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December17,2002

HonorableMagalieRomanSalas,Secretary
FederalEnergyRegulatoryCommission
888FirstStreet,N.E.
WashingtonDC,20426

**Re: RESPONSE TO THE FINAL APPLICATION FOR NEW LICENSE FOR THE UPPER
 NORTH FORK FEATHER RIVER PROJECT (UNFFR), FERC NO. 2105**

DearSecretarySalas:

PlumasCountyrespectfullysubmitsthefollowingcommentsontheaboveprojectunderthe
FERCregulations18CFRSection4.3.2(b)(7).InitialStatement:

- 1) ThehydroelectricfacilitiesintheUNFFRprojectareentirelywithinPlumasCountyandthefinal
licenseshallhavesignificantshort -andlong -term impactsontheeconomicandsocialwelfareofour
citizensandcountygovernment.PlumasCountyhaslostasignificantlylargeportionofitsforest
resourceindustryandhasbecomemoredependentupontourismandretirementhomes,particularlyin
theLake AlmanorBasin.Thefinallicenseshouldconsiderthepositiveandnegativeimpactson
PlumasCounty.
- 2) Long-termGoals -PlumasCountyrelicensinggoalsandobjectiveshavebeenconsistentand
inrecognitionof:
 - a)FederalPowerAct(FPA)andparticularly theamendmentsbytheElectricConsumers
ProtectionActof1986(ECPA)thatrequiresFERCtogiveequalconsiderationtopowerand
non-powervaluesinmakinglicensingdecisions.
 - b)Licensee'sresponsibilitytoprovideenergytothepublic.
 - c)Licensee'sinadequateprojectrecreationinvestmentsduringthetermofthecurrent
contract.

PlumasCountygoalsforthisprojectcanbecategorizedasfollows:

- LakeAlmanorMinimumWaterLevels mustbemaintainedatanelevationduringthe
touristseason,primarilybetweenMemorialDayandLaborDaythatwillpreserveour
recreationandprivatepropertyvalues.
- Enhancedrecreationalfacilities thathavebeenrecognizedbyFERCforthepast10
years;

- Water quality monitoring with recognition and mitigation by licensee of resultant problems;
- Public access to Lake Almanor.
- Mitigation of the continued soil erosion around the Lake Almanor shoreline.
- Boating safety issue resolution.
- Early implementation of project goals. Plumas County has grave concerns that the licensee has delayed the development of a recreation plan for too many years. We do not want further delays. It is public record that a FERC (Antonia Lattin) September 1993 stated in part: "The Commission requested that the licensee produce a recreation plan at the project. The licensee's response requested that a plan not be required until filed with the new license application. The licensee's representatives have stated that they have no plans for expansion of recreation facilities until after a recreation plan has been filed." This delay has saved the licensee millions of dollars to the detriment of recreation needs, local businesses and the Plumas County economy.

The 1993 report, that obviously permitted the licensee to forestall a recreation plan, considered that the "... licensee has done extensive work coordinating with the community, political officials, and public agencies in the development of the permit program to date."

That process resulted in Lake Almanor Basin residents having to raise and spend \$22,000 to forestall proposed, onerous permit requirements that were contrary to agreements that had been previously formulated. Part of that, under the Red River Lumber Company Deed to private property owners is still in contention and needs resolution in the new license.

In addition, the report gave credit and apparent reason for not forcing the licensee to begin a recreation plan after 40 years, because: "In addition, the licensee is participating in an Almanor Basin Management Plan to cover the entire area out to two miles (3km) from the maximum water surface elevation of Lake Almanor Reservoir. This should be formulated by 1995."

The licensee did not take the lead in this project and we are still awaiting that plan. Plumas County has initiated a Lake Almanor Watershed Management Plan that we will expect licensee participation that should be covered in the Final License.

Our concern has been increased by the potential delay in the finalization of the relicensing due to the proposed Hamilton Branch Project Amendment to Project 2105 (see comments below), and subsequently we are requesting the implementation of these goals beginning in 2005, in the event that the licensee is delayed.

In general, our application review indicates that some of our requests for enhanced recreation areas are being addressed, but there are still unresolved issues and the timing of new facilities is important.

There are considerations and concerns that have been omitted and not discussed in the Final License application and we are noting those in the specific comments A) through Q). We have done our best to provide thorough comments to the application, but because of the

voluminous Final License, we may have missed some issues and reserve the right to discuss them at a later date.

3) Process-Plumas County attended FERC meetings that described the three licensing methods (Traditional, Alternative and Hybrid) and requested that PG&E use the Alternative Method for reviewing and negotiating the final license, as proposed by FERC. Instead, we were presented with a Hybrid Method that provided opportunity for comments and discussions on the many studies conducted by PG&E, but not adequate opportunity to fully discuss the problems and future opportunities with all of the stakeholders. At the request of Plumas County and others we have formed a Collaborative group (2105 Licensing Group) of which PG&E is a member and we expect to properly negotiate the issues that still remain a major concern to Plumas County, state and federal agencies, the Tribe and others.

