

## **FOURTH SIX-MONTH PROGRESS REPORT**

**For the Period March, 2010 through August, 2010**

## **TAKATZ LAKE HYDROELECTRIC PROJECT**

FERC No. 13234-000

**City and Borough of Sitka Electric Department**

**August, 2010**

This report documents licensing activities for the Takatz Lake Hydroelectric Project (“Project”) during the Period March, 2010 through August, 2010. Biannual progress reports are required by Federal Energy Regulatory Commission (FERC) letter issuing a Preliminary Permit (“Permit”) for the Project, dated September 19, 2008.

### **PROJECT BACKGROUND and CONTACT INFORMATION**

The Project would be an approximately 27 megawatt (MW) installation located on the east shore of Baranof Island, near Sitka, Alaska. Details of the proposal are in the Permit Application, filed with the Commission on June 3, 2008.

The exact name, business address and contact numbers of the person authorized to act as agent for the Licensee is:

City & Borough of Sitka, Electric Department  
Attn: Christopher Brewton, Utility Director  
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### **PROGRESS DURING THE FOURTH REPORTING PERIOD**

Progress during this reporting period is generally associated with meeting Commission requirements for project Scoping, development of study plans, and establishment of logistical requirements to begin field studies. The following sections will document progress by resource area.

- **Scoping Document #2 (SD2)**

SD2 was distributed to all parties on the mailing list on June 16, 2010. The deadline for filing comments was July 17, 2010 and comments were received from ten (10) respondents.

- **Stream Gaging**

The City & Borough of Sitka (CBS) signed a three year Joint Funding Agreement #10W0AK212740300 with the U.S. Geological Survey on March 17, 2010 for the establishment and operation of two (2) streamflow gaging stations at Takatz Lake. Stream gage sites are numbered 1509900 and 15100000. The second stream gage was commissioned on April 9, 2010.

- **Additional Permits**

The U.S. Forest Service (USFS) issued Special Use Permit # SIT538 on June 18, 2010 to conduct field studies to complete feasibility studies for the Takatz Lake Hydroelectric project with a permit expiration date of December 31, 2011.

- **Site Logistics**

Prior to beginning field work, site accommodations were established to ensure safe, adequate facilities for the field teams, including shelter, heating and cooking facilities, and bear protection. A boat was transported via helicopter to Takatz Lake to allow required aquatic and wildlife surveys.

- **LIDAR and Other Mapping Surveys**

On August 10, 2010 a contract was issued for additional LiDAR mapping of the Takatz Lake basin and the proposed Alternative Overland Transmission Segment. On August 12, 2010 a contract was awarded for High Resolution Satellite Imagery to be completed for the proposed project area, including the entire transmission corridor.

- **Resource Studies**

- Wildlife Resources Study Plan

The draft Wildlife Study Plan was distributed to project stakeholders on March 24, 2010. Comments were received on April 17, 2010 from the Alaska Department of Fish and Game (ADF&G) and incorporated into the final Wildlife Study Plan which was distributed on May 25, 2010.

- Wildlife Research Proposal – Mountain Goat Monitoring Study

On April 2, 2010, CBS Electric Department staff met with ADF&G, USFS, and Sitka Tribe of Alaska (STA) representatives to discuss an ADF&G proposal to jointly fund a three-year mountain goat study. The CBS is completing work for the expansion of the Blue Lake Hydroelectric Project (FERC No. 2230) and the proposed inundation area from this project may have direct impacts on mountain goat movements with indirect (cumulative) impacts to the proposed Takatz Lake Hydroelectric Project. The study was approved and CBS provided funding to begin the study effective August 2010.

- Aquatic Resources Study Plan

The draft Aquatic Resources Study Plan was distributed to stakeholders on March 24, 2010. Substantive comments were received from ADF&G on April, 29, 2010. On May 13, 2010 a meeting was held at the National Marine Fisheries Service (NMFS) conference room in Juneau to review the draft plan and develop plans for the FY 2010 and FY2011 field seasons. Representatives from NMFS, ADF&G, USFS, CBS staff & consultants participated in the meeting.

- Cultural Resources Study Plan

The draft Cultural Resources Study Plan was distributed to the participants on the Restricted Service List on June 17, 2010 with comment period ending July 17, 2010. With the exception of FERC submitted comments, no additional comments were received. The final Cultural Resources Study Plan was distributed to the participants on August 18, 2010.

- Botanical Resources Study Plan

The draft Botanical Resources Study Plan was distributed to the stakeholders on August 16, 2010 with comment period ending September 16, 2010.

- **Engineering Studies**

- Overland Alternative Segment

On July 1, 2010 the CBS issued a contract with an engineering design firm to evaluate the viability of the proposed Overland Alternative Segment transmission line that would run from the Takatz Powerhouse location to the head of Baranof River valley. On July 15, 2010 the contract engineers along with CBS Electric Department staff completed site reconnaissance via helicopter of the proposed line routing, including videotaping the route and conducting on the ground base line surveys.

- HVDC Intertie

On August 2, 2010 the CBS issued a contract to update the High Voltage Direct Current (HVDC) Intertie Study that was completed in January 2000. This information, in part, will be utilized in the economic viability study portion of the project.

#### **ITEMS to be COMPLETED DURING NEXT 6-MONTH REPORTING PERIOD**

- **Study Plans**

The final Aquatic Resources Plan and draft Scenery Resources Plan will be issued this period.

- **Engineering Studies**

The HVDC Intertie Study and Overland Alternative Segment evaluation will be completed during this period.

- **Field Surveys**

Wildlife, aquatic, and cultural field work will continue until inclement weather prevents safe access to the project site. Tagging of goats relative to the mountain goat monitoring plan will begin this period with the planned capture and tagging of 12 goats in the Blue Lake watershed.

- **LIDAR and Other Mapping Surveys**

Depending on weather, LiDAR data acquisition flights and satellite mapping should be completed by the end of September 2010. Data is needed to complete preliminary line design for the project transmission corridor, reservoir analysis, and vegetation mapping.

- **Miscellaneous**

In accordance with the FERC letter of June 24, 2010, the CBS and USFS are scheduled to meet to discuss the potential project impacts relative to the Inventoried Roadless Areas and Land Use Designations issues in the 2008 Tongass National Forest Land and Resource Management Plan. A report to FERC addressing these concerns is due no later than October 22, 2010.

Christopher Brewton, Utility Director  
City and Borough of Sitka Electric Department

Cc: Takatz Project Stakeholder list.  
Joe Adamson, FERC