

**Yadkin Project Relicensing (FERC No. 2917)
Recreation, Aesthetics, and Shoreline Management IAG
October 8, 2003**

**Alcoa Conference Center
Badin, North Carolina**

Final Meeting Summary

Meeting Agenda

See Attachment 1.

Meeting Attendees

See Attachment 2.

Presentation of Final Project-wide Aesthetics Study Key Observation Points

Jane Peeples, Meeting Director, convened the meeting early at about 12:30 p.m. She reviewed the meeting agenda and noted that the meeting would begin, rather than end, with the presentation of the final Project-wide Aesthetics Study Key Observation Points (KOPs). Wendy Bley, Long View Associates, explained that at the July 9, 2003 Recreation, Aesthetics, and Shoreline Management Issue Advisory Group (RASM IAG) meeting, ERM proposed KOPs. She said that based on comments received at that meeting, ERM revised and finalized the set of KOPs to be included in the study. David Blaha, ERM, said that at the last meeting, ERM proposed 60+ KOPs and that based on comments received, ERM was able to delete some redundant views and now has 41 KOPs with a total of 51 views (some of the KOPs have views up and downstream). David presented a list and summer (i.e. full pool) photographs of the KOPs. The IAG was encouraged to review the list and photos. David explained that ERM intends to visit the KOPs at least two more times during the fall/winter and spring to photograph the views from the same exact locations. David said that ERM also plans to document the atypical drawdown of Narrows Reservoir scheduled for December 2003.

Time was also made available at the end of the meeting for the IAG to review the list and photos of the KOPs.

Update on the Recreation Use Assessment

David Blaha provided a summary of progress to date on the Recreation Use Assessment:

- Spot counts (18 observations per month per area) at the 40 recreation areas continue
- ERM has collected about 900 Visitor Use Surveys; ERM anticipates collecting about 2,000 surveys in total
- A few canoeists/kayakers have signed the canoe registry located at each of the four portage trails

- Aerial photos during peak recreational use (July 4, Labor Day, two weekend days and two weekdays in July and August) have been taken
- ERM continues to mail monthly Resident Use Surveys; to date the response rate is 40-45% at High Rock Reservoir and 50-60% at Tuckertown and Narrows reservoirs
- ERM anticipates beginning to mail the Private Community Survey by the middle of October 2003; surveys will be mailed quarterly
- ERM has talked to 13 of 16 identified clubs/organizations and 8 of 14 campgrounds/marinas about their recreational use at the Project (David shared a list of those who have not returned ERM's calls and solicited additional contact information for them)
- ERM initiated Tailwater Use Surveys in July in each of the four tailwaters; most of the completed surveys are from the High Rock tailwater and Tuckertown tailwater areas (because of the relatively easy access to these areas); Normandeau Associates is also distributing the Tailwater Use Survey to boaters in the tailwaters
- ERM initiated the Uwharrie National Forest aesthetic surveys in August

Greg Scarborough, Salisbury/Rowan Association of Realtors, asked how many more resident use surveys would be mailed. David said that ERM had mailed surveys for the months May through September and would still mail surveys for the months October through April (for a total of four more mailings (November through February will be combined into one mailing).

David Wright, U.S. Forest Service (USFS), said that he had noticed a decline in use at USFS public recreation areas where fees are collected, probably because the state of the economy. He stated that the recreation use surveys and use estimates are really only accurate for the time and year the surveys are collected. David Wright suggested that the use estimates be put into a broader context using some trend data available through the USFS.

Gene asked David Blaha if the survey technicians had been well received at the recreation areas. David said yes, generally. He said that ERM is tracking any refusals to complete the survey. Chris Goudreau asked David if the use information provided by the NCWRC is useful. David said that he had not yet reviewed the information.

Update on the Recreation Facilities Inventory and Condition Assessment

Jody Cason, Long View Associates, explained that at the July 9, 2003 meeting the IAG discussed a preliminary scope of work for the Recreation Facilities Inventory and Condition Assessment. Based on the comments received at the meeting, LVA prepared a draft study plan, which was distributed to the IAG for review and comment in August 2003. She said that the only comments received on the draft study plan were from the USFS. Jody said that the USFS asked 1) that the Arrowhead Campground be included in the list of areas to be inventoried, 2) for a joint inventory and condition assessment of USFS recreation areas, and 3) for minor revisions to the facility inventory form.

Jody summarized the progress to date on the Recreation Facility Inventory and Condition Assessment:

- Inventoried 10 public access recreation areas
- Contacted the NCWRC to discuss management and maintenance of NCWRC recreation areas, as well as any plans to upgrade or expand areas
- Discussed “meaningful measures” with the USFS
- Met with APGI staff to discuss maintenance practices and any future plans for recreation areas
- Reviewed the June 2003 Access Board accessibility guidelines

Jody explained that next steps include 1) finalizing the study plan, 2) scheduling a site visit with the USFS, and 3) continuing to inventory recreation areas.

David Wright asked that the underwater slope of the swimming areas at the Project be given some consideration in the study.

