the diesel generation.

He said that the final amendment application would be submitted in November of 2010 in order for FERC to have one year to review it, with expected issuance of the Amendment in November, 2011. (Note that this schedule is an estimate; the City cannot speak for or to FERC's activities). This must be done to start construction 1/2/2012. He said that all PM&E plans must be filed with FERC 90 days prior to the construction date. He then said that the stakeholders have 30 days to review the draft PM&E plans and that the city needs 30 days to revise those plans and prepare the final PM&E plans.

Dean said that the City plans to submit the draft PM&E plans to stakeholders June 2011 to easily meet the 150 days prior to construction, and asked for comment.

Richard asked about progress on the dam design. Dean said that the Design Development Study had been accepted by the FERC Board of Consultants. He said that this project was different than others because the engineering is happening in parallel with the licensing and the T&C process so that FERC will see everything together.

Slide 4

Dean presented the project description using slides for the overall project, powerhouse area, dam/intake area, and Blue Lake inundation area.

Slide 5

Dean described a map of the site and showed the route of a new overhead distribution line over the upper tunnel in relation to the Fish Valve Unit. He said that this was a new construction feature and that it would be used to provide power to the dam/intake construction site.

Slide 6

Dean described a map of the powerhouse site. He showed the property lines and the new penstock. He also showed the location of the new powerhouse and the surge chamber location.

Slide 7

Dean described a map of the Dam intake area. He showed the property lines, the dam location, the power line location, the intake location and the intake tunnel location. He showed that the staging area would be within City property.

Slide 8

Dean described a plan view and profile of the intake area. He explained that the new intake would be raised to draw slightly warmer and cleaner water. He said that the water would meet drinking water standards while the project construction is going on.

Melissa asked to go back to the previous slide showing the dam intake area. She pointed out that the new tunnel was outside the City property line. Dean said that the City would have to figure out a way to deal with it because it did have to go through USFS property for part of it.

Richard then asked for land use to be more clearly explained, specifically where the USFS land and where the City land is. Dean said the City would do that.

Dean then talked more about the schedule. He said that if the project is pushed back one full year, that the diesel plant which would have to be run to cover the outage would cost approximately \$21,000/day. If the City did not meet the outage period, Dean said the City would not take the outage but would just push the project back 1 year.

Slide 9

Mike said that the emphasis of today's meeting would be on plans to prevent certain impacts. He added that there were other mitigation measures, such as an escrow fund and monitoring programs which would be worked out later in the process.

Mike said that the proposed plans would address Erosion Sedimentation Control, Water Quality Monitoring, Blue Lake Access Management, Fish & Wildlife Monitoring and Environmental Compliance Monitoring.

Slide 10

Mike explained that the erosion and sediment control measures would be addressed by two separate plans, one for construction-related measures, and the other for measures to be applied to the timber removal operation in Blue Lake Creek and around Blue Lake.

Slide 11

Mike said that the first plan would be a traditional Erosion and Sediment Control Plan (ESCP) proposing measures to address construction of the major project features, including the dam raise, intake, powerhouse, and all access roads and staging areas. He said this would be a standalone plan addressing sediment and erosion control specific to construction of various project components. Mike said that the plan would present proposed sediment and erosion control measures on a site-by-site basis and that the measures might include management practices, construction methods, soil stockpiling and redistribution, spoils disposal, recontouring and revegetation.

There was a question about where access roads would be routed and how the City would mobilize equipment. Mike said that the final plan would have more detailed locations of these areas which would allow more specific control measures for those areas. He said that the City would prepare a draft construction-related ESCP in the near future for agency review.

Slide 12

Dean then described the plan for timber clearing and extraction around Blue Lake. He said the plan would document procedures for clearing timber in the proposed inundation area and around the margins of Blue Lake. He said the plan would provide detailed descriptions of the sequence and processes for cutting, yarding, removing and otherwise managing timber on an area-by-area basis.

