

SIGNIFICANT ENVIRONMENTAL ISSUES

Socioeconomic Resources

As required by the regulations implementing the National Environmental Policy Act (NEPA), Plumas County requests that the EIS include an evaluation of project effects, including any alternative, on socioeconomic resources. The County strongly disagrees with the statement on page 13 of the Scoping Document that FERC staff have not yet identified any substantive socioeconomic issues associated with the proposed action. Our letter of December 17, 2002 commenting on Pacific Gas & Electric's (PG&E or licensee) final application clearly illustrates the important socioeconomic ties of the project to the local economy. Lake levels have an enormous impact on the socioeconomic well being of the County. Without adequate lake levels in summer, recreation and tourism would be adversely affected and property values would be greatly diminished. In 2001 when lake levels were extensively drawn down, the tourism receipts tax was 10 percent below normal (Plumas County Visitors Bureau, personal communication with Christi Goodman, Plumas County, August 2002).

Plumas County Median Household Income (2000 Census Data) is 80% less than the median income in California. Therefore, income generated through the existence and operation of the project is extremely important to the County. As stated in the licensee's application on page 43 of the Project Resource Summary, "These benefits are realized through great increases in property values, along with increased annual Plumas County tax revenue. In addition, Lake Almanor, Butt Valley Reservoir, and, to a lesser extent, some of the other Project developments are recreation attractions that bring tens of thousands of visits annually leading to significant annual recreation expenditures within Plumas County." In fact, the Project has become pivotal to the economic health of the County given the very significant declines experienced in other employment sectors within the County (see Plumas County letter to the Commission, dated December 17, 2002). Lake levels affect adjacent property values around Lake Almanor, potential additional development around the lake, property tax receipts, recreation usage and associated expenditures in the County. The County also believes that the Commission should evaluate the socioeconomic effects of Project 2105 on the County in the EIS within the context of the Federal NEPA regulation for Environmental Justice and the Licensee Environmental Policy.

Water Use, Quantity and Quality

The Commission has identified seven Water Use, Quantity and Quality resource issues, including water temperatures, project-related recreation effects on water quality (coliform bacteria and MTBE), and lake levels. In addition to providing the Commission with an assessment of these issues, the licensee has documented and mapped significant shoreline erosion around Lake Almanor. The extent to which shoreline erosion has affected the functionality of septic systems of adjacent property owners and the consequent effect on Lake Almanor water quality in select areas of the lake is unquantified.

To protect against current and future project-related operation impacts, the licensee and County have entered into an agreement to conduct a water quality monitoring program. The County has committed \$15,000 annually in addition to significant contributions by the Dept. of Water Resources (DWR). The Licensee has a proposed commitment of \$20,000 annually. However, DWR has made it abundantly clear that it will not use public funds to fulfill PG&E's obligations. Based on PG&E's own analysis (Licensee Water Quality Monitoring Proposal, June 12, 2003) the current scope of the program cannot be funded for the proposed amount. The water quality monitoring program depends upon the participation of third parties including the California Department of Water Resources. The goals of the water quality monitoring program are to ensure long-term protection of water quality. Specifically, the monitoring program is to ensure:

1. Urban runoff effects are mitigated
2. Aquatic habitat is protected
3. The water supply for the State Water Project remains uncontaminated.

Water quality degradation has the potential to affect aquatic life in Lake Almanor, Butt Valley Reservoir and the Feather River, which in turn could affect recreational usage due to reduced angling opportunities and a less desirable destination.

The County requests that the Commission evaluate the potential effects of continued erosion on adjacent property septic systems and Lake Almanor water quality, in the event that no actions are taken by either the licensee or adjacent property owners to address shoreline erosion. Further the Commission should assess the adequacy of the water quality monitoring program to identify water quality problems, given that only the licensee's and County financial commitments can be assured in the future. The Commission should also recommend augmentation of the monitoring program if it is insufficient to ensure water quality problems will be detected. The Commission should include mitigation for urban runoff effects if the monitoring program determines that water quality is adversely affected. The mitigation measures should be included in the alternative that considers Applicant's Proposed Action With Commission Staff's Modifications.

