



December 4, 2009

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

FILED ELECTRONICALLY

Subject: Grant Lake/Falls Creek (FERC Project No. 13212/13211) Joint Meeting Transcript

Dear Secretary Bose,

Pursuant to 18 CFR §4.38, Kenai Hydro, LLC (KHL) held a Joint Meeting to discuss the proposed Grant Lake/Falls Creek Project with the public, agencies, and Tribes on November 12, 2009. Notice of this meeting was filed with the Commission on October 27, 2009 and published in local papers on Thursday, October 29, 2009.

This filing contains:

1. A transcript of the November 12, 2009 meeting;
2. The PowerPoint presentation that was given at the November 12, 2009 meeting;
3. An electronic copy of the sign-in sheet from the November 12, 2009 meeting; and
4. Proof of publication of the public notice in the Peninsula Clarion, the Anchorage Daily News, and the Homer Tribune. A public notice was also published in the Seward Public Log, and the notice was posted on Kenai Hydro's website (www.kenaihydro.com).

If you have questions about this filing, please contact Brad Zubeck, Kenai Hydro (907.335.6204, bzubeck@homerelectric.com).

Sincerely,

A handwritten signature in black ink that reads 'Jenna Borovansky'. The signature is written in a cursive style with a large, looping flourish at the end.

Jenna Borovansky
Long View Associates, Inc.
On Behalf of Kenai Hydro, LLC

GRANT LAKE/FALLS CREEK HYDROELECTRIC PROJECT
JOINT MEETING PRESENTATION

Taken November 12, 2009
Commencing at 6:00 p.m.

Volume I - Pages 1 - 119, inclusive

Taken at
AVTEC Seward Campus
519 Fourth Avenue
Seward, AK 99664

Reported by: Valerie Martinez

1 A P P E A R A N C E S:

2 Brad Zubeck, Kenai Hydro, LLC

3 Jenna Borovansky, Long View Associates

4 Bob Butera, HDR Alaska, Inc.

5 Amanda Prevel-Ramos, HDR Alaska, Inc.

6 John Morsell, Northern Ecological Services

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11 Reported by:

12 Valerie Martinez

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18 BE IT KNOWN that the aforementioned proceedings
19 were taken at the time and place duly noted on the title
20 page before Valerie Martinez, Notary Republic within and
21 for the State of Alaska.

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

2 BRAD ZUBECK: Thanks very much for coming out
3 tonight. I appreciate it. Thank you. My name is Brad
4 Zubeck. I'm with Kenai Hydro and Homer Electric. We'll
5 make some introductions to begin with. This is the
6 Grant Lake/Falls Creek Hydro Project. It's a joint
7 meeting to take comments tonight on issues.

8 We do have a court reporter. A FERC
9 requirement is to provide a transcript of the meeting.
10 And so if you would speak clearly. If you have a
11 comment, please state your name, first and last name.
12 She may ask you to spell it. If you do remember to
13 spell it, that would be great.

14 With that, we'll go to our first slide. I
15 introduced myself with Kenai Hydro. We have some other
16 folks from HEA tonight. We have our general manager,
17 Mr. Brad Janorschke; our director of power production
18 and transmission, Mr. Harvey Ambrose; and our director
19 of engineering and operations, Don Smith. Thanks for
20 coming out tonight, guys.

21 Jenna Borovansky with Long View Associates is
22 our FERC licensing consultant. She'll be presenting
23 several segments tonight. With HDR, an engineering
24 consultant, we have Bob Butera and Amanda Prevel-Ramos.
25 And John Morsell with Northern Ecological Services. And

1 we're a person down tonight. John's wife, Sally,
2 usually handles terrestrial and cultural resources,
3 recreational resources, and John and Jenna are going to
4 stand in. She's a victim of the cold and flu and
5 couldn't make it.

6 A brief update on our other projects. If
7 you've been paying attention, you may have noticed that
8 we've surrendered permits on the Ptarmigan Lake and
9 Crescent Lake projects. For environmental and economic
10 reasons, they aren't attractive to us. And we have no
11 plans right now for additional projects at this time.

12 So on the Grant Lake/Falls Creek Project, our
13 plans are to finalize our baseline studies from this
14 year. We'll be issuing a final report in December. We
15 have copies of the interim reports on the tables, the
16 spiral-bound copies of the reports. They're interim
17 because they don't have about a month and a half of
18 hydrologic data that's been quality controlled and
19 integrated. So when the report comes out in December,
20 we'll have that finalized. It will be available on our
21 web site.

22 We have an agenda tonight. On the backside of
23 that you will find directions on how to file comments
24 with FERC and how to find our Kenai Hydro site. So if
25 you walk out of here tonight with that, you'll have the

1 information on how to get ahold of FERC and how to get
2 ahold of us.

3 Our other task is to file comments. The
4 comments tonight will be recorded and sent to FERC.
5 FERC would prefer that you file comments directly with
6 them and also copy us. But if you do comment to us,
7 we'll gladly file those with FERC. They won't be lost.
8 We'll send those on to FERC. And if you have questions
9 on how to comment, we'll be covering that a little bit
10 later.

11 The schedule that we've discussed tonight is
12 tentative for a couple reasons. One, it's -- the dates
13 that you see would get us to a license application
14 within the term of our preliminary permit. Also we've
15 taken a look at the scope of the studies that would be
16 required and we anticipate that we won't have enough
17 funds to fully implement those. So after tonight, we'll
18 suspend study activity and other activities until we can
19 secure enough funds to fully implement what we think has
20 to be done to study -- on the project.

21 So a brief overview of our agenda for tonight.
22 We'll talk about the FERC licensing process -- the FERC
23 licensing process that we're in. We'll talk about the
24 goals for the meeting, how to file comments with FERC,
25 give you a brief project description, and then jump into

1 the resource areas.

2 The way these will be presented is you'll get
3 a little bit of existing information, a summary of
4 existing information, up front and then we'll talk about
5 the resource issues that we've identified. We'll fit a
6 break in there somewhere in the middle of these
7 resources. And at the end, we'll have time for wrap-up.
8 And you can talk to us individually both at breaks or
9 after the meeting if you'd like to talk individually
10 about more detailed information.

11 So our goal and the purpose for the meeting is
12 to summarize existing information. The goal of this in
13 the licensing process is to develop a common
14 understanding of the project, the project concepts and
15 issues that might need to be studied.

16 What we present tonight should all be
17 contained in the pre-application document. Copies of
18 those are also at tables. There's a copy over here in
19 the binder and a copy behind the binder. At breaks or
20 after the meeting, take a look at that. And, again, on
21 the tables are the interim, or draft, report of the
22 baseline studies that were conducted this summer.

23 Now, the primary purpose is to identify study
24 topics, to take a look at the project. You don't have
25 to give us all your comments tonight. There's a 60-day

1 comment period. Again, you can use the FERC web site to
2 file those comments and copy us with those. And we'll
3 go into that in more detail a little bit later.

4 The feedback, the comments that we would like
5 to have is -- you see the issues that we've identified?
6 We're looking to see if we've missed anything. Is there
7 anything important out there that's important to you
8 that you think should be studied? There's some
9 guidelines from FERC on how to present that. And,
10 again, we'll go over that a little bit later.

11 So just protocol for the night, some
12 guidelines. Please hold your questions until the end of
13 each segment. We'll provide a break at the end of each
14 segment for questions. Try to be concise, if you can.
15 Be thinking about your questions and keep them brief.
16 Focus your comments on identifying or clarifying
17 potential study issues or impacts. If you do have
18 extensive additional information we ask that you please
19 submit those to us in writing. We'd really appreciate
20 that if you let us know. And, again, we'll be available
21 at the breaks and afterwards for individual questions or
22 comments or clarifying questions.

23 So with that, we'll hand it over to Jenna
24 Borovansky to talk about the FERC process and the
25 filing.

1 JENNA BOROVSANSKY: If you haven't had the
2 pleasure of going through a FERC process before, I just
3 thought I'd run down where we're at in the process and
4 what you can expect next.

5 The Federal Energy Regulatory Commission, from
6 here on after FERC, has jurisdiction over hydroelectric
7 development. And under their jurisdiction they have
8 different processes for applicants to make a choice,
9 essentially which process they would like to use. Kenai
10 has requested to use the traditional licensing process.
11 And that was at the same time we submitted the
12 pre-application document, and FERC did approve use of
13 that process. And so I will go through kind of the main
14 components of the traditional licensing process.

15 We're in the first stage consultation now.
16 And the idea of the process overall is just to lay out
17 essentially the rules and the timeline for how Kenai
18 Hydro is going to work with the public and agencies as
19 they develop their proposal for the hydroelectric
20 project involvement.

21 We've filed a pre-application document. Right
22 now we're at our joint meeting, November 12th. You have
23 your 60-day comment. And then in the traditional
24 licensing process, there's also a dispute -- kind of the
25 next step would be dispute resolution. If everybody

1 doesn't come into agreement on the study -- the topics
2 to be studied, that's what you'd kick into.

3 But with the approval of the traditional
4 licensing process, in this instance by request, FERC is
5 going to do early scoping. So what that means is
6 they'll actually come out sometime -- you know, on the
7 schedule right now sometime in 2010, but it will be
8 dependent upon when the studies start. And they will
9 actually take a look at the feedback from today, the
10 list of issues that have already been submitted, and
11 they'll actually issue their own documents that says
12 these are the study issues.

13 And then they'll hold another public meeting,
14 which will also include a site visit, and we'll be able
15 to tour the project site with FERC and agencies and any
16 interested public. And then they'll hold another 60-day
17 comment period and then that would kick off studies.

18 And after all the comments are received from
19 this meeting, we'll be in kind of the study phase, which
20 is the second stage of consultation. Essentially
21 remember, as Brad said, all these dates are tentative as
22 to get us to the point of filing by the end of the
23 preliminary permit term. But it just lays out -- the
24 dates lay out for you that we will issue draft study
25 plans, there will be a chance for comments, final study

1 plans, and then the study season will move forward with
2 the next formal public comment period after that, being
3 a filing of the draft license application which will
4 then have the benefit of all the information that was
5 gained from the resource studies to inform a draft
6 proposal for development of the project.

7 And then third-stage consultation is just the
8 actual filing of the license application and then it
9 kicks to FERC processing for that.

10 And then how -- kind of the nitty-gritty of
11 how you can get more information throughout the process
12 and file. Comments with FERC, they do prefer electric
13 comments. You can do that on their web site two
14 different ways. There's a quick comment, which actually
15 really is pretty easy. You can just cut and paste from
16 any document and comment, but you are limited to 6,000
17 characters. If you have more information than that, you
18 just register your e-mail address with FERC.

19 And if you have any questions or problems, the
20 project manager is Joe Adamson. He'll help you with
21 getting your comments in. And they also will accept
22 written comments as well.

23 Most of you are on the e-mail list and you get
24 e-mails from me. I'm also happy to help you with your
25 first FERC filing if you need help. Usually once you

1 get it through, then you're set up in your system and
2 you're good to go.

3 And the key thing with filing with FERC is
4 always to reference the project numbers, which are the
5 P-13211 and P-13212. And that's on the back of your
6 agenda.

7 Along with these two web sites, we'll always
8 keep updates and any filings that Kenai Hydro has made
9 on to kenaihydro.com web site, which there's also -- if
10 you haven't done it already, you can register your
11 e-mail with us, so then we'll actually send -- I'll send
12 you an e-mail whenever we post anything new to the web
13 site. So that's one way to keep track of information.

14 You can also keep track of all the official
15 filings with FERC by registering with them. Again, you
16 go to the same web site and choose the e-subscription
17 service. And you will get an e-mail notification any
18 time anyone files a comment or filing on these two
19 projects. And, again, you use those project numbers.

20 And with that, I'll turn it over to Bob to
21 start with an overview of the project.

22 BOB BUTERA: I'm Bob Butera. I'm with HDR and
23 we're doing the technical work and also some of the
24 environmental work on this project. This next step, I'm
25 just going to talk about the technical part of it and

1 what the project looks like at this time. It's still in
2 conceptual stages. It's evolving. But I'll bring you
3 up to speed on where we're at at this time.

4 First, just to get an idea of where the
5 project is, here's the Seward Highway coming from
6 Anchorage up north, coming south to Seward. Moose Pass
7 is here. Upper Trail Lake, Cook Inlet Hatchery, and
8 Moose Pass here. Lower Trail Lake and then Kenai Lake.

9 Grant Lake is the dog-leg-shaped lake here.
10 You can't see it from the highway. It's behind this
11 morainal and bedrock feature. Grant Creek comes down
12 from this end of the lake. It's the outlet of Grant
13 Lake and then feeds into what's called the narrows at
14 Trail Lake.

15 Falls Creek, which is another component of
16 this project, is to the south of Grant Lake. And it's a
17 steep stream that feeds into Trail Creek and it does not
18 have any lake features on it.

19 A hydro project essentially needs two things.
20 It needs water and it needs head or fall to drop that
21 water through to generate power. This Grant Lake
22 Project has those. It gets the water from the drainage
23 basin of Grant Lake and it gets its drop from the
24 difference between Grant Lake and Trail Lake, which is
25 about 200 feet.

1 The project really has a long history. It was
2 looked at first in the '50s by the USGS as a power
3 project and then it was looked at again in the 1980s by
4 the Alaska Energy Authority as a power project. And
5 both of those projects looked at a combination of a
6 tunnel or a penstock coming down from Grant Lake at this
7 point down to Trail Lake.

8 And the reason they -- basically, they
9 completely bypassed Grant Creek. And the reason they
10 did that is that's the way to get the most drop out of
11 the water so you get the most power from it. It makes
12 it the most economical project.

13 The project we're looking at today is a little
14 bit different and it actually continues to evolve as the
15 environmental studies on this project evolve because the
16 two work hand in hand. But for any hydroelectric
17 project, there's a number of components. There's access
18 to the project, there's an intake, there's a conveyance
19 system to bring the water from the intake to the
20 powerhouse, a powerhouse, and then a transmission line
21 to get the power from the powerhouse to some intertie to
22 bring it to consumers.

23 What we've laid out here -- and here's Grant
24 Lake up here, so north would be to this side of this
25 picture and Seward would be this way. We're looking at

1 coming in off of the Seward Highway. There's an
2 existing access across the railroad tracks here and
3 there's an existing mining road that goes up along Falls
4 Creek bringing our access in from that point across the
5 contours here and branching one branch to go up to Grant
6 Lake for a construction access for the intake and the
7 other branch going down to the powerhouse. And that
8 would be for access on a continual basis.

9 The intake that we envision, the intake and
10 conveyance system, is a tunnel that would run through
11 the rock out to a point here where it drops down through
12 a pipeline to the powerhouse. Previously -- some of the
13 previous versions of this project going back to the '80s
14 actually showed a penstock, which would be an
15 aboveground feature coming down, but there is actually
16 no practical way to do that because the ground is much
17 higher through this reach than it is here. So the only
18 way to get the water from the lake down to a powerhouse
19 is really through a tunnel.

20 That tunnel would be about 10 foot diameter
21 and it's about 2800 feet long. The intake to that
22 tunnel is right here. It's very much conceptual at this
23 time, but what we envision is an intake on the shore of
24 the lake and potentially a small diversion dam at the
25 outlet of the lake here.

1 The powerhouse would be down here at the -- if
2 you look at Trail -- Grant Creek, it basically is a
3 fairly low gradient stream up until this point. And
4 then it hits a canyon and then it gets very steep up to
5 here. And that's where you get most of your drop. So
6 what we're looking at doing is putting the powerhouse
7 right at the base of that canyon.

8 The main purpose for that -- obviously, we
9 wouldn't want to do that for power generation. It would
10 be better if we could get the water all the way to here
11 because we could get more drop out of it. But there's a
12 lot of fish in this piece of the stream and we want to
13 keep the water in it. So that's why the powerhouse
14 would be at this point because the water would come
15 through the penstock, into the powerhouse, and back into
16 the creek so this piece of the creek would not be
17 dewatered.

18 From the powerhouse there would be a
19 transmission line that connects to the existing intertie
20 that runs along the highway.