Slide 13

To start the discussion of sediment and erosion control for the timber removal program, Dean showed the map of the proposed Blue Lake inundation with a dam height of El 425 (resulting from raising the dam 83 feet). Dean said that, because Blue Lake was Sitka's drinking water supply, water quality in the lake at the outlet must meet drinking water standards.

He said that Blue Lake had a large water volume and that sediment and organic material from the timber removal would take as much as three months to travel from the upper end of the lake to the intake, allowing for settling and dilution of most of the components. He said the floating debris would follow prevailing winds which were typically toward the east end of the lake, and that that was a favorable condition.

He said that it was the City's current thinking was that it would be best to cut the timber in the inundation area and leave it there until after the dam raise was complete. Then, as the water rose during reservoir filling, the timber would float and could be gathered by boom boats. He said the City would be able to move the debris and timber to various disposal and removal areas. He said that some timber and debris would be burned in a designated burn area near the east end of the lake and that merchantable timber could be taken to the outlet area and retrieved. Dean stressed that the plan to leave logs and let them float was just in the conceptual stage at this point, and that it needed more review.

Melissa asked how the wood would be pulled out. Dean answered saying it would be pulled out with a highline or grapple.

Melissa asked what would be done with the wood. Dean said that it would be up to the contractor who would prefer to sell it in the round because there were no milling facilities in the area. He said that this would have an effect on the value of the wood to whoever was doing the work and selling the logs.

****Phil said that the log length would have to be predetermined based on whether it was to be sold or burned. Actually this comment was in the handling of the log; tree length versus bucked to length and limbed. If bucked to length and limbed the effort (remaining saw chips, limb debris and handling occurs at the felling site versus floating the entire tree (with or without limbs) to a log handling area where the subsequent debris would be handled there. Also, equipment to handle tree length material is different than log length (weight and length capacities).**

Phil asked how soon before the project it would begin. Dean said it would be two years. Phil then asked if it could be logged in the snow. Dean said that essentially doesn't work here.

Richard asked if excavators would be used to harvest the trees. Dean said they would not in the above plan. He also said helicopter logging was not economically feasible in this situation because of the long haul distances. Dean said he preferred the cut and float

method. He gave an example on Kodiak Island where spruce needles and organic material had not been a problem.

Melissa asked if there would be stumps left and how high. Dean said there would be stumps left and they would be left about waist high.

Richard asked how the City would select loggers. Dean said that he had talked to a number of people with different logging experience and he would select loggers based on their expertise.

Richard said be careful about establishing a log transfer facility. He said that such floating staging areas had caused water quality concerns in other areas. Dean agreed to review this.

Dean explained that new booms would be installed at both ends of the reservoir to manage and control the floating material.

Richard then asked about the timeline for the fill. Dean said it would be 2 seasons and the first season it would be drained in order to have the burn pile.

Karl expressed concern about a debris jam in Blue Lake Creek. Dean said the outage would draw no water but the water would come up 1ft/day or 60 feet in 2 months and the City will find out the best way to deal with debris jams.

Melissa asked how long it would take to float the logs to one end. Dean said 1 year.

Richard asked if the trees would immediately float to one side. Dean said that the City would have to corral the logs with boom boats for the first year.

Richard asked about storage areas for the logs. Dean said the City would store them at the burn pile location.

Andrew asked if it was up to the contractor to remove the logs. Dean said it would be. So that the contractor could sell the logs and that would be part of their contract.

Melissa asked how the contractor would be able to know where the boundary line was. Dean said the City will survey it and mark it on the ground.

Slide 14

Dean said he had already talked about the Water Quality plan and that the most important part was the response plan. He said the City would propose ways to respond if water quality parameters were not met because of construction or logging related inputs. He said that it was possible to bypass the powerhouse to speed up flow and flush out the water which did not meet criteria.

Slide 15

Dean went to the next issue which was restriction of access to Blue Lake reservoir. He said that, in the license amendment application, some of the major impact issues related to the fact that access to Blue Lake might be eased by raising the water level allowing boat launching. He said that, among other issues, this might increase the number of goat hunters and might also affect Blue Lake water quality.

