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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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Alcoa Power Generating, Inc.      Project No. 2197-073  
North Carolina  
Progress Energy Carolinas      Project No. 2206-030  
North Carolina

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PUBLIC MEETING ON ENVIRONMENTAL ASSESSMENT

At Salisbury, North Carolina  
Wednesday, November 14, 2007  
Reported by: A. Robin J. Schenck, Court Reporter  
Notary Public

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A P P E A R A N C E S

For the FERC Panel:      Lee Emery, Fishery Biologist  
Stephen Bowler, Fish Biologist  
Mark Pawlowski, Chief Hydro East Branch 2  
Division of Hydropower Licensing  
888 First Street, Northeast  
Washington, DC 20426

Also present:      Members of the community

P R E S E N T E R S

Larry Jones	Dick Martin
Lindsey Dunevant	Paul Woodson, Mayor Pro-Tem
Roger Dick	Mark Lewis, Councilman
William Kennedy, Councilman	
William Burgin, Councilman	
Gene Ellis	Susan Kluttz, Mayor
Beauford Taylor, Mayor	
Steve Reed	Robert VanGeons
Robert Petree	Mike Taylor

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E X H I B I T S  
EXHIBIT DESCRIPTION

Comments from the High Rock Lake Association Inc.  
County of Stanly - why a new license...  
Comments by Stanly County to Section 401 (Parker Poe)  
Statement of Stanly County, NC November 14, 2007  
Stanly County Concerns November 14, 2007  
Charlotte.com Hazards in Stanly  
Badin: A Town at the Narrows (Historical and Architectural  
Survey)  
Order Denying Old Republic's Motion For Summary Judgment

Statement from SaveHighRockLake.org  
Motion of Ronnie Lee Qualkenbush to Deny Alcoa Power  
Generating Inc. License Renewal ...

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1 MR. PAWLOWSKI: I think as people come in, filter  
2 in and take their seats, we can open up this meeting. I'd  
3 like to thank everybody for coming out this evening. My  
4 name is Mark Pawlowski. I'm chief of Hydro East Branch 2,  
5 Division of Hydro Power Licensing at the Federal Energy  
6 Regulatory Commission. With me here this evening I have  
7 Lee Emery and Stephen Bowler, who is out making sure that  
8 everybody has signed in and can find a place to park.

9 Stephen and Lee are project coordinators for the  
10 yadkin and yadkin-pee dee hydroelectric projects.

11 As you are aware, the Federal Energy Regulatory  
12 Commission under the authority of the Federal Power Act has  
13 the exclusive authority to license non-federal  
14 hydroelectric projects located on navigable waters or  
15 Federal lands or connected to the interstate electric  
16 grid. Upon the expiration of an original license the  
17 Commission may issue a new license for a period of 30 to 50  
18 years. Section 4E of the Federal Power Act requires that,  
19 when deciding whether to issue a license the Commission  
20 must give equal consideration to developmental resources  
21 such as power generation, irrigation, flood control and  
22 water supply; and environmental resources such as fish  
23 and wildlife, including their related habitats,  
24 recreational opportunities, visual resources, and cultural

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1 or historic properties.

2 Under Section 10-A of the Federal Power Act the  
3 Commission must insure that the project licensed is best  
4 adapted to a comprehensive plan for improving the waterway  
5 for beneficial public uses. In making this judgment the  
6 Commission considers comprehensive plans developed by state  
7 and Federal entities and the recommendations of state and  
8 Federal resource agencies, Indian tribes, and the public.

9 Finally, in issuing a license the Commission must  
10 include conditions that adequately and equitably protect,  
11 mitigate damages to and enhance fish and wildlife based on  
12 the recommendations of state fish and wildlife agencies.

13 Before I turn over this meeting to Stephen and Lee,  
14 I'd like to remind people that the purpose this evening is  
15 for staff to receive comments on its analysis in the draft  
16 Environmental Impact Statement for these projects that was  
17 issued on September 28th.

18 Thank you. Lee.

19 MR. EMERY: Good evening. Lee Emery. Glad to be  
20 here this evening. Happy to be back in North Carolina.  
21 Got two warm welcomes this evening: One, beautiful weather  
22 today. Wow. Secondly, these lights are blinding. I can  
23 hardly see people out there. Anyway, before we hear your  
24 comments on this DEIS, draft Environmental Impact

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Statement, I want to give you a brief synopsis of events leading up to today. May have seemed like a long process for some folks involved here, but the application for the Yadkin Project was filed with the Commission in April of 2006, and is using the traditional licensing process. And we had a scoping document that was issued in December of 2006, and we were down here in January holding four public meetings in and around the area. As a result of these meetings site visits and responses to our additional information request to the licenses on March 15th, 2007, the Commission issued a notice that the application was ready for environmental analysis and we then solicited recommendations of terms and conditions from the resource agencies. Those were due in May of 2007.

On May 17th, 2007, Alcoa Generating filed a Final Settlement Agreement with -- on numerous -- for this particular project, and then finally the DEIS was issued on September 28th this year with the comments due December 8th. Our target schedule next step beyond DEIS -- we'll get it done. Our target schedule is to have a final DEIS issued in January 2008.

I'm going to have Gene Ellis of Alcoa Generating say a few words and then we'll get into the process of hearing your comments. See if we hit the mark or missed the mark

on this DEIS.

MR. ELLIS: Good evening. My name is Gene Ellis.

MR. EMERY: Excuse me. Excuse me one second.

Before -- I said we would call Gene Ellis with Alcoa Generating, but as we come up, other folks as I call them, please state your name and affiliation for the court reporter we have here.

MR. ELLIS: My name is Gene Ellis. I'm a licensing and property manager for Alcoa Power --

MR. EMERY: Can you hear him out there okay?

AUDIENCE: No.

MR. ELLIS: I'll be glad to turn around.

(DISCUSSION HELD OFF THE RECORD)

MR. ELLIS: Good evening. My name is Gene Ellis and I'm the licensing and property manager for Alcoa Power Generating Incorporated. I appreciate the opportunity to make a few brief remarks about the draft Environmental Impact Statement prepared by the Federal Energy Regulatory Commission staff. And by the way, welcome back to North Carolina.

MR. EMERY: Thank you.

MR. ELLIS: First I'd like to thank everybody, more than 100 people, who have been involved in the Yadkin Project relicensing during the past five years, especially

those folks and 22 organizations who worked so diligently with Alcoa to craft the Relicensing Settlement Agreement that will improve recreation opportunities and environmental protection within and around the Yadkin Project.

In addition, I'd like to thank Mark Pawlowski, Stephen Bowler, Lee Emery, and the entire FERC staff for the effort that has gone into the relicensing process. In particular I appreciate their support of the proposals contained in the Relicensing Settlement Agreement which reflect the broad support of state and Federal agencies, environmental interest groups, homeowners and other advocacy groups. Specifically I'm pleased that FERC's staff has recognized

the significant benefits associated with the Relicensing Settlement Agreement's proposal to change the operating rules at High Rock Lake, including an extended recreation season that will keep more water in the lake.

The Low Inflow Protocol for the Drought Management Plan is another important piece of the effort for conserving water in the Yadkin-Pee Dee watershed during times when water is scarce like it is now. There are many other important proposals the FERC staff has supported in the draft Environmental Impact Statement. Improvements to water quality and development of plans for the protection

of rare, threatened, and endangered species are just some examples. In addition, there are areas where we have work to do and we continue to search for appropriate resolutions in those areas. Alcoa will be providing more comprehensive written comments into some of these areas during the public comment period.

Since I began my comments with appreciation for the folks that helped us reach this point, I'm going to close with the same. Thanks to all of you who have been a part of this. And like me you're probably very glad that the end is on the horizon. Thank you again for this opportunity to speak this evening and for your continued work on the process.

MR. EMERY: Thanks, Gene. Okay, from the number of people who have signed up thus far, we're going to see if allotting at least ten minutes per person to get through all of those people will confine the time line, someone else would like to speak then take some more sequential speakers. Stephen will help me keep time with the speakers. We'll try to keep people on schedule. Please show respect for your fellow speakers. And I'll call out the name, state your name and organization when you get up to speak. Like you to come down to the speaker, the microphone, when you're ready to speak.

If you have some written documents, you can give those at the conclusion of the meeting or after speaking to the court reporter.

All right. We'll start off with -- I'll call out three names so we have a couple on board. Those three people come up and sit in the front seat and we'll take them one at a time when we're ready to go.

The first three speakers will be Mayor Kluttz from Salisbury, Mayor Beauford Taylor from Rockwell, and Steven Reed from the Division of Water Resources. If those three people will come up. And Ms. Mayor please, you can go ahead.

MAYOR KLUTTZ: May I go ahead?

MR. EMERY: Glad to have you here.

MS. MAYOR KLUTTZ: Thank you.

MR. EMERY: Beautiful town.

MAYOR KLUTTZ: Thank you so much. I am Susan Kluttz, Mayor of Salisbury, and I'm delighted to welcome the Federal Energy Regulatory Commission to our beautiful historic city.

I also am happy to introduce to you the Salisbury City Council. And I'd like to ask them to stand, please. Mayor Pro-Tem Paulson, Councilman Pete Kennedy, Councilman Bill Burgin, and Councilman Mark Lewis. I would also like to

introduce our City Manager David Treme and a number of

Salisbury City staff who are also present and ask them if they would stand, please.

Lastly, our Salisbury-Rowan Utilities Department provides water and waste water services to neighboring communities of Granite Quarry, Rockwell, Spencer, East Spencer, Faith, Cleveland, and other communities as well. These communities along with our growing county government have supported Salisbury in expressing their concern to you over the threat to critical infrastructure that serves their communities. And I would like to ask their representatives to stand as well.

Thank you for providing to the citizens of Salisbury and our neighbors this opportunity to share with the Commission our comments on the draft Environmental Impact Statement published by the Commission on September 28th, 2007.

As you know, Salisbury has been participating in the relicensing process since 2002, when Alcoa announced it would apply in April 2006 to the Commission for a new license to operate the Yadkin Hydroelectric Project, which includes High Rock Dam. In compliance with the Commission procedures Alcoa invited Salisbury and other stakeholders to identify studies that Alcoa should conduct regarding the

Yadkin Hydroelectric Project. Prior to this invitation Salisbury was becoming increasingly concerned about the growing sediment accumulation and rising flood waters on the Yadkin River that threatened our river pump station and waste water treatment facilities.

The pump station and waste water treatment facilities provide service that's essential to the health, safety and welfare of 40 percent of Rowan County's population, including the communities that I've introduced to you earlier.

In order to protect these critical water supply and waste water treatment facilities on the Yadkin River, Salisbury needed accurate relevant information on sedimentation and flooding, so in response to Alcoa's request for study topics Salisbury asked Alcoa to conduct studies of the sedimentation and flooding effects on High Rock Dam on Salisbury's water and waste water facilities located on the Yadkin River. We were therefore stunned to learn that Alcoa would not perform a meaningful study of the sedimentation and flooding problems that threaten the health, safety and welfare of so many citizens.

Alcoa did eventually publish a study, but that study did not address the main sedimentation problem, -- deposition on the related flood effects.

Since Alcoa failed to publish the appropriate studies to identify and address the sedimentation and flooding problems, Salisbury was forced to undertake that responsibility. Salisbury advised the Commission on June 23rd, 2006, that we intended to provide those necessary studies. Not only that, but Salisbury invited the Commission to conduct peer review of the studies Salisbury would provide.

So Salisbury went to work. We succeeded in finding and retaining nationally recognized experts and asked them to provide accurate, unbiased information regarding sedimentation and flooding effects of the Yadkin Project. As you know, Salisbury not only commissioned the needed studies and provided to the Commission the reports from

those studies, but even provided the computer files used in the modeling along with other detailed background information so that any interested party could run those models for themselves. We were after the truth and we found it.

The resulting studies performed by those experts determined that High Rock Dam causes the High Rock sediment delta. The High Rock sediment delta buries Salisbury's water intakes unless sand is continuously removed. The dam and sediment delta dramatically increase the flooding in

our water pumping station and our waste water treatment facilities. During expected heavy flows of the Yadkin River the dam and sediment delta will increase flooding to the point where the pumping station and waste water treatment plant will be flooded, vital equipment will be destroyed, and the water supply for more than 40,000 North Carolinians will be lost.

We were tremendously relieved to find that the Commission has proposed its draft Environmental Impact Statement to require Alcoa to implement a sedimentation and flood protection plan that will offset the adverse sedimentation and flooding effects of the Yadkin Project on our critical infrastructure. We request that the Commission stay the course and require Alcoa to implement the sedimentation and flood protection plan proposed in the draft Environmental Statement. And we appreciate FERC's commitment to a fair, honest and unbiased evaluation of the impacts of Alcoa's Yadkin Project.

Thank you for providing this opportunity to present these comments tonight and your concerns. And thanks again. Welcome to our community.

MR. EMERY: Thank you, Mayor Kluttz. Next Mayor Beauford Taylor, Rockwell.

MAYOR TAYLOR: My name is Beauford Taylor. I'm

the Mayor of Rockwell, a small town that's 10 miles south of Salisbury. We have a population of about 2,000. We support the request that Salisbury is putting out. The DEIS addresses our concern about the protection of our water supply. We ask that the Commission publish a final Environmental Impact Statement and issue a new license that requires the proposals, sedimentation, and the flood protection plan. Thank you.

MR. EMERY: Thank you, Mayor Taylor. Next will be Steve Reed. We put on deck three new players. Speakers rather. Robert vanGeons? Geons? Robert vanGeons. Close?

MR. VANGEONS: Yes.

MR. EMERY: Lindsey Dunevant and Robert Petree. Robert, you here? All right, Steve Reed.

MR. REED: Thank you. My name is --

MR. EMERY: Division of Water Resources.

MR. REED: My name is Steve Reed. Last name is spelled R-E-E-D. I'm the Hydro Power Licensing Coordinator.

MR. EMERY: Can you hear him back there?

AUDIENCE: No.

MR. EMERY: Could you come a little closer?

MR. REED: My name is Steve Reed. I'm the Hydro

Power Licensing Coordinator for the Division of Water Resources which is part of the North Carolina Department of

Environment and Natural Resources or NCDENR, all in capital letters.

The Division of Water Resources is the lead agency within NCDENR for the relicensing of hydroelectric projects in the state. We have been an active participant in all aspects of the relicensing of the Yadkin Hydroelectric Project since the process began a number of years ago. We have been involved in scoping and defining the issues to be addressed, as well as reviewing and designing study plans. We have participated in a number of the field studies. Our division as well as other NCDENR divisions have been active members on most of the technical work routes. We have reviewed and provided comments on the results of technical studies and have suggested and evaluated various project alternatives.

NCDENR is the signatory for the Relicensing Settlement Agreement, or the RSA, and we're here tonight to reaffirm our strong support for that Agreement.

We have worked hard with our fellow stakeholders over a number of years to develop an RSA that is both comprehensive and provides a balanced set of enhancement measures for the various interests and resources affected

by project operations. We commend FERC's staff for incorporating most of the provisions of the RSA into the staff alternative draft Environmental Impact Statement.

We would like to point out, on Page 7 of the DEIS FERC lists all of the parties that have moved to intervene in the Yadkin Project.

