

**Cooper Lake Project Relicensing  
Meeting Summary:  
Public Meeting on Relicensing Process  
March 20, 2002 — 5:00 PM to 7:30 PM  
Kenai Princess Lodge  
Cooper Landing, AK**

**Meeting Attendance:**

---

<b>Name</b>	<b>Affiliation</b>
Chris Degernes	Alaska Department of Natural Resources (ADNR), Division of Parks
Karen Demsey	Long View Associates (LVA)
Max Hamilton	
Glenda Landua	Alaska Department of Fish and Game (ADFG)
Tom Lovas	Chugach Electric Association, Inc. (Chugach)
Mike Massin	Chugach
Phil North	U.S. Environmental Protection Agency (EPA)
Steve Padula	LVA
David Rhode	Friends of Cooper Landing
Bill Shuster	U.S. Forest Service (USFS)
George R. Siter, Jr.	Cooper Landing ADFG Advisory Committee (CLFGAC)
Robert Siter	CLFGAC
Don Stead	Homer Electric Association
Bill Stockwell	CLFGAC
Molly Stockwell	
Dave Westerman	

---

**Opening**

Tom Lovas (Chugach) welcomed the meeting participants and introduced Steve Padula (LVA), noting that LVA has been retained by Chugach to be lead relicensing consultant.

Introductions around the room followed.

**Information on Cooper Lake Relicensing Process**

*(Note: A PowerPoint presentation was used to help structure the informational discussion; a copy of the presentation slides is attached to this meeting summary.)*

***Background / General Information***

Steve Padula (LVA) briefly summarized the main components of the Cooper Lake Project (Project) and noted general characteristics of the Project, including its installed capacity, annual energy production, and system operations and reliability. Steve also summarize the key dates for relicensing of the Project.

## ***Review of 2001 Outreach***

To gather information on behalf of Chugach regarding perspectives on the upcoming relicensing, in late 2001, LVA conducted interviews with organizations and individuals that were expected to be interested in the Cooper Lake Project relicensing (including federal and state agencies, local government, nongovernmental organizations [NGOs], and Chugach wholesale customers). Results of these interviews were summarized.

### Outreach Results and Conclusions — Process

A common theme among the comments was the importance to the anticipated relicensing participants of a process that allows for a high level of involvement and participation by stakeholders. While interest specifically in the Alternative Licensing Process (ALP) was frequently mentioned, Steve Padula (LVA) noted that when questioned further, the interviewees did not seem to be as concerned with the early National Environmental Protection Act (NEPA) analysis aspect of the official ALP as they were with the collaborative decision-making aspects. However, several interview participants also expressed the need for improvement in the working relationships with Chugach. In addition, some interviewees expressed concern about the time/resource requirements involved with active participation in an ALP, which requires extensive effort throughout the pre-filing phase of relicensing, compared to the traditional licensing process.

Based on input from these interviews, as well as input from Chugach and the wholesale customers, LVA concluded that at this time, there did not appear to be a strong possibility for an official ALP to be successful (i.e., to result in a pre-filing negotiated settlement among the parties). LVA therefore recommended that Chugach initiate a traditional licensing process, but that the process be “enhanced” to afford significant opportunity for participants to provide input to help inform and direct studies and identification of potential alternatives. LVA also recommended that Chugach leave open the possibility of changing the process to an ALP at some point in the next year or so, should conditions shift such that there appeared to be a significant potential for success with that process (and should there be consensus among the participants to use the ALP).

### Outreach Results — Issues

Steve Padula (LVA) reviewed a summary list of resource issues identified during the outreach and through review of existing documentation (primarily related to past license amendment proceedings for the Project). Steve asked the group whether there were any additional issues or concerns that should be noted.

