

MEETING NOTES

SOUTH CAROLINA ELECTRIC & GAS COMPANY Joint RCG Meeting

November 7, 2017

Final KMK 12-01-17

ATTENDEES:

Bill Argentieri (SCE&G)	Dick Christie (SCDNR)
Ray Ammarell (SCE&G)	Bill Marshall (SCDNR)
Beth Trump (SCE&G)	Ron Ahle (SCDNR)
Caleb Gaston (SCE&G)	Keith Whalen (USFS)
Brandon Stutts (SCE&G)	Bill Stangler (Congaree Riverkeeper)
Melanie Olds (USFWS) via conf. call	Henry Mealing (Kleinschmidt) via conf. call
Fritz Rohde (NOAA) via conf. call	Alison Jakupca (Kleinschmidt) via conf. call
Rusty Wenerick (SCDHEC)	Kelly Kirven (Kleinschmidt)

These notes are a summary of the major points presented during the meeting and are not intended to be a transcript or analysis of the meeting.

Ray opened the meeting with a safety moment. The purpose of this meeting was to continue discussion of the Comprehensive Relicensing Settlement Agreement (CRSA), associated appendices, and individual agreements and plans.

Mussel Genetics Update

Henry updated the group on the status of the mussel genetics testing. Henry said that Tim Savidge, with Three Oaks Engineering, emailed him with the unofficial results of the testing. Three different mussel species were collected in the Monticello Reservoir, including the Eastern creekshell (*Villosa delumbis*), the Carolina creekshell (*Villosa vaughaniana*), and the Eastern lampmussel (*Lampsilis radiata*). The lab is still working to verify all of the samples and will send a summary report once analysis is final. Henry will share the final report when it's ready. He also said that the Mussel Monitoring Plan will be revised to include sampling in Monticello Reservoir. Kleinschmidt will revise the plan and send it out to stakeholders. After the meeting Melanie suggested that Monticello sampling be performed on the same cycle as the Parr Dam Tailrace area, so that both areas would be sampled in the same year.

Parr Generator Upgrade/Replacement Implementation Plan

Prior to the meeting, the draft Parr Generator Upgrade/Replacement Implementation Plan was distributed to stakeholders for review. During the meeting, Ray summarized the plan and explained that SCE&G was evaluating two different options, including upgrading the existing generators or replacing them with new ones. Their preferred option is to replace the generators, but they are still examining the feasibility of this. Both options will result in increased hydraulic capacity and

increased generating capacity. Bill S. asked how long it takes to install a new generator. Ray said that it's his understanding that it takes approximately 6-9 months to install one, including removing the old equipment.

Navigational Flow Observations

On October 17, 2107, SCE&G and some stakeholders viewed navigation flows downstream of Parr Shoals Dam, specifically in the west channel area; IFIM study sites 3, 4, 5, 6, and 7; and the "navigation ledge" at transect 7. Gerrit Jobsis, with American Rivers, emailed the relicensing group following the site visit and noted that the 1,000 cfs flow was satisfactory for aquatic habitat but that he does not believe that the 1,000 cfs minimum flow meets SCDNR's navigation policy. Kleinschmidt developed a flow exceedance table that shows monthly flow exceedance for the Broad River downstream of Parr Shoals Dam for flows from 500-5,000 cfs. Henry said that the minimum flow was set with fish habitat in mind and that the downstream area will see flows higher than the set minimum flow depending on inflow. Bill M. said that SCDNR agrees with Gerrit that the 1,000 cfs flow does not meet the state's navigation criteria. However, Bill M. said that the river is navigable, even though the criteria aren't completely met. He said that someone in a Jon boat would need to be careful, but navigation with canoes and kayaks would be easier. He said that the state's criteria, developed by Steve deKozlowski, are limited in their testing and are meant to be a guideline. In this case, it comes down to a practical application of the guidelines based on what the system can provide, and at that ledge it appeared that even 2,000 cfs might not meet the state's criteria. Bill M. said that he is comfortable saying that a 1,000 cfs flow is adequate for navigation for kayaks and canoes. Since the project is run-of-river, the flow duration curves indicate that most of the time flows will be there for navigation, and other times, dry times, they might not be high enough for navigation. Ray said that having a higher minimum flow and not a daily average will be helpful for navigation.