On February 22nd, 2007, NCDENR filed a Notice of Intervention and an Alternative Motion To Intervene; therefore, it appears that FERC may have inadvertently failed to list NCDENR as an Intervenor, and we ask that this be corrected. Thank you.

MR. EMERY: Thanks very much. Robert vanGeon.

MR. VANGEONS: VanGeons.

MR. EMERY: VanGeons. All right. Thank you.

MR. VANGEONS: Good evening.

MR. EMERY: You're with Stanly County?

MR. VANGEONS: Yes. My name is Robert vanGeons.

MR. EMERY: Am I allowed to --

MR. VANGEONS: V-A-N leave a space capital

G-E-O-N-S.

MR. EMERY: Thank you.

MR. VANGEONS: I'm the economic development director for Stanly County. I'm accompanied tonight by a delegation of Stanly County citizens and elected leaders.

Chairman of the Stanly County Commission is Tony Dennis, Commissioner Lindsey Dunevant, Attorney Mike Taylor, and concerned citizens Chris Bowman and Roger Dick.

We are here tonight to express our great concerns regarding the cumulative environmental impacts this project and its operations have had in our community throughout the years. We desperately need your help if we're to answer some very tough questions.

Let me say that Stanly County is strongly supportive of the city of Salisbury's position as it relates to sediment in High Rock Lake.

Our own Badin Lake has a sediment issue also. The primary difference is that Badin Lake sediment, particularly that in what is known as a public swimming area and the boat launch area, is contaminated with various

metals. This was the finding of an RCRA Facility Investigation Report conducted in 1996 and '97. This report found that these substances can be highly toxic and hazardous to human health.

Stanly County has requested various studies reports from the Federal and state and Alcoa officials. Unfortunately, it's been our experience that these requests must be surgically specific with regards to what particular study, report, the data or test result we're requesting,

and in excruciating detail. And even with this detail, once identified such information has been reluctantly provided only after considerable delay. One example of this is our request for a report written by Alcoa and provided to FERC concerning sinkholes near the High Rock Dam which we requested in early September. We still have not received a response to this request even after completing a - forgive me if I have the acronym wrong - a CE-II request and verifying that we had sent the request and twice making contact with FERC staff.

Stanly County has very limited financial ability to conduct our own environmental testing and studies, but we have several small ones currently underway. One of the reasons we would like to have some independent tests and studies completed is that the state and apparently FERC both rely on self-testing and self-reporting by Alcoa. Additionally many of these tests are over a decade old.

We respectfully request additional time to complete these tests and analyze the results.

And at this time I would like to yield to County Commissioner Lindsey Dunevant who would like to share with you the concerns of the Stanly Commissioners; but as I do, I would like to implore you and actually downright beg you to provide us the resources, time, and assistance necessary

to answer these critical environmental questions before moving further with the process.

MR. EMERY: Before you go away, a couple -- one thought. This 1996-1997 contaminant data, do you have that or do you have a reference for it?

MR. VANGEONS: We can provide you that.

MR. EMERY: Okay. And the second thing. The sinkholes, does this occur in the -- area? What makes you think there's a problem with sinkholes in the area?

MR. VANGEONS: That --

MR. DUNEVANT: I can answer that.

MR. EMERY: Okay. Thank you.

MR. DUNEVANT: Good evening and welcome to God's country. I am Lindsey Dunevant. I am a member of the Stanly County Commissioners.

On September 28th, 2007, the staff of the Federal Energy Regulatory Commission prepared a draft Environmental Impact Statement for the relicensing of Alcoa Power Generating Inc., for at hydroelectric development to the Yadkin River. Despite a long process involving the public, the draft EIS barely mentions the concerns expressed by Stanly County and its citizens. It completely ignores the impact Alcoa's project has and will have on the lives of the 60,000 citizens of Stanly County.

Typically the final EIS is the primary decisional record in the FERC relicensing process. It should reflect the process, as well as the staff's independent



consideration of the record in light of what the law requires.

Stanly County believes that FERC's staff has essentially ignored Federal law by failing to address all the issues raised in the relicensing process in its report. We certainly hope that the FERC staff will consider its omissions and follow the law when they issue the final version of this document.

Federal law requires that FERC take into consideration the effect on the community served or to be served by the project during the relicensing process. Stanly County is obviously one of those communities affected by the Yadkin Project relicensing and we are baffled as to why those concerns which were -- explained and presented to the FERC staff in great detail are not addressed at all in the draft EIS.

Stanly County intends to file Pleadings with FERC asking its staff to address the shortcomings in the final EIS. We are concerned as to how the FERC staff could ignore the impact that Alcoa has had on the people of Stanly County over the past nine years. We can only hope

that the FERC staff will correct this glaring omission and address the impact this project has had and will have on our citizens before finalizing its report.

Stanly County also finds the draft report puzzling in light of Alcoa's refusal to answer the questions the county has about Alcoa's sediment litigation in Washington State. In that matter Alcoa argued and agreed that environmental cleanup in Badin would cost in excess of \$50 million. Alcoa reports that the -- eight sites that require attention and that it has spent more than \$8 million to remediate those sites. According to Alcoa, there is no further action that is necessary. The \$50 million dollar threshold that Alcoa has admitted in other litigation stands in stark contrast to the \$8 million that Alcoa states it has spent to complete the remediation and analysis. Alcoa has yet to provide a full answer to these questions.

Last week Stanly County urged the North Carolina Division of Water Quality to take additional time as permitted under the applicable 401 water Quality Certification Rules to gather and consider important environmental information related to the potential impact on water quality from Alcoa's proposed operation of the dam system. For the same reasons that Stanly County has asked

the state of North Carolina to focus on the impacts to Stanly County we urge the FERC staff to revise its draft to include the Stanly County issues before releasing its final Environmental Impact Statement for the Yadkin Project relicensing.

Among other things, critical information is now being gathered and current data should be assimilated to understand fully the potential impact that the proposed relicensing may have on the Yadkin River, Badin Lake, and related water bodies.

In sum, the county believes that FERC cannot and should not issue a final Environmental Impact Statement without fully evaluating all the environmental impacts to the Yadkin River, Badin Lake, and related water bodies from Alcoa's historic operations, including information from -- in the --

The FERC staff must and should review this information to determine if the identified impacts to our waters, aquatic life and/or related species and ecosystems will be exacerbated by the operation of the dam system that APGI is proposing to operate for another 50 years.

Furthermore, the County believes that the National Environmental Policy Act was intended to alert policymakers and decisionmakers about the interface between decisions

they would make and the impacts of those decisions on people. Ignoring the people in Stanly County surely leaves a big hole in the document intended to advise FERC the decisionmaker here of what they should be looking at and what they should do with the power of our laws given to correct, modify and improve the environment as a condition for use of the waters of the Yadkin River.

Thank you for allowing us to make this statement today.

MR. EMERY: Thank you. Next up Robert Petree and the other three to be on deck will be Mike Taylor, Larry Jones, and Dick Martin. Come down, please, to the front row. Robert Petree.

MR. PETREE: I'm Robert Petree with SaveHighRockLake.org. I'm here to represent over 8,000 of our members who are certified stakeholders in the project.

In the draft Environmental Impact Statement, the Commission has indicated they were sent the request of APGI included in their Relicensing Settlement Agreement to allow totally unrestricted fluctuations of the water levels at High Rock Lake between full tide and 10-feet below full during the months of November through March.

This represents a range of approximately 63% of the average depth of the lake. To date we've been unable to

find any other project where such an extreme fluctuation is allowed. This excessive abuse of the aquatic environment of High Rock Lake was not the preference of anyone signing RSA other than APGI. Unfortunately, homeowners who did sign the RSA are in no way directly impacted by the operation of the lake. They were, however, adamantly pursuing other concessions from APGI. These concessions generally fell in two specific areas. First, a downstream interest seeking river flow regulation, as well as flow augmentation during naturally drier periods. It's in their best interest to allow the sacrifice to the environment of High Rock Lake to provide downstream flows exceeding those provided by nature.

The second area of interest related to access of APGI land holdings outside the scope of the Project. Since these lands will be considered out of scope of relicensing the Project 2197, the only possibility to acquire access to these properties is for those participants to concede to the bare minimum of environmental protection measures at High Rock. More than 85% of those signing the RSA did so to fulfill one of these two goals at the expense of the environment of High Rock Lake, without regards to the wishes of the citizens they were supposed to be representing. At no point during the entire process did

any of the agencies with statutory authority solicit input from the citizens they purported to be representing or offer them any venue to submit unsolicited comments pertaining to the process.

5 These citizens now look to the Commission to do the  
6 right thing and provide them with the statutory  
7 representation they're entitled to by the Electric  
8 Consumers Protection Act of 1986, and the directives of the  
9 FERC to provide licensing terms that represent a balance of  
10 all stakeholder interests. We ask you to insure the  
11 protection of the environment throughout the entire water-  
12 shed affected by the operation of the Project, not just  
13 areas below the first dam.

14 The Commission is obligated to insure the terms of a  
15 new license conform to all current applicable local,  
16 Federal, and state regulations, as well as honoring the  
17 intent of those regulations. The Commission is under no  
18 obligation to consider or guarantee any level of  
19 profitability for the licensee or to blindly accept all of  
20 the terms included in the RSA.

21 Eighty years of environmental abuse at High Rock Lake  
22 does not make it right or even acceptable for the future.  
23 This type of abuse of our natural resources for corporate  
24 profits is the very reason the Electric Consumers

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1 Protection Act of 1986 and the Environmental Policy Act  
2 exist.

3 On behalf of thousands of certified stakeholders in  
4 Project 2197, we ask the Commission to respond to the  
5 following questions and then reconsider their request to  
6 limit the drawdowns at High Rock Lake to no more than 6  
7 feet from November to March except as required under the  
8 Low Inflow Protocol.

9 Did APGI submit any environmental or recreational  
10 study results justifying the need or benefit of a 10-foot  
11 drawdown of High Rock Lake from November through February?

12 Did the Commission receive comments directly from  
13 hundreds of stakeholders, as well as organizations  
14 representing many thousands more, indicating they were  
15 opposed to drawdowns exceeding 6-feet at High Rock for  
16 environmental and recreational safety reasons?

17 Did they receive documentation that a huge majority of  
18 the 1.5 million recreation days of public recreation  
19 activity at High Rock Lake occurred via the thousands of  
20 privately permitted facilities?

21 Documentation indicating nearly all of the privately  
22 permitted facilities conforming to APGI mandated design  
23 standards are either unsafe or completely unusable at a  
24 10-foot drawdown?

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1 Did you receive more than one comment directly  
2 identifying and specifically supporting the 10-foot  
3 drawdown?

4 Because that's all I was able to ever find on the web  
5 site.

6 Did the Commission determine that, under a 6-foot  
7 drawdown limit the downstream minimum flow requirements  
8 would almost always be achievable?

9 Under a 6-foot drawdown limit water willow would  
10 likely expand within High Rock reservoir and emergent  
11 vegetation would likely expand around the reservoir  
12 shoreline increasing the amount of fish and wildlife  
13 habitat available.

14 Did the commission determine limiting drawdowns at  
15 High Rock Lake to 6-feet would protect a greater portion of  
16 the reservoir from freezing, desiccation, limiting adverse  
17 effects on overwintering reptiles and amphibians than the

proposed 10-foot drawdown?

Did they determine the 10-foot drawdowns during the normally drier months of November through February would provide little benefit as a flood control measure over a 6-foot drawdown?

Did they determine that greater and safer access to High Rock Lake for private dock owners and the general

public for approximately 13%, approximately 195,000 recreation days, would be afforded by a 6-foot drawdown limit at an incremental cost increase of only 0.34% or \$126,000?

That's one Alcoa management person not even including their benefits.

After answering these questions could you please explain to these stakeholders why the Commission would allow such excessive and unrestricted fluctuations of water levels at High Rock Lake in a draft Environmental Impact Statement?

MR. EMERY: Could you put that in the record, that statement? Into the record, your statement.

MR. PETREE: Excuse me?

MR. EMERY: You're going to submit that to the record? Thanks. Mr. Reed. Mike Taylor.

MR. TAYLOR: Good evening. My name is Mike Taylor. I am a lawyer, but I'm also an archeologist. And I'm with the Stanly County delegation. And I want to make three points and make sure that you have some documents which I believe Stanly County, which is an Intervenor in this case, has previously submitted, but I think it's very important that you, the three of you, have these documents before you.

I think that it is important to note that Stanly County is the location of the aluminum smelting plant, and that is now not in operation in Stanly County, that the Narrows Dam was constructed to provide power for 90 years ago. And I was very pleased then in being able to talk just before this meeting and realize, and I know you understand that history, the archeology, and the human landscape around the Project is a part of what must be considered in the Environmental Impact Statement.

In 1795, an observer said that, at the Narrows of the Yadkin 25 miles below Salisbury you would find probably the most advantageous place for a major industrial city in the entire United States. This is an incredible natural resource that the Yadkin -- that the Narrows Dam -- that the Narrows of the Yadkin is where the Narrows Dam is located. It's very important to understand that.

And the Narrows Dam was constructed, it was completed in 1918. When it was completed it was the tallest concrete structure in the United States. It was begun by the French alluminum company during world war I, and then Alcoa came in and took over after World War I broke out. But what's very important to understand is that this took place before there were the laws which led to TVA and public authorities. This is a somewhat unusual situation in the

United States in that we have a private company which is benefiting from this dam. It's at a very important site.

You may not know there is a national landmark, the Hardaway Site that was discovered within a few hundred meters of the dam, was discovered when they were building

the dam. well, I believe it may have been discovered in the 1930s. It was excavated by my former professor at Chapel Hill, Dr. Geoffrey Koch. It is probably one of the most important Native American sites in eastern North America, with radiocarbon dating going back to 10,000 BC. And it is a national landmark, it is not -- the public's not allowed to go. You can get prosecuted pretty bad if you show up there with a pick and shovel; but this has been an important site for a long long time.

Alcoa got there and got the dam built before these public authority laws got put in place. 1958 Alcoa came along and got a 50-year license. And this is something that you need to understand. In the license they said, we're going to provide 950 jobs. Those were some of the best paying jobs in our region and those are now all gone. Globalization means that it is now cheaper to make aluminum in other countries.

So what does that mean? They still have a dam. what they're asking FERC to do is allow them to keep this

license with what we understand is at least \$40 million a year annual income, and they're not providing hardly any jobs in Stanly County at all. Those high paying industrial jobs are gone. That is part of the human landscape. And I hope that FERC will take this into account. That has not been addressed at all in the draft Environmental Impact Statement.

As Commissioner Dunevant pointed out in his statement, Alcoa itself in a lawsuit against its insurance companies, in 2003, there was a finding by the Superior Court of King, Washington, which said that it could well be more than a \$50-million-dollar cleanup. They have not explained what that means to this day and I want to make sure that that goes into the record. That has long ago been submitted to FERC in Washington, but since you are the environmental folks hearing this tonight, I want to make sure that you have a copy of this from King County, Washington. This is an August 2003 Order, Case No. 92-2-28065-5-SEA, Alcoa Inc. and Northwest Alloys Inc., Plaintiffs, against Accident and Casualty Insurance Company, et al, an extremely long list of insurance companies. And may I enter that into the record?

MR. EMERY: Yes, you can. Thank you.