21 That's essentially the essence of the project.
22 Some of the details. The powerhouse right now we're
23 envisioning would have two turbines in it. It would be
24 about four and a half megawatt total. And the two
25 turbines are so that it can handle different flows at

1 different times of the year and still be efficient.

2 The other component of this project is Falls
3 Creek over here. We still don't know if it's viable.
4 It kind of looks like it might be and we're keeping it
5 in the mix at this point, but its components are an
6 intake here, a pipeline that runs across the contours
7 here and comes into Grant Lake. Water would go into
8 Grant Lake, mix with Grant Lake, and then it would run
9 through the same system here. Its purpose would be to
10 add more water to Grant Lake and more water equals
11 greater power. That's essentially the project.

12 Any questions on the layout of the project or
13 how it works? Go ahead.

14 DAVID PEARSON: Will you be completely
15 dewatering Falls Creek downstream of the intake?

16 BOB BUTERA: That's undetermined right now.

17 BRAD ZUBECK: If you wouldn't mind, please
18 state your first and last name just for the record.

19 DAVID PEARSON: My name is David Pearson. And
20 to be fair, I live in that bottom red block next to
21 Falls Creek.

22 BOB BUTERA: Right. Undetermined at this
23 point. Actually, as the designers, we'd like to know
24 that answer, too, because that's what our next piece of
25 work is very contingent upon, is that component of it,

1 because it affects how we design our intake and how we
2 design our conveyance system.

3 And I think I'll leave that to John. Are you
4 going to talk more about that in the fisheries after
5 this?

6 JOHN MORSELL: Probably not at this point.

7 BOB BUTERA: Then maybe -- that's as far as I
8 know at this point. We're waiting on that answer
9 ourselves.

10 MARK LUTTRELL: My name is Mark Luttrell,
11 L-u-t-t-r-e-l-l, here in Seward. What sort of
12 information do you need to know to make the decision
13 about how much water you would leave in Falls Creek?

14 BOB BUTERA: Well, I think some fishery
15 studies were done through this summer and there's more
16 to come. I think it's a balancing act between the value
17 of what those fisheries are and the value of -- and
18 whether it's even possible to keep water in there.

19 BRAD ZUBECK: It will show up later as an
20 issue, but that's, for instance, a comment that you
21 might ask FERC. Hopefully we'll answer it tonight
22 through the course of the evening, but it's a good
23 question.

24 RAE WICKARD: Rae Wickard (ph). What is the
25 purpose of routing water from Falls Creek over to Grant

1 Lake? Is there not enough water in Grant Lake?

2 BRAD ZUBECK: There is. But as Bob alluded
3 to, the more water that you can run through the
4 powerhouse, the more energy you can produce. So it's,
5 again, the balancing act of how much water do we have to
6 have to support fisheries both in Falls Creek and Grant
7 Creek and how much can we use to produce power. So the
8 studies will determine that for us.

9 Sir?

10 BOB ATKINSON: My name is Bob Atkinson. So if
11 you do this pipe thing from Falls Creek, you're going to
12 have two big clearings across the side of the mountain,
13 then, one for the road and one for the pipeline? Is
14 that right?

15 BOB BUTERA: No. That red line that's there
16 is very conceptual in nature. We don't have accurate
17 topography for that area yet. So the pipeline is
18 constrained because we want it to flow by gravity to the
19 extent possible. So it would drive where the -- where
20 it would be. But it's possible that the road could
21 parallel it. So we don't know that at this point.
22 Ideally, they'd be together, from my perspective.

23 BRAD ZUBECK: Sir?

24 PAUL SHADURA: Paul Shadura. I'm just kind of
25 looking at that conceptual map there. If we look at the

1 powerhouse, are we to assume that that section from the
2 powerhouse to Grant Lake would have no water in it?

3 BOB BUTERA: This section right here?

4 PAUL SHADURA: Towards the Grant Lake side.

5 BOB BUTERA: Upstream?

6 PAUL SHADURA: Uh-huh.

7 BOB BUTERA: Our assumption right now in our
8 design and in power estimates is that there is no water
9 in that creek in that section. We're not leaving water
10 in it. It's a steep section. It's steep with rapids,
11 big cobbles. It's not great fish habitat. There has
12 been some fish found in the lower end. It's very
13 difficult to find out how many fish might be in there
14 because we just can't get in there. But we're -- I
15 don't want to speak for John, but from what I've been
16 hearing, the habitat value of it isn't that high.

17 JOHN MORSELL: There are still some
18 significant questions as to really what the habitat
19 value is.

20 BOB BUTERA: Right.

21 JOHN MORSELL: So that would be one of the
22 goals of studies to come.

23 JON DEACON: My name is Jon Deacon. I live
24 right at the end of the road on a state mining claim
25 that's right next to Falls Creek down the Trail Lakes

1 Road.

2 BOB BUTERA: Right there?

3 JON DEACON: No. All the way up past the red
4 blocks. Before you make the left -- the road that
5 you're going to use, the mining road, I live right where
6 the road -- Trail Lakes Road, one half a mile off of the
7 Seward Highway to the west right where the creek cuts
8 across.

9 My question basically is: There's a number of
10 us that get our drinking water from there. If you end
11 up using the water out of that stream, what will people
12 do that live there for their drinking water?

13 BOB BUTERA: Good question. And we didn't
14 know that.

15 BRAD ZUBECK: Ma'am?

16 ADRIENNE MORETTI: My name is Adrienne
17 Moretti. Is the project still considered viable without
18 the Falls Creek intake part? Without the Falls Creek
19 half of it, would the project still be worthwhile, I
20 guess?

21 BRAD ZUBECK: We think so, yes.

22 JJ KAIZER: JJ Kaizer, Crown Point.

23 BRAD ZUBECK: I didn't catch the name.

24 JJ KAIZER: JJ Kaizer, Crown Point.

25 BRAD ZUBECK: Thank you.

1 JJ KAIZER: One of the most intrusive parts of
2 this project seems to be going from Falls to Grant.
3 Given the amount of the loss of glacial ice up Falls
4 Creek Valley, which we can calculate right now to
5 approximately eight million cubic feet in the last 12
6 years, can you tell me when Falls Creek will become
7 seasonal?

8 BOB BUTERA: I think it's already seasonal.
9 And basically the water from Falls Creek would be -- a
10 standalone project on Falls Creek would not be a viable
11 project because it is too seasonal. So you'd have big
12 heaps at one time and then hardly any flow at another
13 time, and I'm sure the people that get their water from
14 it can tell you that.

15 But we look at it as a project that would take
16 the water and put it into Grant Lake so it can be stored
17 so it can be used with more seasonality. Does that make
18 sense?

19 JJ KAIZER: Of course.

20 BRAD ZUBECK: Yes, sir?

21 WILL BRENNAN: My name is Will Brennan. I
22 also live on Falls Creek Road. I'm wondering about the
23 proposed road. At what point are you planning on coming
24 off an existing road? I mean, where in relation to the
25 existing road is that? Do you have an idea of where --

1 do you have a survey line or a flag line up there that I
2 can go look at?

3 BOB BUTERA: It's right about the 800-foot
4 elevation, if that helps. But, no, we don't have any
5 flagging up there at all. It's all a pretty concept
6 level. We haven't surveyed. We haven't -- we're just
7 working off existing maps.

8 BRAD ZUBECK: We have done some survey work on
9 the Grant Creek side, powerhouse, and intake areas. We
10 haven't done survey work on the Falls Creek Road. It's
11 a fairly well-established road and fairly visible from
12 aerial photography and mapping. And so I'm pretty
13 confident that the yellow line that you see on the map
14 there probably follows that four-wheel drive, ATV,
15 existing mining road.

16 WILL BRENNAN: Yeah, I'm wondering about where
17 the red line is. Do you know where -- do you have an
18 idea where it's going to tie in on the yellow line?

19 BRAD ZUBECK: I think, as Bob indicated, the
20 intake was proposed at about 800 feet. And just roughly
21 speaking, Grant Lake is at 700 feet, so by gravity it
22 would stay within those two contours.

23 Any other questions before we move on?

24 MATT GRAY: Matt Gray. Did I hear there's two
25 kind of dam structures involved?

1 BRAD ZUBECK: There would be an intake
2 structure at Falls Creek, if that were to be the option
3 pursued, and there would also be a diversion structure
4 intake, really just a dam to allow water to be taken
5 into the intake structure, yes.

6 MATT GRAY: But I was actually referring to
7 just on Grant Lake.

8 BOB BUTERA: Just one at Grant.

9 MATT GRAY: Just the tower and the dam?

10 BRAD ZUBECK: The intake structure and the
11 dam, if you will.

12 Mr. Cooney?

13 MIKE COONEY: Mike Cooney, Moose Pass.
14 Without the Falls Creek portion of this project, what
15 would you estimate the power of production to be with
16 only the Grant Creek Project suggested? It's about four
17 and a half megawatts now. What would it be without the
18 falls?

19 BOB BUTERA: It would still remain as a four
20 and a half megawatts project, which would be its maximum
21 capacity, but the annual amount of power you got out of
22 it would be less.

23 MIKE COONEY: Can you quantify that somehow?

24 BOB BUTERA: I don't have the --

25 BRAD ZUBECK: About 19 gigawatts more of

1 energy.

2 MIKE COONEY: Thank you.

3 BRAD ZUBECK: Yep.

4 With Falls Creek it's just over 23.4, and
5 those are estimates.

6 Time for one more question. Mr. Gray?

7 MATT GRAY: I just wanted to confirm, is the
8 lake elevation fluctuation still at plus 10 to minus 25?

9 BRAD ZUBECK: It's about a 30-foot lake level
10 fluctuation, yes, it is.

11 BOB BUTERA: But it's about a plus 10 and
12 minus 20 to get the 30.

13 BOB ATKINSON: Bob Atkinson again. Any
14 possibility that the power line coming out of there
15 could be buried?

16 BRAD ZUBECK: Absolutely. It's just shown as
17 a more or less straight line. And I might mention that
18 visual studies, esthetic studies, if you will, are a
19 part of what we would look at. And very straight
20 transmission line corridors like that are probably
21 objectionable. And so we would probably look to put
22 some switchbacks in that possibly so that you don't look
23 down a long sight line, a long transmission line
24 corridor.

25 The other question somebody made a comment

1 about -- and maybe it was you -- about the ability to
2 see a cut on the hillside. And where it's perpendicular
3 to the road system, they're much easier to see. Where
4 you're parallel on the road system, they're much more
5 difficult to see from the road.

6 And you are probably very familiar with this
7 area. And driving down the Seward Highway, it's very,
8 very difficult to see most of the project area from the
9 highway system. But we'll be studying esthetic impacts
10 as part of the resource studies.

11 Thank you very much, Bob.

12 AMANDA PREVEL-RAMOS: I'm Amanda Prevel-Ramos
13 with HDR, and I'm going to talk to you about existing
14 information starting with fisheries. And that's just
15 another day at the office this summer.

16 There's been a lot of work done at Grant Lake
17 and Grant Creek, including what we did this summer to
18 look at fisheries resources. What we did this year was
19 we looked at juvenile fish, resident fish, such as Dolly
20 Varden and rainbow trout and adult salmon. And then
21 also we conducted the first year of an in-stream flow
22 study to look at changes in characteristics of fish
23 habitat based on changes in the flow. And the studies
24 of fish were to add to the existing body of information
25 on fish resources.

1 So as I said, there is already a little bit
2 of -- well, more than a little bit -- quite a bit of
3 information from the '60s and the '80s conducted by
4 different resource agencies as well as by previous
5 applicants for developing a hydro project at Grant Lake.
6 All of this existing information, including what was
7 gathered this summer, is summarized in the preliminary
8 application document that you guys can find on the Kenai
9 Hydro web site.

10 So Bob kind of went over the project area with
11 you already. I'll just point out that the purple areas
12 on that map are the areas that we worked in this summer.
13 So looking here, HDR went through this summer and
14 actually -- we reestablished study reaches that were
15 started out by the group that studied the creek in the
16 '80s.

17 So reach one through reach four is basically
18 the part that we were talking about before that would be
19 below the powerhouse at the red triangle right there.
20 And then it's mostly -- that's the best fish habitat,
21 and primarily it's fast-water habitat.

22 Reach five is -- you get into more of that
23 cascade habitat. There's less fish present. Reach six
24 is basically an extension of the lake ecosystem. And
25 I'll just point out also that the Alaska Department of

1 Fish & Game has placed a marker in their anadromous fish
2 catalog that says that fish do not pass above that green
3 dot. They call it anadromous fish barrier.

4 So at Grant Lake, this summer and in previous
5 investigations, we found sticklebacks and sculpin. No
6 one has found trout, Dolly Varden, or salmon in the work
7 they have done up there or in the small streams that
8 actually feed into the Upper and Lower Trail Lakes.

9 In 2009 we resampled the sites that were
10 sampled in an extensive effort in the '80s. And we also
11 sampled extra sites that we thought looked likely to --
12 would be good spots for finding fish and did not find
13 any salmon, trout, or Dolly Varden in our traps or nets.

14 In Grant Creek there are runs of sockeye, or
15 red salmon; chinook, or king salmon; and coho, or silver
16 salmon. And ADF&G has designated the lower eighth of a
17 mile as anadromous fish habitat.

18 Estimates of the number of spawning salmon in
19 the creek vary from 400 to 2500 sockeye, 33 to 230
20 chinook, and 55 to 300 coho. And that's based on many
21 years of different kinds of data. So ADF&G has gone up
22 there and done foot surveys. We did foot surveys this
23 summer. The previous investigators in the '80s and back
24 in the '60s did other foot surveys. So it's coming from
25 a lot of different studies, those numbers, and reflects

1 an annual variation in the fish runs.

2 So in 2009 we also, as I mentioned, looked at
3 juvenile salmon. And in the lower reaches there are
4 more scattered slow-water habitats where juvenile salmon
5 can rear. Most of these are places where small fish are
6 seeking refuge from very fast water currents. And the
7 kinds of -- examples of these kinds of habitat include
8 undercut banks, side channels, and backwater areas.

9 And so within these areas we find the most
10 abundant are juvenile, chinook, and coho. And most of
11 the fish that we found in our traps were fry or younger
12 than a year, which indicates that fish do not move into
13 Grant Creek to rear there from other areas and also that
14 they probably do not overwinter in Grant Creek.

15 And in 2009 we also looked at resident fish,
16 such as Dolly Varden and rainbow trout. We found that
17 Dolly Varden were the most abundant fish overall and
18 that all ages were -- all age classes were present.
19 Adult and subadult rainbow trout were also present and
20 were pretty common.

21 And so we also did some recognizance level
22 work at Falls Creek. It has not had as much work done
23 in the past as Falls -- as Grant Creek and Grant Lake.
24 But ADF&G has designated the lower one-third of a mile
25 as anadromous fish habitat.

1 In 2009 when we went out and did recognizance
2 minnow trapping, we found only Dolly Varden and we found
3 no adult salmon. We actually did foot surveys of the
4 same frequency, so every 10 days, that we did on Grant
5 Creek. So we did both creeks in tandem on the same days
6 every 10 days.

7 I'll be available to answer questions more in
8 depth about fish on Grant Creek afterwards or after the
9 end of John's segment. John is going to talk a little
10 bit more about fish.

11 JOHN MORSELL: Thanks, Amanda.

12 I'm John Morsell. I'm helping to coordinate
13 some of the study programs and make sure that they
14 answer the questions that need to be answered for the
15 FERC process and the kinds of things you folks are most
16 interested in.

17 As Amanda has indicated, Grant Creek, while
18 it's fairly short, has substantial fish habitat value.
19 And we suspect that there's going to be quite a bit of
20 interest and concern in the fish in Grant Creek.

21 So some of the specific issues that we've
22 identified are listed on this slide. For example, you
23 know, the potential effects of increased lake level
24 fluctuation on Grant Lake fish resources; potential
25 effects of the project intake structure on the Grant

1 Lake fish; potential effects of changes to the seasonal
2 flow regime on the abundance and distribution of fish in
3 Grant Creek.

