



**UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration**

*National Marine Fisheries Service  
P.O. Box 21668  
Juneau, Alaska 99802-1668*

September 26, 2005

Mr. Charles Walls  
Utility Director  
City and Borough of Sitka Electric Department  
105 Jarvis St.  
Sitka, AK 99835

Dear Mr. Walls,

The National Marine Fisheries Service (NMFS) has reviewed the Draft License Application prepared by the City and Borough of Sitka Electric Department (CBSED) for relicensing of the Blue Lake Project (FERC No. 2230). Section 10(j) of the Federal Power Act (16 U.S.C. 803(j)) authorizes NMFS to recommend license conditions necessary to protect, mitigate damage to, and enhance fish and wildlife (including spawning habitat) affected by the development, operation and management of a project. NMFS interest in the protection of marine, estuarine, and anadromous fishery resources also derives from the Anadromous Fish Conservation Act 16 U.S.C. 757(a), the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1801 *et seq.*, the National Environmental Policy Act, 42 U.S.C. 4321 *et seq.*, and the Pacific Salmon Treaty Act of 1985, 16 U.S.C. 3631-3644.

### **NMFS RESOURCE GOALS AND OBJECTIVES**

NMFS stated the following resource goals and objectives in comments on the Initial Consultation Package submitted by Chugach Electric Association for this project:

#### **Resource Goals**

1. Protect, conserve, enhance and recover native anadromous salmonids and their habitats by providing access to historic habitats and by restoring fully functioning habitat conditions.
2. Identify and implement measures to protect, mitigate or minimize direct, indirect, and cumulative impacts to, and enhance, native anadromous salmonid resources, including related spawning, rearing, and migration habitats and adjoining riparian habitats.

#### **Resource Objectives**

1. **Flows** - Obtain guaranteed minimum water flow from Blue Lake into Sawmill Creek to the benefit of native anadromous salmonids and their habitats. This includes providing a range or schedule of flows necessary to: a) optimize suitable habitat; b) stabilize flows during spawning



and incubation of ingravel life stages; c) facilitate the efficient migration of spawning adults, safe and timely emigration of smolts, and movement of rearing juveniles between feeding and sheltering areas; d) ensure redd placement in viable areas; and e) facilitate channel forming processes, riparian habitat protection and maintenance/movement of forage communities.

2. **Water Quality** - Modify project structures or operations necessary to mitigate direct, indirect, or cumulative water temperature and quality impacts associated with project structures and operations or enhance water temperature and quality conditions in salmonid habitat.

3. **Fish Passage** - Provide access to historic spawning, rearing and migration habitats necessary for salmonids to complete their life cycles and utilize seasonal habitats. This includes modifications to project facilities and operations necessary to ensure the safe, timely and efficient passage of upstream migrating adults, downstream passage of emigrating juveniles and passage necessary for juveniles to seasonally disperse and access habitat to feed and find shelter.

## NMFS COMMENTS

In the Preliminary Draft Environment Assessment (PDEA) submitted in June 2005, the CBSED proposed the following streamflow and power generation environmental measures:

1. Increase the minimum instream flow release at the fish value unit from 50 cfs year-round to 60 cfs for the months of May and June
2. Install a third turbine and operate that turbine to avoid diesel generation and utilize water much of which would have spilled under the current two turbine configuration.

On September 7, 2005, CBSED revised these measures to remove the proposal to install a third turbine. NMFS supports the removal the proposed third turbine. The effects of this turbine on stream flows have not been analyzed during pre-license studies. For example, a Powers and Orsborn analysis was conducted to determine whether the falls at mile 0.78 present a barrier to fish passage in part because a coho salmon was captured in the plunge pool immediately downstream of the dam (City and Borough of Sitka, 2005). Based on this report and data collected by Wolfe during his 3-year fish study, CBSED concluded that continued operation of Blue Lake Hydro under the proposed flow regimes will not adversely affect the ability of fish to pass the falls. However, installation of a third turbine and reduction of stream flows could create a migration barrier at the falls. Thus, CBSED should defer consideration of a third turbine until the potential effects of its installation can be thoroughly evaluated.

The CBSED met with the resource agencies on August 24, 2004 to present and discuss the instream flow and economic evaluations on which the proposed alternative was based. As a result of this meeting, additional data were provided to the agencies on September 9, 2005. On September 21, 2005 CBSED submitted proposed conditions for an instream flow regime in Sawmill Creek. NMFS is pleased that CBSED has proposed environmental measures for fish resources that address water flows. NMFS will continue to work with CBSED to work toward acceptable relicensing terms that address our stated goals and objectives.

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If you have any questions, please contact Katharine Miller (907-586-7643)

Sincerely,



James W. Balsiger  
Administrator, Alaska Region



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