MR. TAYLOR: By the way, when I was on the board

of directors of the Historic Preservation Commission about 26 years ago, I wasn't principally responsible, I happened to know about it, we published a book, the Stanly County Historic Preservation Commission, Badin: A Town At The Narrows. The entire town is listed on the National Register of Historic Places. And this explains the background of how the dam came to be built. And I think that this ought to be considered, this important historic area with a national landmark. There's actually three -- the national landmark is the Native American site and then there are three National Register areas: The plant itself, the Badin, which was built by the French, and then West Badin which was the African-American town in Badin which was -- it was a very important early planned city. And I would like to enter Badin: A Town at The Narrows, by Brent Glass, which was originally published in 1981 or '2, I believe. I'd like to make sure that is entered into the record.

MR. EMERY: Thank you.

MR. TAYLOR: And I want to address the environmental side. I want to make sure that you are aware of the editorial in the CHARLOTTE OBSERVER that was published on May 17th, 2007, so you know it isn't just us folks in Stanly County talking about these issues, about

the environmental issues, and I would like to have this editorial entered into the record from the CHARLOTTE OBSERVER, if I might.

MR. EMERY: Thank you.

MR. TAYLOR: I want to make sure that you have the concerns that Mr. VanGeons was addressing about the draft Environmental Impact Statement. And this is a written statement. I'd be glad to give it to each of you. I'd like to enter it into the record.

And I don't know if in advance you were given a copy of Commissioner Dunevant's remarks, but I would like to make sure that those are entered into the record, this statement.

And then we have submitted this, but, you know, the Federal government is large, we worry about things getting lost in the shuffle. We would like to make sure that you have a copy of the letter on the 401 asking that other issues be explored. We feel like there may be a rush to judgment on the 401 Water Quality Certificate. And this was submitted by some attorneys for Stanly County November 9th, to DENR, and I would like to make sure that that is in the record. Although I believe, Jerry, we have submitted that. Is that not correct?

And I would also like to give you a statement which

just summarizes, it's a general summary of why this license is so important; so important not only for the 60,000 or 58,000 people of Stanly County, but for the people up and down this region. It's a matter of deep concern to us and some of the -- especially the economic issues are addressed and I'd like to enter this statement: "Why a new license for the Narrows dam on the Yadkin River matters to the people of North Carolina." This is dated November 5th, 2007, and it's on the Stanly County letterhead.

And just in closing, I'd like to ask that the FERC staff, you took a first cut at it with the DEIS; we'd just like to suggest that you back up, you take two or three steps back. You're not looking at the big picture yet. We didn't -- maybe you are, but we didn't see it there. Look at the big picture, look at the economic impact on the people of our county. Think about the economics of this situation. Think about the people in our county who have lost their jobs, these high paying jobs that are gone. Please take these issues into consideration when you're putting forward the final Environmental Impact Statement.

And thank you very much. I'd be glad to answer any questions or offer any of our Commissioners or delegation.

MR. EMERY: Thanks very much. If we have something afterward, we'll ask you. We'll give the other

speakers a chance to speak. Thanks very much.

MR. TAYLOR: Thank you.

MR. EMERY: Larry Jones and Dick Martin next.

MR. JONES: Good evening. I'm Larry Jones, president of High Rock Lake Association.

Our association was formed in 1954 to foster and

promote the welfare of High Rock Lake and the Yadkin River. For over half a century we've worked to obtain more stable water levels in the lake, to improve water quality, and to ensure the lake is operated in a way that provides the best possibility for recreational opportunities to the citizens of the region.

Through our association's involvement with the relicensing process, we believe we've found a way to make tremendous strides towards our goals. The Relicensing Settlement Agreement which is a part of Alcoa's license application provides a road map for enhancement of the lake management practices that we believe will benefit all segments of the region, including environmental, economic, and recreational interests.

We are pleased the draft Environmental Impact Statement prepared by FERC adopts the principles and the guidelines that the stakeholders incorporated into the Relicensing Settlement Agreement. As one of those

stakeholders whose spent countless hours over the last four years developing the RSA, it's gratifying to find that you guys have validated our work.

I must tell you tonight that there's one portion of the draft Environmental Statement that causes us concern, and that's the idea that Alcoa alone should be held accountable for the effects of sedimentation in High Rock Lake. Our association is concerned that the financial burden on Alcoa imposed by your adoption of Salisbury's request could jeopardize the relicensing process as it is now proceeding. We're concerned that that potential expense of sedimentation and flood mitigation proposed by Salisbury will lead to extended litigation, hearings or whatever that could cause indefinite delays to the issuance of a new license. If that happens it's our understanding that Alcoa can continue to operate the Project under the terms of the existing license. We'd consider that to be a disaster for the lake and for the region. As an example, consider this year's drought. Alcoa has voluntarily cooperated with the stakeholders and operated the Project in what I'm calling a simulation mode of the proposed Low Inflow Protocol, and as a result the lowest level we reached this fall was 7-1/2 feet below full, which is about exactly what the computer models said we could expect.

Compare that back to 2002 when we were down 24 feet in a similar drought. Compare it to other lakes in the region right now that are all down, like Lake Lanier and everything.

If the license is delayed, we fear that we'll lose all the gains that so many stakeholders invested thousands of hours developing and in the meantime Alcoa is just going to enjoy increased profits by operating under the present license terms which we know means \$2- or \$3 million a year of additional revenue for them.

The sedimentation issue is a real issue; we understand that; but we believe it's a burden that must be shared by the entire watershed community and not just one company. Sedimentation controls, trash and litter policies, storm water retention policies: These are just a few of the areas that must be aggressively addressed by cities and governmental entities to improve the problems facing our rivers and lakes. Examples right here in Salisbury include some huge new housing developments that have remained raw

graded for two years or so without seeding and we get huge amounts of sediment runoff right into the lake. We've got still using in this town street washing equipment that just flushes all the trash and debris right into the storm sewer and right into the lake. That's not good stewardship.

Construction of I-85 is another problem that's causing sedimentation problems in High Rock.

I'm just using all these examples to say it's not just one company's problem, it's not just the fact that High Rock Lake is there that we've got a sedimentation problem.

As for the flooding issues, you know, during the past twelve years FERC has performed two different studies - I believe it's about twelve years - saying that and they've concluded that the operation at High Rock Lake does not affect conditions upstream of the I-85 bridge; yet the draft EIS seems to ignore those previous studies. In preparation of DEIS did you revisit those studies? You know, we wonder. I'm sure you did, but it just wasn't clear to us.

Have you considered the most recent flood plain maps produced by state and federal agencies?

You know, I think it boils down to improvements within flood plains are always at risk and the owners of those facilities must accept those risks if you build in a flood plain.

Even more to the point, the Yadkin Project does not threaten the area's water supply. We believe it actually protects it by creating usable storage. A lot's been said about water supplies and danger. We've got a big pond

there. We've just got to take it out at the right place, I think. What may be threatened is a century-old water intake system that has served its design life. The burden of any needed floodgates to this aging infrastructure is a civic matter.

The High Rock Lake Association believes Salisbury's infrastructure needs are not a reason to delay issuance of the new license.

So in conclusion, our association asks that FERC not adopt Environmental Measure No. 19. Thank you.

MR. EMERY: Dick Martin.

MR. MARTIN: Hi. I'm Dick Martin. While I've lived on the lake about ten years in Anchor Downs, I've sailed on it intermittently since about 1980. I've seen the 12 to 14-foot drawdowns that happen in the winters prior to the 24-foot drop with the drought of 2002.

I feel I kind of represent the little people who don't really get heard like the big groups that makes everything look like a fait accompli when all the other people are talking.

This year Alcoa has proved that it can keep the lake up during a drought. You've set a precedence and we commend you for that. We also appreciate the proposed extended boating season with the higher levels more of the

year. However, I don't think a 10-foot drawdown is really acceptable. A 6-foot drawdown means most of us, because of the shallowness of the lake, can't use our floaters or many of the boat ramps. Alcoa has said that 10 feet is better than 13 feet coming down. Well, I would think that 6 feet is even better environmentally.

In the summer it would be desirable not to drop it



more than 3 feet. You go to the proposed 4 feet, that gives me an average of 2 to 3 feet at my floater which is like many of them and it's not safe for a sailboat. Pontoon boat, yeah, but not a sailboat. One cannot help but believe that Alcoa is looking out for Alcoa and no one else.

Again, I urge limiting the winter drawdown to 6 feet and the summer of 3 feet. I would also urge that a license be granted for no more than 25 or 30 years in the future and not the 50 years as it had been in the past. Thank you very much.

MR. EMERY: Thanks very much. That is the end of the list that I have of people who had indicated in writing they wanted to speak. Is there someone else out there in the audience who would like to speak? Hard for me to see you, by the way, out there. If there is someone, raise your hand. Is that someone coming from the back?

MR. QUALKENBUSH: Yeah, I --

MR. EMERY: Mr. Qualkenbush?

MR. QUALKENBUSH: Yes.

MR. EMERY: Oh, okay.

MR. QUALKENBUSH: My name's Ron Qualkenbush and I live in Lexington, but I own a property in the upper end of the Yadkin River, matter of fact, next door to the city of Salisbury.

MR. EMERY: Can you hear back there?

MR. QUALKENBUSH: Well, I'll do better. Anyway I own some property that's next door to the city of Salisbury and I've been there many many years and I know the problems with flooding and sedimentation, and I know -- reaction is Alcoa. I called them one time on a flood and I lost thousands of dollars up there and Alcoa's reply to me and a bunch of campers was, Chain them down. Another incident when I talked to Alcoa their reply was, Ignore it. And, you know, I'm glad to see that FERC, you know, they blamed you all for a long time. I even filed some flood claims and you're probably sick of seeing them, but they used to say that, I think his name was Sar-- or somebody said there's nothing that could be done. Well, I'm up there. I been up there boating that area, I see the sedimentation. I own a farm, too, and friends of mine own farms up the

river and they've lost thousands of dollars in crops and this, that and the other because of the poor stewardship of Alcoa. And I want to thank the city of Salisbury, because they finally come back and proved that there's a real problem. You all was up there on pontoons, you see the sediment problem, and something has to be done about it. We can't go another 30 to 50 years and have poor stewards like Alcoa, you know, using our waterways.

And anyway I wanted to thank you. And I hope you listen to the city of Stanly too. You know, these folks need help there. And that's all. I wasn't going to say anything, but I've listened to a few of them --

MR. EMERY: That's fine.

MR. QUALKENBUSH: Thank you.

MR. EMERY: That's fine. Anyone else out there would like to speak? Yes, there's someone in the back. Please identify yourself when you come up or your organization or individual.

MR. KITZMAN: Delane Kitzman. I'm a property owner along the lake. I want to --

21 MR. EMERY: Which lake?  
 22 MR. KITMAN: High Rock Lake on Lexington, the  
 23 county side, on Davidson County side. I want to  
 24 reemphasize, I believe that Mr. Dick Martin probably spoke

0044  
 1 very well for the vast majority of property owners, and so  
 2 simply requesting reconsideration of a 6-foot management  
 3 drawdown and pointing out the issues for all of the  
 4 property owners and the access and, also, the length of the  
 5 request for the new licensing, which is very common  
 6 throughout the United States. Given the nearly 45%  
 7 projected increase in population for the next 20 years it  
 8 seems very unrealistic for a Commission to consider a  
 9 50-year relicensing project. Thank you.

10 MR. EMERY: Thanks very much. And anyone else  
 11 out there? Don't see anyone. I wanted to remind folks in  
 12 the back of these papers, if you would like one. It has  
 13 the address for where you would send the written comments  
 14 if you happen to think -- written comments. I have some of  
 15 these. I just want -- to take some along with the  
 16 address. The deadline is December 8th for comments. Yes,  
 17 another person.

18 MR. BRAMLETT: Can I say something?

19 MR. EMERY: Sure. Come on up. It's easier.

20 MR. BRAMLETT: My name is Chris Bramlett. I have  
 21 no notes. I did not come prepared to speak.

22 MR. EMERY: And you're with?

23 MR. BRAMLETT: Stanly County. I have a Ph.D in  
 24 organic chemistry. I don't know how many of you folks are

0045  
 1 scientists, but you know if you are and you know that  
 2 lightning is nature's fertilizer. It fixes nitrogen. When  
 3 that electric discharge goes through the air it comes  
 4 through the land as nitrates and fertilizes our plants all  
 5 over the world. An aluminum plant uses an enormous amount  
 6 of electric discharge to create aluminum metal out of the  
 7 bauxite that's dissolved in cryolite. Those pots are lined  
 8 with carbon and when you get those kinds of electric  
 9 discharges it fixes nitrogen again, but not as nitrates,  
 10 but as cyanides. I have read many papers that state how  
 11 much cyanide is produced in those pots. Those pots are  
 12 discarded somewhere in Stanly County. I would challenge  
 13 anybody to give me a clear statement as to how many of  
 14 those sites there are in Stanly County and to what extent  
 15 we have those chemicals, not just cyanide but all sorts of  
 16 other chemicals that are deposited throughout our county.  
 17 We have never received a satisfactory answer to that.  
 18 Please for heaven's sake don't leave us another 50 years  
 19 without knowing how much of that stuff we're living with on  
 20 a day-to-day basis. Thank you.

21 MR. EMERY: Thank you. Anyone else? My  
 22 supervisor just reminded me, the meeting does go until  
 23 9:30, so we will be around here to talk one-on-one with  
 24 you, if you would like, after the meeting's over.

0046  
 1 MR. DICK: I'll make a comment.

2 MR. EMERY: Sure. Identify yourself and  
 3 organization, please.

4 MR. DICK: I will. My name is Roger Dick and I'm  
 5 with Stanly County and I'm a banker. And my concern  
 6 started from the economic --

7 MR. EMERY: Can you hear him back there? Can you  
 8 hear him back there?

MR. DICK: Can you hear me now? What I guess I'm most concerned about is something that I heard one of our presidents say around the turn of the century when the water Act was being passed, in that we were granting permits to the people's resource without any policy. His fear was that most of these waterfalls were in rural, remote places that were poor, such as Stanly County and The Narrows. So my question today, when most states are concerned with their water resources and specifically when the law provides that the hydro power that comes from it also belongs to the citizens, why are we today in America finding that this makes good sense economically in leaving a region that has lost thousands of its textile, manufacturing jobs? Our state has seen this migration. You know, we need this resource back as citizens to rebuild our economy. That applies to all the hydro plants in our

state. So my question also, I've learned that in globalization we have free trade policies, so tomorrow, if you grant this license, we can wake up and Duke Power or Progress or Alcoa are now controlled by foreign interests and our water resources that belong to the people are also now owned and controlled by foreign interests. Should that happen and you grant these licenses, how do you protect the people and its resources from falling into the hands of foreign interests when it is virtually free energy that we need to rebuild our economy.

MR. EMERY: I think that will conclude the meeting. And now if anyone would like to chat with us. Thanks very much for coming out. Have a good evening.

MR. PAWLOWSKI: If anybody would like to informally come up and ask any questions regarding the process and the procedures or anything, we'd be happy to do that to the best of our ability. Thank you.  
(WHEREUPON, THE PUBLIC MEETING WAS CONCLUDED AT 8:10 P.M.)

