

STAKEHOLDERS EVALUATION GROUP

MEETING

OF

DECEMBER 6, 2011

MIGHTY EIGHTH AIR FORCE MUSEUM

POOLER, GEORGIA

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1 OPENING REMARKS AND INTRODUCTIONS

2 MR. DYSART: Okay. Good morning. We'll
3 bring the Stakeholders Evaluation Group
4 meeting to order. I'm Ben Dysart, the SEG
5 facilitator. Good to see you here.

6 Cathy said that lots of people were out
7 voting this morning. How big a crowd did you
8 encounter, Cathy?

9 MS. BEASLEY: Well, there weren't many
10 people there, but it was a pretty quick
11 exercise -- two buttons to push, so --

12 MR. DYSART: Probably all the rest of
13 them are in line getting football tickets,
14 right Hope?

15 MS. MOORER: That's right.

16 MR. DYSART: Can everybody around here
17 join me in saying Roll Tide Roll. I know
18 we've got one incredibly serious football fan
19 here. Okay. As is customary, let's introduce
20 ourselves. Which side are we starting on?
21 We always are instructed by madam court
22 reporter.

23 MR. WRIGHT: I'm Tom Wright. I'm a local
24 Savannahian civilian.

25 MR. DYSART: Okay. Name and whatever

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2 affiliation, whatever flag you choose to be
3 running under. Thank you, Tom.

4 MR. GRIFFIN: David Griffin, Georgia DOT.

5 MR. WILLIS: I'm Steve Willis, Sierra
6 Club.

7 MR. KYLER: Dave Kyler, Center for a
8 Sustainable Coast.

9 MR. EAMES: Steve Eames, South Carolina
10 Coastal Conservation League.

11 MS. LANDERS: Mary Landers, The Savannah
12 Morning News.

13 MS. MOORER: Hope Moorner, Georgia Ports
14 Authority.

15 MR. REES: Morgan Rees, consultant for
16 Georgia Ports.

17 MS. BEASLEY: Cathy Beasley, Georgia
18 Ports Authority.

19 MR. SAWYER: John Sawyer, City of
20 Savannah.

21 MR. LLOYD: Heath Lloyd, City of
22 Savannah.

23 MR. HAYES: Chuck Hayes, US Fish and
24 Wildlife Service.

25 MR. WIKOFF: Bill Wikoff with US Fish and

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2 Wildlife.

3 MR. BARRETT: Tim Barrett, Georgia DNR.

4 MR. HALL: Carl Hall, Georgia Wildlife
5 Federation.

6 MR. PARSONS: Keith Parsons, Georgia EPD.

7 MS. MOORE: Kelie Moore, Georgia DNR,
8 Coastal Resources Division.

9 MS. WELTE: Jennifer Welte, Georgia EPD.

10 MR. DYSART: Ben Dysart.

11 MR. MOBLEY: Clay Mobley, Georgia
12 Conservancy.

13 MR. JESTER: Tom Jester, Corps of
14 Engineers.

15 MR. BIRDWELL: Billie Birdwell, Corps of
16 Engineers.

17 MR. BAILEY: Bill Bailey, Corps of
18 engineers.

19 MR. DYSART: Okay. When others come in
20 later this morning, we'll have them introduce
21 themselves so we'll know who all is with us
22 today.

23 You have before you the proposed agenda
24 for the meeting today. Are there any changes
25 or additions, changes of any type that you

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2 would like to make at this time? Seeing none,
3 we will consider that we're using this as our
4 agenda for the day.

5 Our rules around here are such we can
6 sort of change anything we want to. Everybody
7 has a voice, so forth, so we don't want to get
8 too tight.

9 You've had an opportunity to see the
10 transcript of the June 2011 meeting. Are
11 there any corrections that need to be made on
12 the record? Seeing no request for changes,
13 we'll consider that the record is accepted --
14 acceptable to this body. Thank you.

15 Let's see, cruising right along here to
16 old business, the first item is update on the
17 NOAA biological opinion. Bill Bailey.