He said that the city's watershed control program approved by EPA requires that no additional access be allowed and that the City would develop a management plan to meet this requirement. He said that if no additional access is allowed, then impacts to drinking water quality and hunting access for goats should not occur.

Richard asked if there might be a proposal to restrict access to motorized boats. Dean responded that that would be determined.

Melissa then asked if the City considered a permit system. Dean said there was already a permit system in place, but that it was hard to enforce.

*There was a question about a possible bag limit on goat hunting. Phil said that that could be done by ADF&G. Dean said the City could also change restrictions but was looking for other ideas.

Slide 16

Mike began the discussion about the Environmental Compliance Monitoring plan and said that there was not much information yet pertaining to the plan. He then said that the City intends to employ someone local to monitor the construction activities. He asked if anyone knew of someone local who could do that.

Slide 17

Mike said that the Fish and Wildlife Monitoring plan would have more detail after the impact analysis in the Environmental Assessment was complete. He said that it was important to finish the amendment process first. Mike explained that mitigation planning would consider wildlife habitat and recreation that would be lost.

Andrew asked about the loss of recreation use in Blue Lake Creek valley. He said that there was high-quality fly-fishing in the Creek and that the area was used for camping and other uses. Mike said that these issues would be addressed in further PM&E negotiations. He then said that another meeting would go further in detail about mitigation funds and other measures.

Dean asked if the proposed process was acceptable to the attendees and there was general agreement. The meeting adjourned at about 4pm.

FINAL MINUTES FOR MITIGATION MEETING

BLUE LAKE HYDROELECTRIC EXPANSION PROJECT, FERC NO. 2230

Friday, November 5, 2010

Prepared by:

City and Borough of Sitka Electric Department ("City")

The City held a meeting with selected stakeholders in Sitka, Alaska on November 5, 2010 discuss protection and mitigation measures relative to the Blue Lake Hydroelectric project (FERC No. 2230) Expansion.

The meeting was held in the Electric Department conference room and began at about 1:30 p.m.

In attendance were:

Melissa Dinsmore, US Forest Service (USFS) Lands Specialist
Peggy Marcus, USFS Supervisory Natural Resource Specialist
Chris Leeseberg, USFS Fisheries/Wildlife Biologist
Linda Speerstra, US Army Corps of Engineers (USACE) Regulatory Specialist
Patrick Fowler, Alaska Department of Fish and Game (ADF&G) Fishery Biologist
Jeff Feldpausch, Sitka Tribe of Alaska (STA) Resource Protection Director
Shawn Johnson, ADF&G Fishery Biologist
Andrew Thoms, Sitka Conservation Society (SCS) Executive Director
Marlene Campbell, City Coastal Management Coordinator
Mark Buggins, City Environmental Superintendent
Dean Orbison, City Generation Engineer
Mike Prewitt, City FERC Licensing consultant
Mary Ann Jones, City Project Assistant
(by phone) Kate Kanouse, ADF&G Habitat Biologist (Juneau)
(by phone) Monte Miller, ADF&G Fishery Biologist (Juneau)

Following introductions, Mike said that the meeting objective was to discuss preliminary measures to protect, mitigate and enhance resources potentially-affected by the Blue Lake Project Expansion ("Expansion"). Mike said that the Final Amendment Application was to be submitted to FERC within the next two months. He said that FERC processing takes about one year, so the amendment should be issued in about December 2011. Mike said that the scheduled date for start up for the expanded Blue Lake Project is September, 2013.

Mike said that there is normally a six-month period after the amendment is issued during which FERC requires various mitigation, protection and monitoring plans to be approved.

He said that the City was accelerating this process and plans to facilitate having as many of those measures finalized at the time the amendment was issued as possible.

Dean then gave the project description in which he discussed proposed construction at the dam/intake and powerhouse areas as well as the new electrical distribution line and Blue Lake Road modifications.