NORTH CAROLINA  
ROWAN COUNTY

REPORTER'S CERTIFICATE

I, A. ROBIN J. SCHENCK, a Stenotype Court Reporter and Notary Public duly qualified in the state of North Carolina, do hereby certify that a public meeting in the foregoing matter was held before The Federal Energy Regulatory Commission, at Livingston College, James Varick Auditorium, 701 W. Monroe Street, Salisbury, North Carolina, on the 14th day of November, 2007; that the foregoing pages number 1 through 47, inclusive, constitute a true and correct transcription of the proceeding thereof to the best of my ability.

I do further certify that the persons were present as stated in the appearances.

I do further certify that I am not of counsel for, nor in the employ of, either of the parties in this action, nor have I any interest in the results of this action.

This the 14th day of November, 2007

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A. Robin J. Schenck, Stenotype Court Reporter  
Notary Public, # 19972580084

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BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Project Number:  
YADKIN AND YADKIN-PEE DEE RIVER : P-2197-073  
HYDROELECTRIC PROJECTS : P-2206-030  
- - - - - x

Stanly County Agri-Civic Center  
26032-b Newt Road  
Albemarle, NC

Wednesday, January 24, 2007

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

BEFORE:

LEE EMERY, FERC

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

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(7:00 p.m.)

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MR. EMERY: My name is Lee Emery. I'm with the Federal Energy Regulatory Commission out of Washington, D.C. It's nice to see everyone here this evening. I'm looking forward to a productive scoping meeting with some input from you. We spent the last couple of days seeing some of the Yadkin and Yadkin/Pee Dee projects. Some areas that we, the staff, wanted to see. Before we get started this evening, I'd like to say a few words about what we want accomplish at tonight's meeting and then I'll have Pat Weslowski begin the presentation and introduce the various team members.

Some of you may or may not know what FERC is. It's a regulatory agency that has many responsibilities other than just hydro power or relicensing of non-federal hydropower licenses. We're required under a variety of federal laws and our own agency regulations to evaluate the effects of licensing hydropower projects and scoping is one part of this process. In tonight's meeting we'll be asking you to identify or further refine the scoping issues that we've identified in the scoping document that hopefully some of you have already read. There's many copies available for you this evening as well.

1                   Your input will help us develop an Environmental  
2   Impact Statement we will be preparing for the project.  
3   We're still very early on in the stage of this process,  
4   although the Notice of Intent and some other activities have  
5   been going on for several years amongst the licensee and  
6   several parties, but for us in the licensing branch, this is  
7   the first part of the process. And you'll have other  
8   opportunities to participate in the process as we go along.  
9   Before we present our recommendations from the results of  
10   preparing an Environmental Impact Statement to the  
11   commissioners at FERC. These five commissioners are  
12   appointed by the President, confirmed by the Senate and  
13   ultimately are the people who will decide whether the  
14   project should be licensed and how the project should be  
15   operated in the future.

16                   While Pat Weslowski presents her program, I'll  
17   determine how many people have indicated they would like to  
18   speak and how much time we can allow for each speaker and  
19   I'll be the timekeeper over here to try to keep people on  
20   track. If you haven't signed in yet, let us know and if we  
21   have time left over at the end of the evening after those  
22   who have spoken -- some time allotted, a certain amount of  
23   time, don't use all of it -- I'll ask if anybody else would  
24   like to say something. We look forward to a productive  
25   evening. Thanks.

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1 MS. WESLOWSKI: Good evening. We just have a  
2 brief program to orient you to the Yadkin Project. The  
3 agenda, very simply we will have introduction of the folks  
4 in front of you. We'll talk a little bit about the purpose  
5 of scoping, although Lee's pretty much covered that I think.  
6 We'll give you the anticipated schedule, talk to you about  
7 the type of information we'll be looking for in addition to  
8 the comments that you would like us to hear. We'll give you  
9 a brief description of the project itself. We'll described  
10 the proposed environmental measures. We'll talk a little  
11 bit about the cumulative effects analysis that we envision.  
12 We'll tell you the resource issues that we've identified  
13 thus far and then we'll hear from you.

14 We have a few ground rules, which I'm sure you  
15 all respect. We're looking for people to be cordial and  
16 polite to one another. We may have time limits and we wish  
17 you will adhere to those so that everybody who wants to  
18 speak will have an opportunity to do so. If you haven't  
19 signed in, please do so and certainly, if you want to speak,  
20 indicate that on the sign-in sheet. If you have brought  
21 written comments with you that you would like to leave with  
22 us, you can leave them with our court reporter and he'll  
23 make sure they get into the public record.

24 Can you all hear me fine up there? Great. The  
25 folks who are here tonight in addition to Lee Emery, who's

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1 the co-coordinator for the FERC team. Lee's a fisheries  
2 biologist. We have Steven Bowler. He's the other co-  
3 coordinator for the FERC team and he's also a fisheries  
4 biologist. I'm Pat Weslowski. I'm with the Louis Berger  
5 Group. We're contractors to the FERC and we assist in the  
6 preparation of the NEPA documents and I'm coordinating the  
7 Berger team.

8 To the far left, Sarah Florentino. She's with  
9 FERC team and she's a terrestrial ecologist. She'll be  
10 dealing with wildlife and plants and so forth. Next to  
11 Sarah is Allyson Connor. Allyson's with the FERC team and  
12 she's a recreation specialist. Out at the front desk are  
13 Peter Foote, who's with the Berger group. He's a fisheries  
14 biologist. Dr. Bernard Hay also with the Louis Berger  
15 Group, coming in the door as we speak. He's a water quality  
16 specialist and has a lot of experience in sedimentation  
17 issues. And Ken Hodge, who is a civil engineer also with  
18 the Louis Berger Group. Those are the folks who form most  
19 of the team will be preparing -- I'm sorry. Manning the  
20 Powerpoint, probably the most important person here, John  
21 Hart, also with the Louis Berger Group. John is a  
22 hydrologist and he has a lot of experience with HECRAS  
23 modeling.

24 Lee mentioned the purpose of scoping, Scoping is  
25 part of the NEPA process. Through this type of meeting we  
26

1 solicit your comments, comments from agencies, federal,  
2 state, local, Indian tribes, non-governmental organizations  
3 and the general public -- people who live near and use the  
4 project. Scoping Document One was issued by the Commission  
5 on December 21st and if you haven't received a copy in the  
6 mail or haven't picked one up yet, they are available at the  
7 registration desk and we hope you will do so. The schedule  
8 for preparation of the Environmental Impact Statement calls  
9 for a draft impact statement to be issued in September.  
10 Based on these scoping meetings, we'll determine if we have  
11 the information needed to complete the analysis. Once we  
12 know that, we'll issue a ready-for-environmental analysis  
13 notice. The earliest that would be issued would be the end  
14 of February. And then agencies have an opportunity to  
15 provide terms and conditions and the applicant has the  
16 opportunity to reply. This is Peter Foote. He's our  
17 fisheries biologist.

18 The types of information that would be useful for  
19 us include significant environmental issues at the project,  
20 studies that may have been conducted about the project that  
21 are not currently in the public record and all of the  
22 filings that you have made during this licensing proceeding  
23 are available on e-Library. So if there are studies that  
24 have already been filed, we have access to those. If there  
25 are studies that haven't been that you think we need to see,  
26

1 those you can present them to us or file them. Information  
2 on data describing the project conditions and resource plans  
3 and other specific proposals, not speculative ones, but ones  
4 that are likely to happen. It's useful for us to know about  
5 those for the cumulative impact analysis in particular.

6 Now I would like to ask Gene Ellis from Alcoa  
7 Generating Power to come up.

8 MR. ELLIS: Thank you, Pat. I'm Gene Ellis. I'm  
9 the licensing and property manager for Alcoa Power  
10 Generating, Inc. On behalf of Alcoa, I would like to thank  
11 you for joining us here tonight for this FERC meeting.  
12 We've been working on the relicensing of the Yadkin Project  
13 for more than four years now and tonight marks another  
14 milestone in this process. When we first began the process,  
15 we encouraged those with an interest in the future operation  
16 of the project to get involved. We've had tremendous amount  
17 of community and agency involvement every step of the way  
18 and that participation is leading us to a relicensing  
19 agreement that offers important environmental protections  
20 and significant recreational benefits to the people of North  
21 Carolina.

22 For the past two years, we've been working with  
23 representatives from over 25 organizations and agencies to  
24 develop this relicensing settlement agreement. We're  
25 finalizing that agreement and we'll be filing it with FERC  
26

1 after it's completion. The agreement builds on principles  
2 and the concepts that were outlined in our agreement in  
3 principal that we released last summer. That agreement in  
4 principal and our final agreement, reflect both the input,  
5 involvement and influence of a wide collection of  
6 stakeholders. Those range from local governments and state  
7 and federal agencies to homeowner groups and environmental  
8 interests. I'm very proud of the progress that we've made  
9 and I believe that it constitutes a true balance of the  
10 issues.

11 In the agreement in principal and the work that  
12 we have completed in the final agreement, we touched on  
13 every major issue that was raised -- keeping more water in  
14 High Rock Lake to support recreation and enhance fish and  
15 wildlife habitats, improving water quality, ensuring the  
16 long-term protection of our land and cultural resources,  
17 providing a consistent water flow to support downstream  
18 interest, enhancing recreation through the development of  
19 new swim areas, camp areas, fishing piers and so on.

20 We look forward to formally submitting that  
21 agreement to FERC in the very near future. I'm glad that  
22 FERC is taking this opportunity tonight from the people that  
23 live around the project. I expect some of you don't see  
24 things the way that we do and that's not surprising. But we  
25 feel very good about where we are. We feel good about the  
26

1 support we have for the relicensing settlement agreement.  
2 So I appreciate the opportunity to speak and I look forward  
3 to hearing your comments.

4 MS. WESLOWSKI: Just to acclimate you, for those  
5 of you who don't know, and I'm sure you all do, the Yadkin  
6 Project is on the Yadkin River. There are four developments  
7 -- the High Rock Dam, Tuckertown Dam, Narrows Dam and Falls  
8 Dam. These four developments are along about 20 miles of  
9 river. The High Rock Reservoir is a storage and release  
10 operation and the downstream Tuckertown, Narrows and Falls  
11 developments are run-of-river operations. Together they  
12 consist of 209 megawatts of installed capacity. There are  
13 26 recreational facilities at these four developments.

14 At the meeting last night I said that the current  
15 flow release below Falls Dam was 900 cfs. That was  
16 incorrect. That was the required minimum flow under the  
17 drought conditions. The current flow below Falls Dam is an  
18 average of 1500 cfs 10 weeks prior to the recreation season,  
19 1610 cfs from May 15 through June 30 and 1400 cfs from July  
20 1 through September 14.

21 The Yadkin Project operates under certain  
22 constraints. The specific constraints is the headwater  
23 benefits agreement. That agreement requires that the Yadkin  
24 Project provide a specific flow to the downstream Yadkin Pee  
25 Dee Project. Headwater benefits are the additional energy  
26

1       that can be produced at downstream projects that result from  
2       the storage at an upstream storage project.

3               The proposed measures that I'm going to briefly  
4       review with you are in the draft agreement in principal. In  
5       the scoping document that you either received or picked up,  
6       we have both the measures proposed by the applicant in the  
7       license application that was filed as well as the proposed  
8       measures that are in the draft agreement in principal. For  
9       purposes of this meeting, we're going to discuss the  
10      measures in the draft agreement in principal. And these  
11      are, as I said, brief summaries. You should look to the  
12      scoping document for more detail on these measures.

13             Basically, what's being proposed is an increase  
14      in minimum flows as measured at Falls Dam, maintenance of  
15      higher reservoir levels during the summer seasons to within  
16      4 feet of full pool, reduced winter draw down of the  
17      reservoirs to within 10 feet of full pool, stabilization of  
18      water levels during the spring spawning season for  
19      fisheries, improvements dissolved oxygen downstream of High  
20      Rock Dam and the Narrows Dam. And then potentially at the  
21      other two dams, depending on the results of the dissolved  
22      oxygen work at High Rock and Narrows. Implementation of a  
23      diadromous fish plan. Diadromous fish, as most of you know,  
24      are those that travel between fresh water and salt water.  
25      This is a plan that would be developed and implemented in  
26

1 partnership with downstream project and quite a number of  
2 agencies.

3 Implementation of a rare threatened and  
4 endangered species plan, monitoring the Yadkin River  
5 goldenrod population. That's a specific endangered species  
6 here at your project, funding the monitoring of fresh water  
7 mussels below Falls Dam tailwater, monitoring and  
8 controlling evasive and exotic plants, implementing a  
9 transmission line management plan -- basically, vegetation  
10 below the transmission lines -- annual nesting surveys of  
11 bald eagles, implementation of an historic properties  
12 management plan, implementation of a recreation plan, which  
13 has quite a few components to it. These are a highlights.  
14 That plan proposes to provide more accessible improvements  
15 at a number of the recreation sites, the installation of  
16 two accessible public fishing piers, provision of a new  
17 public recreation site on the Rowan County side of High Rock  
18 Lake, improvements to the portage trails and a review and  
19 amendments to the shoreline management plan that currently  
20 exist within about two years of license issuance. Those are  
21 the highlights of the measures proposed in draft agreement  
22 in principal.

23 The Environmental Impact Statement will include a  
24 cumulative effects analysis. In the scoping document we  
25 define the geographic and temporal limits of that

26

1 evaluation. We've identified water resources, including  
2 water quality and quantity, sediments and fisheries as those  
3 resources that would need to be evaluated cumulatively. The  
4 geographic scope for the water resources and sediment is  
5 upstream influence of the Yadkin Project to the downstream  
6 influence of the Yadkin/Pee Dee Project. For fisheries  
7 resources, we will extend that analysis downstream to the  
8 Atlantic Ocean because the fish, of course, come from the  
9 ocean and go upstream to the project.

10 As far as the timeframe, we'll be looking at the  
11 past, present and 30 to 50 years into the future. The  
12 resources areas that we would be including in the  
13 environmental impact statement include geology and soils,  
14 aquatics, fisheries, terrestrial, wildlife and plants,  
15 threatened and endangered species, recreation, land use,  
16 aesthetics, cultural resources and developmental analysis,  
17 essentially, the project economics.

18 The specific resource issues that we've  
19 identified to date based on the filings that have been made  
20 are available on the public record include shoreline erosion  
21 and sedimentation, riparian habitat and wetlands, flood  
22 elevations, the salinity in the lower Pee Dee River estuary  
23 and intercostal waterway, water quality, including dissolved  
24 oxygen and temperature, dradromous species at the project  
25 facility and the plans for their restoration, federally-

26



1 listed rare, threatened and endangered species, wetlands and  
2 wildlife resources, aquatic and evasive species, shoreline  
3 management and land use practices within the project  
4 boundary, aesthetic resources, recreational resources and  
5 recreational opportunities, effects on properties listed or  
6 eligible for listing in the National Registry of Historic  
7 Places and project economics.

8 So that's a very brief description of the  
9 project, the measures that are proposed and the issues that  
10 we've identified thus far. Steven.

11 MR. BOWLER: Thank you again for coming out. One  
12 of the main goals here is to get a good record of your  
13 comments. So I want to give some practical steps to make  
14 sure that we do that. Based on the number of sign-ups and  
15 the amount of time that we have, we'll be doing the same as  
16 last night. People will have up to five minutes per speaker  
17 and Lee will be keeping time. I will be calling the next  
18 speaker and the two people on deck so that you know that  
19 you're coming. We ask that you use the microphones and then  
20 come down and speak clearly into the microphones. You can  
21 use either microphone. If you'd like a place to set your  
22 papers, come to the podium. If you don't want to come that  
23 far, please use the one in the aisle.