18 MR. BAILEY: We've had a few things occur
19 since our last meeting. The first one, the
20 biological opinion actually has two parts to
21 it, and then one on -- the next one on
22 chlorides, which we'll be hearing about a
23 little bit later, and then the last two also.

24 So on the biological opinion, NOAA --
25 there was an action before that that was a

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2 revised design for the shortnose sturgeon
3 passage at the Savannah Lock Bluff and Dam.

4 Where that started from was in January
5 NOAA commented on the EIS, the draft EIS,
6 expressed concern that our proposal may be too
7 small. It may capture -- they thought it may
8 not capture enough of the water and the fish
9 may not find the passageway.

10 So we convened a fish passage workshop in
11 April to scientists to talk about the science
12 aspects of fish passage. And then in May we
13 proposed a different design, a revised design,
14 which essentially was a larger version of what
15 we had proposed before.

16 The earlier one in the draft would
17 capture 5% of the river flow, and our current
18 proposal would capture 9,000 CFS, which is in
19 a large percentage of the time would capture
20 the entire river.

21 So the size of the structure went up
22 quite a bit. I think in the draft, it's still
23 basically -- well, the design in the draft was
24 a channel, a small channel going around the
25 side of the dam. That channel was 75 feet

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2 wide. So the present design, I hope that
3 shows up, the present design I think is 200
4 feet wide at the bottom, so it's a lot larger.

5 It's still basically the same concept
6 going around the South Carolina side of the
7 dam, a series of rock weirs that would step
8 down, I think it's nine inch steps, so a
9 series of weirs to change the elevation from
10 the upriver side, upriver pool, down to the
11 lower river down below the dam. So let's see
12 we -- yes, Dave.

13 MR. KYLER: Do you mind taking questions
14 as you go?

15 MR. DYSART: Sure.

16 MR. BAILEY: Sure.

17 MR. KYLER: Is there any precedent for
18 shortnose sturgeon movement through any such
19 structure anywhere else?

20 MR. BAILEY: Shortnose sturgeon, I'm not
21 sure, but lake sturgeon, they are doing this
22 regularly in the Midwest.

23 MR. KYLER: Doing what, you mean for
24 other species?

25 MR. BAILEY: For lake sturgeon, they're

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2 passing them around dams with a side channel
3 with this type of design. The Corps is
4 currently building one of much the same design
5 outside of Wilmington, the Cape Fear River,
6 for passage of sturgeon, for shortnose
7 sturgeon.

8 Okay. Then with that revised design,
9 NOAA provided a draft biological opinion in
10 the summer. It addressed sea turtles and
11 whales and sturgeon. It talked about the
12 timing of construction, monitoring dissolved
13 oxygen with tissue sampling and some research
14 ideas.

15 And then there was -- the Corps looked at
16 it and had questions about what they meant
17 with certain things. They ended up -- they
18 gave us a final biological opinion in
19 November that the Corps would then include in
20 the final EIS we're preparing, and that the
21 project abide by the conditions in that
22 biological opinion. Yes.

23 MR. WILLIS: Are you going to go over all
24 the restrictions and caveats NOAA included in
25 their report?

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2 MR. BAILEY: No. What would you like to
3 know?

4 MR. WILLIS: Well, I guess one thing is
5 what's the additional cost going to be?

6 MR. BAILEY: The cost?

7 MR. WILLIS: The cumulative requirements
8 they had, in order for them to give approval.

9 MR. BAILEY: The cost for the design
10 change when the structure was larger.

11 MR. WILLIS: Uh-huh.

12 MR. BAILEY: The cost went from, I think
13 it was 7,000,000 in the draft up to like
14 32,000,000 with this design that's bigger.

15 MR. WILLIS: And were there other
16 requirements that they built in that would
17 cost more?

18 MR. BAILEY: I don't think so. They had
19 lots of -- they wanted -- I believe the
20 biological opinion will be posted today --

21 MR. BIRDWELL: It will be posted later
22 today --

23 MR. BAILEY: -- on the public website.
24 You can dig through it. You can come over
25 read it. I have a copy here, you can flip

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2 through it. There was a condition on the
3 timing of construction for -- they wanted one
4 feature.