Bill S. said that he believes it's important to state that the flow doesn't meet the navigation criteria, but he is comfortable with a minimum flow of 1,000 cfs. Henry said that the Navigation Flow Report will be revised to say that while the 1,000 cfs flow doesn't meet the state's navigation criteria, it does provide navigation paths that most boaters could use. He also said that language indicating a 500-700 cfs flow provides navigation will be removed from the report. The monthly flow exceedance table will also be added.

Fish Entrainment Reduction PME

Henry said that the Fairfield Hydroacoustic Survey Report was distributed to stakeholders prior to the meeting. The study found that in the Fairfield forebay, the lights don't appear to concentrate fish in the intake area. Inside the nuclear exclusion zone, many large fish were observed, indicating that this area could be serving as a refuge area. In the tailrace, however, there are lots of lights that attracted large schools of threadfin shad. When the lights were turned off, the schools of fish dispersed and moved downstream out of the intake area. The report indicates that reducing the lights in the tailrace should result in reductions of fish entrainment in the area. The report will be revised to include a recommendation section to say that lights in the Fairfield Pumped Storage tailrace will be turned off under normal conditions. However, the lights will be turned back on during periods of "elevated threat" as determined by Homeland Security or other law enforcement agency. Stakeholders agreed with this report change and PME measure.

Land Agreement Memorandum of Understanding (MOU)

Prior to the meeting, stakeholders submitted questions to SCE&G regarding the August 22, 2017 SCE&G Counter Proposal of Protection of Lands document. SCE&G responded to those questions in a document dated October 24, 2017. The group discussed the questions and answers. Dick asked if the SCE&G Land Department understood that the lands are part of the settlement agreement, although they are not tied to the project. Bill A. said yes, they do understand that.

Bill M. said that, regarding question #1, stakeholders would like an understanding of the type of structures that can be built on the properties. Ray asked if a square footage limitation would be okay. They don't specifically want to restrict the type of structure, but they will restrict the size. Dick asked if there was a draft of the restrictive covenants yet. Bill A. said no, he hasn't developed a draft yet. Dick asked who would enforce the covenants if SCE&G sells the properties. How do you get permanent restrictive covenants without a third party involved? Bill M. said maybe in this situation it might be among the parties to enforce. Bill A. said he would look into the enforcement question. If the properties were put into a conservation easement, could SCDNR take the easement? Dick said that the lands on the Broad River are so important, SCDNR might be willing to take the conservation easement. However, restrictive covenants are the only option being offered by the SCE&G Land Department at this point.

Dick asked what a non-development clause means. It appears that structures are allowed in a restrictive covenant with a non-development clause. Dick said SCDNR needs to understand the vision of these properties, as their intent is to limit development on these parcels. Dick suggested that the wording be changed from non-development clause to limited-development clause.

SCE&G proposed to provide permanent restrictive covenants on the properties, lasting beyond the license term and project existence. Beth asked if conservation easements were considered. She said that SCE&G wouldn't get any tax benefit and conservation easements are expensive, but they would be enforceable and not impair land values any more than a restrictive covenant would. Bill A. said that the land department didn't want to propose conservation easements.

Bill A. said that it seems to be time to begin drafting something up that the attorneys can review. The MOU also needs to include the two properties brought into the Wildlife Management Area. Bill A. said he would like to get the MOU finished before the license application and settlement agreement are filed with FERC.

Habitat Enhancement Program

Prior to the meeting, SCE&G provided the stakeholders with a revised Habitat Enhancement Program Agreement, dated October 24, 2017. Bill A. said that SCE&G is going to stick with the formula they originally proposed. After the meeting, Melanie suggested that SCE&G add an equation with variables prior to the formula example. Ray said he would make that edit.