Bill Stockwell (CLFGAC) suggested that the second bullet on the list (effect of the Project on Cooper Creek fish resources and resulting economic impacts) should also include the effect on the Kenai River; reduced flow / habitat in Cooper Creek may be a cause of the lower fish production in the upper reaches of the Kenai River in the Cooper Creek vicinity compared to lower portions of the river. In addition, the current lack of salmon in Cooper Creek may be impacting wildlife habitat / use of the watershed; in particular, the effect on brown bears (a species of concern on the Kenai Peninsula), which feed on salmon, should be evaluated.

Bill Stockwell also suggested adding to the issues list evaluation of the feasibility of:

- diverting a portion of Stetson Creek flows into Cooper Lake (as was initially planned under the original Project license); this amount of flow could then be released into Cooper Creek below the dam, but the water from the lake would be warmer than the Stetson Creek flow, which would improve habitat for fish.
- relocating the powerhouse from Kenai Lake to the outlet of Cooper Lake, which would allow Project generation flows to be discharged into Cooper Creek instead of Kenai Lake.

### ***Relicensing Steps and Proposed Process Enhancements***

Steve Padula (LVA) stated that based on the conclusions drawn from the outreach effort and from discussions with Chugach, LVA proposed a relicensing plan for the Project, including proposed steps and schedule. Steve reviewed a list of the FERC-required relicensing steps in the traditional process. In addition to the required steps, Chugach plans to provide additional consultation opportunities throughout the process (including informational meetings, opportunities to provide input to consultant short lists and study approaches, opportunities to review draft study plans and reports, etc.).

The next immediate step in the process is to hire technical contractors to conduct the relicensing studies. Steve noted that finalization of the short list for potential environmental consultants was currently underway and that input from several agency representatives had recently been received to help in the development of this list.

An additional component of the planned process enhancements is a relicensing website. Steve Padula (LVA) noted that this website is currently under development and should be operational within the next several weeks. The website will be used to post items such as meeting agendas, documents (e.g., study plans, reports, meeting summaries), and other information related to the relicensing.

### ***Schedule***

Steve Padula (LVA) reviewed the planned relicensing process/schedule chart, noting recently completed steps as well as ongoing and upcoming steps. Steve noted that there is essentially a three-year window of time available from now through filing of the final license application; the planned schedule is therefore aggressive, so that the filing deadline can be met. Steve also noted that the available field seasons are limited to two: 2002 and 2003. Part of early 2004 would also be available; however, beyond that, the study results would not be available in time to be incorporated into the draft license application.

Steve pointed out that the sequence of steps in the process are somewhat out of the normal sequence; i.e., contractors are being hired and study plans for preliminary data collection will be developed prior to issuance of the ICP (normally, study plans are developed in response to comments on the ICP). However, the ICP is targeted to be issued in early June with the required follow-up public meeting / site visit in mid-July,

which will put the end of the 60-day comment period following the site visit into September.

Given the importance of taking advantage of the 2002 field season to begin relicensing studies, Chugach proposes to use 2002 to conduct standard baseline-type data collection; input will be sought from agency resource experts on what this should entail. Steve explained that Chugach's intent is to contact agencies within the next six weeks to arrange to meet to help identify appropriate study efforts for 2002. The hope is to be ready to begin field efforts by the beginning of June.

Based on the results of the 2002 work, comments on the ICP, and additional consultation with the relicensing participants, study plans for 2003 will be developed to begin to address project-related resource impacts.

### *Additional Questions/Comments*

Questions and discussion continued following the end of the prepared presentation.

### Project Modifications/Enhancements

George Siter (CLFGAC) asked whether Chugach will be proposing to expand the Project and/or increase generation as part of the relicensing. Steve Padula (LVA) noted that any proposals that the applicant has identified for pursuing in the relicensing proposal are required to be included in the ICP. Chugach is still in the process of considering whether there are modifications that it wants to make as part of the new license. The only proposed enhancement that has been identified so far is modification of the dam spillway so that it can safely pass the probable maximum flood (PMF); this is the same proposal as was in the dam modification amendment application that was submitted to FERC (and subsequently withdrawn to wait for relicensing) a few years ago. This enhancement also would include raising the operating level of the reservoir.