4) Hamilton Branch Amendment -Plumas County has been opposed to this "11th hour" addition to the application. We believe that the studies and process for Hamilton Branch cannot be adequately completed without delaying the approval of the 2105 Project. If this occurs, the recreation, shoreline erosion mitigation, Lake Almanor Operation Plan and water quality monitoring plans may not be implemented in a timely manner. We believe that Hamilton Branch Project should be submitted and reviewed separately. If there is going to be a delay in the 2105 relicensing, due to the Hamilton Branch proposal, we believe that the licenses should be finalized on schedule and the Hamilton Branch Project Amendment be completed at a later date.

Specific Comments:

A) Lake Level/Homeowner Property Values -PRS 45, Volume 1 --After citing several studies that indicated a distinct decrease in property and tourism values from low water levels during summer months at other locations around the nation the conclusions on page PRS 45 are not supportable. The idea that a homeowner "...may financially benefit from varying lake level if a person bought during a low water year and sold during a high water year." is absurd. The conclusion is that some "...may incur a financial loss if they bought in a high water year and sold in a low water year.", but "As a group though, residential property owners are not affected by varying lake levels under current operations because financial gains and losses between sellers and buyers cancel each other out." We wonder if those who sold and purchased PG&E stock over the past 20 years will agree that everyone, on the average, did well, because those that lost money were offset by those whom they made money on the stock. More important is the fact that the proposition misses the entire point for property owners and businesses that have become dependent upon the lake level over the past 50 years.

Through past discussions with Plumas County Lake Level Advisory Committee, PG&E has been able to work within reasonable water level limits, except during drought periods. We wish to formalize these "handshake" understandings, because of changing conditions and in the event that another utility company with less understanding and concern for the Lake Almanor Basin should purchase the license. Bucks Lake and other licenses have such agreements. We have requested and will continue to pursue a reasonable Lake Almanor Operation Plan that will provide the necessity for power generation (as noted in Exhibit B -11), but also provide a greater social and economic stability for our area.

B) Average high summer lake level — PRS44 - PG&E states that the average high summer lake levels since the 1970's has been 4485 ft. elevation. However, California Department of Water Resources (DWR) records indicate that the average level between 1973 and 2001 high summer level is 4487.1. This is a significant difference that will be important in establishing a Lake Almanor Operating Plan and should be clarified.

C) Lake Almanor Boating Safety — The rapid lowering of the lake presents severe boating safety problems as well as the negative aesthetic factors that contribute to home value deterioration and accelerated shoreline erosion are not adequately addressed. The application uses the one reported accident in 2001 as the indicator of hazard severity. The fact is that many local residents experienced accidents, such as broken boat propellers, damage to boat hulls and at least one minor injury that were not reported. The fact that lives were lost in one boating accident within the last decade, damages for which the licensee reportedly settled out of court, should be a warning for better safety provisions in the new license.

PG&E has agreed to finance ½ of a deputy sheriff's position for Lake Almanor safety and law enforcement. This should be included somewhere in the license application.

D) Communicating with the Lake Almanor Community — PRS45 - PG&E states that they continue the practice of communicating its Plan of Operation with the Lake Almanor Community. As stated in A) above, a group that was advisory to the Plumas County Board of Supervisor's; Lake Level Advisory Committee initiated communication. This understanding should be formalized in the license and the future contact between the 2105 Lake Almanor Committee that will continue to be advisory to the Plumas County Board of Supervisors.

E) Cultural Resources and Agency Consultation - PRS47 and 51 — There is discussion about various non -described cultural resource sites and many meetings that have been held with the Maidu Tribe without public participation. We recognize the need for confidentiality in some of these discussions, and respect the importance of this issue to the Tribe. We do not want a conflict between any development and important cultural sites, however we have no way of ascertaining whether or not these sites will impact, or negate some of the recreational sites that are being proposed by PG&E. It is for that reason that we are asking for alternative recreational sites outside of the FERC Project Area.

F) Maximum Release Capacity from Canyon Dam - E2-17 — Discussion relates that the "...maximum release capacity through the outlet tower is 2,100 cfs; however, due to operational considerations, 700 cfs is considered a normal maximum release rate." This needs further review and investigation. Prior to the need for emergency release of water in 1997, there were many expressions of concern by outside engineers that the Canyon Dam tunnel gates may be partially inoperative and not capable of the full 2,100 cfs release. During the emergency, PG&E reportedly also had doubts and the full opening of the valves were made very cautiously. We request an explanation of why "operational considerations" have been set at 700 cfs release level. This is important in our request that lake level be maintained at a high year -end level until the full snowpack can be determined. During a heavy run -off

year, it may be necessary to release a larger amount of water to assure that the maximum level is not in excess of 4494 ft. elevation for an extended period and efficient operation of the gates up to 2100 cfs is very important.