5 I think we're going to divert water into
6 the back river, and they wanted that done in a
7 certain season.

8 MS. MOORER: Bill, I thought it was
9 posted on y'all's website, a link to it
10 already. I might be wrong, but I thought
11 there was a link to it already.

12 MR. BIRDWELL: I think she's right. I
13 think it's already there. We're preparing
14 other documents to go there today as well, so
15 it's going to be highlighted so that you can
16 find it easily. It may already be there.

17 MR. WILLIS: Okay.

18 MR. DYSART: David.

19 MR. KYLER: Mine are follow-up. Going
20 from 7,000,000 to 32, does that include
21 adaptive management contingencies that would
22 be 10% more?

23 MR. BAILEY: No.

24 MR. KYLER: That will be in the final
25 budget.

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2 MR. BAILEY: It's the same adaptive
3 management that was in the draft will be in
4 the final.

5 MR. KYLER: Same method, but different
6 budgets because of this change indication?

7 MR. BAILEY: I'm not sure.

8 MR. KYLER: If you stick with the
9 proposed mitigation budget, it's based upon a
10 percentage of the cost of mitigation, right,
11 a fixed percent?

12 MR. BAILEY: I understand what your
13 saying. I'm not sure of the answer.

14 MR. KYLER: Okay. Let's at least get an
15 agreement on theoretically or ideally what the
16 answer is. Unless you change the adaptive
17 management structure or agreement proposal,
18 you would have to increase the budget for the
19 change in cost of mitigation to allow extra
20 costs as a fixed percentage for adaptive
21 management, correct?

22 In other words, adaptive management is
23 10% of mitigation. If the mitigation goes up,
24 then that 10% goes up in dollar value?

25 MR. BAILEY: I understand what you're

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2 asking. I just don't know the answer.

3 MR. KYLER: But do you agree that's the
4 way it would work, unless you change the
5 adaptive management structure?

6 MR. BAILEY: I don't know the answer to
7 your question.

8 MR. KYLER: Well, I'm just asking for an
9 opinion on the existing structure of adaptive
10 management as proposed. If one changes then
11 the other changes, unless you revise the
12 adaptive management proposal.

13 That seems like merely an opinion of
14 logic of existing arrangements, not projecting
15 how it may change, but how it would work if it
16 did change.

17 MR. BAILEY: I understand your question.
18 I can't give you an answer.

19 MR. DYSART: Hope.

20 MS. MOORER: I don't remember in the
21 draft EIS how it was written. I'm -- from
22 what I remember, the cost of adaptive
23 management came out to be a certain percentage
24 of mitigation.

25 I don't know if it was necessarily

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2 prescribed to be a percentage of the
3 mitigation.

4 MR. KYLER: That may be, but that's
5 contrary to my understanding of --

6 MS. MOORER: I can't remember.

7 MR. KYLER: -- it. I could have sworn it
8 was a proposed at a fixed percentage, which
9 itself at the time seemed arbitrary to me,
10 because why would unknown things be limited to
11 a fixed percent?

12 MS. MOORER: I don't think it's limited
13 to that. I think that's what it came out to,
14 just from my recollection. I may be wrong.
15 That's what I remember. There are changes in
16 adaptive management, like more features of the
17 adaptive management, because of things like
18 this, it seems like.

19 But you're right. I don't remember. It
20 just seems like it came out to a certain q
21 percentage of mitigation cost, not prescribed.

22 MR. KYLER: If what you are saying is
23 true, then the question slips to a different
24 one, which is then what is the logic for the
25 amount budgeted for adaptive management?

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2 MS. MOORER: I think it's what was
3 required and requested of the agency, for
4 monitoring purposes during the monitoring
5 period. I think it's what they required, not
6 necessarily a percentage of it, and I am not
7 positive.

8 I'd have to go back and read the report.
9 It could come out higher. It could come out
10 the same percentage. I just don't remember
11 what it was in the draft.