Chris Goudreau asked if the recreation area inventory would include some assessment of whether the recreational facilities (e.g. boat launch, courtesy pier, etc.) are available at varying water levels. Wendy Bley said yes and asked Chris for examples other than boating facilities. Chris said that bank fishing or access to the canoe portage trails might be impacted by varying water levels. David Wright said that if Narrows Reservoir is down, use of the fishing pier at Kings Mountain Point might be affected. Larry Jones commented that some of the recreation areas are not intended to provide reservoir access, but really only river access (e.g. Highway 601 Boat Access Area). He said that areas such as this one should not be considered as providing boat access to the reservoir. Wendy said the inventory could include some assessment of the availability and usability of the recreational facilities at varying water levels at High Rock Reservoir (by noting those facilities that could be affected by changing water levels). She said that the planned drawdown of Narrows Reservoir in December 2003 would provide an opportunity to look at those recreation areas. In response to Larry’s comment, Wendy said that the Visitor Use Surveys being administered at the recreation areas would provide information on the actual recreational activity taking place at the access area.

Brian Strong, North Carolina Division of Parks and Recreation, distinguished issues caused by environmental conditions from those caused by operational conditions.

Judy Holcomb, City of Albemarle, asked about the duration of the planned drawdown of Narrows Reservoir. Gene Ellis said that it would probably take 7 days to draw the reservoir down. The study would last about another 10 days and then take probably 7 days to refill the reservoir.

Gene Ellis mentioned that a Mr. Tommi Hughes had contacted APGI by letter dated August 2002 (see Attachment 3), and was asked if APGI would consider donating non-Project lands to Davidson County for a public park. Gene said that he told Mr. Hughes that he would make his letter part of the official relicensing record. Gene also told Mr. Hughes that it would be necessary to first collect recreational use data to determine the need for additional recreation areas. Greg Scarborough asked if Rowan County’s concerns about the availability of recreational opportunities in Rowan County would also be included in the relicensing record. Gene responded that Mr. Tim Russell read a letter dated July 31, 2003 into the record at the July 2003 Yadkin

Project relicensing public meetings and therefore the county's concerns are already documented in the record. Gene also mentioned that APCI had recently leased 80 acres of land adjoining High Rock Reservoir and the Rowan County Eagle Point Nature Park Preserve to be used as part of the Preserve.

Schedule and Agenda for Next Meeting

At the conclusion of the meeting, Donley Hill, USFS, asked Gene to review the relicensing schedule. Donley said that he was specifically interested in understanding when stakeholder interests would be explored in more detail (e.g. the stakeholders could propose resource enhancement measures). Gene explained that because the current license expires on April 30, 2008, Yadkin is required to file an application for a new license with the Federal Energy Regulatory Commission (FERC) by April 30, 2006. Gene said that a draft application would probably be available for participant review in early 2005. Gene said that from now until the time the draft application was distributed for review, Yadkin and the participants would be working with the operations model and the results of the various technical studies to explore impacts and alternatives. Gene said that the Yadkin relicensing is different from the Tapoco (another APCI hydropower project) relicensing in that Yadkin has made no commitment to negotiate with participants after the conclusion of the studies other than what regulations require. Donley asked if Yadkin plans to actively solicit statements of interests and/or enhancement proposals. Donley advocated a more explicit exploration of stakeholder interests earlier in the relicensing process.

Wendy Bley said that because Yadkin choose to pursue a "communications enhanced" three-stage relicensing process, there would be some opportunity to express interests upon the completion of the technical studies. She clarified that this relicensing process does not require the applicant to identify operational alternatives and complete an environmental assessment, as does the alternative licensing process. She said that in the end, Yadkin would propose x, y, and z in its license application to FERC. She said that it would be FERC who explores alternatives to the proposal.

Larry Jones stated that he and others who regularly participate in the Issue Advisory Groups are committing time to the process, with the understanding that APCI will try to reach consensus with the participants on the issues. Wendy said that APCI is committed to reaching consensus on the issues. Gene said that APCI is interested in, but had not committed to negotiating a settlement agreement with the participants that would then be filed with FERC. Gene added that all of the work of the IAGs would be included in the relicensing record. Larry and Robert Petree both said they understood APCI as having committed to reaching consensus through a negotiated settlement prior to submitting an application to FERC. Gene said that he had been clear since the beginning of the process that APCI has not committed to negotiating a settlement agreement with the participants. Chris Goudreau clarified that even if a licensee is using the alternative licensing process to relicense a project, the licensee is not required to negotiate a settlement agreement. He said that he has had a positive experience negotiating a settlement agreement with APCI on their Tapoco Project. He said that he understood Gene to be saying if Yadkin and the participants cannot reach an agreement, Yadkin will still submit a license application to FERC.

Gene agreed. He said that all the work done to date has been done in a cooperative atmosphere, which he anticipated would continue.

Wendy Bley said that there might not be enough information to report on at a February meeting, but she tentatively scheduled the next meeting for February 4, 2004. Larry Jones commented that the Shoreline Management Plan Comparison Study should be complete by February 2004. He suggested that the IAG start looking at the results of this study. Wendy doubted that a draft study report would be available by February, but she agreed that there would likely be some information to start discussing. Larry said that changes to the SMP could be decided independent of any operational decisions. Jane Peebles suggested that the results of the SMP Comparison Study may have to be put into the larger context of the relicensing and the other technical studies before any decisions could be made.