4 This third item is probably the big one, the
5 one that most people are going to be concerned about,
6 what's going to happen to the fish as the flow changes.
7 Also, another potential issue has to do with what the
8 effects of flow changes might be on the movement of
9 materials from upstream to downstream within Grant Creek
10 if the flow regime is changed. Salmon spawning areas
11 often depend on a replenishment of gravel within their
12 spawning areas and they can be detrimentally affected by
13 sediment deposition, so this is another issue that's
14 worth looking at.

15 Additionally, we're going to look at the
16 overall -- we proposed to look at the overall
17 productivity of Grant Creek as indicated by the
18 abundance of aquatic insects and algae, sort of an index
19 of productivity.

20 Another potential issue has to do with the
21 effects of construction activities on fish habitats.
22 Most of these are sort of temporary impacts due to
23 disturbance, erosion, sedimentation, and so forth that
24 occurs during construction.

25 And moving to Falls Creek we have the same

1 sort of set of questions, what's the potential effect of
2 a reduced flow in Falls Creek on the distribution of
3 fish.

4 And then finally we have the whole question of
5 when you alter the access to an area, you can increase
6 the potential human usage and how is this increased
7 recreational fishing opportunity going to affect the
8 fish resources.

9 So currently we have a whole set of studies
10 that are currently proposed. And most of these are
11 continuations of studies that were already started in
12 2009. The studies that will be proposed will be more
13 precisely focused on issues partly resulting from the
14 feedback we get from you folks.

15 Anyway, we're going to continue to look at the
16 Grant Creek salmon spawning distribution and abundance
17 as well as the resident and rearing fish distribution.
18 We're also going to do a little better job of looking at
19 the specific aquatic habitats within Grant Creek, map
20 the habitats and try and determine what the critical
21 factors are that make fish use these particular
22 habitats. And this feeds into the in-stream flow study,
23 which is the next item.

24 We've had several technical working group
25 meetings to discuss potential approaches to in-stream

1 flow study on Grant Creek. At the last meeting we
2 proposed an approach, which we seemed to have a fair
3 amount of agreement on at looking at potential changes
4 and how they might affect fish habitats and how we might
5 use that to predict what might happen with altered
6 stream flows.

7 And then we have the same -- basically the
8 same studies in Falls Creek. We can do a much more
9 thorough job of looking at the distribution and
10 abundance of fish in Falls Creek, become a little bit
11 more quantitative in trying to figure out how many fish
12 are in the creek.

13 We plan to do baseline studies of stream
14 critters, mostly to provide sort of a baseline against
15 which future conditions can be compared. These benthic
16 invertebrates and periphyton act as indicator species.
17 They can tell us what kinds of changes that are
18 occurring in the stream.

19 And then similarly we're also proposing to do
20 studies of zooplankton and phytoplankton in Grant Lake
21 related to the productivity of Grant Lake.

22 That's the end of the aquatic resources
23 segment. So we'll be glad to take a few questions.

24 Yes?

25 PAM RUSSELL: Pam Russell. I noticed in your

1 studies there, has it been determined if the water
2 temperature is going to change coming out of that hydro
3 plant when -- after it goes from either Falls to Grant
4 and then going through the processes? Is the water
5 temperature going to change after it comes out of the
6 power head?

7 JOHN MORSELL: It depends on the depth of the
8 intake. That's something we're going to be looking at.
9 We'll be talking a little later on about temperature
10 monitoring that we're currently doing. We should be
11 able to model that fairly accurately and pretty much
12 tell exactly what those numbers are going to be.

13 PAM RUSSELL: How long are you going to do the
14 studies that you have proposed now, the fish studies and
15 everything?

16 JOHN MORSELL: Well, I think currently the
17 studies -- well, it depends on how the project schedule
18 proceeds, but I think the intent is to have one full
19 year -- one more full year of studies.

20 Yeah?

21 PAUL SHADURA: Paul Shadura. I've got a
22 temperature question, since that was identified in some
23 of the previous studies. It's not so much the change in
24 the ambient temperature but the change in the
25 temperatures in the seasonal situations that I'm curious

1 about. What kind of analysis or study are you designing
2 to understand what that would be?

3 JOHN MORSELL: Well, we are and we'll continue
4 to take continuous temperature measurements in both
5 Grant Lake, which includes a profile, a depth profile of
6 temperatures, as well as in Grant Creek. And after
7 the -- after we have the project operating components
8 nailed down, we can just do a temperature balance
9 modeling. And we should be able to figure out pretty
10 closely what's going to happen at any time of the year
11 as far as the temperature is concerned.

12 PAUL SHADURA: If I can follow up just once.
13 So that would give you an idea of what's occurring at
14 this point. So am I too far-reaching to ask you what
15 you would do to control the temperature changes within
16 your plant?

17 JOHN MORSELL: Well, if --

18 PAUL SHADURA: Draw from the lake, forget
19 about that part. I'm interested more in what's left in.

20 JOHN MORSELL: Well, there are ways that
21 temperatures can be regulated. If the studies determine
22 that changes in temperature might be detrimental to
23 fish, then the depth of the intake structure could be
24 modified because the lake temperature varies with depth.
25 That would be the primary way that we could mitigate any

1 possible changes.

2 Yeah?

3 MIKE COONEY: Mike Cooney, Moose Pass. Could
4 you tell us what species of fish are documented in the
5 Fish & Game anadromous catalog for Falls Creek and also
6 if there is any credible information to suggest that
7 king salmon, chum salmon, might exist in Falls or Grant
8 Creek?

9 AMANDA PREVEL-RAMOS: I'm not going to try to
10 remember off the top of my head what they are. I know
11 that they do have species of both salmon and I believe
12 probably that Dollies are on there. I know that we have
13 that information in our recognizance report on Falls
14 Creek. And I believe it's also actually included in the
15 interim draft report. There's a summary of existing
16 information in the beginning of that report. So we
17 could definitely find it.

18 JOHN MORSELL: The Fish & Wildlife Service had
19 a weir in Grant Creek for a while, and they did catch a
20 couple of pink salmon and one or two chum salmon. Very
21 small numbers.

22 Anything else?

23 BRAD ZUBECK: Mr. Gray?

24 MATT GRAY: I was just wondering, that reach
25 number five, how long is it and could you just recap

1 what the fishery resources were in that section?

2 AMANDA PREVEL-RAMOS: Well, I don't know off
3 the top of my head how long it is. I can probably find
4 that information for you after the meeting.

5 MATT GRAY: An approximate?

6 AMANDA PREVEL-RAMOS: Yeah.

7 JOHN MORSELL: It's about four-tenths of a
8 mile, I think.

9 AMANDA PREVEL-RAMOS: Yeah.

10 BRAD ZUBECK: The creek itself is about a mile
11 long and the powerhouse is about halfway down the
12 stream, so four-tenths of a mile is probably a pretty
13 good guess.

14 AMANDA PREVEL-RAMOS: What was the second part
15 of that question?

16 MATT GRAY: Just recap the fisheries, you
17 know, documentation.

18 AMANDA PREVEL-RAMOS: I think there are -- I
19 know our crew, I believe, saw king salmon in the lower
20 portion, adult king salmon in the very lowest portion.
21 And then, like I said, the anadromous fish barrier is
22 above there.

23 So part of what we're doing -- planning to do
24 next year is do a more in-depth study of what is the
25 spawning distribution in that reach.

1 JOHN MORSELL: One of the problems is that
2 reach five is almost totally inaccessible without
3 rock-climbing techniques, which they didn't try to get
4 at this year. But that will be part of the plans for
5 upcoming studies will be to get into that region and get
6 a better idea.

7 And there's also tentative plans to do some
8 radiotelemetry work on king salmon to try and figure out
9 what proportion of the total numbers actually end up in
10 that reach five.

11 MIKE COONEY: Mike Cooney, Moose Pass. Are
12 there any plans that study the productivity of Grant
13 Creek in terms of the wild fish that it produces
14 annually, anadromous fish particularly, and how it
15 contributes to the Kenai River water system?

16 JOHN MORSELL: Well, there are no plans
17 currently to do that. That's comments you could
18 suggest. We'll take that into consideration.

19 MARK LUTTRELL: Mark Luttrell from Seward.
20 This may be a question for you, Brad. It's kind of a
21 process question. I've got a copy of the
22 pre-application document that I think you gave to the
23 library here in town. And if I understand it, that's
24 like a collection of what is known about various
25 resources. And my concern is that you guys have created

1 a list of great research questions, questions anyway,
2 but they're not in the pre-application document. So how
3 will the questions that you've created and that the
4 public tonight offers, how will those questions be made
5 public? Where do they fall in the next step of the
6 process?

7 BRAD ZUBECK: Sure. Jenna should have -- I
8 stepped out of the room there -- the next step, but I'm
9 happy to review them with you again. The next step in
10 the process after taking comments would be to prepare
11 draft study plans that should address the issues that
12 we've identified and the issues that you would be
13 raising over the next 60 days. Those draft study plans
14 would then be issued for public review and for comments
15 and then for -- take comments on those as well.

16 We also have the FERC-approved process with
17 early scoping. So FERC would also be involved with
18 identifying and kind of affirming or solidifying what
19 the issues are through their scoping documents.

20 So once these have been reviewed -- there's a
21 dispute resolution process in place as well. But we
22 would then, after public comment, finalize plans; if
23 needed, go through any dispute resolution process; and
24 then we would have formal final study plans, if you
25 will, to implement it. And that's a step that at this

1 time we're not ready to launch into. That would be the
2 next step in the process. But we won't be entering into
3 that next step until we secure enough funding to
4 implement what those plans would be.

5 MARK LUTTRELL: Thank you.

6 BRAD ZUBECK: You bet.

7 DAVID PEARSON: David Pearson, Moose Pass. Do
8 you plan to do studies considering DO on the lower
9 section of the stream and how that will change with the
10 intake versus natural falls? And a second part, which
11 is a simple question. There is an acronym, AEINC.

12 JOHN MORSELL: AEIDC?

13 DAVID PEARSON: Yes. And who would that be?

14 JOHN MORSELL: Well, AEIDC is an organization
15 that's no longer in existence. Arctic Environmental
16 Information and Data Center, and they're now --

17 JENNA BOROVSANSKY: It's a part of UAA.

18 JOHN MORSELL: Anyway, they acted sort of as
19 consultants on some of those earlier studies.

20 DAVID PEARSON: And the first part was DO
21 levels.

22 JOHN MORSELL: We're currently -- actually,
23 the next part is going to be water resources, but we are
24 currently measuring DOs in both the lake and the stream.
25 And that will be part of the impact analysis, will there

1 be potential effects. I mean, my first inclination is
2 that there won't be any affect on DO, but hopefully we
3 can get some better information on our studies.

4 JJ KAIZER: Hi. JJ Kaiser again. At one
5 point I have read that Grant Lake will have to be
6 drained in order to aid construction.

7 BRAD ZUBECK: The lake, in order to allow
8 construction of a -- an intake structure possibly or a
9 dam itself, could be drained. You could also build
10 copper dams. I mean, it's certainly -- I wouldn't state
11 as a matter of fact that we'd have to drain the lake to
12 build the structure. There are other engineering
13 devices that you can use to keep from draining the lake,
14 build copper dams and that kind of thing. But that's
15 certainly within the realm of possibility. I wouldn't
16 recommend it necessarily at this time, but it's one of
17 those options that would exist.

18 Bob?

19 BOB BUTERA: I don't think I would use the
20 word "drain". I would probably use the word "lower".
21 Because you could aid the construction by lowering the
22 lake somewhat.

23 JJ KAIZER: And that effect on the fish
24 population?

25 BRAD ZUBECK: Well, if we were to propose that

1 as a construction method, we would have to determine
2 what the impact would be. So that's probably worthy of
3 a comment and we'll take -- so noted to consider impact
4 of a construction method to lower the lake level and
5 what influence that would have.

6 JOHN MORSELL: There would have to be a
7 diversion to keep water in Grant Creek.

8 BRAD ZUBECK: Well, exactly. We would have to
9 have some kind of a bypass that would allow and support
10 fish populations in Grant Creek. We wouldn't drain it,
11 cease flow. We would have to maintain flow in the
12 creek.

13 Mr. Deacon?

14 JON DEACON: How much of the water in Grant
15 Creek/Falls Creek in any of the areas that you'll be
16 getting water from is glacially fed? How much of that
17 accounts on glacial melting?

18 BRAD ZUBECK: You know, I can't answer that
19 question.

20 JON DEACON: The reason I ask, obviously with
21 a hydroelectric project you're looking at some span of
22 life for it, whether it's 30 years, 40 years, whatever.
23 With the glaciers lowering and the water being less and
24 less as we know all over the place, has that yet been
25 looked into that 10 years from now they could run out of

1 the glacial melt and therefore the water would no longer
2 be available to run the project?

3 BRAD ZUBECK: I believe that the watershed
4 area would collect rain or snowfall naturally. We have
5 not studied whether or not these glaciers -- the glacial
6 streams are receding, the glaciers are receding, so that
7 it might be a significant problem, but we'll note that
8 as a potential study topic.

9 MIKE COONEY: Mike Cooney, Moose Pass. I
10 noticed that in the previous discussion there's plans
11 that study the impacts of road construction and other
12 infrastructures constructed on fisheries. But are there
13 any plans to monitor or assess long-term fish habitat
14 impacts as a result of that road? Because it's going to
15 have to slope right into Grant Lake for about a mile or
16 so. Potentially there could be some water quality
17 issues associated with that, I would think.

18 JOHN MORSELL: That would be part of the
19 environmental assessment done by FERC. I'm not sure
20 whether that would require a separate study or not, but
21 certainly that would be taken into consideration.

22 Yeah?

23 TOM BARNETT: Tom Barnett, Moose Pass. To
24 kind of follow up on John's question a little bit real
25 quick. To kind of rephrase that, then, is the volume

1 that you're anticipating to pull out of Falls Creek, are
2 you then just basing that on annual snow and rainfall?

3 BRAD ZUBECK: I think we'll get to the
4 hydrology data. And probably a better way to answer
5 that is we have quite a history of hydrology
6 information. Some from 1948 to '58, I believe it is.
7 So we do have -- and the recent data we have
8 collected -- some longer-term data to look at that would
9 give us the sense that the watershed is reliable and the
10 flows are reliable.

11 TOM BARNETT: But that's based on -- that's
12 going to be based on -- the longer you -- the longer
13 time period that you base that data on, that skews it in
14 not a way that you really want it to skew. If you take
15 a look at -- just look at the Exit Glacier and how far
16 that's dropped back every year since -- you know, you
17 say decades.

18 So you're actually going to want to look at
19 the shorter term because that's going to tell you more
20 realistically what volume you have available, especially
21 when you take a look at -- if you've been around there
22 long enough and have seen the recession of the glaciers
23 in that area, then you -- you know, if you're going to
24 be conservative, you base it on what you know you're
25 going to get every year in terms of the snowfall and

1 rainfall as opposed to what's collected over centuries
2 and you're slowly melting off or now more rapidly
3 melting off.

4 I think you skew the data the wrong way if you
5 use a longer time period.

6 BRAD ZUBECK: The comment is noted and we'll
7 trust our engineers to make and use their best
8 engineering judgment to design the project. But thank
9 you for the comment.

10 JOHN MORSELL: I guess we'll move on to water
11 resources and we'll talk a little bit about some of the
12 things that these questions have brought up.

13 Looking specifically at hydrology, there's
14 substantial existing information, although as the case
15 with most Alaska projects, it's not long enough. We'd
16 sure like to have more data.

17 What we have for Grant Creek is 11 years of
18 continuous stream gauge data from 1947 to '58. And then
19 for Falls Creek, the data aren't quite so good. There's
20 only one summer's worth of continuous measurements and
21 then there are a bunch of other instantaneous discharge
22 measurements that have been made over the years. There
23 was one feasibility study that was done by EBASCO in
24 1987 that modeled a lot of this hydrological data and
25 kind of put it all together.

1 And in addition to these older studies, HDR
2 installed stream gauges in both Grant and Falls Creek in
3 the spring of 2009, so that's out there collecting
4 continuous data now.

