

**FINAL
PROGRESS ENERGY
YADKIN-PEE DEE RIVER PROJECT RELICENSING
MEETING NOTES SUMMARY
WATER RESOURCES WORKING GROUP
MEETING No. 3
August 12, 2003**

The following is a summary of the items and issues that were discussed during the third meeting of the Water Resources Working Group held on August 12, 2003, in Pinehurst, NC. The meeting agenda and sign-up sheet are provided as Attachment A.

- (1) John Devine of Devine Tarbell and Associates, Inc. (DTA) introduced himself as a consultant for Progress Energy and as serving in the capacity of Meeting Leader. All attendees introduced themselves and their affiliation. John reviewed the agenda for the meeting, a copy of which had been provided to all attendees.

Meeting Purpose: The first and second Resource Working Group (RWG) Meetings resulted in the preparation of a list of issues. Progress Energy had grouped the issues in the second RWG. Since the second RWG meeting, held June 10th, Progress Energy had prepared Issue Evaluation Templates for each of the 16 identified and agreed to issues. The evaluation process results in one of the following conclusions:

- 1) There is sufficient existing information to address some or all of the issue.
- 2) A study is needed.
- 3) There is no Project effect or the issue is not relevant; therefore, no study is needed.

On August 5, 2003, Progress Energy distributed the completed Issue Evaluation Templates to the RWG members for review and comment. The purpose of this meeting was to review each of the Issue Evaluation Templates and listen to comments from the RWG. John Devine stated that we were not necessarily trying to resolve all issues today, but to identify those that we agree on as not needing further studies or not needing studies.

- (2) Review of RWG Meeting No. 2 Meeting Summary

John referred to the meeting summary for the RWG Meeting No. 2 that had been forwarded to the members of the RWG and asked if there were any comments. There were no comments on the meeting summary. There was a question on when the meeting notes become final. It was agreed that if there were no comments, then the meeting notes would be considered final as of this meeting.

- (3) Issue Evaluation Template Review

John Devine explained that he as well as John Crutchfield, Progress Energy, will be going through the Issue Evaluation Templates. A copy of each Issue Evaluation Template is included

as Attachment B. A brief description of the discussion on each template is provided below. John also explained that for those issues that the RWG could not agree or would like to have additional time to review, a “Parking Lot” would be created to place the issue into. However, one rule for going into the “Parking Lot” was that people would revisit the issue with different ideas for resolution than those which necessitated putting the issue in the “Parking Lot” in the first place. The goal of the approach is to avoid having just a replay of the same discussions. It is only worthwhile to revisit an issue if all interested parties work to resolve the issue.

1. Describe Current Resident River Aquatic Resources of Project Area

John Crutchfield reviewed the template. John reiterated the importance of having the diadromous fish plan completed by USFWS. Chris Goodreau (NCWRC) mentioned that the North Carolina draft fishery management plan should be out by the end of the year. John explained that Progress Energy feels that there is adequate existing information, with the exception of freshwater mussels, to fully describe the existing resources. John also referred to the freshwater mussel survey to be performed by the Nature Conservancy in South Carolina. Eric Krueger of The Nature Conservancy (TNC) agreed that Progress Energy could attach the TNC mussel survey study plan as a part of the Progress Energy mussel survey. Progress Energy will work with the TNC on their mussel survey in South Carolina. Progress Energy also agreed to include confluences with major tributaries in the mussel study. Darlene Kucken had some comments and referred to the NCDWQ “Red Book”. A goal identified in the Red Book is to develop management strategies for recommended changes to the Division of Water Quality regulations in support of RTE species, in this case shortnose sturgeon. The management plan comes out of the Division of Water Quality and theoretically could be included in the 401 Water Quality Certification for the Project.

Progress Energy agreed to look at existing information pertaining to resident river fish resources on other river systems that do not have fluctuating flows. This will not include additional field studies, just a review of existing information when comparable data is available. There was interest in conducting field surveys for benthic invertebrates, crayfish, and shallow water fish. Progress Energy agreed to conduct such studies pending further discussion with agencies on the scope of the work. No other studies were identified as necessary.

2. Describe Current Reservoir Aquatic Resources of Project Area

John Crutchfield reviewed this issue. Progress Energy believes that the existing information is sufficient to characterize the existing fishery and is not proposing any additional studies. There was no disagreement. Progress Energy did agree to include its bathymetry and shoreline habitat mapping as existing information.