He said that there would be a 12.5 kilovolt (kV) distribution line built from the Fish Valve Unit (FVU) to the intake area to provide power for intake gate operation, and showed the proposed alignment for the line. He said the line would be buried along it's entire length.

He said that a dam site staging area would be constructed by removing the rock knob above the overlook and constructing a turnaround. He said that the Blue Lake Road would have to be raised by about 10 feet to access the staging area.

Andrew asked what would happen to the staging area after construction. Dean said they would stockpile usable organics and perhaps revegetate some of the area. Andrews said there was a need for a lake overlook which might be used by tour operators.

Dean said that the Blue Lake Road would be modified near Station 103 to decrease the curve at station 103, so forty foot trailers can negotiate the turn. Rock will be blasted to round off the curve and the road will be resurfaced before and after the construction. At the powerhouse area, a new access road will be built across Sawmill Creek Road to allow for equipment that is too large to come across the current access bridge.

Monte Miller asked if Herring Cove Road was up to standards. Dean replied that it's a private City road, gated beyond Herring Cove. He said it's used regularly by NSRAA and is in good shape. It's closed to the public now. Monte asked if the increased traffic during the construction would be negative for the hatchery to which Dean replied no.

Dean said that, due to concerns for water temperature effects on fish, the new intake would be located at El (elevation above mean sea level) 313, or 109 ft. above the existing intake level. He said that, without this modification, the intake would be much deeper after the dam raise and that release water temperature would be significantly colder. This could negatively affect fish in Sawmill Creek below the powerhouse.

Dean said that the construction schedule has not been changed since it was last discussed. The licensing and design will be accomplished in 2010 - 2011. The construction will take place in 2012 - 2013 and the lake will be filled in 2014 - 2015.

Mike described the proposed protection and mitigation measures and plans. He said that, among protection measures already considered is the intake modification. He said that the proposal to construct the new intake would prevent the temperature problem but would cost the City nearly \$5,000,000.

Also in terms of impact prevention, Mike said that CBS had prepared a draft Erosion and Sediment Control Plan (ESCP) and a Timber Removal and Management Plan to prevent water quality impacts of construction. He said that CBS would also implement measures to limit boat launching access to Blue Lake to alleviate concerns for increased recreation access. He said that CBS proposes to change limit access at the end of the Blue Lake Access road by installing a gate.

Dean discussed the ESCP and said that it contains spoils disposal and site-specifics sediment and erosion controls. The spoils disposal will be on-site or in designated areas, such as Green Lake Road for overburden and Sawmill Cove Industrial Park (SCIP) will be used to stockpile rock and timber. There will be site specific control measures, as described in detail for each construction area in the plan. He emphasized that this is a draft plan to present the concepts. Detailed sizes and descriptions of control measures will be determined during the final design.

Dean said that there will be silt fences around the work areas and material storage. Settling basins at low points will allow drainage into the appropriate locations. There's a concern about construction taking place over the city's water source. It is imperative that material be kept out of the water at the existing intake in order to accomplish this a cofferdam would collect runoff and allow for drainage control. The silt fences on downhill sides will ensure that the silt is retained in the settlement basins before it goes into a water body. The volumes and other details will be worked out in the final design.

Regarding the Timber Removal and Management Plan, Dean said that the plan out for review is a draft. The City is also open to proposals for alternate uses of timber. He said that the dam raise would inundate 362 acres containing 4700 MBF (thousand board feet) of saw logs and 800 MBF of utility wood which will have to be removed. The logger will be a subcontractor to the general contractor and will take ownership of the saw logs as partial payment for the work. Dean said that the timber would be stockpiled at the Sawmill Creek Industrial Park (SCIP).

Dean said that the City was requesting that the saw logs be exported because of the lack of demand in Sitka for such timber. He said that export would offer a higher price, and perhaps make funds available for the City help fund a firewood program.

Andrew asked about the source of information on the export of the timber. Dean replied that he consulted with George Woodbury, a timber expert, about the economics of timber.