24 Please note that the steps are fairly tall, so be  
25 careful coming down the steps. And if you want to come to  
26

1       this one, it probably would be best to walk around to this  
2       side because we have wires over there.

3               Please define any acronyms that you use. We're  
4       from the FERC, the Federal Energy Regulatory Commission.  
5       Please give your name for the recorder and if it's an  
6       uncommon spelling of your name, please spell it for him.  
7       You can provide any written materials you have to the  
8       recorder and they will be attached to the record or  
9       photographs and the like. The transcripts will be done in  
10      about two weeks and you would get that from the recorder and  
11      you can talk to him about that.

12             We will get started with the first three. The  
13      first speaker will be Tony -- and I apologize. Is it Onis  
14      or Dennis? Dennis, and on deck will be Roger Dick and Chris  
15      Bramley.

16             MR. DENNIS: Good evening. My name is Tony  
17      Dennis and tonight I'm here in multiple capacities. First,  
18      I'm a citizen of Stanly County concerned about the future of  
19      our community. Second, I have the pleasure of serving as  
20      chairman of the County Board of Commissioners. In this  
21      capacity, I would like to welcome you to Stanly County and  
22      we truthfully appreciate the work that you all do for our  
23      federal government.

24             Tonight I'm joined by a diversified cross-section of  
25      Stanly County residents that share my concerns for the

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1 environmental, public health and socioeconomic well-being of  
2 our future generations. The county is so concerned that we  
3 have filed a motion to intervene with your Commission in an  
4 effort to draw attention to and with your help, address what  
5 we consider extremely serious problems and shortcomings of  
6 the Yadkin Project relicensing.

7 Stanly County is not a wealthy county when  
8 compared to many other counties in North Carolina. While we  
9 are not blessed with an abundance of traditional capital, we  
10 are rich in our natural resources and it is that asset, its  
11 protection and impact that we are most concerned about. As  
12 birthplace and host of both the power generation facility  
13 and the idled environmentally impacted aluminum smelting  
14 operation, Stanly County has a unique perspective in these  
15 issues.

16 Tonight, and in the coming weeks, we hope to  
17 convey to FERC in testimony and by documentation our  
18 significant and justifiable concerns regarding proposals,  
19 negative impacts on public health, our local environment and  
20 the economic sustainability of our county. Our lakes and  
21 rivers represent Stanly County's greatest and most valuable  
22 resource. For nearly 100 years Alcoa was given use of these  
23 valuable assets in exchange for creating jobs and investing  
24 in our community.

25 Today the jobs are almost gone. The once vibrant  
26

1 town of Badin sits in the shadow of a rusting,  
2 environmentally contaminate hulk of an industrial facility  
3 built on the shore of Badin Lake that even now is being  
4 partially dismantled. Land surrounding the plant is also  
5 environmentally impacted and public health concerns abound,  
6 all the while, since the project is no longer being used to  
7 support local jobs, the profits and the proceeds from the  
8 project's electrical generation are being exported out of  
9 this region and North Carolina.

10 This relicensing process is the time to  
11 reconsider how this project is to be run for the next 50  
12 years and we're hear to share with you our position in order  
13 that you may be aware of the significant issues that impact  
14 this county for generations if not addressed through this  
15 process.

16 We implore you to seriously look at these health,  
17 economic and environmental impacts. Now is the time to  
18 ensure that these contaminated areas are cleaned up, the  
19 public health concerns are addressed and some of the  
20 benefits of the project license are required to remain in  
21 local communities through which these resources flow. And  
22 in addition, that the revenues generated by the project are  
23 applied to clean up the contamination left by the licensee.

24 Please use your authority fully to investigates  
25 these items, protect the public from potential damaging  
26

1 environmental contamination, ensure that these communities  
2 maintain economic viability and insist that at minimum the  
3 damage done to our natural resources and lands be remediated  
4 in exchange for profits and rights to generate power using  
5 our rivers. We believe that law requires you to do this  
6 before issuing a new license to the licensee. Thank you for  
7 your time and we truly look forward to providing you with  
8 information tonight and throughout the process. We stand  
9 ready and willing to provide you any and all information you  
10 may require. This process is one of the most important  
11 events in my lifetime with regard to the future of our  
12 county and we will do everything necessary to ensure that  
13 the best interest of the residents of this region are  
14 protected. Thank you very much and thank you all for what  
15 you all are doing.

16 MR. BOWLER: Thank you, Mr. Dennis. Roger Dick  
17 followed by Chris Brambly followed by David Ezzell.

18 MR. DICK: Good afternoon and welcome FERC to  
19 Stanly County and to the Uwharrie. The word Uwharrie I'm  
20 told is an old Indian word and it means "rocky land" and if  
21 you're a farmer it means "sorry, rocky land." Stanly County  
22 I want to talk about economic inequities in our economy  
23 history. We have a history of rocky poverty going back from  
24 the 1750s up until the late 1890s, but we missed the  
25 plantation economy. We didn't participate in that. We had  
26

1 a society here locally of local yeoman farmers, just  
2 subsistent lifestyle. That's been our history. But in the  
3 early 1700s, John Lawson came through here, a surveyor, and  
4 he stood at the Narrows and he looked at that resource and  
5 he said this is a beautiful and it's a rich place of natural  
6 resources. And I'm quoting from his journey of a thousand  
7 miles. He says, "The mineral and natural resources await  
8 only a fit opportunity to be developed."

9 We had that history of poverty and around the  
10 turn of the century, about 1917, that fit opportunity came  
11 about with Aluminum of America. They created for us the  
12 world's largest aluminum plant. They created for us over  
13 2000 jobs. So they brought us for the first time into the  
14 industrial age and it was a great marriage for approximately  
15 90 years. My family, going from my grandfather to my father  
16 to my brother, are retired Alcoaians. So life has been good  
17 due to Alcoa. For that we're grateful.

18 But today the jobs are gone. The investment is  
19 gone and the land is polluted. Yet, the rich natural  
20 resource, the water and the kilowatt, is still here. Yet,  
21 we face a financial future where we struggle with how will  
22 we meet the challenges to create a new economy, new jobs, to  
23 heal our land? And I ask the committee the question what  
24 kind of lands on our planet are rich in natural resources,  
25 but the people that are native of those lands remain poor?  
26

1 I can think of three places. One in Brazil. Another in  
2 Africa and in Stanly and Montgomery County, North Carolina.

3 Why is this? Well, the power that is afforded to  
4 the grid is literally exported and transferred wealth away  
5 from this community and our state. It's a low-cost  
6 resource, the power. We feel that it should be put to use  
7 to recruit new manufacturing jobs and to give us the wealth  
8 that we need to heal our injured land. The use of these  
9 hydro dams should be as they were originally intended and  
10 that is to create good manufacturing jobs for the people of  
11 this region.

12 To grant the license at this time the way it's  
13 proposed, we feel in its present form, that it robs us of  
14 the single largest economic resource that we have that would  
15 empower us to face our economic future with dignity. We ask  
16 that you give serious consideration to a plan that would be  
17 more equitable in the balance of economic benefits to this  
18 region. As our chairman of the county commission said, it's  
19 our single largest economic resource. If you take this  
20 revenue stream out of Alcoa's bottom line, I don't that it  
21 will be material from an accounting standpoint. But if you  
22 take it away from this community and this region, then you  
23 have really challenged us and possibly kept us improvised  
24 and taken us right back where we started before the 1890s  
25 and Alcoa came and took us to a better day.

26

1                   So ladies and gentlemen, help us retain the  
2                   wealth of this low-cost resource in this region. There's an  
3                   economic literacy issue here. Good stewardship will help  
4                   the resource of our land stay with us. In Alaska, there's  
5                   oil and every Alaskan participates in that natural resource.  
6                   In Texas, and let's pretend this is not water, but it's oil.  
7                   We have a perpetual oil well in our Piedmont area. We  
8                   cannot exhaust it. It would generate wealth into the  
9                   foreseeable future. We think that the proper agenda that  
10                  the dams and the flow of the river needs to be managed to  
11                  accommodate the highest and best needs of the citizens of  
12                  North Carolina and the people of this region who, as of this  
13                  date, our incomes per capita are below the state and  
14                  national averages.

15                  Thank you for hearing us and we hope that you  
16                  will give serious consideration to a plan that will not  
17                  improvise us. Thank you. Give us our dignity.

18                  (Applause.)

19                  MR. BOWLER: Thank you. Chris Brambly followed  
20                  by David Ezzell followed by Donna Davis.

21                  MR. BRAMBLY: Mr. Emery, members of the team, in  
22                  the beginning God or an intelligent designer or serendipity  
23                  or whatever you might call it, created this beautiful land  
24                  we call Stanly County. And on our eastern border, the  
25                  Creator also gave us a wide river with a supply of fresh  
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1 water that is the envy of the nation. Then the Creator gave  
2 us something else. He gave us a fall line unique to Stanly  
3 and Montgomery Counties within the Yadkin/Pee Dee Basin that  
4 gives our river a drop of over 400 feet between our northern  
5 and southern borders.

6 Then man started creating. Man created huge dams  
7 to harness the enormous power made possible by that fall  
8 line. And man created a factory to use that power to  
9 produce aluminum. Unfortunately, man is not a supreme  
10 creator. The production of aluminum is a dirty process. It  
11 pollutes. It produces an enormous quantity of materials  
12 that must be disposed of. I'm a chemist. In fact, I have a  
13 Ph.D. in organic chemistry from one of the nation's fine  
14 universities. As such, I'm naturally curious about this  
15 process. I began to wonder what those materials were that  
16 were going to be the waste materials from the manufacturing  
17 process. I Googled aluminum manufacturing pollution and was  
18 presented with 1,050,000 references. I did not read them  
19 all, but I did read enough. It's enough to make a chemist  
20 pull his hair out.

21 (Laughter.)

22 MR. BRAMBLY: There are fluorides, sulfur oxides,  
23 hydrogen chlorides, fluorocarbons, cyanide and numerous  
24 other pollutants, just to name a few. Now where on earth is  
25 that waste material generated over all those years. I've  
26

1        never heard of its being put in railroad cars and trucks and  
2        hauled to some dump in Nevada or South Carolina. No, it's  
3        hauled up the hills and down the valleys of eastern Stanly  
4        County where it resides to this day leaching out through the  
5        shale and then to God only knows what river, stream or well  
6        throughout this part of the state. That's one issue.

7                On another issue, when permission was first given  
8        to Alcoa to use our water to produce electricity, the people  
9        of Stanly County got a quid pro quo and that in  
10       relinquishing the use of that water we got in return  
11       hundreds of jobs for a region that at the time needed all  
12       the economic help it could get. It still does. As Roger  
13       said, those jobs are now gone and somebody wants to use that  
14       water with very little quid pro quo for it. Nuclear power  
15       plants have to pay for their fuel. Coal-fired and oil-fired  
16       power plants have to pay enormous amounts for their fuel.  
17       But in this case, there is no provision for anybody paying  
18       for the raw material to produce that power.

19               The countless millions of profits to be realized  
20       from this project dwarf any benefit outlined in this scope  
21       document that I saw. With all these things in mind, it  
22       would be unconscionable for a government agency to issue a  
23       50-year permit to use our water without addressing these  
24       questions, particularly pollution. Before licensing  
25       anybody, we ask you to do three things. No. 1, force the  
26

1 proof that there are no health hazards to our people as a  
2 result of past dumping of waste material; (2) build in  
3 provisions for cleaning up the dump sites that are there and  
4 (3) put us on a par with the Texas, Louisiana and other  
5 states that have severance taxes and provide for reasonable  
6 payment to Stanly County for the use of our water. Thank  
7 you very much.

8 (Applause.)

9 MR. BOWLER: Thank you. David Ezzell followed by  
10 Donna Davis followed by Robert Van Geons.

11 MR. EZZELL: My name is David Ezzell and I  
12 represent the Stanly County Health Department. The primary  
13 goal and purpose of the Stanly County Health Department is  
14 to promote and protect the health of the residents of the  
15 county. Various environmental factors positively or  
16 negatively impact the health status of our community. For  
17 many years, our department has been concerned with the  
18 increasing occurrence of arsenic contamination of private  
19 drinking water wells and many of these wells have  
20 significantly high levels of arsenic.

21 In Stanly County, it is estimated that nearly one  
22 third of private homeowner wells are contaminated.  
23 According to our data at the health department, 60 percent  
24 of the wells that we've sampled have arsenic concentrations  
25 in excess of 1 part per billion and 32 percent have levels  
26

1       in excess the EPA's limit of 10 parts per billion. These  
2       levels are disproportionate high along the river and lake  
3       areas compared to the rest of the county.

4               In addition to the potential health effects of  
5       prolonged exposures, wells with elevated arsenic levels are  
6       often difficult to effectively modify and typically require  
7       expensive water filtration mechanics that make the water  
8       useable for homeowners. Occasionally, even these steps  
9       prove unsuccessful.

10              As an Environmental Impact Statement is prepared  
11       for this licensing project, we would like to raise a  
12       question for further review and assessment concerning  
13       possible groundwater contamination at the Alcoa Badin  
14       landfill. From our understanding, the landfill was used  
15       extensively for over 40 years to disposed spent pot liner  
16       waste from the smelting operation. This is an EPA  
17       classified hazardous waste. We also understand that arsenic  
18       is one of the many by-products of the aluminum operation  
19       that would likely be part of the waste stream that was  
20       disposed of in the landfill.

21              We realize that Stanly County's position along  
22       the Carolina Slate Belt present particular hydrogeological  
23       challenges in terms of certain geology and naturally  
24       occurring arsenic. Our question is could the Alcoa Badin  
25       landfill be a contributing factor in potential groundwater  
26

1       contamination from arsenic in the immediate surrounding  
2       area? Private well water tests performed on land laying  
3       immediately adjacent to the lakes bordering the eastern side  
4       of Stanly County have been identified as having very high  
5       concentrations of arsenic. These results are well above  
6       EPA's MCL, which is the maximum contaminate level.

7               According to a 2003 report from the North  
8       Carolina Department of Environment and Natural Resources,  
9       water supply wells in Stanly County have one of the highest  
10      probabilities to exceed the EPA arsenic concentration  
11      standards among counties in the central region of the state.  
12      Given the data and conditions that we have observed in terms  
13      of water quality issues, we feel it is important to go on  
14      record encouraging further assessment to determine if a  
15      contributing relationship exist between the landfill and  
16      groundwater contaminates. Thank you.

17               (Applause.)

18              MR. BOWLER: Thank you. Donna Davis followed by  
19      Robert Van Geons followed by Frances Francis.

20              MS. DAVIS: My name is Donna Davis and I am the  
21      utilities director for Stanly County. Stanly County  
22      utilities is concerned about its citizens and the quality of  
23      groundwater that provides drinking water for nearly half of  
24      the county's population. In addition, Badin Lake, also  
25      called Namus Reservoir, is the major source of drinking

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1 water for publicly-treated water in all of Stanly County  
2 except the Norwood area.