12 MR. KYLER: Let's be clear, as far as I
13 understand adaptive management, there are at
14 least two factors that would enter into
15 budgeting, and one would be the monitoring
16 cost --

17 MS. MOORER: Right.

18 MR. KYLER: -- staying on top of things
19 in as real time manner as possible; in other
20 words, being the cost of adjusting that
21 mitigation to respond to the adaptive
22 management objective, which is to prevent
23 adverse, deviant impacts.

24 MS. MOORER: Right.

25 MR. DYSART: Questions, comments.

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2 MR. BAILEY: Yes.

3 MR. HAYES: I think Dave brings up a
4 good point there in the sense a \$32,000,000
5 adaptive or mitigation feature, any
6 corrections that need to be done to that,
7 given I think there's still kind of an unknown
8 whether these fish would use this.

9 Any fix to such an expensive mitigation
10 feature could completely wipe out the adaptive
11 management funding as it stands now, and it
12 wouldn't leave any other money for adaptive
13 management that needed to be taken care of
14 later. So I would ask this needs to be
15 clarified certainly.

16 MR. DYSART: Okay. Bill.

17 MR. BAILEY: Okay. In the biological
18 opinion there are a number of sections. These
19 are pretty -- the bullets there, the three
20 main topics are pretty standard. There's
21 reasonable and prudent measures which are what
22 NOAA requires, and terms and conditions are
23 how you accomplish the reasonable and prudent
24 measures so it is more detailed.

25 Then conservation recommendations are

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2 things they would like to do. They are not
3 required. They had included reasonable and
4 prudent measures for sturgeon and sea turtles.
5 Remember up in the draft they talked about
6 whales also, and they didn't include any
7 reasonable and prudent measures for whales.

8 What we normally do to protect whales was
9 -- they deemed that sufficient to continue
10 those actions. The reasonable and prudent
11 measures included implement safe and effective
12 fish passage in a timely manner. They
13 included some protective measures during
14 construction in the harbor.

15 They talked about monitoring an adaptive
16 management plan. They talked about dissolved
17 oxygen levels, and then tissue sampling,
18 tagging and reporting. Those are the types of
19 things they included. Go to the next one --
20 so those are the things for sturgeon.

21 On the second one there, protective
22 measures during construction in the harbor, I
23 mentioned the one with timing about
24 constructing the flow diversion, the flow
25 diverter to the Back River.

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2 They also had some protective measures
3 for the construction of the fish passage, not
4 wanting some construction to occur during the
5 spring spawning season, those types of things.

6 For sea turtles, wanting observers and
7 dredge material screening, talked about
8 deflector dragnets and relocation trawling.
9 These are pretty standard things.

10 We did get them to -- in between the
11 draft and final, on the last one we asked for
12 a definition of trawling where they had said,
13 you know, relocation trawling is where we net,
14 where we trawl in front of a hopper dredge to
15 try to clear out any sea turtles that may be
16 there in the channel.

17 So they had said in the draft that they
18 didn't want us to continue that trawling, and
19 to take the turtles away from the channel. We
20 asked for a definition for how far away is far
21 enough away.

22 They said what that was. I think it was
23 three miles, so they gave us a distance for
24 that. So that's -- do you have any questions?

25 MR. WILLIS: On dissolved oxygen --

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2 MR. BAILEY: Yeah.

3 MR. WILLIS: -- what were their comments
4 about dissolved oxygen.

5 MR. BAILEY: They wanted us to operate
6 the DO systems that we said we were going to
7 build and operate. They wanted us to actually
8 operate those which we intended to do.

9 They wanted us to -- let's see. They
10 wanted us to compare the oxygen levels to
11 monitor, you know, as part of the monitoring,
12 post-construction monitoring to include
13 dissolved oxygen levels as part of that.

14 And then to make sure that the DO systems
15 were having the effect that they are intend
16 to, those types of things.

17 MR. WILLIS: Follow-up question; talking
18 to people at Georgia EPD, they had the
19 impression the original analysis indicated
20 there probably could be may be as many as a
21 dozen Speece cones required to offset the
22 dredging impact. But I think the final
23 recommendation had three Speece cones, if I
24 remember correctly. Then also --

25 MR. BAILEY: Okay.

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2 MR. WILLIS: Okay.