Dean then described the methods and schedule from the Draft Timber Removal and Management Plan in some detail. (Readers are referred to the draft plan for details about how the logging, storage and removal of logs and brush will be done, and the proposed schedule.)

Generally, Dean said that logging in steep areas would be done using manual methods and that slash and brush would be left in place to floated and collected as the reservoir filled. He said that in areas where terrain was suitable, such as in most of the Blue Lake

Creek Valley, shovel logging could be used. In these areas, timber would be moved using equipment to about El 410 where it would be floated after the reservoir began to rise.

Melissa asked about the plan to burn brush and then bury the ash. Dean responded that this method had been used at Green Lake.

Andrew asked if the buried ash would be stable. Dean replied that it would be, again noting the method was used at Green Lake. Andrew asked if the Forest Service wood products lab would be involved. Dean said the city would like them to comment on the draft plan.

Andrew asked what contractors would do with the top soil and if it could be used locally. Dean said that it might be but that it would be mostly be stumps and the City will need to retain much of the topsoil for revegetation at the various construction sites.

Andrew asked if the timber could be used in Sitka and if export would provide the most value. He noted that there should be a premium on local processing. He added that there are local carvers interested in some of this wood. Dean said that craft wood would be made available.

Melissa said the current policy of the USFS is not to allow export from a settlement sale of Spruce and Hemlock, but do allow export of yellow cedar. There are steps whereby the City can ask for the authority to do it, however.

Melissa said that, regarding applying for an export permit, if the value of the timber goes up, the price to the Forest Service goes up. If exported, there would be more monetary value. Dean replied that this would be negotiated to find out what's best.

Andrew asked what mills are in the region that can process wood. Melissa replied that there were mills in Klawock and Hoonah.

Dean said that the utility wood would be harvested, hauled out, stacked at the SCIP and used for firewood according to what USFS wants. He added that there will be a large volume of utility wood and that storage area at the SCIP would be limited.

Andrew suggested that the utility wood be made available to local businesses. Melissa said she is interested in proposals for how this would be done.

Linda Speerstra asked how the City would get heavy equipment into the various areas around the reservoir. Dean said that they would barge it in.

Linda asked if the contractor will be the one to sell the timber. Dean said that the city might have to buy timber back for local use.

There was some discussion about how the City and USFS might view a firewood or pellet program. Melissa said that USFS would not participate directly in these programs and Dean agreed that it is a Stakeholder concern not just the USFS.

Next, Dean described the City's Watershed Control Program, which, he said, is required by EPA and DEC. Dean said that, because Blue Lake is the City's primary drinking water supply, access to and recreation use of the reservoir are restricted. He said that the City's Water Treatment Rule allows no increased activity on or around Blue Lake.

Mark added that lake recreation levels would be evaluated by monitoring water quality in the lake. He said that any approved level of access and recreation could have no adverse effects on existing water quality.

Dean said the objective is to maintain the existing level of lake access, which is primarily by boat. He said that, after the dam raise, the water level would be higher than at present and that boat launching areas would be accessible by two-wheel-drive vehicles, potentially allowing higher boat use of the reservoir. (The road to the water's edge is currently unmaintained, and requires 4-wheel drive vehicle to access the launching area).

Dean said that the City proposes to install a gate at the terminus of the Blue Lake road. This will require that watercraft will have to be carried to the water level thereby restricting the size and number of watercraft accessing the reservoir.

Dean said that Blue Lake water quality will be monitored in Blue Lake at points about 1 and 2 miles up the lake from the intake on a bi-monthly basis. Water quality monitoring will also be done at the Fish Valve Unit, the Water Treatment Plant and in town at the Fire Hall to assure that all water quality standards are met during construction, logging and long-term operation.

Melissa asked about construction- and logging-related sediment and whether it will be covered with water after the reservoir fills. Dean explained that Blue Lake has a three month retention time and that it's 500 feet deep, making it a very good settling basin. He said that most of the silt will settle out long before it reaches the intake. The floating debris and other materials that the wind blows will be the biggest problems.

