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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

P R O C E E D I N G S

(7:00 p.m.)

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.

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

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

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,

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

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

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

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

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

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-

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

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

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

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

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

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?

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 think 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.

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

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

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

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

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

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

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

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.

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 relay 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.)

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

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.

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 too 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.

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

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

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

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

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

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

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.

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

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

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

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

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

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

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.

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? Stanly County

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

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

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 APGI'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

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

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

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

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

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

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

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

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

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.

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

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.

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 has 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

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, and
25 file that way. Please take the sheet anyway because you'll

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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