3 One of our major activities and the reason the  
4 County's utility department exists is to provide water and  
5 sewer services to citizens in unincorporated areas of our  
6 county and in towns where there is no municipal service  
7 provided by the town. In recent years, there has been a  
8 commitment to provide greater access to publicly-treated and  
9 distributed drinking water to the citizens of Stanly County.  
10 In the late 1990s, an attempt was made to implement a  
11 program that would provide public water to vast areas of  
12 Stanly County currently without access. Local citizens will  
13 remember this as the county's attempt at county-wide water.

14 The inducement for county-wide water project was  
15 the request and concerns of citizens themselves. Time and  
16 time again for many years residents complained of poor water  
17 quality from their private wells. In the course of that  
18 project, it became clear that Stanly County and its citizens  
19 could not afford the \$87 million price tag at that time or  
20 in the foreseeable future. As a result, the project was  
21 terminated and another approach to resolve the drinking  
22 water needs was employed.

23 That being to do as much as we can afford to do  
24 as quickly as we can, but knowing it would take time. The  
25 first step undertaken by the Stanly County Commissioners was

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1 to protect the health of our children by providing public  
2 drinking water to all county schools, some of which were  
3 known to have contaminated wells. The next step was to  
4 begin to extend service to the public at large. As a  
5 result, Stanly County has applied for every grant known to  
6 us. We have, as a county, asked for assistance whom we  
7 thought could help in this effort and we have used other  
8 collaborative measure to provide water to citizens.

9 When a grant application is made in most cases,  
10 the grantor, usually a state or federal government agency,  
11 wants to know the critical need. In Stanly County, the poor  
12 quality of drinking water was recognized throughout the  
13 community by the residents of the county, but not  
14 documented. Until recently, there have been no requirements  
15 on private homeowners to test their wells and when a  
16 proactive homeowner does make an effort, there's no standard  
17 for what he needs to test for. So information related to  
18 private well contamination is and was limited.

19 Nonetheless, county officials began to look at  
20 the information available to us in an effort to quantify the  
21 issue for those granting agencies. What we found was that  
22 there was evidence indicating a very high occurrence of  
23 arsenic contamination in the private wells throughout the  
24 county and especially along the banks of the Yadkin River in  
25 Stanly County.

26

1           In our review of records of well testing, arsenic  
2       levels increase in occurrence and in intensity as one moves  
3       closer to the river basin. While we have no direct link to  
4       any specific activity, we have questions. We have concerns.  
5       We need to know what we are dealing with. We need to know  
6       what our citizens have been and are exposed to and if it has  
7       contaminated our river, our groundwater and our soils.

8           Once again, I say to you Stanly County is  
9       concerned about its citizens and the quality of drinking  
10      water in this area. I'm speaking this evening to rely that  
11      concern for this county and from this county. If the water  
12      and the soils of Stanly County are contaminated, citizens  
13      will look to public officials and entities like Stanly  
14      County Utilities for help and we want to help if the need  
15      arises. But if there is a problem with contamination in our  
16      river, groundwater and soils as a result of a private  
17      company's activities, it is not fair to the citizens of  
18      Stanly County to face and fund the resolution of this  
19      problem alone. We believe this concern has not been  
20      adequately addressed as part of the relicensing process, not  
21      even in those areas located specifically within the project  
22      boundary. We ask that an effort be made to make certain of  
23      what we are dealing with before this process ends. Thank  
24      you.

25                   (Applause.)

26



1 MR. BOWLER: Thank you. Robert Van Geons,  
2 Frances Francis followed by Nancy Bryant.

3 MR. VAN GEONS: I think I have one of the first  
4 non-Stanly County last names. So that's V-A-N G-E-O-N-S and  
5 that was a mighty good try.

6 Good evening and thank you for giving us this  
7 opportunity to share with you our concerns regarding the  
8 relicensing process for the Yadkin Project. My name is  
9 Robert Van Geons and I'm the executive director of the  
10 Stanly County Economic Development Commission. The economic  
11 future of the Town of Badin, Stanly County and the  
12 surrounding region is directly tied to the outcome of these  
13 proceedings.

14 For approximately 85 years, our local community  
15 partnered with Alcoa in a mutually beneficial relationship.  
16 Alcoa was granted use of our natural resources for a  
17 profitable venture. In exchange, Stanly County residents  
18 were provided hundreds of job opportunities and the  
19 associated economic benefit. These operations were so  
20 interlinked to the success of Stanly County that they are  
21 featured on our county seal. However, tonight is not about  
22 the past and it's not about the last 50 years, but the next  
23 50 years and beyond.

24 In 1958, as many of you are aware, Alcoa was  
25 awarded a license by your predecessors largely to support  
26

1       the then 900 jobs that worked at the associated smelting  
2       operations. Today the Town of Badin and Stanly County face  
3       a very different economic reality. As you've heard, the  
4       jobs in Badin are all but gone and the plant officially  
5       idled, a process that started approximately five years ago.  
6       Even now the facility is being partially dismantled, making  
7       it clear that operations will not be restarted. The Town of  
8       Badin's municipal budget has been eviscerated as equipment  
9       is removed and buildings depreciate, making municipal  
10      operations difficult and the future uncertain. This large,  
11      admittedly contaminated site and the surrounding former dump  
12      sites, dramatically and negatively impact the town's and the  
13      county's ability to evolve our local economy. The local  
14      investment of jobs and payroll have been replaced by the  
15      wholesale exporting of wealth when aluminum manufacturing  
16      was replaced by the manufacturing of electricity.

17               My organization supports business and we do not  
18      begrudge a company the right to be profitable, but in doing  
19      so it should do no harm and this proceeding is about whether  
20      Alcoa should be granted a valuable, exclusive license to use  
21      the public's waters. If APGI is allowed to continue to  
22      operate the project for another 50 years, steps must be  
23      taken to ensure that some of the benefits of the project are  
24      required to remain with the local communities and that the  
25      Town of Badin and Stanly County remain economically viable.

26

1           The Alcoa smelting operations were the very core  
2   of how and why these rivers and lakes have been allowed to  
3   be used for power generation and now that those production  
4   operations are gone, it is not acceptable to say that their  
5   impact on the community is no longer relevant. We cannot  
6   pretend as if the last 100 years did not happen. If  
7   unchecked, under this application, when this proposed  
8   license comes up again, imagine the Town of Badin and Stanly  
9   County. A lakeside community laying in the shadow of an  
10   abandon industrial shell surrounded by environmentally  
11   contaminated property with a municipal government unable to  
12   support basic services. This scenario is all to likely and,  
13   unless significant action is taken by your Commission,  
14   almost inevitable.

15           Considering the current state of environment  
16   contamination and the economic desolation, Stanly County and  
17   the Town of Badin would then be worse off than if Alcoa had  
18   never held a license. The proceeds of our natural resources  
19   are being stripped away from this county. Profit derived is  
20   being sent beyond our borders while we are left with the  
21   environmental and economic burdens of yesterday's economy.  
22   We ask that you take action to ensure the proceeds generated  
23   by our rivers are utilized, at least in part, to repair and  
24   revitalize our local economy. That the revenue generated by  
25   regional assets be utilized to reclaim our polluted land.

26

1                   We ask that you please help us ensure the  
2                   economic viability for future generations. The decisions  
3                   made during this process will echo for decades to come and  
4                   it is my sincere hope that we can take steps now to ensure  
5                   that our children's tomorrows are prosperous ones. We look  
6                   forward to providing you additional information as the  
7                   process proceeds and I welcome any questions you may have.  
8                   And in addition, we also have copies of our motion to  
9                   intervene if anyone on the committee here tonight would like  
10                  one. Thank you.

11                  (Applause.)

12                  MR. BOWLER: Thank you. Frances Francis followed  
13                  by Nancy Bryant followed by Ron Bryant.

14                  MS. FRANCIS: Thank you. My name is Frances  
15                  Francis and I'm an attorney who's representing the county.  
16                  My name is spelled with the first one with an E and the  
17                  second one with an I.

18                  I'm glad to hear that someone said this was the  
19                  beginning of a process because it's a good feeling that  
20                  we're going to finally get started on an issue that somehow  
21                  has managed, I think, to evade the usual relicensing  
22                  process. When we first started to talk to the county about  
23                  relicensing issues, it became very clear that this was a  
24                  very important issue to the county. But some how or another  
25                  it had escaped a process in which basically the licensee has  
26

1 control of the consultation and so forth and so on.

2 And with all due regard to all the wonderful  
3 educational talents and credentials of the people who  
4 normally serve and are the staff for relicensing, they are  
5 mostly concerned about the fish and the water that the fish  
6 live in and endangered species and the like. And that's  
7 very good because the laws require that we look out after  
8 our fish and after the endangered species. But here the  
9 environmental report must also include the effect of the  
10 resources upon the people. And so we would ask that people  
11 be given at least the same consideration as the fish and the  
12 endangered species.

13 The other thing that I think in many ways is good  
14 is that this inquiry is starting at a time when we are  
15 outside the -- I won't say control, but under the guidance  
16 of the license applicant himself. I think that this kind of  
17 problem really needs to have someone from the outside  
18 looking in because it's very hard to be self-critical about  
19 one's own operations. So we hope that you will give it the  
20 critical look that it didn't get in the consultation  
21 process. This is not to fault anybody or anything that went  
22 on in the consultation process, but it is just a gentle  
23 nudge to ask you to look at this problem a little  
24 differently.

25 Finally, Ms. Davis spoke about the problems of  
26

1 information. We are a poor county. Our economic prosperity  
2 went along with Alcoa. There was tendency not to ask too  
3 many questions and I think, as a result, we suffered from a  
4 lack of information. I said we because I mean the community  
5 suffered from a lack of information. I don't believe that a  
6 corporation as aggressive and as advanced and as  
7 scientifically skilled as Alcoa totally avoided the need to  
8 respond with its own internal studies. I believe the FERC  
9 has the authority to ask a licensee to whom it is going to  
10 give a license worth hundreds of millions of dollars in the  
11 future to ask for that information before it gives that  
12 license. The license you give is in trust for all of us  
13 because, of course, the people own the waters.

14 And to the extent that a licensee does have  
15 studies about a subject matter that was not raised at all  
16 really in the consultation process, then I think it's fair  
17 if you think this is a serious problem, and we hope you do,  
18 that you ask the licensee to give you the studies that it  
19 has made about the impact of its operation at the Badin  
20 plant on the resources and on the people there. And if it  
21 proves that there is nothing wrong, then we should be happy.  
22 And if it proves otherwise, then maybe we should do  
23 something about it.

24 In any event, that's what we think a NEPA  
25 statement is all about and we're glad you're here to at  
26

1       least hear us and get us started on a good start. Thank  
2       you.

3                       (Appause.)

4                       MR. BOWLER: Thank you. Nancy Bryant followed by  
5       Ron Bryant followed by Andrew Schwaba.

6                       MS. BRYANT: My name is Nancy Bryant, B-R-Y-A-N-  
7       T. I'm a concerned citizen. I've just moved to Stanly  
8       County from Charlotte, North Carolina where both within our  
9       church and in the community or almost 20 years my husband  
10      and I worked with hundreds of caring and passionate people  
11      to protect the people, land, air and water of our region and  
12      state.

13                      In particular, we supported the Catawba Water  
14      Relicensing Coalition with the FERC relicensing on that  
15      water basin. That means we interfaced with local, regional  
16      and state governmental officials, some of whom got it, if  
17      you will. They understood that the air and water, in  
18      particular, belong to the commons or to the public -- we the  
19      people. As a newcomer, I want to praise and thank the  
20      present Stanly County commissioners, some of the previous  
21      commissioners and other leaders in the community and others  
22      who have spoken here tonight in this county who get it. Who  
23      care and are passionate about protecting the people, land,  
24      water for future generations.

25                      In one of our churches devotions this week, the  
26

1 subject was truth-tellers. How Jeremiah told the truth  
2 about return to ancestral faith in God and the prayer  
3 concern was interestingly enough protection for truth-  
4 tellers everywhere. How appropriate for this time and place  
5 tonight and for the next year as the commissioners and  
6 others now present the truth to the public and to you, FERC,  
7 about contamination of our land and waters causing multiple  
8 health problems in the past, present and still to come. The  
9 possibility that this economically fragile, but proud  
10 community may lose future economic development when the  
11 contamination becomes generally known.

12 Finally, Jeremiah, the truth-teller, worked  
13 diligently in the face of indifference and persecution. I  
14 commend our leaders for their courage in wanting the truth  
15 of these matters to come to light. I urge the FERC staff to  
16 be open to the truth as it is revealed in the coming months  
17 and I urge our North Carolina Department of Energy and  
18 Environment and Natural Resources staff to support this  
19 county in the coming year. Thank you.

20 (Applause.)

21 MR. BOWLER: Thank you. Ron Bryant followed by  
22 Andrew Schwaba followed by Frederick Lanning.

23 MR. BRYANT: Good evening. I am Ron Bryant, a  
24 new resident of Stanly County. I'm a retired physicist and  
25 have spent the last 20 years advocating for much better  
26



1       stewardship of our environment. Just as my first name is  
2       exactly in the center of the word "environment," I have been  
3       in the midst of many of the local, state and national  
4       environmental issues.

5               Nancy and I came to Stanly County expecting to  
6       take a break from our usual routine of struggling against  
7       overwhelming anti-environmental actions and attitudes to be  
8       good stewards of some farmland and forestland here in Stanly  
9       County, which we have permanently protected via conservation  
10      easement. However, we have learned that there are  
11      significant indications of major environmental pollution  
12      with attendant public health impacts in our new community.  
13      These indications seem to be attributable to a former major  
14      employer in the area who now only produces hydroelectricity  
15      from the public waters without sharing the benefits with the  
16      public as they once did with jobs.

17             In addition to my science, technology, management  
18      and environmental advocate background, I bring three years  
19      of experience with the CWRC Catawba Water Relicensing  
20      Coalition. But the issues we dealt with in the Catawba  
21      Water pale in comparison to the Yadkin issues. I look  
22      forward to getting to the bottom of this apparently very  
23      dirty mess and to helping to craft a recovery plan using the  
24      FERC relicensing process as the lever to make that happen.

25             Failing that, I am willing to come out of  
26

1 retirement and help operate some of the hydroelectric dams.  
2 Thank you.

3 (Applause.)

4 MR. BOWLER: Thank you. Andrew Schwaba followed  
5 by Frederick Lanning and William Aldridge, III.

6 MR. SCHWABA: Thank you. Schwaba is S-C-H-W-A-B-  
7 A. Good evening. I'm here -- I'm an attorney with Wallace  
8 and Graham, which is a law firm in Salisbury, North  
9 Carolina. I'm not here in a representative capacity,  
10 though, but really just as a resident of the area. Wallace  
11 and Graham has come across documents from sources other than  
12 Alcoa that show Alcoa is not the good environmental steward  
13 that they have purported to be and we would encourage and  
14 request of the Commission in its consideration of Alcoa's  
15 relicense that they consider and request from Alcoa these  
16 studies and the investigations that Alcoa performed showing  
17 the effects of their operations on the Yadkin/Pee Dee river  
18 basin.

19 These effects include very harmful effects on the  
20 environment, the working environment for workers of Alcoa,  
21 but also the larger area surrounding Alcoa, including  
22 contamination of the Yadkin/Pee Dee river basin. We'd  
23 request that the Commission request those studies and  
24 research from Alcoa and consider them in their final. Thank  
25 you.