5 As far as the general hydrologic
6 characteristics of the Grant Lake watershed -- well, we
7 don't have that map. Anyway, this relates to some of
8 the quick questions that were just asked. This is a
9 hydrograph, which gives the average flow over the course
10 of the year for that 11-year continuous monitoring
11 period.

12 And you can see that during breakup, flow
13 increases very quickly due to snow melt and then
14 gradually begins to taper off but stays high for quite a
15 while during the summer because of glacial melt in the
16 latter part of the summer and then it gradually declines
17 through the fall and early winter except for some peaks
18 where summer -- fall storms add large quantities or a
19 sudden influx of water.

20 And then during the winter, the flow goes way
21 down to something like 25 CFS. And most of that is what
22 the hydrologists call base flow, which is the result of
23 groundwater flowing into the stream, basically springs,
24 keeping the stream going.

25 So the project proposes to use some of the

1 water from this upper part of the hydrograph.

2 Moving on to water quality. Some of the
3 existing information. There have been various studies
4 that have looked at water chemistry and temperature in
5 the '60s and the '80s. There's quite a variety of
6 information, both from Grant Lake and Grant Creek. And
7 then HDR's ongoing study program has collected seasonal
8 water chemistry and continuous temperatures in Grant
9 Creek and Grant Lake at several stations.

10 As far as overall water quality
11 characteristics, I mean, the water is pretty much
12 typical of a cold Alaska drainage that has some glacial
13 input. The nutrient levels are generally low indicating
14 relatively low biological productivity. Turbidity
15 varies with the season. It's moderately turbid in the
16 summer, although Grant Lake tends to settle some of that
17 turbidity out. And then in the winter and spring, the
18 lake clears up somewhat and Grant Creek consequently
19 becomes more clear.

20 And none of the studies of water chemistry
21 have suggested that there's any water pollution or any
22 other unusual conditions in these creeks.

23 As far as water resources issues, we need to
24 look at the potential effects of the project, you know,
25 on water quality and hydrology and water temperature.

1 And a lot of this information relates also to fisheries
2 impacts as some of your questions have suggested.

3 We're also looking at the affects of the
4 project construction and operation on water quality and
5 hydrology downstream from Grant Creek, specifically on
6 Lower Trail Lake and Trail Creek. And then how will the
7 physical changes to Grant Creek or Falls creek affect
8 fish resources.

9 The studies that are currently proposed, the
10 hydrological studies, we're just going to continue the
11 ongoing stream gauging in Lower Grant Creek and Falls
12 Creek. The Grant Creek studies not only provide a
13 baseline record of hydrology, but they also provide
14 input to the proposed in-stream flow study, which
15 requires discharge information.

16 As far as studies that are proposed for water
17 quality, we're going to continue to collect water
18 chemistry data in Grant Creek, Falls Creek, and Grant
19 Lake, you know, to better define the baseline water
20 quality conditions, continue to collect continuous water
21 temperature data in Grant Creek and Falls Creek and
22 Grant Lake to provide input to resource assessment
23 models.

24 And that ends the water resources segment and
25 we have time for a few questions.

1 Yes?

2 WILL BRENNAN: Will any of your studies --
3 sorry -- Will Brennan. Will any of your studies look at
4 the water quality on Vagt Lake or fish resources there,
5 which at least looking at your map looks like there
6 could be some potential erosion from a new road getting
7 put in just above it?

8 JOHN MORSELL: We don't propose to look at
9 Vagt Lake. And I guess it would be the road routing
10 that would determine whether that would need to be done
11 in the future.

12 BRAD ZUBECK: We'll make a note of it. I
13 wouldn't expect that the road would influence Vagt Lake.
14 And you may or may not be aware that most construction
15 projects are designed to mitigate against erosion
16 effects through storm water protection plans, best
17 management practices, and such. So influences there
18 would be temporary and we would seek to have some
19 long-term stabilization graphs and that kind of thing to
20 stabilize any erosion.

21 Sir?

22 TOM BARNETT: On the private property that is
23 along that Falls Creek Road, any studies on the
24 effective -- pulling the water off of Falls Creek, how
25 much that will affect the water tables in there in terms

1 of the wells that will be affected?

2 BRAD ZUBECK: Groundwater influence, we will
3 have to make a note. Drinking water -- folks getting
4 their drinking water from Falls Creek.

5 TOM BARNETT: But its effect on the water
6 table itself, because not everybody gets it directly
7 from the creek itself, but you get it from the water
8 table.

9 BRAD ZUBECK: We'll make a note of it.

10 TOM BARNETT: Because I noticed --

11 BRAD ZUBECK: That wasn't in the scope of our
12 study plans right now, but we'll make a note.

13 TOM BARNETT: Will it be part of that or is it
14 just -- I don't want to say it as -- having been through
15 this on your end of it before, the stock answer is, we
16 will look into it, thank you for your response, we will
17 look into it. Are you saying it will be included or
18 you're not making that commitment?

19 BRAD ZUBECK: Your comment tonight is being
20 recorded. Transcriptions of this event will be supplied
21 to FERC and your comment will be addressed. If it's
22 not, we'll be remiss.

23 BOB ATKINSON: Yeah, Bob Atkinson again. This
24 is probably pretty off the wall, but for the price of a
25 pipeline running from Falls Creek to Grant Lake, what's

1 the drop from Grant Lake to the lower section? This
2 really steep canyon where there's no fish anyway and
3 it's almost impassible, there's no -- the cost of
4 building a dam at the bottom of the section, damming up,
5 making another reservoir down at that elevation and
6 using that as a head of water, would that be just
7 totally financially out of the question to actually
8 build a dam there rather than running a pipeline across
9 the side of the mountain?

10 BRAD ZUBECK: I'm not sure I understood your
11 question correctly. As I was thinking while you were
12 speaking, I was envisioning possibly a structure at the
13 base of what we call reach five, the base of that canyon
14 section, that would basically back water up from the
15 bottom of that point basically up to the natural lake
16 level, if you will.

17 BOB ATKINSON: Yeah. It's about a 100-foot
18 deep canyon in there.

19 BRAD ZUBECK: The size and cost of that
20 structure, I'm assuming, would be greater than the size
21 and cost of the structure that we envision up by the
22 natural lake outlet. My guess is --

23 BOB ATKINSON: Well, you could do both. I
24 mean, that's the point.

25 BRAD ZUBECK: Pardon?

1 BOB ATKINSON: That's the point, you'd use
2 both. You would use the natural fall from Grant Lake,
3 but then you'd use whatever fall you could get from the
4 reservoir that you get by damming it up.

5 BRAD ZUBECK: We'll note your comment. I'm
6 trusting my engineers who brought me the best possible
7 project. They may have considered that. I don't know
8 for sure. But thanks for the question.

9 RACHEL SCHUBERT: Rachel Schubert from Moose
10 Pass. I was just wondering if your water quality test
11 includes heavy metal testing or for things such as
12 arsenic, maybe residual stuff from mining?

13 JOHN MORSELL: I think the answer is yes. It
14 definitely includes mercury. I don't recall whether
15 arsenic was included or not.

16 AMANDA PREVEL-RAMOS: The earlier studies in
17 the '80s did a battery of water quality constituents.

18 JOHN MORSELL: Yes?

19 JJ KAIZER: JJ Kaizer. Have any studies been
20 done on the impact of the size of the road that will be
21 necessary for the construction materials for the
22 penstock to be built between Falls and Grant Creeks?

23 BRAD ZUBECK: The impact will be considered
24 for the road that would be built.

25 JJ KAIZER: For those who live there as well

1 as the businesses that are close to there?

2 BRAD ZUBECK: So if I could rephrase your
3 question in terms of a comment, you would like us to
4 study the impact of the road from -- for the intake and
5 pipeline from Falls Creek to Grant Creek on the local
6 residents on --

7 JJ KAIZER: I'm sorry. The impact of the road
8 that must be widened or improved to take the amount of
9 traffic and construction materials from the Seward
10 Highway up to the Falls Creek diversion. What kind of
11 studies have been done on the impact of the private
12 property owners there as well as the businesses there?

13 BRAD ZUBECK: We haven't done any studies to
14 date, but we will take your question and comment. Thank
15 you.

16 Yes?

17 TOM BARNETT: That particular road -- we're
18 sort of off the water quality. Somehow we veered off of
19 that. We're on another road, so to speak. But going
20 down another path, are the power line tie-in -- is the
21 power line tie-in route and at road access, are those
22 virtually etched in stone or are they open to
23 alternatives?

24 BRAD ZUBECK: They're not etched in stone. At
25 this time this is a conceptual design, if you will. And

1 they will be modified based on the influence of the
2 studies.

3 TOM BARNETT: Another question on that. The
4 easements for those, for the road widening and the
5 easements actually -- the road goes to a certain point.
6 And the easements only go to a certain point in there
7 and then the rest of the road up to the plant and then
8 over to the -- up to Falls Creek and then all the way
9 over, that easement and then the easement for the power
10 line, have they already been approved?

11 BRAD ZUBECK: They have not been obtained yet.

12 TOM BARNETT: Do those have to go through a
13 separate process with the Borough?

14 BRAD ZUBECK: It's state-owned land for most
15 of the project facilities, so we would have to pursue
16 acquisition through the state.

17 TOM BARNETT: I didn't realize it was all
18 state.

19 BRAD ZUBECK: Yes?

20 PAUL SHADURA: Paul Shadura again. Being that
21 this is under a five megawatt project and it's mostly on
22 state land, when it comes to the Federal Powers Act, am
23 I hearing that the federal oversight -- for instance,
24 NMFS -- won't be involved in this process? Or am I
25 misinformed?

1 BRAD ZUBECK: No. If you mean NEPA work,
2 environmental assessment?

3 PAUL SHADURA: No. National Fishery Service,
4 the way I understand, on the Federal Powers Act has the
5 oversight on hydroelectric projects and diversion
6 projects. But since there is an exemption -- the way
7 I'm understanding it and I'm trying to understand --
8 within 2008 that allows the State of Alaska to do that
9 because it's mostly on state lands, is the state
10 superceding the federal oversight from NMFS to do that?
11 And what agency would that be?

12 BRAD ZUBECK: Mr. Prokosch?

13 GARY PROKOSCH: I can answer that. My name is
14 Gary Prokosch. There was a federal bill and a state
15 legislative bill that allowed the state to go into
16 negotiations and come up with a plan to take over the
17 licensing of projects less than five megawatts. It went
18 through about a two-and-a-half-year process and then it
19 was -- regulations done and then it went back to the --
20 RCA was doing the study, the Regulatory Commission of
21 Alaska, and it was put on a shelf. There's no
22 regulations. There's nothing that's been passed.

23 FERC would in fact be in charge of this
24 project. It would be a FERC-run project. The state
25 would only do its normal permitting for habitat, water

1 rights, and that type of thing. But there is no
2 federal -- there is no federal or state law right now in
3 place that allows the state to license the project.

4 PAUL SHADURA: I've read that on NMFS web
5 site, so I'm glad you answered that question. The other
6 question came with the five megawatt picture. We have a
7 4.5 megawatt producing facility. And as you alluded to,
8 under five megawatts, was this plant --

9 GARY PROKOSCH: It was the plan, but it
10 never saw the light.

11 PAUL SHADURA: So there's no significance
12 about 4.5 to five megs --

13 GARY PROKOSCH: No.

14 PAUL SHADURA: -- in federal oversight limits?

15 GARY PROKOSCH: No. FERC has licensed
16 projects in Alaska where they run power for a hatchery
17 and for a cannery and provide full power for a small
18 village with very, very little water, one or two cubic
19 feet per second. So FERC can do that. And they -- but
20 they've exempted larger projects in the State of Alaska,
21 too, but this one was not exempt. It will go through
22 the FERC process.

23 PAUL SHADURA: Thank you.

24 JOHN MORSELL: I might add that NMFS has
25 participated in the -- we've had three working group

1 meetings to discuss in-stream flow issues, and they have
2 attended all of them. So they have been very much
3 involved in the technical aspects of the project so far.

4 SPEAKER: Has FERC been involved, a
5 representative from --

6 BRAD ZUBECK: No, they have not.

7 SPEAKER: Do they have an Alaska office?

8 BRAD ZUBECK: No, they do not.

9 SPEAKER: And they're the lead agency?

10 BRAD ZUBECK: For licensing, yes.

11 SPEAKER: And also for NEPA scoping?

12 BRAD ZUBECK: I believe so, but I would be...
13 Mr. Ferguson?

14 JIM FERGUSON: I'm Jim Ferguson with the
15 Alaska Department of Fish & Game. I just thought I
16 might provide another comment, given the gentleman's
17 question back here, that National Marine Fisheries
18 Service, Fish and Wildlife Service, and the Alaska
19 Department of Fish & Game will all be involved with this
20 process through the Federal Power Act and through our
21 abilities to comment that are provided under the Federal
22 Power Act. And all three agencies are involved.

23 Further, the U.S. Forest Service, because
24 there's forest service lands involved in the project
25 area, will have an additional authority to put mandatory

1 conditions on the license, which is something that in
2 general -- there's always exceptions, but in general the
3 other agencies cannot do. So just to let you know kind
4 of how all that works.

5 And regarding FERC's involvement, if they
6 conduct the scoping and they produce the scoping
7 documents, they will actually lead the meetings when the
8 scoping starts.

9 MIKE GLASER: My name is Mike Glaser from Mile
10 20. When Grant Lake is considered as a standalone
11 project, are they still anticipating using the Falls
12 Creek Road for access or is another road access being
13 considered if it's just for Grant Lake?

14 BRAD ZUBECK: I believe we would still use the
15 Falls Creek Road for access to the Grant Lake site.

16 JOHN MORSELL: I guess we probably ought to
17 move along. There will be more time for --

18 BRAD ZUBECK: Mr. Shadura had one more
19 question. Let's get that and then we'll move on.

20 PAUL SHADURA: Just about the funding aspects.
21 There's a lot of proposals, you know, for studies
22 analysis, a lot of comments brought up here, the way the
23 money stretches nowadays, the amount that we see on the
24 table here seems kind of small for what I envision is a
25 complete analysis for the whole project. That's just my

1 opinion. Are the companies involved in HEA looking for
2 federal funding for a substantial portion of the final
3 project or some more analysis, or is this totally a
4 private enterprise or a public cooperative enterprise
5 through HEA and CIRI?

6 BRAD ZUBECK: Well, I think --

7 PAUL SHADURA: I'm looking for the funding
8 aspects. Is federal funding involved in this at all?

9 BRAD ZUBECK: At this time, no, there are no
10 federal funds involved in the project.

11 Let's move on. There will be another
12 opportunity -- actually, it's time for a break.

13 (Break.)

14 BRAD ZUBECK: Thanks for the questions so far.
15 Just a quick reminder, the purpose of tonight is to try
16 to identify issues that we might have missed. So if
17 you -- some great comments, some great issues. But
18 remember, just try and keep questions for the most part
19 of the meeting to issues that we would require for
20 study. Personal issues, those are all good ones, having
21 to do with where you live and how the project might
22 impact you are great questions and comments. Other
23 questions that you might want to ask us, grab us at the
24 break, grab us on the side, or we'll have time at the
25 end. If we run out of issue-type questions, we'll be

1 glad to field other ones.

2 So with that, we'll start again. And thank
3 you for your attention.

4 JOHN MORSELL: We're going to briefly talk
5 about terrestrial resources. I'm standing in for my
6 wife who is conveniently sick. So if I sound kind of
7 stupid, that's why.

8 Well, we have the same array of existing
9 information that we have had for most of the other
10 studies, except that much less attention has been paid
11 to terrestrial resources than to the fish resources.
12 Because of perception, I think that the impact to
13 terrestrial resources will probably not be as sensitive
14 as the fish issues.

15 But some of the previous studies have done
16 some real basic inventories of plants and wildlife.
17 Plus, there's the various resource agencies, especially
18 the Forest Service has been involved in classifying
19 habitats and doing vegetation studies and so forth. All
20 the existing information is summarized in the
21 preliminary application document.