3. Describe Current Migratory Fishery Resources of the Yadkin-Pee Dee River in the Project Area

Progress Energy will be preparing a study plan on this issue. There was no disagreement with the template. Progress Energy agreed to add the wording that Tillery Dam also is a barrier to fish passage.

4. Develop a Diadromous Fish Restoration Plan for the Yadkin – Pee Dee River Basin

This is a plan being developed by USFWS, however, USFWS was not present at the meeting. John Crutchfield commented that Progress Energy is willing to cooperate on this with USFWS. Progress Energy agreed to contact USFWS to get an update on the status of the development of the plan.

5. Evaluate the Relationships Between Project Operation/ Hydraulics and Aquatic Habitat, Water Quality, and Fish Migrations

An instream flow subgroup has been formed to address this issue. The study plan will be developed in this subgroup, which was scheduled to meet on Thursday, August 14th. It was agreed to remove the words “water quality” from the title of this issue. There were some editorial comments that will be forwarded to Progress Energy.

6. Evaluate the Relationship of Project Operations to Floodplains and Floodplain Connectivity

John Devine reviewed the issue template. John reiterated that Progress Energy will collect some data at one overbank area (at the Great Pee Dee Natural Heritage Preserve) as proposed in the template but that Progress Energy feels that flows within the hydraulic capacity of the Blewett Falls station do not exceed the channel capacity of the river. There was a general discussion. One comment was that Progress Energy needs to look at all potential operating scenarios and also that people need to be aware that even some lower flows may result in the overtopping of some low lying spots in the river banks. John asked the group if these low spots could be located. Progress Energy is willing to work with people to get some additional specific data, however, we do not feel that river flows over 9,000 cfs can be sufficiently controlled by the Project to affect floodplain flooding. PEC agreed to model scenario using Cheops that would affect floodplain inundation, recognizing that the water for such a scenario would have to come from APGI’s reservoirs.

There was also discussion on pre-construction data that is available, recorded from 1906 – 1912. Progress Energy responded that this data is a very short data set and could not be compared to the larger data set being used. Also, it is not truly pre-construction conditions as work was initiated on Blewett Falls in 1905.

NCWRC commented that the RWG should confirm percent storage of each development within the watershed. They felt that this issue should be handled by both projects, Progress Energy and APGI, not just Progress Energy. Perhaps this could be looked at in the operations model.

Gerritt Jobsis commented that he would like to see this Issue template placed in the “Parking Lot” to allow Gerritt to provide additional comments to Progress Energy.

7. Evaluate Water Quality of Lake Tillery and Tailwaters

Progress Energy proposes to prepare study plans for water quality sampling in 2004. There was no disagreement on the template. For preparation of the continuous in-situ temperature/DO monitoring study plan, Progress Energy proposed to first conduct a pilot study in 2003, conditions permitting, to help determine placement of the continuous monitoring instruments in 2004. John will issue a draft study plan for the pilot study within two weeks. There was some concern expressed about performing the pilot study this year because of the higher flows. If there is no stratification in the lakes, then the pilot study may not be representative of normal conditions. At that point, Progress Energy would confer with the RWG on best professional judgment in placement of the monitors in 2004. There were some editorial comments that were provided to Progress Energy. Progress Energy also agreed to extend the sampling period for continuous temperature/DO monitoring in the 2004 sampling study plan to include November.

8. Water Quality – Blewett Falls (Lake and Tailwater)

Progress Energy proposes to prepare study plans for water quality sampling in 2004. There was no disagreement on the template. There were similar editorial comments as made on Issue No.7. The placement of continuous temperature/DO monitors downstream of the power plant in 2004 will be determined by the pilot study being performed in 2003. There were no additional comments.

9. Water Supply and Planning

There is no study plan proposed for this issue. Progress Energy reiterated that it was not their business nor within their expertise to predict or calculate the state's municipal water needs. However, the Cheops operations model being proposed by Progress Energy will have the ability to input data provided by the state. This issue was placed in the "Parking Lot" because there was interest expressed by one member to have more time to review this issue.

10. Sediment Transport

There was concern by some members of the RWG that no study was being proposed. The question was asked if there was a lack of gravels downstream of the Project. Progress Energy agreed to put this in the "Parking Lot" for further consideration and get back to the RWG.

11. Effects of Project operation on salinity of the lower Pee Dee River and Intercoastal Waterway

Danny Johnson, SCDNR, explained that this is an important issue in South Carolina, and agreed that not much was known about it. The USGS project referred to in the template is not being funded yet and they would like to see Progress Energy and APGI jointly fund the USGS study, estimated at \$130,000. Progress Energy asked if this is just a low flow issue? Danny Johnson replied no, can also be affected by the moon and the tides. It was agreed to place this issue in the "Parking Lot".