26

1 (Applause.)

2 MR. BOWLER: Frederick Lanning, William Aldridge  
3 and William Huang.

4 MR. LANNING: I'm here as a concerned citizen.  
5 My name is Frederick Lanning, L-A-N-N-I-N-G, and I'm a bit  
6 nervous. The first chapter of Genesis, versus 28 says that  
7 God was so pleased with his creation that he decided to  
8 create man to safeguard and take care of that creation. And  
9 I have some major concerns in the area of environment  
10 because I feel that I am to serve. So I hear about this  
11 pollution, be it there or not, I think it needs to be  
12 analyzed by additional testing. And if it is there, it  
13 needs to be cleaned up because we have countless generations  
14 that are counting on our actions and part of that should  
15 funded, perhaps, some by the taxpayer -- the cleanup that is  
16 -- and part by the producer of the contaminant.

17 So basically, to be brief, that's my take on  
18 this. Thank you very much.

19 (Applause.)

20 MR. BOWLER: Thank you. William Aldridge,  
21 William Huang and Jeff Mitchell.

22 MR. ALDRIDGE: I too am a concerned citizen of  
23 Stanly County. I am a seventh generation resident of Stanly  
24 County. My family has been here longer than Stanly County  
25 was the name of this area. I have a son who is two years  
26

1 old and the environment is very important to me. I have  
2 lived here my whole life except for a brief period of time  
3 when I attended college and graduate school. I attended  
4 college at Davidson and received a bachelor of science in  
5 Chemistry and went to the University of North Carolina and  
6 received a Ph.D. in Chemistry.

7 So Tommy Gibson, from Alcoa, informed me that  
8 this was going on recently and I began to get interested.  
9 And I've spent a lot of time over the last couple of weeks  
10 trying to learn about this. I came back to Stanly County to  
11 run a funeral home that my family owns and I guess it gives  
12 me a unique perspective in that I have seen death  
13 certificates of people who have died in the Badin area who  
14 have worked for Alcoa and the things from which they have  
15 died are unique. I am not an epidemiologist or a  
16 physiologist, pathologist, but because of the things that I  
17 have seen that are killing our people and the chemical  
18 understanding I have of the smelting process, I have  
19 concerns that these things have not been addressed properly.  
20 I would ask that you folks, in this process, please consider  
21 the impact that this operation has had to the soil  
22 composition, groundwater composition, and other means of  
23 ingesting that could have been utilized by our people to  
24 make sure that this could not continue if there has, indeed,  
25 been the contamination that so many of our other speakers  
26

1 feels is a certainty.

2 I don't know. I'm just asking questions because  
3 I think I have a unique perspective on this problem and it  
4 would be very bad for me to let this meeting happen without  
5 having aired those concerns. So I haven't spoken as  
6 eloquently as my predecessors this evening, but I hope I  
7 have been able to share with you the problem as I see it.  
8 Thank you.

9 (Applause.)

10 MR. BOWLER: William Huang, Jeff Mitchell and  
11 Bridget Huckabee.

12 MR. HUANG: Hello. My name is William Huang.  
13 The last name is spelled H-U-A-N-G. I'm an attorney  
14 representing Stanly County. At this point, I have to say  
15 that I don't have anything else to add that other people  
16 haven't said much more eloquently. I would like to say that  
17 Stanly County is looking forward to working with the  
18 Commission to help develop information that the Commission  
19 needs to make an informed decision in this relicensing  
20 proceeding. Thank you.

21 (Applause.)

22 MR. MITCHELL: Hi. My name is Jeff Mitchell.  
23 I'm here as a concerned property owner and I just want to  
24 speak to you a little bit about common sense. I came to  
25 this area in 1994. I grew up in the Statesville, Irdell  
26

1 County area and was involved around the Lake Norman area,  
2 the Catawba River for over 30 years and in 30 years never  
3 saw that lake drawn or any of the lakes in that region drawn  
4 down more than 4 or 5, maybe 6 feet during any kind of a  
5 drought.

6 When I moved here, I made friends with several  
7 people that lived on High Rock Lake and noticed during the  
8 winter time, especially in the Swearing Creek area that from  
9 after Labor Day until February or March, the lake would be  
10 completely dry all the way across their cove, basically  
11 everywhere you could see. And I asked the question why? I  
12 have never seen anything like this. And the answer from  
13 everyone I asked was the same. Well, High Rock's always  
14 like this in the winter time. Always.

15 Then in 2002, my wife and I bought some property  
16 on the lake and in March bought a pontoon boat and like  
17 everybody was looking forward to the summer. In May, end of  
18 May, the pontoon was sitting on the ground and sat there  
19 until September, October when we finally got some rain. Of  
20 course, everybody in that area was suffering from the severe  
21 drought, but High Rock Lake was 23 feet down. Everything  
22 was dry. And I guess my point is that with the proposal of  
23 letting High Rock Lake being drawn down 10 feet over 50  
24 percent of the lake is still going to be dry in the winter  
25 time, over 50 percent is going to be dry and to me that just  
26

1 makes no sense whatsoever. Thank you.

2 (Applause.)

3 MR. BOWLER: Thank you. Bridget Huckabee  
4 followed by Jim Harrison followed by -- I'm not sure of the  
5 first name, but Mehta.

6 MS. HUCKABEE: My name is Bridget Huckabee.  
7 That's H-U-C-K-A-B-E-E. There have been some vitally  
8 important points made here tonight and I agree with some of  
9 them. But I'd like to add a positive note. As a resident  
10 of Badin, I want to commend Alcoa for its decision to make  
11 1400 acres between Badin and Morrow Mountain available for  
12 sale at market value to the North Carolina Park System.  
13 This action will ensure that the spectacular stretch of  
14 Yadkin River, known as the Falls Reservoir, and one of the  
15 most beautiful and pristine areas of Stanly County will  
16 remain undeveloped and available for recreation, not only to  
17 the citizens of the county and future generations of Stanly  
18 County, but to thousands of visitors from out of the county  
19 who pour into Morrow Mountain State Park throughout the  
20 year. Thank you.

21 (Applause.)

22 MR. BOWLER: Thank you. Jim Harrison followed by  
23 Mr. Mehta and Ann Brownley.

24 MR. HARRISON: Good evening. I came to you as --  
25 my qualifications I'm just an old country boy and I was  
26

1       born in Badin in the hospital in Badin, raised in Badin,  
2       lived there all but maybe four years of my life and am very  
3       glad I was.

4               To me, I'm a caring Badin person. I volunteer  
5       many hours to make Badin a better place to live. I'm just  
6       very disappointed in what I've heard from some people  
7       tonight about our Town of Badin. I'm here as the mayor of  
8       Badin also. I'm on the town council and I am representing  
9       Badin Town as well as all the citizens of Badin -- most all  
10      of them. Let's say that.

11             Since 2002, you've heard that we've been  
12      conducting meetings with Alcoa on this relicensing. These  
13      meetings were designed to let all the parties involved give  
14      their input and to me, if they didn't get their input in, in  
15      four years, I really don't want to sit through four years  
16      more of meetings personally. During these meetings there  
17      were untold discussions about important issues to all the  
18      parties and they were discussed and rediscussed and hashed  
19      out and rehashed over and over. And to me, this process was  
20      very detailed, very carefully done and I'm hearing some  
21      things tonight that I just don't understand even though I  
22      was in some of the meetings.

23             In the spring of 2006, our group came up with an  
24      AIP, which is an agreement in principal. The Town of Badin  
25      signed this document. We signed on because we felt that  
26



1       APGI, which is Alcoa Power Generation, Inc. will continue to  
2       be good stewards of our lakes and the adjoining lands has  
3       they have been for over 90 years. It's not that they just  
4       came to town like some of these folks. All right, Badin is  
5       a wonderful town and it is because of Alcoa and APGI.

6               Alcoa built us. They supported us and they  
7       maintained our town for many, many years and did a heck of a  
8       job of it. Therefore, we feel certain that Alcoa and APGI  
9       will continue to do their best through the terms of this  
10      license for the period of this license, which ever you allow  
11      to them, 30 years, 50, whatever. And I invite all of you,  
12      especially you, and you've been to Badin, to come down to  
13      our Badin Lake, sit there on 740, you look up that lake and  
14      then I dare you to go anywhere else in Stanly County and  
15      find a prettier place. I just dare you to find it. I'd  
16      like for you to take me there if you do.

17              This was not provided by anybody other than God  
18      and Alcoa and APGI. Badin town didn't put a dime in those  
19      dams. The government of Stanly County didn't put a dime in  
20      those dams. The State of North Carolina didn't put a dime  
21      in those dams. And when they talk about economics of Stanly  
22      County, since 1915, and I can be corrected by some of these  
23      people that are a lot brighter than I am, Alcoa and APGI  
24      have been the largest employer in Stanly County since 1915.  
25      The largest payroll in Stanly County for almost 90 years.

26

1 They're one of the most benevolent companies in our county,  
2 in our state, in our United States. They give money to  
3 many, many different charities and not only our company, but  
4 they also encouraged us, as employees -- now I'm retired.  
5 But they encouraged us to give to United Way. And if I'm  
6 correct, and there is a few of us sitting out here that  
7 know, the Alcoa employees gave more to United Way than any  
8 other group.

9 Now I can be disputed if anybody wants to do it.  
10 That's another thing. Then I heard somebody speak about  
11 nuclear power plants. I have been told, and you are the  
12 experts, that a nuclear power plant can evaporate up to 100  
13 million gallons of water a day. Do they have to pay for  
14 that water? Because it doesn't come back into the stream,  
15 folks. It goes into another state or another country,  
16 doesn't it? It doesn't stay in the river like what Alcoa  
17 does. And I've always been told that the most economic and  
18 cheap and ecologically safe power is hydroelectric. Maybe  
19 I'm wrong there, too.

20 I'd like for you to go in the lobby of Alcoa's  
21 Building Four, which is their main office, and you can see  
22 awards on the walls that say "Excellence in Environment,"  
23 taking care of the environment. They've been provided '92  
24 and '94 are two of them I know of. There are others. Guess  
25 who's name is at the bottom of it? Stanley County  
26

1 Commission. So they awarded them for their environmental  
2 excellence. I don't understand all that.

3 And now is the time that Alcoa has been brought  
4 to its knees, so to speak, in Badin because of global  
5 competition. You know, Badin has been so blessed, along  
6 with Alcoa and APGI, for so many years. We've had  
7 abundance. Now in this time when we're losing that  
8 abundance, we as Badinites are going to stand with our  
9 neighbor, Alcoa, in full support, knowing that better times  
10 are coming because when I was brought up, I was brought up  
11 to -- I hear the bible being quoted here -- when someone is  
12 down in the mire, you don't put your foot on his head and  
13 mash him deeper in the mire. You pull him out. And then  
14 when they talked about our landfill, Alcoa was gracious  
15 enough to have a public landfill there for years for the  
16 entire county. So if they have to clean that up, I think  
17 all of us in the county ought to pay for it.

18 (Applause.)

19 MR. BOWLER: Thank you. Mr. Mehta, Ann Brownley  
20 and James Cogdell.

21 MR. MEHTA: Good evening, ladies and gentlemen.  
22 I want to appreciate the opportunity to address our concern.  
23 And I also want to thank each and everyone of you for your  
24 attendance and interest in this very serious matter.

25 My name is Dr. Nalin Mehta. I live in New London

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1       and working Albemarle. I have seen and treated many cancer  
2       in my 25 years of practice here. I have seen many, many  
3       contaminated water reports. By the nature of Alcoa's  
4       business, there is a massive amount of industry waste  
5       products released in air, land and water. My concerns are  
6       not just for now, but for our future generations. Impact  
7       will be realized more in years to come as more and more  
8       contaminates will get into our water.

9               Let me point out we're grateful to Alcoa for  
10       Stanly County's past economy - their contribution and  
11       generosity. Alcoa is on our county seal, but things have  
12       changed. Now Alcoa is almost exclusively in power  
13       generation business and we are talking about 50 years of  
14       license to generate enormous profit for a \$30 billion  
15       corporation at the expense public natural resources and its  
16       contamination. Common public interest and health comes  
17       before a \$30 billion profit-making corporation. We must  
18       remedy this situation now before granting 50 more years of  
19       license to exploit our natural resources and leave us with  
20       enormous health hazards.

21               Many of us in this room may not be around 50  
22       years from now, but our grandkids will be. What will we  
23       tell them? We did nothing to protect you. That's what  
24       we're going to tell them. We did nothing to protect our  
25       grandkids. I cannot let that happen. As an elected county  
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1 commissioner, it is my responsibility to see that people's  
2 health and quality of life is protected. I have a faith in  
3 our judicial licensing system that justice will be done and  
4 I am strong in my conviction that we will prevail. We're  
5 fighting like a little David against Goliath, but you know  
6 the story -- what will happen? We'll prevail. Thank you  
7 for listening.

8 (Applause.)

9 MR. BOWLER: Thank you. Ann Brownley, James  
10 Cogdell and Lindsey Dunevant.

11 MS. BROWNLEY: My name is Ann Brownley. I'm  
12 involved in APCI's relicensing project in conjunction with  
13 the Trading Ford Historic District Preservation Association  
14 and Cultural Resource Issues. Our organization will address  
15 these issues separately in a subsequent letter. But in the  
16 aftermath of last night's public hearing in Lexington, I  
17 feel compelled to take off that hat and speak at this time  
18 as an individual, not representing the organization  
19 regarding Yadkin River and High Rock Lake water levels and  
20 to put the High Rock Lake situation into perspective.

21 From what I've observed, I think FERC can  
22 probably adequately deal with the full range of issues --  
23 environmental, water quality, recreation, cultural resources  
24 and the other lakes in the Yadkin Project area. But High  
25 Rock Lake and the area up river of it stand out as having  
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1 the overriding issue of low lake levels dominate the  
2 situation. It should be obvious from the public comments  
3 last night that river and lake levels at both extremes, too  
4 high and too low, are the predominate problems passionately  
5 voiced by the residents in the upper river project area.  
6 River and lake levels have effects on every other area of  
7 concern in the relicensing process and it is the foremost  
8 matter FERC must resolve. We can't begin to even meaningful  
9 address other issues until that has been resolved.

10 It occurs to me that High Rock Lake is, in my  
11 experience, an anomaly. I don't know. I suppose there must  
12 be a few unique lakes elsewhere which don't live up to their  
13 names, but I haven't run into them. It seems that everyone  
14 else who has a lake has a lake with water in it. Those of  
15 us in this area can't help but be jealous. Why can't we  
16 have a lake with water in it? I'm a historian who's been  
17 studying the Yadkin River since 1994. I spend a lot of time  
18 out there. Up until late 2002, immediately following the  
19 drought, time after time when I went to the Dutch Second  
20 Creek access area, summer and winter, the boat docks which  
21 FERC's staff saw yesterday were high and dry. Complaints  
22 are especially passionate about the drought of 2002, but  
23 that was the straw that broke the camel's back. It was not,  
24 by any stretch of the imagination, the full extent of the  
25 problem. That was the culmination of a problem which had  
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1       persisted for years.