22 Just a real brief rundown on plant community.
23 It's pretty much typical of what you would expect to
24 find on the Kenai Peninsula. There's a mixture of
25 coniferous, deciduous, and mixed forest, shrub lands,

1 grasslands, and tundra and various kinds of wetland
2 habitats.

3 As you all know who live down here, the bark
4 beetle has had a significant effect on a portion of the
5 peninsula, including the Grant Lake Project area.

6 Some of the plant communities of special
7 interest include forested areas with harvestable timber,
8 some of the wetland and riparian communities, and
9 special attention to rare or sensitive plant habitats.

10 And this -- actually, it might be a good idea
11 to turn off the lights. This slide kind of provides a
12 good overview of habitat or plant community types. If
13 you use your imagination a little bit, this is Grant
14 Lake up here with Grant Creek flowing down here into the
15 narrows between Upper and Lower Trail Lakes. We
16 obviously have alpine terrain on the mountain side,
17 hillside alder shrub terrain at a little slightly lower
18 elevation.

19 Most of the forest surrounding Grant Lake is
20 coniferous, spruce and hemlock. And then as you drop in
21 elevation somewhat, you get into the mixed spruce and
22 birch forest. And then in lower Grant Creek there's a
23 substantial stretch of pretty much deciduous forest,
24 primarily cottonwoods and birch. And you can also see
25 that there are wetlands, little bogs and various kinds

1 of wet communities scattered here and there.

2 As far as wildlife community studies, the 1980
3 study did an inventory and estimated 108 bird species
4 and 34 mammal species. Some of the habitats of
5 particular interest include this area, which is actually
6 the Grant Lake outlet. This is the beginning of Grant
7 Creek right here. This outlet area is shallow.

8 It has emergent -- not emergent, but aquatic
9 vegetation and a large part of it remains unfrozen
10 during the winter. And the previous study found that
11 there were a bunch of waterfowl that actually hung out
12 here, primarily dabbling ducks, all winter. So this is
13 considered sort of a project-specific area of some
14 significance.

15 And these are just real general habitat maps.
16 This is potential raptor nesting habitat, possible bald
17 eagle nesting, possible cliff nesting raptors, golden
18 eagles and falcons, and rough-legged hawks in some of
19 the steeper terrain.

20 Waterbird nesting habitat is pretty much any
21 place around Grant Lake where the elevation is -- the
22 elevation change isn't too steep. So any place where
23 there's a margin along the lake shore is a potential
24 waterfowl nesting.

25 But another area of particular interest is

1 this delta at the head of Grant Lake where there's a
2 substantial inlet stream, a good-sized delta. This
3 whole area is considered to be potential waterfowl
4 nesting habitat.

5 The same with brown bears. The purple areas
6 delineate potential denning habitat. And the blue areas
7 are primarily foraging habitat. And then you can see
8 that this northeast ridge along the right part of Grant
9 Lake is thought to be significant from both a denning
10 and a foraging standpoint for brown bears.

11 Moose range. As you all know, moose are found
12 pretty much wherever they can get to. So this outer
13 line pretty much surrounds everything except the real
14 steep terrain. But, again, we have some habitats of
15 interest in this upper delta area where there's a
16 designated high-value wintering area here and then an
17 expanded wintering and summering area up in here.

18 Some of these terrestrial resources have
19 special status due to the state or federal regulations.
20 Fish and Wildlife Service has identified two sensitive
21 plant species that might be present in the project area
22 but no sensitive, rare, threatened, or endangered plants
23 have actually been documented in the project area. No
24 threatened or endangered animals occur in the project
25 area.

1 Fish and Wildlife Service pays special
2 interest to three management indicator species, the
3 brown bear, moose, and mountain goat. And then there's
4 a bunch of other species that are of interest, but less
5 so. And the State also lists species of special
6 concern, primarily bird species. And these lists of
7 species can be found in the preliminary application
8 document.

9 As far as issues related to terrestrial
10 resources, we have potential effects on the wildlife
11 from overall disturbance due to various kinds of
12 construction and operation activities, such as aircraft
13 operations, heavy equipment, blasting, all the kinds of
14 things that you associate with the development of a
15 project.

16 You also have the potential effects of
17 increased water level fluctuation in Grant Lake,
18 especially in relation to a bird nesting habitat, and
19 the potential effects of changes in flow in Grant Creek
20 and Falls Creek.

21 And you have possible construction effects due
22 to new habitat elimination, effects on wildlife. If
23 fisheries are affected, then some wildlife species may
24 also be affected.

25 And then there's also the potential issue

1 associated with access roads and transmission lines as
2 related to fish and wildlife -- to wildlife
3 specifically.

4 The proposed studies as far as plants are
5 concerned. Existing vegetation maps that are available
6 for the area will be refined. There will be a timber
7 stand survey that is suggested. Also proposed, a
8 sensitive plant survey and an invasive plant survey.
9 The Forest Service specifically requires some of these
10 specific kinds of plant studies.

11 And wetlands will also be further delineated.
12 There are existing wetland maps for the project area,
13 but they're fairly large scale and they will have to be
14 refined for the project.

15 Where wildlife is concerned, obviously we need
16 to get a better handle on the distribution and abundance
17 of the key wildlife species, you know, which involves
18 documenting species' composition for birds and mammals.
19 Also classifying and mapping wildlife habitat in the
20 project area, which will occur in conjunction with the
21 plant resources studies.

22 And another study has to do with conducting a
23 bear denning survey, and especially brown bears, which
24 have been a sensitive issue on the Kenai Peninsula in
25 recent years.

1 That's the end of the terrestrial resources
2 segment. Any questions?

3 Yes?

4 DAVID PEARSON: David Pearson, Moose Pass.
5 With the fluctuation 10 feet coming up, would that
6 pretty much flood that eastern area where you do have it
7 identified as high-valued moose habitat? I guess my
8 question is: What's the change of elevation between the
9 lake and that habitat?

10 JOHN MORSELL: We don't know, but that is
11 something that we definitely need to study and we will
12 study. Obviously, we'll flood some of it, but I think
13 the study program will probably allow us to delineate
14 the boundaries of the flooded area.

15 Yes?

16 BILL DOWLEY: Bill Dowley, Crown Point. How
17 is this road that goes from Falls Creek to Grant Lake
18 going to affect public access? Is there going to be a
19 public parking area at Grant Lake? Are we going to see
20 boat access there? What type of public access is going
21 to be available on this road?

22 BRAD ZUBECK: Good questions. And that's
23 where we would rely on public input to study the process
24 to determine whether the public is interested in such a
25 facility or not. So that will be one of the things that

1 we would like to quantify through study.

2 Is that something that you would be an
3 advocate of? Would you like to see that?

4 BILL DOWLEY: I think it could go either way.
5 It could either be a good thing or it could be a not so
6 good thing. Would I like to have access to the area?
7 Yes. Would I like everybody else to? Not necessarily.

8 BRAD ZUBECK: Sir?

9 TOM BARNETT: To follow-up on his question --
10 Tom Barnett again. If you are going to do public
11 access, then the more of that you promote -- by allowing
12 public access, you promote more traffic on that
13 particular road, which would definitely affect that
14 subdivision, which kind of leads back to the question
15 asked earlier: Is that road etched in stone?

16 BRAD ZUBECK: Again, a subject for a study.
17 Couldn't tell you at this time.

18 TOM BARNETT: Any thought about moving it to
19 the south side of Falls Creek, crossing Falls Creek,
20 since it has such low volume with the culvert? Avoiding
21 that particular subdivision, you allow for more public
22 traffic if you want it without affecting the quality of
23 life along that road where people do live now.

24 BRAD ZUBECK: So if I understand correctly,
25 you would like not to have that residential street now

1 be an arterial street, kind of a major access, you would
2 like it to be kept a side road and the main access along
3 a different route?

4 TOM BARNETT: I guess what I want is to be
5 kind of pragmatic about things to a certain degree. One
6 is, you guys really desire to have that project. And
7 I'm not going to tell you that I'm objecting to it,
8 because I really don't, but I do see some things that
9 could be detrimental to the lifestyle of the people that
10 do live in that area. So the better way to look at it
11 is a win-win. Move the road away from people that are
12 affected, but it still allows for public access, if
13 that's the goal.

14 Even for the construction side of things and
15 the widening and even the traffic that still will be
16 generated, it's still not a bad idea because it
17 remains -- it keeps a relatively private community
18 private with limited access. And the more public you
19 make roads -- arterial, as you put it -- the more
20 problems you get with that in terms of break-ins and
21 those sort of things. But if you circumvent that and
22 make it less attractive, it's a win-win.

23 Then the other side of that, too, is -- well,
24 I guess it doesn't matter, the power lines going across
25 that. The substation is on the south side of the creek,

1 too, that existing one.

2 BILL DOWLEY: Are you suggesting that the road
3 follow the power line path approximately, the access
4 road?

5 TOM BARNETT: No. I'm thinking going up the
6 south side of Falls Creek, as opposed to the north side.

7 BILL DOWLEY: So the mining road?

8 TOM BARNETT: Yeah. There's a mining road on
9 that side. Well --

10 BILL DOWLEY: Oh, I see.

11 TOM BARNETT: There's the mining road that's
12 farther down at the -- oh, come on.

13 SPEAKER: Right south of Falls Creek.

14 TOM BARNETT: Just south of Falls Creek.

15 SPEAKER: By the old dump, the old Moose Pass
16 dump.

17 BRAD ZUBECK: It's probably a good time for me
18 to mention something that we intended to mention to you
19 guys. As we put these study plans into place, we'll be
20 forming technical work groups -- you might have heard
21 that term earlier -- for different resource areas that
22 we're talking about tonight.

23 And through the use of our web site, we'll
24 have areas that you can select for areas of interest.
25 One of those might be recreational access, which would

1 cover roads and road construction, that kind of thing.
2 So you'll be able to indicate what your area of interest
3 is, sign up for a specific user group or technical work
4 group that can provide further comment and insight on
5 certain elements that interest you.

6 And so as we put together these proposed study
7 plans at some point in the future, we wouldn't seek to
8 do all of these resource-specific comment meetings in an
9 environment like this. We would like to break into
10 smaller groups where people have a particular interest
11 and share those comments. And folks that don't share
12 those same interests don't have to, if you will, suffer
13 through questions that they have no interest in.

14 So these user groups through the vehicle of
15 the web site, you can sign up for and we'll be glad in
16 the study phase to address these kind of issues.

17 And so I appreciate the questions and
18 comments. And rather than get down to the weeds of
19 actually designing the roads, which are great -- that's
20 to come -- let's just address -- we need to study road
21 alignments to make best use for public access and maybe
22 to keep residential areas private with concern to maybe
23 public access and vandalism, that kind of thing.

24 So those are all good comments. Keep those
25 up. But, again, we'll have a forum for that in the

1 future in these study groups, the technical work groups.

2 JOHN MORSELL: As far as the access issues
3 beyond private property, the state and the Forest
4 Service are obviously going to be real interested and
5 play a big part on exactly what happens on these roads,
6 at the ends of these roads, and so forth.

7 PAUL SHADURA: Currently I don't think this is
8 within the bounds of the Kenai River Special Management
9 Area, but I think that there is some bills and some
10 efforts to include portions of this area so parks would
11 be involved when there is the public access situation.
12 Are we analyzing that situation if that comes to play
13 and what would happen if --

14 BRAD ZUBECK: We would have to consider that.

15 PAUL SHADURA: -- parks would be involved in
16 this.

17 BRAD ZUBECK: Yes.

18 PAUL SHADURA: And I just noticed there was a
19 blocked black kind of area in there. Is that to signify
20 a different ownership or would that be the KRSMA area
21 there? It's on your maps. It's kind of shaded.

22 BRAD ZUBECK: I don't believe we have a map of
23 the Kenai River Special Management Area. But the maps
24 that you're probably referring to are land use or land
25 ownership. So I'm guessing that that was probably

1 Forest Service and state ownership of lands in the area
2 as well as private ownership.

3 PAUL SHADURA: Thank you.

4 BRAD ZUBECK: Yep.

5 AMANDA PREVEL-RAMOS: As far as the Kenai
6 River Special Management Area, I think that all
7 tributaries to the Kenai River are a part of that, and
8 so it does apply.

9 PAUL SHADURA: So they already have an
10 overview of the Grant Creek situation?

11 PAM RUSSELL: We've been in -- me and Jack
12 have been in --

13 THE REPORTER: I can't hear.

14 BRAD ZUBECK: Pam Russell with State Parks
15 stating that she and Jack have been involved in the
16 process.

17 We'll move on.

18 JENNA BOROVSANSKY: Again, this is Sally's area
19 of expertise. Although I do like to recreate, I haven't
20 studied it.

21 And this is recreational and visual resources.
22 It also covers -- it's kind of a -- this study area will
23 also cover land use, and so it's kind of broader than
24 just recreational and visual. It's land use and kind of
25 the whole human interaction with the area and all the

1 parts of that.

2 And there is extensive existing information
3 just like all the other areas. Not quite as much as
4 fish and aquatics, again, but the Forest Service has
5 done some surveys and recreation information.

6 The earlier AEIDC report, which I don't know
7 that anybody has mentioned, is available on the web
8 site. All of this 1980s information is all summarized
9 in -- you know, if you print it out, it's that thick.
10 If you look at it on the web, it's a lot of pages. But
11 we have both those available on the web for download if
12 you're interested in some of this historical information
13 on any of the resource areas. And then a summary of the
14 information is in the PAD.

15 So for recreational and visual, just kind of
16 an overview of land use and land use designations in the
17 area. The upper portion of the watershed around the
18 lake is Forest Service, Forest Service ownership. It's
19 all within a fish, wildlife, and recreation prescription
20 until you get to the east end of Grant Lake, which is a
21 backcountry prescription.

22 State lands are kind of the lower portion of
23 the project area of the map coming up. And that
24 includes the location of the majority of all the project
25 facilities are going to be on State lands.

1 The Bureau has selected some lands between
2 Grant Lake and Upper Trail Lake with use yet to be
3 designated -- to be determined. And then there is some
4 private property in the Moose Pass area along the shores
5 of Upper and Lower Trail Lakes and as has been mentioned
6 kind of along that Falls Creek Road.

7 This is the land ownership map. The green is
8 Forest Service. The blue is State lands. And then this
9 is -- there's our project facilities and there's Falls
10 Creek. And then the little red spots, a lot of you
11 probably know those. Those are the private lands.

12 So we're mostly dealing with state land and
13 Forest Service prescriptions and management and
14 interaction and management direction. So the studies
15 will be looking at kind of existing resources in
16 management prescription and then kind of predicting
17 changes.

18 So identified trails in the area. The
19 Iditarod Trail traverses the project area. There's
20 several other trails that are either near or within the
21 project area; the Grant Lake Trail, Falls Creek Road,
22 Vagt Lake Trail, Crown Point Mine Road and Trail have
23 all been identified already.

24 Access to the area. Generally, boat in the
25 summer; snowmachine, cross-country skiing in the winter.

1 There's no developed trailheads or signs within the
2 project area currently. Use level based on Forest
3 Service work that's been done, it's characterized as
4 light currently in the summer and the winter. That's
5 relative to other areas in the Kenai River watershed.

6 A photo of one of the main trails in the area,
7 the Falls Creek hiking trail.

8 Other recreational uses that are documented
9 and we'll be looking at, hunting and fishing, mining.
10 There are some active mine claims, particularly around
11 Falls Lake and the lower part of -- Falls Creek and the
12 lower part of Grant Lake.

13 Access on the Forest Service lands. Motorized
14 travel is permitted in the winter until you get into the
15 backcountry prescription. It is limited to helicopters
16 only. So all that will be taken into consideration when
17 we're looking at that.

18 Scenic designation by the Forest Service right
19 now is considered moderate. And then in the backcountry
20 prescription area it's high. And the scenic features
21 have -- two scenic features within the project area have
22 been described in Alaska DNR studies; the waterfall at
23 the outlet of Grant Lake as well as the high mountain
24 walls surrounding the lake and the east shore.