G) Lake Almanor Operations Plan — Exhibit B -11— Licensee has used their 1986 response to FERC as continuing guidelines for the operation of Lake Almanor. They have implied that the guidelines are somehow a commitment to operate in a certain manner. However, the 1986 guideline provides no such commitment and simply states that PG&E "... will be guided by its water management..." the criteria "Guided by" is not a commitment.

Licensee has agreed verbally to consider an alternative plan that will be submitted by Plumas County at a later date and we are scheduling a meeting to address this issue.

In our original study request, we noted the need to provide an entire Lake Almanor watershed analysis to properly determine the impact of PG&E and other private property land management policies on the 2105 project area. By letter to FERC, PG&E agreed to participation in that process and left the assumption that it would be completed by 1995. (See #2 above) This is still important and should be a stipulation in the final license.

H) Minimum storage — B-11; paragraph 1 - A minimum storage volume of 500,000 acreft. (4466.7 ft. elevation) is too low and should only be permitted during dry periods, or other unusual events such as an electrical emergency. We will be submitting recommendations in a Lake Almanor Operation Plan at a later date.

I) Energy — B-12; paragraph b, change "... indicates that the energy..." to "... indicates significant energy...."

J) Change in Control Area Operator — B-12; paragraph 4b and 4c — This paragraph is not relevant now that the ISO is the Control Area Operator. Change to the following: "The California Independent System Operator (ISO), or the Federal Energy Regulator Commission (FERC) determines an extreme and unforeseen power shortage existed and drawing down Lake Almanor would alleviate the shortage, or..." Note--- It will be requested that a Lake Almanor Operating Plan agreement were reached with PG&E will replace much of the language between B -11 and B -13.

K) Year round release of water from Canyon Dam outlet — Last year, during a settlement of Plumas County pursuit of water rights in Lake Almanor, Plumas County agreed to support a year-round minimum release of 75 cfs. PG&E has applied for this minimum, which doubles the current 35 cfs minimum requirement.

L) Water Temperature Modeling — E2-120— There is much debate about the river water temperatures below Lake Almanor and the necessity to retain lower temperatures for fish habitat. Agreement must be reached on the temperatures to be reached, whether they are daily averages, how they will be measured and how those temperatures will be maintained. We agree that these are very important issues. At the same time, we request consideration for the Lake Almanor water temperatures. As cold water is drawn from the lake, it has the

possibility of being detrimental to the outstanding fishing now enjoyed by many in Lake Almanor.

Because fisheries and power generation needs will change the amount of water left in storage for recreation and cold water fisheries in Lake Almanor, we still find that a hydrographic feasibility study applied to a wider range of alternative lake levels will be useful in the upcoming collaborative process and request that it be completed.

The low temperature studies by PG&E will be of great assistance in determining the ability of withdrawing cold water from Lake Almanor, but will not provide an analysis of the impact on Lake Almanor fisheries.

Currently, California Department of Fish & Game and the Lake Almanor Fishing Association have been raising and planting trout in Lake Almanor for several years. We request that the new license require the licensee to participate financially in this project, if more cold water is to be withdrawn from the lake as an insurance for the continuation of this unique fishery. It is important to the tourism business and Plumas County economy.

Butt Lake is also part of the project area, the water depth is much shallower than Lake Almanor and the hydrographic responses to management changes cannot be assumed to mimic a larger, deeper body of water. To prevent Lake Almanor from becoming the sole source of temperature mitigation downstream for FERC project #1962, we request a feasibility study on the operation and/or structural model to access cold water at Caribou.

M) Water Quality will continue to be an important issue in which the licensee must share responsibility. PG&E is obligated (under the Plumas County/PG&E water rights settlement) to match water monitoring costs for Lake Almanor up to \$20,000 per year.

We believe that the following health issues should also be addressed in the license:

1. Public health concerns such as swimming beaches and as a matter of water quality were addressed by PG&E in suggesting that Coliforms occur naturally in high numbers. California Department of Water Resources (SWRC) historical data were to be presented in the Final License Application that indicated there is no need for public health advisories. However, the tables cannot be found in Appendix E9; Water Quality Section Attachments for SWRC. They need to be included.
2. In addition to reviewing the historical Coliform data, Plumas County also requests that Regional Water Quality Basin Plan protocols be implemented and that PG&E sample at all stations five times in thirty days, as opposed to the single sampling location listed in the Final License Application.