Andrew asked if vegetable based hydraulic fluids would be used in the construction equipment. Dean said that they will consider it in the plan.

Andrew asked if DEC or EPA would be involved. Mark answered that DEC will have primary jurisdiction and were aware of what they're planning to do. They're watching and will give comments.

Jeff Feldpausch asked if the City would monitor for gas supersaturation at the FVU. Mark and Dean said that it is not monitored now, and that they would consider the request.

The discussion turned to mitigation for the inundated areas.

Melissa asked if the City is looking for one-time mitigation measures or things that would be done over an extended period. Dean said they would rather have one-time measures.

Mike said that there could be cash mitigation settlements but that FERC doesn't like them unless they are tied to a specific program. He said that FERC would rather have in-kind in-place measures, and that land procurement and management to offset habitat losses were also possible. He added that land acquisition in the area was difficult.

Mike added that, for the final amendment application, they need a section on terms and conditions that show that we've worked with the stakeholders. They need to be tied to specific impacts.

Melissa said that she thought the primary issue was the loss of trout habitat and fishing in Blue Lake Creek and that USFS was considering having the City stock trout in Blue Lake and Beaver Lake to provide a similar fishing experience.

Melissa also suggested that the City consider providing fertilizer for the Redoubt Lake sockeye salmon population. She said that this would also address some subsistence impacts.

Andrew mentioned fly-fishing and hunting in the Blue Lake Creek Valley and areas accessed from it, and that SCS membership was very concerned about this. He said that he would email his suggestions for mitigation for this area.

Chris Leeseberg said that we are potentially affecting native fisheries and need to know how we will mitigate for this effect, i.e. supplementing the Redoubt Project. Mike said that the Blue Lake rainbow trout population had been stocked.

Linda asked if there were detailed resource inventories in the affected areas. Mike said that there were very detailed reports on fish, wildlife, botanical resources and cultural resources, among others. He suggested she read the reports for baseline resource descriptions and that she read the Environmental Assessment for impact analyses. Linda received these reports at the meeting.

Linda asked if a wetlands delineation had been performed. Mike said that it had not been but would be contracting for one next season.

Questions were asked about mitigation. Linda described the USACOE policy on avoidance, minimization and compensatory mitigation. Once impacts to wetlands and drainages are identified the Corps can begin reviewing the project. Linda continued on to discuss functional analysis and its' association with credits and debits. She said that the Corps of Engineers used credits and debits (not dollar amounts) through a functional

analysis. SE Alaska Land Trust incorporated this method for mitigation planning for the Sitka airport project. Linda will forward information to Dean and Mike.

Shawn Johnson asked if there were plans for an Environmental Compliance Monitor. Mike answered yes, and that the plan would be based on recent plans for this position on other projects.

Andrew suggested improvements at Salmon Lake to increase recreation there, and to protect the area from further development. He further suggested improvements to local trail systems, including a bridge over the Vodopad River near the Green Lake Project. This trail would increase access to the Salmon Lake basin, without the need for a boat.

Mike said asked attendees to confer with their agencies/organization about other suggested PM&E measures, and to forward these suggestions and other comments to Dean as soon as possible. Mike added that it would be helpful for agencies to confer among themselves to avoid conflicting proposals, even if the lists were not final.

Mike asked that attendees forward their suggested list in less than 30 days. Dean said that the City had scheduled a meeting with FERC in Washington, DC at the end of this month, and would like to have some suggestions from the stakeholders by then.

Mike said that we as a group can proceed independently of the FERC amendment schedule. He said that it would be great if several of the plans and mitigation proposals as possible could be ready at the time of issuance of the amendment.

Dean thanked the attendees for their time and efforts. The meeting adjourned at about 4:00 pm.