12. Project Operations Modeling.

John Devine reviewed this template. There was interest that Progress Energy and APCI have joint meetings (to include the stakeholders) at the same day and location, and if not joint meetings, at least have them on the same day at the same location. Progress Energy agreed to talk with APCI about this. Progress Energy was asked by stakeholders if the two parties (Progress Energy and APCI) had talked to each other about having the two models “talk” to each other? Both Progress Energy and APCI acknowledged that having the two models “talk” to each other would be very hard to do. John responded that Progress Energy wants to work together on this to make sure that data input nodes etc. are similar. Progress Energy and APCI agreed to provide each other with information. APCI stated that they can provide output from Falls Dam for use in the Cheops model.

Gene Ellis, APCI, provided a brief overview of the status of their modeling efforts.

13. Shoreline Aquatic Habitat Mapping

There was no disagreement with the template. John Crutchfield explained that the mapping effort has started and that they were about 85% completed and should be finished in September. Chris Goodreau asked if this would provide information for evaluation of exposed substrate. Progress Energy has bathymetric data on the lakes that can be used along with the shoreline habitat data being collected that combined can address any questions on exposed substrates due to project operations. Progress Energy agreed to examine this request.

14. Dam Removal Studies

Progress Energy does not propose to perform any dam removal studies. Gerrit Jobsis, (SCCCL) commented that his request for an evaluation of dam removal was in the context of fish passage options, such as trap and truck or constructing a channel bypass around the dam, and the last alternative would be dam removal. Gerrit also commented that he would like to have input from the USFWS who was not present at the meeting. Progress Energy restated that they feel strongly that they will not perform dam removal studies. There is no reason to put this issue into the “Parking Lot” because Progress Energy will not change their position on this issue. SCCCL was free to take this to dispute resolution with FERC.

15. Off-site mitigation

There was no disagreement with this template. However, there were some editorial comments that were provided to Progress Energy.

16. Desk Top Entrainment Study—Reservoir and Anadromous Fish

John Crutchfield presented the proposal to conduct a “desktop” analysis of fish turbine mortality and entrainment. Chris Goudreau asked what the next step would be if there was an indication of significant impact to the fishery. John Crutchfield said that at that point, Progress Energy would look at the relative impact and that

would be handled under proposals for protection, mitigation, or enhancement options but without further field studies. Progress Energy did not agree to include reference to possible future field efforts on this issue.

(4) Action Items – The following action items were identified at this meeting:

It was agreed that it might be more convenient to schedule the meetings differently with the Land Use and Recreation and Terrestrial RWGs on the first day and then the Water Resources RWG on the second day, followed by Instream Flow subgroup on the third day. Progress Energy agreed to mention this to the other RWGs and, if there is agreement, then the schedule will be changed to reflect this proposal.

It was also agreed by the RWG that the comment period for the Issue Evaluation Templates would be open until August 29, 2003. Comments can be sent to Barry Arney (Progress Energy) and Michael Murphy (DTA).

J:\Projects\Progress Energy 2003 RWG\Water Resuources Group\Meeting Notes\Meeting #3\WR August 12 2003-Meeting #3.doc

ATTACHMENT A
MEETING AGENDA
MEETING PARTICIPANT SIGNUP SHEET

AGENDA
PROGRESS ENERGY
YADKIN-PEE DEE RIVER PROJECT
WATER RESOURCES WORKING GROUP
MEETING NO. 3
AUGUST 12, 2003
9:00 – 4:30

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|---|--------------|
| 1. Meeting Purpose and Introductions | 9:00 – 9:15 |
| 2. RWG No. 2 Meeting Minutes | 9:15 – 9:30 |
| 3. Review of Issues Evaluation Templates | 9:30 – 12:00 |
| 4. Lunch | 12:00 – 1:30 |
| 5. Continue Review of Issues Evaluation Templates | 1:30 – 4:15 |
| 6. Agenda for RWG Meeting No. 4 | 4:15 – 4:30 |

**PROGRESS ENERGY
YADKIN-PEE DEE RIVER PROJECT
WATER RESOURCES WORKING GROUP
MEETING NO. 3 - AUGUST 12, 2003**

SIGN IN SHEET

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ATTACHMENT B
MEETING HANDOUTS:
Issues Evaluation Templates