Erosion

The County recommends that the Commission include an evaluation of project effects on erosion. The licensee has done a credible job of identifying erosional areas around Lake Almanor. In a June 13, 2003 meeting with the licensee, the County identified a few additional areas that have moderate to severe erosion. The licensee plans to investigate these areas. Although the existence and locations of shoreline erosion are generally agreed upon, the licensee and County disagree over how shoreline erosion should be addressed. If project operations are having an effect upon shoreline erosion, and erosion in turn affects resources like aesthetics, water quality, aquatic resources, cultural resources, or recreation, the County maintains that the licensee should be responsible for controlling erosion. The licensee has stated in its application that erosion does not affect these resources and that it has the right to erode shoreline. The County requests that the Commission independently evaluate the environmental effects of erosion and include mitigation measures in staff's recommended alternative if project operations contribute to erosion and associated resource effects.

Regarding licensee's right to erode, the County maintains that agreements like the Clifford Deed were negotiated at a time when no one would have anticipated that lake levels would be

increased in the future. (The Clifford Deed was signed on August 15, 1957.) Increases in lake levels in 1972 affected setbacks for homeowners on the shoreline and have had a significant effect on shoreline erosion. Higher lake levels and wave action and impacts on infrastructure were not fully analyzed in the Department of Water Resources Environmental Impact report (Environmental Impact Report, Lake Almanor Project, State of California, Department of Water Resources, February 1978). The County requests that the Commission independently analyze the effect of the changed operating levels on shoreline erosion and recommend appropriate mitigation in staff's recommended alternative.

The County believes that a specific, comprehensive erosion control plan is needed to protect the aesthetic character of the lake. The licensee's Erosion Control Plan in Appendix E of the license application is essentially a "do nothing" plan with no specific measures to control erosion. The licensee commits only to conducting an annual survey for shoreline plan compliance and the occurrence of significant erosion activity. In fact, the licensee places the onus for identifying new erosion sites on the "responsible management agencies" and for shoreline protection on the adjacent property owners (Page E-7 of the license application). This is an abrogation of both the licensee's and FERC's responsibilities.

Although the licensee maintains control of erosion protection approvals, it is far more cost effective for the licensee to develop site-specific erosion protection than numerous adjacent landowners. At a minimum, Commission staff should recommend that licensee develop in consultation with the County and resource agencies, a comprehensive, site-specific erosion protection plan for shoreline areas with significant erosion. Neither FERC, the County nor the licensee can compel an adjacent property owner to mitigate erosion on licensee's property. Therefore, it must be the licensee's responsibility to mitigate erosion effects on environmental resources.

Shoreline Management Plan

As part of the EIS evaluation of land use resources issues, the County requests that the Commission include an evaluation of the Shoreline Management Plan (SMP) in the EIS and the effect that the SMP will have on future land use. The County recently met with the licensee to resolve inconsistencies in the SMP with current County zoning and land use plans (Plumas County General Plan, second edition, amended 2003). The County appreciates the licensee's efforts in developing a SMP that best meets the needs of the public. We expect that the licensee will amend its draft SMP to include revisions to land use designations within the project boundary to make them consistent with current County zoning and to protect important aquatic habitat areas within Lake Almanor. The County is hopeful that an amended SMP will include a streamlined permitting process and a new section on enforcement.

The County appreciates the importance that the licensee has placed on project safety. As noted on page 9 of Scoping Document 1, the licensee has proposed implementing a memorandum of understanding (MOU) with the Plumas County Sheriff on marking and/or removing significant boating hazards. The County is primarily concerned that lower lake levels expose navigation hazards and increase risk to boaters. The County requests that the Commission include the County's proposed amended MOU as part of the Commission staff recommended alternative.

Recreational Resources

The Commission has identified the ability of the existing recreational facilities to meet current and future recreational demand as an issue to be evaluated in the EIS. The County requests that the EIS analysis be broadened to also include the ability of the proposed future recreational facilities to meet future recreational demand. The licensee has done an excellent job in proposing future recreational facilities that are compatible with the environmental setting and needs of the area. However, there are two additional recreational needs that should be considered in the EIS. No recreation facilities were proposed specifically for the young citizens of Chester who do not have the ability to travel on their own to take advantage of other recreation facilities on Lake Almanor. The licensee has investigated the feasibility of dredging a channel into the community of Chester and constructing a marina and swimming area, and found such a proposal infeasible. The County is currently working with a marina developer and quarry owner to determine if such a project is economically viable. If the project is infeasible, the Commission should consider the need for other recreation facilities for the use of Chester residents adjacent to the lake in Chester including swimming facilities.