25 And then when we're looking at esthetics and

1 visual, the project area actually isn't visible from the
2 Seward Highway or other easily accessible vantage points
3 and trails. That's something that when we get into the
4 study design we'll be looking at more.

5 Here's the cascade below the outlet of Grant
6 Lake, to give you an idea of the esthetics we're looking
7 at. And this is Grant Lake looking east into the
8 backcountry prescription area.

9 So the issues that we're going to be looking
10 at in regard -- that we've identified so far in regards
11 to recreation and visual resources, again, we're going
12 to look at the potential effects of the water level
13 fluctuations in Grant Lake; the changes in flow in Grant
14 Creek and Falls Creek on things like recreational
15 access, perception, use; the potential effects of the
16 actual construction of the project and the expansion of
17 the roads; and then looking at the potential effects on
18 recreation if the distribution of the fish change.

19 Again, recreational land use and visual is a
20 lot of interaction between the different resource areas,
21 and so there's a lot of pull from the information you
22 get on the fish, and these things then affect recreation
23 and vice versa.

24 And then also looking at the potential effects
25 of construction and then the maintenance of those access

1 roads and transmission lines. And, again, as John
2 mentioned, on the roads, in particular on state lands
3 and Forest Service lands, their management direction and
4 prescriptions are going to have a lot to say about how
5 the roads are managed, considering that the purpose of
6 having it in there is also to allow access for Kenai
7 Hydro to the dam.

8 And then the studies that are planned will get
9 at those effects and questions. We're looking at kind
10 of taking another look at current recreational use. And
11 then they use that data from regional trends as well as
12 the potential project expansion and access and predict
13 trends into the future if the project were constructed.
14 The goal is to understand public use, perception, and
15 the recreational opportunities in the area. And we'll
16 be using U.S. Forest Service methods and designations to
17 classify the studies' results.

18 And then we'll also look at the visual quality
19 of the project area. And that usually involves kind of
20 picking -- this is where the work group comes into play
21 with the agencies and the public and people are
22 interested. Usually you pick different key visual
23 observation points and predict what the project --
24 what it would -- well, you look at what it looks like
25 now and then you predict what it will look like, whether

1 you'll see the project facilities. And then you look at
2 public perception of the visual esthetic qualities in
3 the area. And then you also look at land use in
4 general.

5 And then we're on to questions.

6 JJ KAIZER: Bradley Lake is the name of the
7 Homer Electric Project at Kachemak?

8 BRAD ZUBECK: Actually, it's a state project
9 that Homer Electric operates and maintains it for the
10 Bradley Lake facility.

11 JJ KAIZER: And if I were to be standing at
12 the Russian village that is on the other end of that --
13 the other side of that bay at night, what would I be
14 looking at when I'm looking at the hydro project? Would
15 I be seeing that at night?

16 BRAD ZUBECK: You're asking about the Bradley
17 Project or are you asking about the Grant Creek --

18 JJ KAIZER: The Bradley Project.

19 BRAD ZUBECK: I would simply be guessing, but
20 the powerhouse may be visible from Homer, say, or the
21 north side of the bay.

22 JJ KAIZER: So it's well lit?

23 BRAD ZUBECK: You know, I really can't speak
24 to that. I don't know. I'm sure there are some lights
25 for security and operations. I'm not sure. I haven't

1 tried to -- it's not really germane tonight. I'm not
2 prepared to answer that question.

3 JJ KAIZER: And what would I be hearing at
4 that Russian village?

5 JOHN MORSELL: You wouldn't hear anything.

6 JJ KAIZER: You wouldn't hear anything?

7 JOHN MORSELL: No.

8 JJ KAIZER: Okay. All right. So when we say
9 "visual effects", are we thinking of daylight visual
10 effects or are we also looking at how it's going to
11 affect the look of that community at night?

12 BRAD ZUBECK: We can certainly take that into
13 consideration for visual and esthetic impacts to
14 consider what the project would look at night; night
15 pollution, can you see the stars, that kind of thing.

16 JJ KAIZER: It's not an off-handed question
17 because there are a number of businesses in that
18 community that are based on the pristine quality of the
19 area, period.

20 BRAD ZUBECK: Okay.

21 JJ KAIZER: And if we have not considered that
22 as a major issue of this project, we have not considered
23 the people who are going to be impacted by this project.

24 BRAD ZUBECK: I agree. And that's why visual
25 and esthetic resources is a resource that's identified

1 for studying an impact.

2 JJ KAIZER: And how many of those businesses
3 will not exist after such a thing is built?

4 JENNA BOROVSANSKY: A part of a standard
5 environmental impact statement is also a
6 socioeconomic impact.

7 JJ KAIZER: You know, I'm sorry to say, dear,
8 I haven't seen a lot of that happening right now. I
9 don't see it up there. Maybe I'm missing something.

10 JENNA BOROVSANSKY: Well, we can put it here.
11 It will be considered in the analysis.

12 BRAD ZUBECK: Valid question. And that's the
13 purpose of the meeting tonight is to take exactly those
14 comments.

15 Sir?

16 TOM BARNETT: The transmission line, as you
17 have it shown there; aboveground, buried?

18 BRAD ZUBECK: Right now it would be an
19 overhead power line, yes.

20 TOM BARNETT: What's the size of the easement
21 and what are the size of the poles?

22 BRAD ZUBECK: Typical easement would be maybe
23 60 feet, 100 feet on the outside, I would guess.

24 Pole heights -- Mr. Don Smith? 60-foot? Do
25 you have a wild guess at what the pole height might be?

1 DON SMITH: What voltage are we talking?

2 BRAD ZUBECK: Let's say it would be conducted
3 at -- well, 69 or 115. Conducted at 115.

4 DON SMITH: Then, yeah, probably a 60-foot
5 pole height.

6 TOM BARNETT: Wood; steel?

7 BRAD ZUBECK: Most likely wood.

8 TOM BARNETT: And that's part of the project,
9 so that is a visible -- that will be visible?

10 BRAD ZUBECK: Potentially visible from a boat,
11 for instance, if you were on the lake. Maybe not so
12 visible from the Seward Highway if you're in your
13 vehicle. But, again, that would be an element of the
14 visual --

15 TOM BARNETT: Well, you're running a straight
16 line right across the Seward Highway, according to that
17 tie-in. So you'd be driving along and you'd look right
18 down it.

19 BRAD ZUBECK: Again, it's drawn that way. I'm
20 fairly certain it probably wouldn't be constructed that
21 way. The visual studies will address the alignment.

22 JENNA BOROVSANSKY: I think on that one we even
23 went so far in the pre-application document to state
24 that that will be adjusted.

25 We're just in the steps of -- we're

1 identifying all the things to be studied now and then
2 the pre-application document has the existing
3 information. And then once we get the studies, then you
4 start to look at essentially tweaking the designs to
5 respond to the studies both in operation of the dam and
6 the esthetics. And then you develop and you finalize
7 the -- well, you draft and finalize this application.
8 In conjunction with agencies and the public you develop
9 what are called protection, mitigation, and enhancement
10 measures. It's to protect the resources, mitigate for
11 any impacts, and enhance resources that are already
12 there.

13 And that's the thing that I'm hearing people
14 have noticed is missing from the pre-application
15 document because we're so early. You know, we're out
16 there with the existing information, we get the input,
17 and then together we develop.

18 TOM BARNETT: So you're saying this question
19 has sort of already been addressed a little bit?

20 JENNA BOROVSANSKY: We're saying it's already
21 been identified to be addressed, but nobody has the
22 answer of exactly how it will look because it will be
23 figured out.

24 MARK LUTTRELL: I wanted to make one
25 clarification about --

1 BRAD ZUBECK: Mr. Luttrell.

2 MARK LUTTRELL: -- the visuals from the Seward
3 Highway, for example, at the -- where the current bridge
4 is that's being repaired at the very south end of the
5 Lower Trail, at the Vagt trailhead, there's that poplar
6 shoreline there. From there you can see the whole
7 industrial nature of the road and the powerhouse and the
8 transmission line.

9 And, also, a component that I think you would
10 be able to see, and it hasn't been discussed yet, is the
11 surge tank, which I understand is sort of like a
12 hydraulic safety valve. But in the pre-application
13 document it's listed as something that would be 110 feet
14 tall, which would be visible.

15 BRAD ZUBECK: That's another placeholder in
16 the document. Maybe I'll let Bob speak to that in terms
17 of options.

18 BOB BUTERA: Basically what that's there for
19 is to absorb transient pressures in the penstock. And
20 it has to be at least as tall as the lake elevation when
21 the water comes in. So we put that in as a placeholder,
22 but there are other ways to do it. It can be done with
23 valves. It can be done by doing a vertical shaft inside
24 the tunnel. There's other ways. It's a good comment.

25 DAVID PEARSON: David Pearson, Moose Pass.

1 This might be a moot point because of the amount of
2 water you're moving, but you haven't addressed Lower
3 Trail Lake and it's effect on ice, say, if people use
4 that as a fairway for snowmachines in the winter and
5 cross-country skiing. And I assume you're pulling the
6 most water in the winter because that's when your demand
7 is, so you're going to be putting -- is that going to
8 change the safety on ice on Lower Trail Lake?

9 JENNA BOROEVANSKY: That's a good comment.

10 DAVID PEARSON: I mean, the narrows are kind
11 of sketchy to begin with. Is that going to extend that
12 to Lower Trail Lake? You just had nothing about Lower
13 Trail Lake. And that's probably where a lot of
14 recreation happens as well.

15 JASON AIGELDINGER: Jason Aigeldinger, Mile 24
16 and a half. I was looking at your map there on the --
17 it would be the northeast corner of Lower Trail Lake
18 where there's that private parcel in red there. Those
19 folks do access their property in the winter via
20 snowmachine, in the summer via boat. Can you give us an
21 answer as to how -- you know, how Dave's talking about
22 how is this going to jeopardize the safety of using the
23 ice in that area in the winter months. Are those folks
24 going to be able to get access to their property via
25 your road when and where it's put in? Will they have

1 access to their property?

2 BRAD ZUBECK: Access for the project features
3 would be only up to the lake and to the powerhouse, for
4 instance. We're not proposing a road down to the mouth
5 of the creek. And so access would be -- as you would --
6 as they normally get access now, by snowmachine or by
7 boat. And a study, as this gentleman has brought here,
8 might look at ice safety or safety on that lake and how
9 increased flows in the winters might reduce ice
10 thickness or safety in the area. But aside from that,
11 I'm not sure how we could answer the question tonight on
12 how they might access their property.

13 JASON AIGELDINGER: Will they be able to
14 benefit from the power generated by the creek next to
15 their property?

16 BRAD ZUBECK: In a general sense potentially,
17 but they're not in this particular area. The customers
18 are of Homer Electric. The project might provide some
19 ancillary benefit to reducing transmission line losses
20 on the way due -- from other generation facilities, say,
21 but those aren't probably things that you're going to
22 perceive or realize -- recognize as benefits.

23 JASON AIGELDINGER: So right now they use a
24 generator for power and they're going to have 60-foot
25 power lines in their backyard. Will they get a little

1 taste?

2 BRAD ZUBECK: At this time I couldn't possibly
3 tell you, but if they wanted to get involved in a group.
4 I don't know if there would be a way to provide service
5 to them. So a question might be, could the project
6 bring residential service to residents or cabins in the
7 area? We'll take that as a comment.

8 DAVID PEARSON: David Pearson, Moose Pass.
9 Falls Creek Road, 12 residents, two with power, you're
10 putting a road through it. We're not living there for
11 the power. You're kind of taking what we live there
12 for, so we don't see any of the benefits. That would be
13 another question. Do those residents also get the
14 kickback, say, power to their houses?

15 SPEAKER: What if those residents are fine
16 without power?

17 BRAD ZUBECK: So the question, I think, kind
18 of stands, and it falls all in the same category: Could
19 residents of the area potentially benefit from
20 residential service from the project?

21 DAVID PEARSON: Yes.

22 BRAD ZUBECK: Talk to me afterwards about
23 that.

24 ADRIENNE MORETTI: Adrienne Moretti. And also
25 continuing that out to not just the people that live on

1 that road but all the people of Moose Pass. The people
2 who live there, what are the benefits, I think is a good
3 question to ask here.

4 BRAD ZUBECK: So as Jenna alluded to, there's
5 a socioeconomic impact assessment, or study, as an
6 element of the study program. So we would attempt to
7 quantify what the benefit to the community might be. At
8 this time I would only be speculating at what that could
9 be. I don't know. Economic impact, increased activity,
10 bringing dollars to the community, that kind of thing.

11 TOM BARNETT: Decreased property values.

12 BRAD ZUBECK: Again, a subject for a study.
13 Pros and cons, a socioeconomic study.

14 Sir?

15 BILL DOWLEY: Bill Dowley, Crown Point. To
16 kind of expand on that, I think that what she's getting
17 at, and I'd like to know, too, if when the landslides
18 take out the power at Mile 20-odd, are we going to still
19 have power in our area?

20 BRAD ZUBECK: Good question. Obviously, if
21 you had an avalanche on one side or the other where your
22 power -- do you currently get power from Chugach?

23 BILL DOWLEY: I'm at Mile 23. So if there's
24 an avalanche at Mile 20-something below me, our power
25 goes out. Since this is upstream from us and we're tied

1 into the grid, will this give us the ability to maintain
2 power even though it's out below us, south of us?

3 BRAD ZUBECK: If an avalanche separates you
4 from your generation source, wherever that might be,
5 you'll be out of power. If you are nearer to the
6 generation source than the avalanche obstruction, you'll
7 have power, is the best way to answer that.

8 JJ KAIZER: Where is this 4.5 megawatts going?
9 It's going into the grid?

10 BRAD ZUBECK: It will be going onto the grid.
11 And again -- yes, going onto the grid.

12 JJ KAIZER: And does that go to Anchorage and
13 Homer?

14 BRAD ZUBECK: It goes to the grid.

15 JJ KAIZER: Right.

16 BRAD ZUBECK: And on paper it would be owned
17 by Homer Electric. In the electron world, the entire
18 rail belt grid benefits from the generation in that
19 location.

20 JJ KAIZER: And can you tell us at this point
21 what hydro projects are being planned for the peninsula
22 closer to those two main towns?

23 BRAD ZUBECK: The only thing I can speak to
24 are Homer Electric's plans. And I mentioned earlier in
25 the presentation, at this time, we have no other plans

1 for a hydroelectric facility. This is the only project
2 at this time we're concerned with.

3 Sir?

4 WILL BRENNAN: I have a question about how you
5 go about trying to quantify visuals or esthetics. I
6 mean, personally, my favorite view in Moose Pass is when
7 you go up the trail, you take that left down to the
8 lake. I don't know if you've been up there, but it's
9 beautiful. It's a massive lake that you have to walk
10 to. And it's for us. It's for the people of Moose Pass
11 because there's no trailhead, you have to cross a lake,
12 and you have to know how to cross that lake.

13 I mean, how do you quantify my love for that
14 spot versus your need for power? I mean, yours is
15 quantifiable. Mine, it's all qualitative and I love it,
16 but how do you put that in a chart?

17 BRAD ZUBECK: I personally can't tell you how
18 that happens, but there are folks that --

19 WILL BRENNAN: You're doing the studies. How
20 are they being conducted, is all I want to know?

21 BRAD ZUBECK: I couldn't tell you exactly how,
22 but I would encourage you to participate in the work
23 group that we'll be conducting that will be involved
24 with the visual and esthetic resource studies so that
25 you will have your influence on that study. That's the

1 best I can do for you tonight.

2 JENNA BOROVSANSKY: And, sorry, this is
3 something that Sally knows a little bit more about the
4 methods that are used in the group. I mean, that's one
5 benefit of the group, you chose areas that you're going
6 to look at that are potentially visible.

7 And in other projects what I've seen done is
8 you look at photos. You take a photo from a viewpoint
9 and then for a project that doesn't exist yet, you would
10 put renderings and show whether it was visible or not
11 and then you kind of look at it. I can't really --
12 that's where the study plan development with somebody
13 whose expertise is in this, they work with you to try
14 and assess the potential change from what there is now
15 to what there would be with the project.