2               People around High Rock Lake don't even know what  
3       it would be like to have a reasonably full stable lake on an  
4       ongoing basis. As a historian, and I know we have a lot of  
5       people in this region who are interested in history, I  
6       imagine that if we were used to a lake that is a lake, we  
7       might even enjoy a rare, sporadic reduction in lake levels.  
8       When things which aren't usually visible emerge from the  
9       lake bottom for a brief glimpse. Unfortunately, that's what  
10      we're used to. That's the norm and a full lake is the  
11      exception.

12             As a historian, I can't take pleasure in that  
13      when I know it's at the expense of so many other people.  
14      Since the drought of 2002, High Rock Lake levels have gone  
15      to the other extreme and we've heard loudly from the City of  
16      Salisbury and neighbors near its water intake about  
17      flooding. In the Trading Ford area around the I-85 and U.S.  
18      29 bridges, flood plain land, which had almost never been  
19      flooded, has remained flooded continuously for periods as  
20      long as nine months.

21             I've spoken with the High Rock Lake organizations  
22      and I believe they, too, are sympathetic with problems at  
23      the other extreme. However, this as well as many other  
24      issues just cannot be addressed until the overriding problem  
25      of too low lake levels has been addressed. If I could  
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1 anthropomorphize High Rock Lake, she's been in severe  
2 chronic pain for many years. You've heard her screams of  
3 pain. That pain has been alleviated for a few years, but  
4 the underlying condition has not been cured and she does not  
5 have the peace of mind she would have if she had certainty  
6 the pain would not return.

7 High Rock Lake needs reasonable, reliable, stable  
8 lake levels. I'd like to add my voice to the High Rock Lake  
9 organizations in demanding that lake levels not go below 4  
10 feet during the recreation season and not less than 6 feet  
11 below full pond during the winter. I ask FERC to recognize  
12 that High Rock Lake levels are the top priority in the  
13 relicensing process. We cannot even begin to give the  
14 attention they deserve to other issues until that one has  
15 been resolved. We do not have long-term data on anything  
16 based on a High Rock Lake with reasonable stable lake  
17 levels, which are neither too low nor too high.

18 We do not have the luxury of paying the attention  
19 they deserve to the full range of issues which should be  
20 addressed in the relicensing process. It's unfair to ask us  
21 to -- I'm sorry. I skipped and it doesn't make sense.

22 We're trying to deal with this not with one hand,  
23 but with both hands and one leg tied behind our backs. We  
24 need to be restored to a state where we are not handicapped  
25 where High Rock Lake has a quality of life which is not in  
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1 chronic pain and then let us look at all the issues we'd  
2 like to look at. It is unfair to ask us to do so under the  
3 present conditions.

4 I really don't know under FERC's guidelines how  
5 to ask that this be done, but I do know that FERC has asked  
6 us to run the race when we can't even limp to the starting  
7 line. We've done our best, but FERC needs to realize we've  
8 been operating with a severe handicap.

9 (Applause.)

10 MR. BOWLER: Thank you. James Cogdell, Lindsey  
11 Dunevant and Bob Warren.

12 MR. COGDELL: Thank you very much. Mr. Mayor,  
13 I'm a new resident also. I've been here since '99. I  
14 consider it my county and I support it.

15 I want to approach a different side of something  
16 from the standpoint of the environment issue related to the  
17 water runoff from the dams. Environmentally, it means that  
18 those of us who use the river banks to hunt and fish are in  
19 danger because, as the TVA system has a system that releases  
20 and they're time published -- times of release -- of the  
21 tailraise rivers, we in this river system do not have a  
22 tailraise system that publicizes the releases.

23 I have 300 kids come to my farm a year. I'm down  
24 at the southern part of the county at the confluence of the  
25 Pee Dee and Rocky Pee Dee is the Yadkin, but the confluence  
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1       Uwharries and the Yadkin it becomes the Pee Dee. We raise  
2       horses and do World Cup CIC-3 stars international cross-  
3       country olympic sport 400 years old. We, this county, has  
4       been recognized by the French and European community as a  
5       designated place of one in the four of the United States to  
6       hold a World Cup qualifier for the World Cup equestrian  
7       team. In that process, we also commit to the quality of  
8       deer management, the quail program, the turkey federation  
9       and all the fishing, et cetera, and the kayak group.

10               If you're on the river bottoms from these dams  
11       coming down from way up in High Point, you have no way to  
12       know the tailraise releases and when they're going to flood.  
13       My farm alone two years ago lost two tractors. We were  
14       never notified. The federal department down at the Pee Dee  
15       Game Preserve in Anson County, lost three tractors. There's  
16       no publication of controlling the water releases, et cetera.

17               Second of all, we had to rescue people at our  
18       deer stands and vehicles were lost. Again, no tailraise  
19       water release publicized and no way to call in and find out  
20       when they're going to generate. We were told they were all  
21       done by dams that are controlled by computers. Well, that's  
22       fine. But you have a natural resource with a soil index of  
23       110 on the river bottoms where the farmer can plant his  
24       crops in 8 inches and 2 inches apart and get 180 bushels an  
25       acre versus on the hills of the mountains where he's only  
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1 got a 70 index and can only produce 60 bushels of crop.  
2 Therefore, he's going to be using the bottom land for his  
3 agriculture and his equipment is going to be in danger.

4 So I ask in the process that you look at your  
5 tailraise release issue related to the environmental of  
6 using the water for fishing, the kayaking, education for  
7 children and wildlife habitat. Thank you.

8 (Applause.)

9 MR. BOWLER: Thank you. Lindsey Dunevant, Bob  
10 Warren, Dale Ward.

11 MS. DUNEVANT: I'm Lindsey Dunevant. The last  
12 name is spelled D-U-N-E-V-A-N-T. I believe that in the past  
13 FERC licensed Alcoa with the idea that the people of Stanly  
14 County and Alcoa said give us a chance. Give us a chance to  
15 improve the quality of live. Give us a chance to have a  
16 catalyst for economic development. Give us a chance to be  
17 good stewards of the environment.

18 I believe that Alcoa, as had been said, has done  
19 those things in many ways. I'm a 31-year veteran of the  
20 Parks and Recreation Department here in Albemarle and 21  
21 years a director. I've taken the youth of our community to  
22 enjoy camping, canoeing and sailing on the lake and on the  
23 lands that border the lake. I'm a member of the Albemarle  
24 Mountain Advisory Committee and I too would like to see  
25 that state park expanded and be able to utilize those lands  
26

1       for the future of North Carolina.

2                   As a member of the Land Trust of Central North  
3       Carolina Board, I'm very much interested in the protection  
4       and conservation in this region, especially as we anticipate  
5       that we're going to have a 50 percent increase in population  
6       within the next 10, 15 years. But as a Stanly County  
7       commissioner, I just need to know the simple answer to one  
8       question. If environmental degradation has occurred, will  
9       FERC use its influence to assure citizens that every effort  
10      will be made to clean it up? Will FERC place conditions on  
11      this licensee to ensure a clean environment?

12                  Again, just like 50 years ago, I think the people  
13      of this county say give us a chance. Same thing, give a  
14      chance for quality of life. Give us a chance to have a  
15      catalyst for economic development and give us a chance to be  
16      a good steward of our natural resource base. I'm asking you  
17      tonight give us a chance. Give us a chance.

18                  (Applause.)

19                  MR. BOWLER: Thank you. Bob Warren, Dale Ward  
20      and Philip Carter.

21                  MR. WARREN: My name is Bob Warren, W-A-R-R-E-N.  
22      I'm a resident of Badin Lake. I live in Montgomery County.  
23      I've owned property here in Montgomery for 10 years, lived  
24      here for 8 years and loved every day of it. I thought  
25      things were bad last night when I was watching the President  
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1 speak, but I didn't realize it was going to get worse  
2 tonight.

3 (Laughter.)

4 MR. WARREN: A little over three years ago I was  
5 on the homeowners association of a community with 500 plus  
6 landowners in Montgomery County and I was asked to  
7 participate in this process, this relicensing process on  
8 behalf of our homeowners association and I just want to  
9 share with you the first thing that happened in that -- I  
10 went to the first meeting not knowing what to expect and I  
11 met about 35 or 40 people from state, federal, local and  
12 other people like myself who were just retired and don't do  
13 anything but play golf and ride a motorcycle and play  
14 tennis. And the first part of our process was to identify  
15 those issues that we can concerned about and I don't mind  
16 telling you water levels were real high on my list and they  
17 were real high on a lot of other people's lists, but so were  
18 other issues. So were other issues in the community.

19 And I watched for three years as we struggled as  
20 a group to discuss and discuss and iron out controversy and  
21 try to separate truth from fiction. And I just would like  
22 to say to you as one participant and that's all that I think  
23 this whole process was well conducted. It was well run and  
24 the 35 people in that room I thought -- 33 or 34 of them  
25 were pretty sharp people. They came up with some really

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1 good stuff and I'm talking about water quality people. I'm  
2 talking about cultural resources. I'm talking about fish,  
3 wildlife, whatever and I just wish all of you could have  
4 spent three years, two days a month rather than coming out  
5 here and spending an hour and a half one night and hearing  
6 this. Thank you for letting me share my thoughts with you.

7 (Applause.)

8 MR. BOWLER: Thank you. Dale Ward and then  
9 Philip Carter.

10 MR. WARD: My name is Dale Ward. I'm the chief  
11 of Badin Volunteer Fire Department. I'm not here to put  
12 down Alcoa, you know. I got my feelings both ways. I am an  
13 Alcoa employee third generation. I'm a Badanite -- born,  
14 grew up and everything. The woodland up yonder and the  
15 forest side, I know them woods when I was growing up just  
16 like most of you know golf courses that play every day of  
17 the week. That's where I played at. I respect that.

18 Some of these issues I've been hearing tonight I  
19 don't have no feelings for, especially them people on up the  
20 river. You buy mud land. You got mud land because we  
21 played in those mud flats in the '60s and '70s. But that  
22 ain't what I'm hear about. You talk about economics. You  
23 know, Alcoa shutting down and stuff like that. I understand  
24 that, but I'm losing tax revenue. I've got a fire  
25 department to support and my tax revenue is important to us.

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1 Even though it's small, it ain't big. Some people talking  
2 about hundreds and thousands and millions of dollars here.  
3 I ain't talk about that much. I'm talking about a couple  
4 thousand at most. We're talking about switch land over to  
5 the state park system, 1400 plus acres, taking that out of  
6 tax revenue. Well, I'm losing money there on my department.  
7 It's a small amount. It ain't the big size. I know a lot  
8 of you all have got some big issues here, probably more  
9 educated and I respect that, too. But when the state  
10 system, who is going to hurt us -- it ain't Alcoa. It ain't  
11 the FERC. It's when the state takes our revenues and we  
12 ain't gonna get nothing back for it and we still have  
13 responsibility. I'm sorry. I've still got to get up in the  
14 middle of the night and go out and do what I got to do -- me  
15 and my people. It's pulling more money out of my pocket.  
16 I'm losing across the street on the 740 side. I'm losing it  
17 behind me, too. I have an issue there.

18 I've tried to see what we could do about getting  
19 some kind of compensation on our part in a regular way and I  
20 don't know where the answer is going to be. I do know when  
21 the road through, went through the park system and to me,  
22 when they cut that road off, that's when Badin really took a  
23 hit. It was a big change when that road got shut down. So  
24 I hope to they do open the road back up. But when you give  
25 all that land back to the park system think who else it

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1       hurts. These meetings I didn't know that we were going to  
2       get impacted, you know, that's why I didn't get started at  
3       the beginning of it, you know.

4               I do respect what my county commissioner is  
5       trying to do. I commend you on that. I respect my town  
6       council people. I can see both sides. I do respect where  
7       you both come from, but FERC I want you to keep in mind what  
8       the state is going to do to us, not Alcoa, the state is  
9       going to hit my department, even though it's small -- I have  
10      a small budget. I ain't a big agency, but I still got a  
11      responsibility 24/7 and I've got 17.9 square miles that I've  
12      got to look out for, plus help my adjoining departments in  
13      our community and I hope you all take this into  
14      consideration and bang on the state door or something.  
15      We've still got an issue here.

16             Like I say, we're just a small voice and we're  
17      the other voice and I appreciate letting me speak.

18             (Applause.)

19             MR. BOWLER: Thank you. Philip Carter.

20             MR. CARTER: Good evening. My name is Philip  
21      Carter. I am the captain of Division 18 in the Fifth  
22      District with the Coast Guard Auxiliary. I'm here  
23      representing Division 18 and Flotilla 9 of Badin Lake of the  
24      United States Coast Guard Auxiliary. And I'm also here on  
25      behalf of the Yadkin/Alcoa River Project.

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1                   Our job as a Coast Guard Auxiliary is to patrol  
2     the United States shoreline and its inland lakes in  
3     conjunction with the United States Coast Guard for maritime  
4     safety to include patrolling the dams, looking for anything  
5     out of the ordinary on the lakes and the shoreline in regard  
6     to security. As you know, since 9/11, there has been an  
7     upscale effort to provide more patrols and more security.  
8     We also teach safe boating classes to try to educate the  
9     public to the fact that the lakes are dangerous if you don't  
10    know what you're doing,

11                  We do marine inspections of vessels so people  
12    they don't know how the vessel is, we can do an inspection  
13    and make sure it's safe. We also work closely with the  
14    state fish and wildlife and the local county sheriff  
15    departments within each district and division.

16                  Our Coast Guard Auxiliary station is located at  
17    Badin Shores Resort on Garr Creek. Our area of  
18    responsibility, along with Flotilla Two at High Rock Lake is  
19    Tuckertown Lake, Badin Lake and Lake Tillery. Our division  
20    also patrols Blues Lake above Greensboro and Lake Norma.  
21    Our association with the Yadkin/ Alcoa as been of the  
22    highest level of backing. We have worked with them for  
23    years in helping provide safe boating on their rivers and  
24    their lakes. They have helped us and the sheriff  
25    departments with grant monies for boats and radios that will  
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1 provide better communications of all the departments  
2 providing safety on the lakes. Response time is most  
3 important. They have been interested in all of our  
4 activities and I can attest that their backing has been very  
5 much appreciated. And as you know, being involved with the  
6 federal government what red tape federal bureaucracy can be.  
7 If it weren't for corporations like Alcoa and other  
8 corporations that would help in grants and funding, we'd  
9 have a lot of shortfalls because when it comes time to get  
10 money from the federal government, we understand. Thank  
11 you.

12 (Applause.)

13 MR. BOWLER: Thank you. That's the end of the  
14 sign-up sheets. Is there anybody else who would like to  
15 speak or didn't sign up?

16 (No response.)

17 MR. BOWLER: That being the case, anybody who has  
18 written materials, please provide them to the recorder. The  
19 deadline for filing written comments in response to the  
20 Scoping Document is February 26, 2007. Out at the front  
21 table we had a single-sheet handout that has the address for  
22 the Secretary of the Commission and the project number for  
23 submitting those comments by mail. If you'd like to do it  
24 electronically, you can go to the website, [www.FERC.gov](http://www.FERC.gov), and  
25 file that way. Please take the sheet anyway because you'll

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1       want the project number to do so.

2                   MR. EMERY: Thanks everyone for your input this  
3       evening. Some interesting ideas there. We appreciate your  
4       taking the time out to come out and express your interest to  
5       us. Thanks. We hope to see you again soon. Have a good  
6       evening.

7                   (Whereupon, at 8:50 p.m., the above-entitled  
8       matter was concluded.)

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