The second recreational need that should be considered in the EIS is a trail on the east shore of Lake Almanor from Canyon Dam to Stumpy Beach. The County recommends that the current system of trails should be expanded to accommodate local residents and the visiting public. The County is cooperating with the licensee to identify alternative sites for the new recreational facilities should a proposed recreational site become unsuitable.

PLUMAS COUNTY PROPOSED ALTERNATIVE

Lake Almanor water levels are of vital interest to the citizens of Plumas County. Lake levels can affect recreational usage, shoreline erosion, public safety, lake access, shoreline property values, aquatic and terrestrial resources, and cultural resources. In particular, lake levels can affect:

1. Resort and home values that rely on consistent lake levels
2. Cold water habitat in Lake Almanor and downstream river reaches
3. Boat ramp accessibility.

Plumas County requests that the EIS include an alternative that maintains a lake level between elevation 4490 feet and 4481 feet from Memorial Day weekend through Labor Day weekend, the primary recreation season at Lake Almanor. The County proposes that the licensee be given discretion to operate the project from Labor Day through May in a manner that best meets the power needs of the licensee and downstream water supply requirements, but that is consistent with the environmental values of the lake and downstream North Fork Feather River. However, the licensee should be required to manage the lake level in a manner that maximizes the likelihood of filling Lake Almanor to elevation 4490 feet during the month of June. The licensee should take into account historic inflow patterns into Lake Almanor and winter snow pack levels in the basin. During extreme drought periods (about 1 in 20 years) the alternative should allow summer recreation lake levels to drop to 4481 feet by Labor Day. In this alternative, minimum flows downstream of Canyon Dam should be maintained at 75 cfs on a continuous year-round

basis, unless the Commission's independent analysis demonstrates that adequate protection and enhancement of aquatic resources can be provided with lower winter flows.

The County recognizes the importance of being able to maximize power generation and the time value of the generation and in no way desires to adversely affect this important resource. However, as lake levels drop below 4485, the aesthetic character of Lake Almanor changes. Exposed mud flats become more pronounced adversely affecting the visual quality. Boating hazards increase with a larger number of partially submerged rocks and shoals. Additionally recreation usage of the lake decreases and preliminary water temperature modeling results indicate that the ability to release cold water downstream is compromised. The County believes that the certainty of summer lake levels through the relicensing process will lead to increased recreational usage, stable or increased real estate prices, enhanced economic development opportunities, and improved aquatic habitat.

SETTLEMENT ALTERNATIVE

The County is presently working with the licensee and other relicensing participants on a comprehensive settlement agreement. We continue to make progress, but the settlement schedule extends to September 2003. Accordingly, the County supported a Settlement Committee letter to the Commission to delay issuance of the draft EIS to include the settlement agreement as an additional alternative in the EIS. The County concurs with the Commission's schedule for issuing the final EIS in the July/August time frame in order to have a licensing decision by the expiration of the current license.

PROJECT DECOMMISSIONING

The Commission has proposed to consider project decommissioning as an alternative in the EIS. The County recommends that this alternative be cursorily evaluated and eliminated from further consideration. It is not a reasonable alternative and no party in the settlement negotiation process is recommending project decommissioning. To fully evaluate this alternative would be a waste of Commission resources.

HAMILTON BRANCH

The County is concerned that the final EIS might be delayed if the licensee amends its application to include Hamilton Branch as part of Project 2105. Should the licensee elect to move forward with the Hamilton Branch amendment, the County requests that the Commission put it on hold until the licensing decision is made on Project 2105. License articles relating to Hamilton Branch should not affect license articles contemplated for Project 2105.

On behalf of the local public, including property owners, residents, visitors, recreation dependent businesses, Plumas County and its Flood Control District, the County thanks you for this opportunity to comment on Scoping Document 1. We look forward to the issuance of Scoping Document 2 and the Commission's EIS.

Sincerely,

Tom Hunter
Director, Dept. of Public Works
Plumas County Flood Control and Conservation District