16 BRAD ZUBECK: Sir?

17 TOM BARNETT: Any 3-D modeling in the works?

18 BRAD ZUBECK: Can you identify yourself,
19 please?

20 TOM BARNETT: Tom Barnett. Any 3-D modeling
21 in the works for that? Because some of the specific
22 areas that were mentioned before, the Vagt Lake
23 trailhead, spots that Will was talking about, and then
24 the other spots, I mean, you could truly benefit from
25 that. But what I'm kind of hearing is that it's not on

1 the agenda; it's more on the rendering side of things.

2 Well, I guess you could render in 3-D.

3 JENNA BOROVIANSKY: A 3-D rendering is my
4 understanding.

5 TOM BARNETT: Is that part of it?

6 BRAD ZUBECK: You know, I think that's a
7 little in more detail than I think we're going to be
8 able to legitimately speak to tonight. But, again, if
9 you would direct questions to comments. I think we
10 should -- I think there would be a need for a 3-D model
11 when you study visual and esthetic resources. So just
12 frame it that way and we'll take and make note of that
13 comment.

14 TOM BARNETT: I think you just framed it for
15 me. Thank you.

16 BRAD ZUBECK: They're good questions we'll
17 just try and form into comments that will help us shape
18 studies.

19 Sir?

20 JASON AIGELDINGER: Jason Aigeldinger, again,
21 from Moose Pass. We spoke in January and I asked a
22 question about funding as well as a ballpark figure as
23 to how much it's going to cost. Now I completely
24 understand this is early, early stages of the game. Do
25 you have any numbers for us?

1 BRAD ZUBECK: I don't have any numbers to
2 share with you tonight. But suffice it to say, we will
3 be looking at the economics. And as I alluded to
4 tonight, we're taking forecasting costs of studies. And
5 that's all rolled into the economic considerations of
6 the project. And at this time we've told you that we
7 perceive a need for additional funding to actually
8 implement these studies on the front end, but we won't
9 address economics or funding tonight.

10 JASON AIGELDINGER: May I ask one other
11 question?

12 BRAD ZUBECK: Sure.

13 JASON AIGELDINGER: I understand that CIRI is
14 no longer funding with you guys for this project. Is
15 that correct?

16 BRAD ZUBECK: CIRI has expressed a desire to
17 withdraw from the Kenai Hydro partnership and so we will
18 work with them to bring that about.

19 JASON AIGELDINGER: Now, are you currently
20 courting any other foundations, corporations, entities
21 right now?

22 BRAD ZUBECK: I can't speak to that tonight,
23 but I appreciate the question.

24 JASON AIGELDINGER: When do you think you can
25 speak on that?

1 BRAD ZUBECK: When a decision is made to do
2 something and then the entity of Kenai Hydro is ready to
3 make that public.

4 JASON AIGELDINGER: And then one final
5 question, Brad. Can you just -- well, I don't know if
6 you can answer this. So for a similar-sized facility,
7 say, somewhere else in the country, what would be a cost
8 for the construction, the implementation and the
9 construction?

10 BRAD ZUBECK: I'm not prepared to tell you
11 what other facilities cost in other areas of the United
12 States for a similar-type project.

13 JASON AIGELDINGER: Thank you.

14 BRAD ZUBECK: Other questions or are we ready
15 to move on?

16 JENNA BOROVIANSKY: Cultural resources. For
17 cultural we have 13 previous surveys that have been done
18 in the area. The general project area, so -- and
19 they're on record with the State Historic Preservation
20 Office. Some of that information is summarized in the
21 PAD.

22 The Kenai Peninsula has been occupied
23 prehistorically and historically by Native groups.
24 There's a lot of historic mining, logging, and
25 settlement within the project area, and that's all of

1 the recorded sites. There's nine historic properties.
2 They're all of the historic era.

3 We haven't -- there's no prehistoric
4 archaeological sites on record within the project area.
5 And one of the historic sites has been determined
6 eligible already for the National Register of Historic
7 Places. And that's the Solars Sawmill on Grant Lake at
8 the head of Grant Creek.

9 And then right into the issue that we'll be
10 studying with the cultural resources study.
11 Essentially, it's looking at whether construction,
12 project operations, lake level fluctuation, road access,
13 maintenance, and the change in flows has any impact on
14 cultural -- either already identified cultural sites or
15 cultural sites that are identified during surveys of the
16 project area, because the whole area will be resurveyed.

17 So in addition to FERC requirements, the
18 National Historic Preservation Act has specific
19 requirements that are also met through the consultation
20 process on cultural resources. And that involves making
21 sure that we consult with tribal entities as well as the
22 land management agencies, their archaeological
23 professionals.

24 And they consult in determining the full
25 survey area, which is called the Area of Potential

1 Effect for cultural resources. And then work -- they'll
2 work with the contractors as it's being developed to
3 determine the effects of any project activities on those
4 resources and go through whether any further
5 investigations to bring it -- to determine whether any
6 of the identified sites are eligible for the National
7 Register of Historic Places as well.

8 And then once that determination is made,
9 again, look to see whether any of the project activities
10 are going to impact that.

11 And part of the cultural resources study will
12 also be looking at subsistence use in the area and
13 whether any project -- there will be any project effect
14 on that activity.

15 So that's it for cultural resources right now.
16 It's a little bit more detailed processed. It usually
17 takes a little bit longer, especially in identifying
18 some of the -- if there's any tribal -- traditional
19 cultural properties. That's an individual consultation
20 that's kept -- it's called privileged information in the
21 FERC process. And only the entities who have identified
22 it know where it is. And that kind of goes through its
23 own little process.

24 So as you're going through, occasionally, the
25 cultural people will kind of just come back in and tell

1 you whether something was moved. But the whole idea is
2 if a prehistoric site in particular is identified, you
3 don't want the project activities and the identification
4 of that to bring about more people knowing about the
5 site and potentially damaging the site. So it's handled
6 in a little bit paralleled process along with the
7 public process.

8 BRAD ZUBECK: Question on cultural?
9 Mr. Luttrell?

10 MARK LUTTRELL: Yeah, Mark Luttrell. I
11 noticed on your slide it indicated that Solars Sawmill
12 is eligible for the register. Did you mean the Case
13 Mine?

14 JENNA BOROVSANSKY: I don't know. You know,
15 again, this is not my area of expertise. I think there
16 is -- there were a couple of the cultural sites that are
17 identified that I think when HDR was looking at it said
18 there might be -- it might have two names, but I don't
19 know.

20 MARK LUTTRELL: The Case Mine has received a
21 lot of attention from the cultural types whereas Solars
22 Sawmill hasn't.

23 JENNA BOROVSANSKY: I know that in the list of
24 the surveys that are on file I've seen Case Mine
25 mentioned as well. So I would imagine when they put the

1 slides together, that's the one that had the
2 determination.

3 MARK LUTTRELL: And here's more of a comment
4 than a question -- sorry, Brad. Like you alluded to --
5 well, I should just jump ahead.

6 Cultural resources are finite. And all the
7 cultural resources that exist and are known for historic
8 sites on Grant Lake are on or very near the shoreline.
9 And any rise of the lake water is going to affect them.
10 Ten feet is extremely significant in terms of what it
11 would damage, because there are intact cultural deposits
12 associated with those sites.

13 And while, you know, moose and alders and so
14 forth can be mitigated; cultural resources can't. So
15 one of the costs of this entire project that is finite
16 is the loss of irreplaceable cultural material. And you
17 can't put a price tag on it; you can't necessarily
18 mitigate it. All you can do is excavate it. And
19 there's nothing harder on an archaeological site than an
20 archaeologist.

21 JENNA BOROVANSKY: That's definitely something
22 that they look at. I think you know that, too. I mean,
23 when you look at the potential effects, then what do you
24 do to protect it or mitigate further potential impacts.

25 MARK LUTTRELL: Right. I'm just saying that

1 there isn't anything you can do.

2 And, also, those 13 studies, those were -- it
3 makes it sound like the area has been combed, but those
4 were mainly in association with some prescribed burning
5 by the Forest Service.

6 JENNA BOROVSANSKY: They were pretty site
7 specific. The area will need to be combed, the
8 identified project area.

9 TOM BARNETT: When and who is doing that for
10 you?

11 BRAD ZUBECK: Mr. Barnett; correct?

12 TOM BARNETT: Yes.

13 JENNA BOROVSANSKY: You said when --

14 TOM BARNETT: When will those studies be --
15 when will that cultural and archaeological survey be
16 performed? And then who is contracted to do that?

17 BRAD ZUBECK: Yet to be determined. The
18 proposed study plan would be advanced along with the
19 other study plans in accordance with the schedule that
20 we've kind of outlined tonight. Again, it's a tentative
21 schedule. And there would be a work group associated
22 with that that would be focused on that area. But
23 that's yet to be determined.

24 Mr. Brennan?

25 WILL BRENNAN: Will Brennan. I have a

1 question about the -- I guess the user groups. I guess
2 I'm less interested in prehistorical and historical
3 cultural resources and more interested in current
4 cultural resources, way of life issues. Which user
5 group do I want to get on for that?

6 JENNA BOROVSANSKY: It is likely the
7 recreation, land use, esthetics, socioeconomic bundle
8 of groups. Those are generally all discussed kind of
9 within the same group. Because the cultural resources
10 is pretty specific to the historic or prehistoric
11 resources.

12 But we'll make sure that when we're forming
13 the groups, we're very clear about which groups are
14 handling which study topics.

15 WILL BRENNAN: Just make sure to take care of
16 that topic as well, way of life.

17 JJ KAIZER: There have been a lot of very
18 important issues and comments that have been made this
19 evening. Can you give us a heads up as to the date that
20 you will be coming to the community that will be most
21 impacted by this project; that is, Moose Pass?

22 BRAD ZUBECK: With?

23 TOM BARNETT: A meeting.

24 JJ KAIZER: This kind of a meeting, this kind
25 of informational meeting.

1 BRAD ZUBECK: Well, the purpose of the meeting
2 tonight and the location was to try to serve the Moose
3 Pass community to provide a venue closer to that area.

4 Again, when we form specific resource groups,
5 there should be ample opportunity for individuals from
6 that area to be involved in those groups. Sites --

7 JJ KAIZER: We would like to invite you to
8 Moose Pass. We have a very large gymnasium at the high
9 school. We have anything that you would require so that
10 people there who work so hard every day and can't come
11 down here as far as a 50-mile drive after a long day of
12 work but do need to be involved in this process, we
13 would like to invite you there.

14 BRAD ZUBECK: We appreciate the invitation.
15 We did look into holding the meeting at Moose Pass. We
16 looked into the community center. But based on our
17 experience there in January and the anticipated size of
18 the crowd, we thought we needed a little larger venue.

19 JJ KAIZER: That's why the gymnasium is being
20 offered to you.

21 BRAD ZUBECK: We looked into the Moose Pass
22 Community School and they turned us down for this
23 evening. They said they had a PTA meeting and that the
24 school was unavailable to us.

25 JJ KAIZER: We would be happy to change the

1 calendar for whatever date that you would wish.

2 BRAD ZUBECK: It didn't escape our attention
3 and we did look into Moose Pass as a first alternative.
4 Because of other constraints for folks that would be
5 attending tonight, we couldn't deviate from the date,
6 today's date, but we did our best to try to serve the
7 Moose Pass community and the residents on this side of
8 the peninsula.

9 JJ KAIZER: Our only concern is the
10 dissemination of all of this important information. It
11 will be haphazard from now on. If there were a way for
12 you to come to the community to pull all of these
13 important pieces of information together, we would very
14 much agree and do anything that we can do for you to
15 help in the process.

16 BRAD ZUBECK: Thanks for the comment and the
17 invitation. And we will endeavor to hold a meeting
18 there and bring the information to the community.

19 JJ KAIZER: Thank you.

20 BRAD ZUBECK: Any other questions?

21 Mr. Shadura?

22 PAUL SHADURA: This is probably off the
23 historical deal. Is it open for any questions at this
24 point?

25 BRAD ZUBECK: We're probably ready to move on

1 to wrap up and open it up for general questions. Sure.

2 PAUL SHADURA: As the executive director of
3 Kenai Peninsula Fishermen's Association, I've looked
4 over your presentation and I see there is some studies
5 that are pointed towards the effects of recreation and
6 subsistence but not directly to commercial fishing.

7 In that regards, I would see that the study
8 would also incorporate what some of the other agencies
9 have overview. You know, the Sustainable Salmon
10 Fisheries Policy for the State of Alaska, the Cook Inlet
11 Salmon Management Plan. In the federal arena, the
12 Essential Fish Habitat, the Magnuson-Stevens Act, 10
13 National Standards. All those things are very important
14 to us as commercial fishermen. That is why I'm here.

15 So I would appreciate if you will consider
16 doing an analysis to see what kind of effects there
17 would be on the commercial fishing in and around the
18 Moose Pass area.

19 BRAD ZUBECK: Thank you for the comment.

20 Mr. Cooney?

21 MIKE COONEY: Mike Cooney, Moose Pass. A
22 couple questions. I was just reminded in the cultural
23 discussion about the privileged information related to
24 cultural sites. I wondered if there was any chance that
25 the brown bear den sites, if they are -- any identified.

1 Are those going to be privileged information or is that
2 going to be disseminated to the public?

3 JENNA BOROEVANSKY: Typically -- I don't know
4 what has happened here. Sometimes the resource agencies
5 like the Fish and Wildlife Service or the Forest Service
6 or if ADF&G could ask that that type of information -- I
7 know I've seen eagle nest sites kept as privileged
8 before in certain areas. It's on, I think, a
9 case-by-case basis.

10 Do you know anything more specific about the
11 brown bear?

12 JOHN MORSELL: I think brown bear denning
13 areas generally are not released to the public.

14 MIKE COONEY: And another question -- I guess
15 a comment and a question. It seems like tonight there's
16 been a lot of people talking about effects to the local
17 community and the project area residents and the social
18 standpoint from the economic standpoint. And I notice
19 that it's not here on the agenda, but there has been
20 some discussion about socioeconomic impacts being
21 assessed. Is Kenai Hydro committed to performing those
22 studies, or is that something that FERC is going to do
23 on its own?

24 BRAD ZUBECK: I think that that's a resource,
25 the socioeconomic impact, that would be part of the

1 studies that we're proposing.

2 MIKE COONEY: So if it's not on the agenda, it
3 doesn't mean you're not going to form a group to discuss
4 it?

5 BRAD ZUBECK: No. I think it falls within the
6 recreational esthetic resource purview.

7 MIKE COONEY: Thanks.

8 JENNA BOROEVANSKY: There's some areas that
9 just end up -- yeah, they don't necessarily have their
10 own study, but they're reported. If you look on -- if
11 you go to ferc.gov and look at all the requirements of
12 applicants and their draft -- when they get to draft
13 license application and license application phases, it
14 lists the type of information they need to be providing
15 and socioeconomics is one of them.

16 MIKE COONEY: So I guess I'm still unclear.
17 There won't be a socioeconomic study group, technical
18 working group, to develop a study plan for that topic?

19 BRAD ZUBECK: The issue will be addressed,
20 Mike. There may not be a specific group focused on
21 that.

22 MIKE COONEY: That's what I wanted to know.

23 BRAD ZUBECK: Mr. Barnett?

24 TOM BARNETT: You've got -- so this is just
25 the beginning of the NEPA process, the environment

1 impact statement will come out. What is your target
2 date on that?

3 BRAD ZUBECK: This is not the beginning of the
4 NEPA process, if I understand correctly. This is a
5 pre-license process where we seek to identify and
6 finalize what the issues are that require study that
7 would be then incorporated into a license application to
8 FERC. Once that application has been submitted to FERC,
9 FERC then initiates the NEPA process. The environmental
10 impact or environmental assessment then takes place
11 under this traditional licensing process.

12 TOM BARNETT: And then somewhere in that --
13 and then you will develop a full-blown -- a full-blown
14 environmental impact statement will come out of that, it
15 won't just be an EA; correct?