Attachment (D)

Summary of Mitigation Items proposed by stakeholders following the 11/5/10 mitigation meeting

SCS

Timber:

1. First selection of trees and wood products (burls, etc) for use in local Native Education carving programs (STA, NPS, SNEP, etc)
 - a. City sponsorship (in association with sponsorships and contributions of other entities) of a Tlingit Canoe, carved by local carver Tommy Joseph, that represents the City's investment in renewable energy/action on climate change and serves as a memorial for the loss of the Blue Lake Forest
 - b. Use of timber from Blue Lake valley for personal use wood
2. For the utility grade wood, I think we need to develop the ideas a little bit more on how we are going to put this wood to use. I think that this is a potential opportunity to supply firewood or provide an opportunity for a local business to process this wood (pellets, bricks, packaged cords, etc). However, I think that the City/Forest Service will need to be fairly strategic on how this is done. The wood that comes out could easily flood the market. Or, the wood could be stockpiled to the point that it rots and is un-usable and becomes a liability. SCS would be willing to help work on a plan for figuring out how to best approach this subject.
3. For the saw logs, I would like to see the city give a premium or incentives for any local processing of this wood. I don't know what the structure of this would look like but the value of the economic activity and sale-taxes associated with local processing of the wood may be more valuable than the money saved in the timber removal contract for selling the timber. More work needs to be done to figure out how to best utilize this resource for full benefit to Sitka
4. **ViewShed:**
 1. Upon completion of the project, the upper staging area for dam construction will be converted to a scenic overlook of Blue Lake with interpretive signs that could serve as a potential tourist attraction or focal point for visitors

Inundated Habitat:

1. Analyze value of habitat to be inundated and set up a mitigation program as per examples/involvement of Corp of Engineers Representative.
2. The loss of habitat for recreation and subsistence is especially important to my membership. Part of the mitigation for this loss of this habitat should be the commitment by the City to partner with the Forest Service and Trailworks to find a way to bridge the Vodopad River and connect a trail to the Salmon Lake Valley. The City's contribution would be to at least commit to installing a hiking bridge over the River.
3. **For the irreversible loss of habitat in the Blue Lake valley, mitigation compensation should include additional lands transferred to the Tongass National Forest. These could include lands**

available on the Sitka Ranger District that are available for transfer/sale or the trade of City Lands (especially lands within the West Chichagof Wilderness Area)

4. TLMP amendment that changes the entirety of the Salmon Lake Valley to a Remote Recreation LUD

USFS

- stocking Blue, Beaver, Heart, and/or Thimbleberry Lakes with native rainbow trout every X years for the duration of the license
- enter into an agreement to annually purchase food grade fertilizer to enhance juvenile sockeye production at Redoubt Lake for X years
- supply and maintain john boats and oars at Blue, Beaver, Heart, and Thimbleberry Lakes
- construct a hike-in public recreation cabin along the Blue Lake to Beaver lake route
- consideration for the increase in accessibility for goat hunting - we're not sure what type of mitigation to seek but it needs to be considered
- provide the money to construct a fishing pier at the Starrigavan Recreation Area
- provide the money to develop additional improvements at Sandy Beach
- provide the money to have a campground host at Sawmill Creek campground
- provide firewood at Sawmill Creek campground
- donation of the X acres the City owns within the West Chichagof-Yakobi Wilderness. The property would have to present no known health/safety/liability problems, (that is hazardous waste contamination, unsafe structures, and the like) that the City is not willing to correct.

Recommendation off of National Forest System lands -

- develop partnerships to find a way to cross the Green Lake Dam outfall

STA

Mitigation

STA staff does not fully support a solely analytical approach to the mitigation process. The staff feel that a social or human aspect in terms of lost or reduced sport or subsistence opportunities should be factored into the mitigation process. STA firmly believes that the mitigation process should not take place between just the city, state, and federal agencies but that it should be a transparent process that is open to the public. The mitigation process should also take into account that the full effects of the project on the aquatic and terrestrial wildlife may not be realized until years after the completion of the project.

STA supports the partial funding of the Redoubt Lake fertilization project in the amount of \$10,000 per year for 10 years as mitigation for the loss of subsistence opportunities caused by the project's impacts.