3. Plumas County is part of the State Water Project and the CAL FED Bay Delta watershed and we are concerned about the heavy metal bioaccumulation in the food chain. In response to the Draft License Application, Plumas County requested that PG&E reconcile their heavy metals biomass testing with that of Department of Water Resources (DWR), which reports 0.37 ug/g mercury in fish. It is our goal to maintain the high quality freshwater fishery in Lake Almanor and these data are important.

N) Lake Almanor Shoreline Erosion —E2-139- There are several reference to erosion studies and some past mitigation attempts by licensee. Detrimental to full erosion mitigation has been the verbal, archaic policy by licensee of the "right to erode" of other landowners properties above the Project 4500 ft. elevation. They have based this policy on stipulations with incertain deeds dating back to the early 1960's with a major developer, (Clifford), California State Department of Transportation and Plumas County. However, since that time, FERChas granted permission to raise the maximum water level by 22 feet, thus causing private property loss and devaluation not anticipated 40 years ago. It is of little consolation from the consultant's report (E2B) that the shores "... will erode until slopes become stable through this natural process", particularly since some of the erosion has decreased the required set-back for septic systems and the possibility that the best solution to prevent pollution of Lake Almanor will be a sewer system. We believe that the licensee should participate financially in the implementation of a sewer system that has been planned for the north and east end of the lake.

Plumas County contests the assumed "right-to-erode" above the 4500 ft. elevation under the current state and federal water quality provisions, the detriment to private property, the potential for pollution from existing septic systems, the excess sediment in the lake and the licensee's responsibility to provide for the "good of the people." Therefore, we respectfully request a formal FERC review of the issue and a subsequent change in Licensee responsibility within the new license.

Preliminary to that, we request that the licensee resurvey the 1957 monuments that delineated the 4500 foot elevation (2105 project boundary at Lake Almanor) to determine if some of them have been removed by erosion. The use of aerial photos should expedite this process.

In summary, wind effects and other project related operations do have significant negative impacts including the erosion of property of private homeowners and on state and county rights-of-ways. We disagree with licensee that this erosion issue is "... not project related..." and therefore request consideration of the property rights as noted above.

The use of the "Wave hindcast Analysis" used in the study to predict the potential erosion based on wave height is in error. The analysis indicated that waves in excess of 1.3 to 2.0 feet will not occur. Residents have seen wave heights three times those predictions. Since, this low wave height is used in predicting potential erosion, we request a review of these data.

O) Release of water to Western Canal Water District —B-2- outlines the current agreement for the 145,000 acre feet to be released from Lake Almanor between March 1 and October 31 of

each year. It has been PG&E policy to accelerate the draw-down of water in September to meet that agreement. We would like to negotiate each change in those dates to extend it to November 30, so that the maximum water level in the lake can be maintained until after the Labor Day week -end.

P) Proposed Recreation Measures and Estimated Costs — Volume 8 - Plumas County has been able to establish agreement on some of the needed recreational improvements.

In addition, we have requested that the licensee construct a non-motorized trail along the route on which Plumas County received easements during the settlement of the Plumas County/PG&E water right dispute. This would extend from the end of the proposed Forest Service trail on the west shore, around Canyon Dam and then north to the east of Highway 147. We have requested that this be part of the recreation plan and it has been omitted.

Some of the estimates based on today's costs are questionable and should be re-evaluated:

- a. Page 1 -- \$75,000 for showers.
- b. Page 1 -- \$151,000 for bear-proof food lockers
- c. Page 2 -- \$1,700,000 for "Second Phase campsites" has been listed twice and thus, the total of \$12,747,000 is in error.
- d. An inclusion of a "boathouse" at the North Shore Public Boat Launch is questionable.
- e. Page 4 — The estimated cost of \$15,000 for an easement across PG&E land for a non-motorized trail should not be included. The easement was "purchased" this year by Plumas County in a written settlement over a water-right dispute. The same written agreement obligates PG&E to match up to \$20,000 annually for water quality monitoring.
- f. Although, it may be listed somewhere within the 8 volumes of application, we cannot find reference to agreement we had for a full-time PG&E employee during summer months, whose responsibility will be to issue permits and monitor rules and regulations. We would like to see that added, or verified.

Many of the costs are to bring current facilities up to ADA standards and should be considered O&M costs, not attributable to increased facilities.

Q) Extension of FERC Project 2105 boundary for recreational development - We respectfully request an extension of the Recreation Suitability Analysis to include some of the areas outside the original ¼ mile study area. We believe that the licensee will recognize the advantage of this proposed change.

Plumas County has been represented by our appointed advisory 2105 Committee, Chaired by Supervisor Bill Dennison; District 3 and we look forward to continued negotiation through this group.

If there are any questions regarding our comments, please contact Supervisor Dennison by telephone—530/258-2058, or email dennison@citlink.net.

Thank you.

Sincerely,

Robert Meacher, Chair
Plumas County Board of Supervisors

Cc: 2105 License Committee members

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