Bill A. said that they revised the minimum annual contribution suggested by stakeholders to \$50k in the year license is issued, with the figure adjusted each year according to previous five year average of the Producer Price Index (PPI). Dick asked if the PPI that they are using is the electricity PPI. Bill A. said he would look into this.

Bill A. said that wording on the types of projects eligible for funding was changed. Specifically, wording was added to include eligibility of projects that remove barriers to aquatic species, including voluntary aquatic habitat enhancements that are not compliance related activities such as FERC license or other regulatory agency requirements. Bill S. said that this wording satisfied his concerns. Keith said he could see the USFS approaching SCE&G to get money to help on their lands, however, it wouldn't be in a compliance format. He said often times a county wants to make improvements, but doesn't have enough money, so a program like this that could supplement their funds is great. Rusty said that sometimes an owner of a DHEC regulated dam is required to repair or remove the dam for safety reasons. Would this situation apply? Bill S. said that the state has a mechanism to remove dams that are a public safety hazard and will recover costs however they can. This program could then potentially fund stream restoration after the compliance issues are resolved.

Fritz asked about the requirement for a three quarters majority vote. Bill A. said that the Proposal Review Committee will have at least five members, so at least 4 out of 5 members must agree.

Bill A. asked if anyone had any objections to try and meet in 2019 to begin assembling the charter. Everyone agreed to that.

CRSA Document and Appendices

The group reviewed the CRSA Appendix A. Kelly said that this appendix was revised to include the final list of on-license PM&Es. She said that the Mussel Monitoring Plan, the Recreation Management Plan, and the Entrainment Plan will all be revised.

The group then reviewed the CRSA Appendix B. Kelly asked if the group preferred to include a list of items in the appendix referring to separate documents (similar to the structure of Appendix A), or if the information for each item should be included directly in the appendix. The information for each item is relatively brief, so the group agreed to include information directly in the appendix. Some of the write-ups will be revised so that they make sense in their new format.

Kelly asked if the WMA lands leased by SCDNR should be included in the MOU. Bill A. said yes, the WMA lands will be included with the other land agreements in the MOU.

The group reviewed the CRSA document and the reference to the WMA lands was removed. Wording was also revised to say that if a signatory believes project operations have been changed, they can request a meeting of the CRSA parties to discuss potential revisions to relevant plans. Kelly will also cross check the definitions and acronyms lists with those included in the individual plans to make sure they all match up.

Kleinschmidt will put the final versions of all documents relevant to the CRSA on a CD for the agencies to distribute to their lawyers for review.

Kleinschmidt will also revise the CRSA Appendix E with draft license articles and send out to stakeholders for review, prior to the next meeting.

Action items from this meeting are included below.

ACTION ITEMS:

- Kleinschmidt will revise the Mussel Monitoring Plan to include sampling in Monticello Reservoir.
- Kleinschmidt will revise the Navigation Flow Report according to the following: (1) add language to say that while the 1,000 cfs flow doesn't meet the state's navigation criteria, it does provide navigation paths that most boaters could use; (2) remove language indicating a 500-700 cfs flow provides navigation; (3) add the monthly flow exceedance table.
- Kleinschmidt will revise the entrainment report by adding a recommendations section.
- Bill A. will follow up who will enforce the restrictive covenants if SCE&G sells the land agreement property.
- Bill A. will begin drafting up the Land Agreement MOU.
- Ray A will revise HEP Fund document to include an equation with variables to the formula and explanation of each component.
- Bill A. will look into which PPI will be used in the HEP fund formula. The HEP document will be revised and sent back out to stakeholders.
- Kelly will revise the CRSA document, Appendix B, and Appendix E and sent out to stakeholders.
- Kleinschmidt will put together CDs with CRSA documents for agency to submit to their lawyers for review.
- Kleinschmidt will compare CRSA definitions and acronyms to words in each AMP/MP.
- Kleinschmidt will revise license articles in CRSA Exhibit E and re-send to stakeholders