Wendy invited those who did not have an opportunity to review the final list and photos of the KOPs before the meeting to stay and talk with David Blaha.

The meeting adjourned at about 2:30 p.m.

Attachment 1 - Meeting Agenda

**Yadkin Project
(FERC No. 2197)
Communications Enhanced Three-Stage Relicensing Process**

Recreation, Aesthetics, and SMP Issue Advisory Group Meeting

**Wednesday, October 8, 2003
Alcoa Conference Center
Badin, North Carolina**

1:00 PM – 3:00 PM

Preliminary Agenda

1. Introductions, Review Agenda
2. Review of July 9, 2003 IAG Meeting
3. Update on the Recreation Use Assessment
4. Update on the Recreation Facilities Inventory and Condition Assessment
5. Presentation of Final Project-wide Aesthetics Study Key Observation Points
6. Schedule and Agenda for Next Meeting

Attachment 2 - Meeting Attendees

| Name | Organization |
|------------------|---|
| Brian Strong | NC State Parks |
| Chip Conner | Uwharrie Point |
| Chris Goudreau | NC Wildlife Resources Commission |
| Dave Wright | US Forest Service |
| Donley Hill | US Forest Service |
| Donna Davis | Stanly County |
| Elizabeth Wilson | High Rock Lake Business Owners Group |
| Gene Ellis | APGI, Yadkin Division |
| Greg Scarborough | Salisbury/Rowan Association of Realtors |
| Jane Peeples | Meeting Director |
| Jody Cason | Long View Associates |
| Judy Holcomb | City of Albemarle |
| Julian Polk | PB Power |
| Larry Jones | High Rock Lake Association |
| Patricia Masters | Concerned Property Owners of High Rock Lake |
| Robert Petree | SaveHighRockLake.org |
| Steve Reed | NC Division of Water Resources |
| Wendy Bley | Long View Associates |

Attachment 3 – August 2002 Letter from Mr. Tommi Hughes

GENE ELLIS

YADKIN, INC.
BADIN, N.C.

DEAR MR. ELLIS:

I HAVE HAD THIS ON MY MIND FOR A FEW YEARS NOW, AND I FELT LIKE THIS IS THE TIME TO DO SOMETHING ABOUT IT.

I WOULD LIKE TO SEE A PARK ON THE DAVIDSON COUNTY SIDE OF THE LAKE SIMILAR TO DAN NICHOLS PARK. I FEEL SURE THAT YADKIN OWNS SOME LAND THAT WOULD BE SUITABLE FOR A PARK ON THIS SIDE OF THE LAKE. I THOUGHT NOW WOULD BE A GOOD TIME FOR YADKIN AND ALCOA TO DONATE THE LAND TO DAVIDSON COUNTY. I KNOW THAT WE COULD GET MATCHING FEDERAL AND STATE FUNDS TO BUILD THE PARK. I INVISION SOMETHING SIMILAR TO DAN NICHOLS, I WOULD LIKE TO HAVE QUITE A BIT OF LAKE FRONTAGE SO PARENTS COULD TAKE THEIR CHILDREN FISHING ON A SUNDAY AFTERNOON ; ALSO IF YOU WERE OUT ON YOUR BOAT, YOU COULD PULL UP TO THE BANK (NO PIER OR RAMP) HAVE A PICNIC, USE THE RESTROOM FACILITIES, OR JUST ENJOY THE SHADE.

ALSO, THEIR WOULD BE PICNIC SHELTERS FOR LARGE GROUPS, TRAILS, TENNIS COURTS, MAYBE A SKATEBOARD PARK, ETC.

I HAVE LIVED ON HIGH ROCK LAKE FOR 15 YEARS. PREVIOUS TO THAT I LIVED IN ARCHDALE, SOUTH OF HIGH POINT. I WAS INSTRUMENTAL IN GETTING CREEKSIDE PARK THERE IN THE 70'S OF WHICH I AM SO PROUD. WE HAD A FEW LADIES THAT WERE WORKING ON A PARK, AND THEN WE HAD 10 ACRES DONATED, THEN WITH MATCHING FUNDS WE STARTED THE PARK, AND THEN IT JUST GREW.

I FEEL LIKE YADKIN HAS SOME LAND, I'M NOT SURE HOW BIG DAN NICHOLS IS OR EVEN CREEKSIDE IS NOW BUT I WOULD LIKE TO SEE A BIG PARK TO INSURE IN THE FUTURE THAT IT WOULD BE BIG ENOUGH TO GROW. WITH SO MUCH DEVELOPMENT GOING ON NOW I FEEL LIKE I COULDN'T WAIT; AND WITH THE LAKE WATER PROBLEM AND THE DROUGHT PROBLEM I THINK IT WOULD BE A GOOD WILL JESTURE TO THE CITIZENS OF DAVIDSON COUNTY AND HIGH ROCK LAKE.

TOMMI HUGHES 798-3320
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LEXINGTON, N.C. 27292

8-14-02