16 BRAD ZUBECK: It's one or the other. And it
17 would come out of an actual license application.

18 TOM BARNETT: Which one are you anticipating?

19 BRAD ZUBECK: I couldn't tell you at this
20 time.

21 JOHN MORSELL: That decision is made by FERC.

22 JENNA BOROVSANSKY: FERC makes that decision.

23 It's the Kenai Hydro --

24 TOM BARNETT: But having been through this
25 several times myself, you should have a fairly good idea

1 of which one you're leaning towards even at this time.

2 BRAD ZUBECK: I cannot tell you at this time,
3 sir.

4 JIM FERGUSON: Actually, I have a comment on
5 that. Jim Ferguson with Fish & Game. FERC has a very
6 unusual approach to putting those documents together,
7 having looked at all the projects statewide and worked
8 on them. What many agencies would call an EIS, FERC
9 calls an EA. And I'm guessing -- this would just be my
10 guess -- that FERC will call it an EA, but it will
11 probably be several hundred pages long.

12 TOM BARNETT: That's an EA. I'm thinking an
13 EIS about (indicating).

14 JIM FERGUSON: Well, it could be like that.
15 It's hard to say. FERC is odd in that respect. It's
16 something to be worth talking to someone who's involved
17 in the FERC process about, how they look at that. I'm
18 guessing that FERC is going to call it an EA.

19 TOM BARNETT: Well, that goes -- that's more
20 of a time -- that becomes more of a time issue then.

21 BRAD ZUBECK: At this point, it's purely
22 speculation and it is, I think, a FERC decision as
23 pointed out.

24 Mr. Deacon?

25 JON DEACON: I have a question in general.

1 I've read a great deal about -- and I'm by no means a
2 professional about this in any way. I've read a great
3 deal about hydroelectric power from wave action, from
4 tidal action, things like that, that France, Sweden,
5 even the Thames River, and some other places have been
6 doing this for about a decade. Has that been looked
7 into here? We have a tremendous coastline here in
8 Alaska and Cook Inlet. I mean, technologically, are we
9 not there yet?

10 BRAD ZUBECK: Maybe that's a topic for --
11 after the meeting is over, I'd be glad to talk with you
12 about that a little bit or someone else from Homer
13 Electric would be.

14 Other questions?

15 MARK KROMREY: Yeah, my name is Mark Kromrey.
16 I'm a resident of Moose Pass area. I happen to be a
17 landowner in that -- along the Falls Creek Road. One of
18 things that I -- the reason I bought the property was
19 the sound of Falls Creek. It drowns out all the sounds
20 of, you know, the highway, anything like that.

21 I guess in the -- I missed whatever column
22 this should have come up in, but -- there really wasn't
23 a column -- but the sociological impact. The people
24 that live there, they recreate there but they recreate
25 there like every day. And the way they have the bridge

1 right now, every time a vehicle goes over, it's like
2 three metal clangs, bam, bam, bam, every time a vehicle
3 goes over it.

4 If you drain Falls Creek, the noise that the
5 creek makes will go away; the highway noise will
6 increase dramatically. I mean, you're going to hear all
7 of that highway noise.

8 So, you know, I guess there's a lot of -- to
9 the people who live there, there's a lot of negative
10 effects. If you would have had this meeting in Moose
11 Pass, you would have had four times as many people. I'm
12 from there, have to leave the kids at home, come down
13 here to Seward. You know, this sounds close to you, but
14 it really is not. Driving to Seward is 70 miles round
15 trip. By the number of people that I see from Moose
16 Pass, this is a very near and dear area to our
17 community.

18 So, you know, draining Falls Creek is not
19 just, oh, a little bit more water for a power plant.
20 It's going to be a very major effect on the people who
21 live around there.

22 BRAD ZUBECK: So we should study the effect
23 of --

24 MARK KROMREY: Noise.

25 BRAD ZUBECK: -- noise from the creek, quality

1 of life issues related to that?

2 MARK KROMREY: Yes, please.

3 BRAD ZUBECK: Again, I'll mention that tonight
4 is just the beginning of an opportunity to comment. And
5 it's just a meeting for us to get out and an opportunity
6 for folks to come and hear what the project is about and
7 to hear what we've identified as issues.

8 But people of Moose Pass are welcome to get
9 ahold of the PAD through our web site, contact us
10 directly for copies of the PAD to read through and ask
11 questions, and submit comments even in the form of
12 questions to FERC so that those are identified or
13 addressed through study planning.

14 So tonight is not your only opportunity to ask
15 questions or to comment. So for those of you returning
16 to Moose Pass tonight, please pass that information on
17 to the residents there and have them access the web
18 site. Again, you've got the information on the back of
19 the agenda tonight on how to file comments with FERC, on
20 how to access our web site, and to give additional
21 information.

22 Ma'am?

23 RAE WICKARD: Rae Wickard. I have a question.
24 I've lived around dams growing up. And one of the
25 things they did is when they open the gates -- is this

1 going to have gates, this type of dam you're building?
2 This huge loud whistle or siren would blow alerting
3 people downstream that there was going to be a larger
4 pool of water. Is that the type of dam this is going to
5 be? Are they going to have to blow this loud horn or
6 whistle?

7 BRAD ZUBECK: I don't believe so.

8 RAE WICKARD: I'm just curious because that
9 really has an impact on people.

10 BOB BUTERA: We wouldn't be releasing any more
11 water than we had to because that would just be water we
12 couldn't generate power with.

13 RAE WICKARD: I was just curious because it
14 was quite loud. It could be heard for miles.

15 BRAD ZUBECK: Other questions or comments on
16 issues to address?

17 Yes?

18 JJ KAIZER: May I check on two things that
19 have been written up in the Redoubt Reporter with you?
20 Just because this is an informational meeting, I just
21 want to make sure that the information is correct.

22 BRAD ZUBECK: It's Ms. Kaizer?

23 JJ KAIZER: Yes.

24 BRAD ZUBECK: And we'll listen to the
25 questions and see if --

1 JJ KAIZER: One statement was an outlet will
2 be built on the north abutment of the dam allowing the
3 lake to be drained to aid construction. And that is not
4 correct?

5 BRAD ZUBECK: Not sure where that information
6 came from, but --

7 JJ KAIZER: The other comment was construction
8 starting with the access roads is expected to begin in
9 April of this year.

10 BRAD ZUBECK: Misinformation. Don't know
11 where they came up with that.

12 JJ KAIZER: Thank you.

13 BRAD ZUBECK: Other questions?

14 Mr. Barnett?

15 TOM BARNETT: I just -- I'd kind of like to
16 reiterate what Mr. Kromrey said earlier that I think --
17 in a lot of ways you're going to want to get support
18 from the community. Living there and being part of the
19 community, I sense that there's a sense of alienation or
20 being ignored by meeting here, and I think that carries
21 through. And even if we go back and tell people what we
22 heard, it's still going to be why weren't they here.
23 We'd sure appreciate it if they'd come here.

24 And if you're looking to promote your product,
25 which you are, it would really behoove you to meet with

1 the community. And there will be a lot of negatives,
2 but to deal with them at that local level and make
3 everybody feel a part of it. Because the biggest thing
4 is being heard. I might not like your answers, but if
5 you're in the community and you're making that effort,
6 that goes a long way.

7 And I can't suggest strongly enough what JJ
8 said, please, make that effort and make it more than --
9 for lack of better words -- more than just lip service.
10 Be there and become part of that community because you
11 will be eventually. It's better to be liked than hated
12 for the whole time. That would be my only comment.

13 BRAD ZUBECK: I appreciate the comments and I
14 appreciate the invitation. And, again, it wasn't for
15 lack of effort to try to get there on this evening. We
16 will make a point to do that in the future.

17 JJ KAIZER: Do you have a direct number I
18 could call so we could make a plan for this?

19 BRAD ZUBECK: You can see me afterwards.

20 JJ KAIZER: Okay. Terrific.

21 BRAD ZUBECK: Other questions or comments?
22 Mr. Luttrell?

23 MARK LUTTRELL: I have one last thing. I'm
24 part of the Resurrection Bay Conservation Alliance. And
25 our group and also the Alaska Center for the Environment

1 put together a brochure I'd like to pass out to the
2 group here tonight. It just describes some of the
3 reasons why we oppose it and sources of more information
4 about the web site -- about the project.

5 BRAD ZUBECK: Sir?

6 MIKE CORREA: Mike Correa, Crown Point. If
7 the whole community was against this project, would it
8 make a difference on the final outcome?

9 BRAD ZUBECK: It certainly could.

10 MIKE CORREA: Could we put a squash on it?

11 BRAD ZUBECK: I couldn't tell you.

12 MIKE CORREA: Would it go ahead as planned?

13 BRAD ZUBECK: I could not tell you.

14 MIKE CORREA: I just was curious. Thank you.

15 SPEAKER: FERC has the final say, yea or nay?

16 BRAD ZUBECK: On a license for the project.

17 SPEAKER: And you get to then decide whether
18 you want to do it or not after that point; correct?

19 BRAD ZUBECK: Correct.

20 SPEAKER: FERC is a government agency on
21 government land somewhere. I mean, there's no office
22 here of FERC, so anything -- there's no representative
23 of said FERC except through these meetings. So
24 essentially there is no face of FERC besides going to
25 meetings and the letters.

1 BRAD ZUBECK: At this time in the process.

2 I'll remind you that if the study plans go ahead, FERC
3 has agreed to early scoping, which means that they would
4 be involved early, which means they would conduct
5 scoping meetings to address and more or less finalize
6 issues in parallel with our study plans.

7 So we would issue draft study plans, FERC
8 would issue a scoping document, plans would be finalized
9 based on FERC's finalizing of the issues through that
10 scoping process; the scoping document one, holding a
11 meeting here that FERC would conduct more or less along
12 the same lines where they would seek to take comments.
13 And they will, I believe, take the comments from
14 tonight. The comments that you have brought to us
15 tonight would be rolled into their scoping document one
16 as a preliminary draft of issues related to the project.

17 So, yes, FERC would be involved early on in
18 this process if we were to move forward with the study
19 plan.

20 SPEAKER: Am I correct that even though FERC
21 is involved, the ultimate needs to be -- all the
22 permitting agencies still need to approve it before the
23 project would be put forth?

24 BRAD ZUBECK: Correct.

25 JENNA BOROVSANSKY: All the local, state, and

1 federal agency representatives are FERC relied upon, all
2 of their requirements.

3 SPEAKER: I think sometimes there's a
4 misconception that once you get a FERC permit, you get
5 to go do whatever you want. And I think a lot of times
6 people don't understand that there's also other permits
7 that are still going to be required.

8 BRAD ZUBECK: Mr. Aigeldinger?

9 JASON AIGELDINGER: You got it. Thanks, Brad.
10 Real quick. So would I be correct in saying that HEA at
11 this time is using their own money to -- like all the
12 research your contractors have done through the '08
13 field season and -- well, of '09 -- I apologize -- and
14 then gearing up for 2010, those are all private funds
15 from Homer Electric, HEA?

16 BRAD ZUBECK: Again, see me afterwards to talk
17 about funding.

18 JASON AIGELDINGER: I guess I have an interest
19 as a taxpayer. I'm wondering if you're using any
20 federal dollars.

21 BRAD ZUBECK: I think we've said, no, we do
22 not have any federal monies involved with financing the
23 project at this time.

24 Mr. Cooney?

25 MIKE COONEY: I have a question related to

1 that. Is it true that the Denali Commission originally
2 contributed \$200,000, HEA added \$4,000, and used that
3 for the Falls/Grant Project?

4 BRAD ZUBECK: No. Denali Commission has had
5 absolutely no involvement in funding this project.
6 Funding questions, see me afterwards. Comments on
7 issues need to be studied, we'll be glad to take them.

8 Mr. Deacon?

9 JON DEACON: If this project doesn't work out
10 the way you hope, where would be your next project site?

11 BRAD ZUBECK: At this time we have no other
12 plans for other hydro projects.

13 TOM BARNETT: What happened to Ptarmigan Lake
14 and the Cooper Lake ideas?

15 BRAD ZUBECK: We surrendered those permits and
16 are no longer pursuing those projects. They didn't look
17 to us to be attractive economically or environmentally.

18 Mr. Thomas?

19 DAVID THOMAS: David Thomas, Kenai, to clarify
20 a point. Cooper Lake is not an HEA facility. It is not
21 and would not be anticipated to be --

22 BRAD ZUBECK: I'm sorry, did you say Cooper --

23 DAVID THOMAS: Tom said Cooper.

24 TOM BARNETT: I'm sorry.

25 DAVID THOMAS: On Crescent Lake. That was one

1 of the permits that we surrendered.

2 BRAD ZUBECK: Thanks for the clarification.

3 TOM BARNETT: And what was the economic and
4 the environmental considerations on those?

5 BRAD ZUBECK: They were not attractive
6 economically and not attractive environmentally. We
7 didn't want to pay for the cost of the power to come out
8 of them and we didn't want to pay for the cost of the
9 environmental impact.

10 JON DEACON: How was the environmental impact
11 there different than here?

12 BRAD ZUBECK: I couldn't tell you at this time
13 exactly what those details are.

14 JON DEACON: Because you haven't quite studied
15 it far enough?

16 BRAD ZUBECK: I'm not prepared to answer
17 tonight that particular question.

18 TOM BARNETT: Where can that be found?

19 BRAD ZUBECK: I couldn't tell you at this
20 time.

21 TOM BARNETT: When can you? That would be
22 interesting to see --

23 BRAD ZUBECK: See me afterwards. It's not
24 related to this particular project, the Grant Lake/Falls
25 Creek Project. So if you have questions related to

1 issues or study topics for this project, we'd be glad to
2 take additional comments. Otherwise, we'll close the
3 meeting and let these folks get on home. See me
4 afterwards if you want to talk some more about those
5 details.

6 Ma'am?

7 RACHEL SCHUBERT: Rachel Schubert, Moose Pass.
8 I feel like the questions about the Grant Lake Project
9 are directly related to the questions about the Crescent
10 Lake Project because that project came about kind of at
11 the same time this project came about and now that
12 project is no longer in question.

13 That project no longer exists, but this
14 project does. So something happened to that project,
15 but something has not happened with this project. So, I
16 mean, in order to better understand what is going on
17 with these projects, it would be pertinent information
18 to understand what happened with the other project.

19 BRAD ZUBECK: Tonight, for the purpose of
20 tonight, we'll just say that those decisions have no
21 bearing on the issues that we're going to study on the
22 Grant Lake/Falls Creek Project.

23 Mr. Shadura?

24 PAUL SHADURA: This is the last one. I'm
25 sorry to make people wait. But, you know, just as a

1 cooperative member of HEA since 1969 I'm just wondering
2 why comparison analysis hasn't been done to put another
3 turbine in the Bradley Lake facility, which it was
4 designed to do, instead of using this and going through
5 all this situation when basically the Bradley Lake
6 Project would be a no-brainer, easy.

7 I mean, have you made that comparison to other
8 projects as a representative of HEA?

9 BRAD ZUBECK: Again, that's probably -- that's
10 an after the meeting type question to address with HEA
11 and not for this forum tonight. We'll be glad to answer
12 it afterwards.

13 Other questions for the night for issues
14 related to Grant Lake/Falls Creek? If not, I thank you
15 all very much for turning out tonight. I appreciate
16 your attendance. I appreciate your comments.

17 As a reminder, again, you can find information
18 on the back of your agenda, the sites to FERC and Kenai
19 Hydro.

20 (Proceedings adjourned at 9:00 p.m.)
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REPORTER'S CERTIFICATE

I, Valerie Martinez, Notary Public in and for
the State of Alaska do hereby certify:

That the proceedings were taken before me at the
time and place herein set forth; that the proceedings
were reported stenographically by me and later
transcribed under my direction by computer
transcription; that the foregoing is a true record of
the proceedings taken at that time; and that I am not a
party to nor have I any interest in the outcome of the
action herein contained.

IN WITNESS WHEREOF, I have hereunto subscribed
my hand and affixed my seal this _____ day of _____,
2009.

Valerie Martinez
Notary Public for Alaska

My Commission Expires: June 22, 2010