George Siter (CLFGAC) asked whether it would be feasible to put intermediate generators in between the existing power intake and the powerhouse turbines. Tom Lovas (Chugach) stated that Chugach had never looked into that type of option, but that it could.

### PCB Remediation

Dave Westerman asked about the status of the PCB remediation effort at the powerhouse on Kenai Lake. Tom Lovas (Chugach) explained that the remediation at the powerhouse had been completed to the requirements of the FERC-approved Remediation Plan. Follow-up sampling of fish tissue and sediments from Kenai Lake has also been completed, and a final report on the sampling is expected to be issued in four to five weeks. The PCB issue is being handled as a component of the 1999 amendment process, distinct from the relicensing

### Project Generation

George Siter (CLFGAC) asked about the value of the Project generation. Tom Lovas (Chugach) replied that the annual value of the electricity production is about \$1,400,000. However, the straight energy value does not account for the other substantial benefits of the Project's generation, such voltage support for the grid (providing power quality for the system) and reliability through spinning reserve (in response to load changes).

### Cooper Creek Flows

Bill Shuster (USFS) returned to a point made earlier in the meeting regarding the possibility of diverting a portion of flows from Stetson Creek into Cooper Lake in exchange for releases from the lake to Cooper Creek. Bill Shuster indicated that he felt this idea could have promise and should be evaluated, noting that putting flow in below the dam would restore fish habitat in the reach above the Stetson Creek confluence. Bill Stockwell (CLFGAC) noted that the minimum flow requirements related to the planned diversion of Stetson Creek in the original Project license could be useful to consider.

Max Hamilton, a long-time resident of the area, commented that the reason the Project was allowed to be constructed as it was, including diversion of flows to Cooper Creek, was that Cooper Creek had long been considered to be a disturbed stream; in the summer, the creek ran muddy down to the Kenai River as a result of mining activity. Max stated that because of the problems the creek already had at the time, there had not been much concern about constructing the dam and diverting flows. In addition, the mining interests on Cooper Creek had been in favor of the diversion because the reduced streamflow would make it easier to access sediment accumulations for placer mining. Max also commented that it would seem unlikely that fish numbers will ever increase markedly in Cooper Creek as long as persistent problems with pollution (e.g., related to runoff from the highway) continue to impact the Kenai River itself.

### Cooper Lake Fishery

George Siter (CLFGAC) suggested that Chugach could enhance fishing and wildlife viewing opportunities at the Project by constructing a dock on Cooper Lake; this would help compensate for lost fishing opportunities in Cooper Creek.

### Transmission Line

Bill Shuster (USFS) stated that the USFS was interested in discussing issues related to the transmission line and associated right-of-way (ROW) as part of the relicensing. Bill noted that issues of concern related to the transmission line ROW involve access roads, bark-beetle infestations, etc. Tom Lovas (Chugach) confirmed that Chugach is planning on addressing the entire transmission line and ROW during relicensing.

Phil North (EPA) noted that the transmission line had a Section 4F (Department of Transportation statute) exemption for its existing land use through Chugach State Park. Phil asked how this exemption (and the possible need for new Section 4F-related permitting) would tie into the relicensing, if at all. Tom Lovas (Chugach) noted that the transmission line was already in place at the time the State Park was established, and that

the Park Superintendent, Al Meiners, had previously indicated that as long as no changes were proposed to the transmission line, the State had no issue with the line.

**Closing**

Contact information for Tom Lovas (Chugach) and Steve Padula (LVA) was provided. Tom thanked the meeting attendees for their interest and participation in the meeting and upcoming relicensing activities. The meeting attendees were encouraged to sign in and provide their current contact information on the meeting attendance sheet. The meeting adjourned at approximately 7:30 P.M.