3 MR. BAILEY: There are -- we're proposing
4 three locations where we would introduce
5 oxygen, and they're -- I think what we would
6 be constructing, I think it is 12 cones, not
7 all of which would be needed.

8 There are some back-up maintenance
9 spares. I'm not sure -- there's three
10 locations, but one of them or two of those are
11 from Hutchinson Island. So the facility would
12 be in the middle on the island. It would have
13 lines going to Front River and Back River.

14 MR. WILLIS: I'm not finished yet.

15 MR. BAILEY: Okay.

16 MR. WILLIS: The other thing I wanted to
17 mention is EPD also said they have got a
18 concurrent processing going on right now where
19 all the dischargers into the Lower Savannah
20 are coming up with recommendations on how they
21 can -- they could meet their dissolved oxygen
22 requirements.

23 EPD estimates that they will probably
24 have to implement some Speece cones in order
25 to meet the requirements. And it could be as

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2 many as another dozen. So my question is, is
3 there any kind of cross fertilization, any
4 kind of cooperative analysis going on to see
5 what the cumulative impact of all these harbor
6 dredging Speece cones, combined with these
7 discharge accommodation Speece cones -- put
8 them all together and what the cumulative
9 impact might be?

10 MR. BAILEY: I think the short answer is
11 yes.

12 MR. WILLIS: Yes.

13 MR. BAILEY: Since they are the same
14 agencies reviewing this stuff, they're usually
15 the same people who are seeing these different
16 actions. The ones you mentioned with EPD,
17 that's having to do with the TMDL that EPA is
18 involved with.

19 So I believe, Jennifer you can help me
20 out if I say something wrong, but I think the
21 EPA has issued a draft TMDL. Now it's up to
22 the states for how to implement that, how to
23 meet their targets, meet EPA's targets.

24 So the states and the industries are
25 working up a plan of how to do that. That's

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2 my understanding, so how they -- how the
3 industries will cut back on their DO loads is
4 something they're working on.

5 Whether that's through a change in their
6 processes or a change in their treatment,
7 that's kind of up to them to figure out how to
8 reduce their loading. I know, was it Port
9 Wentworth treatment plant --

10 MS. MOORER: Yeah, that's what I was
11 going to mention.

12 MR. BAILEY: -- has installed and is it
13 operating now?

14 MS. MOORER: It is operating. From what
15 I understand, there are two different methods
16 of using these Speece cones; either treatment
17 for the water itself or as a pre-treatment
18 prior to discharge.

19 For Port Wentworth what was approved,
20 Jennifer I'll defer to you again, what was
21 approved was that the Port Wentworth plant
22 could be constructed if they had zero
23 discharge, and using in terms of DO any impact
24 whatsoever.

25 So they're using Speece cones to treat

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2 the effluent prior to discharges and doing a
3 lot of testing with it too.

4 MR. WILLIS: So they built the Speece
5 cones into the treatment center?

6 MS. MOORER: Yes, like in their discharge
7 upland effluent before it discharges into the
8 river.

9 MR. WILLIS: So we have an operating
10 Speece cone on the river?

11 MS. MOORER: I think it's in operation.
12 It's approved. It's a Port Wentworth
13 facility. It's up in running, right John? So
14 it's operation then.

15 MR. WILLIS: Iron lung is on.

16 MS. MOORER: I don't know I'd call it
17 the iron lung, but there's a Speece cone in
18 operation.

19 MR. BAILEY: I know the industries are
20 looking at ways, and I'm not sure if they
21 proposed or have come up with a plan yet or
22 not. Jennifer?

23 MS. WELTE: I don't know. If Liz Booth
24 were here, she'd be able to tell you.

25 MR. BAILEY: I know that the industry

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2 folks are looking into those methods.

3 MR. DYSART: David, did you have a
4 question to follow up on?

5 MR. KYLER: Would you go back to I think
6 the previous one. Was there another one under
7 reasonable and prudent measures. I thought
8 you said something about adaptive management
9 on -- yeah, third bullet.

10 So I was confused, maybe I misunderstood.
11 When Steve asked the question how did the NOAA
12 comments change the budget, you evidently were
13 referring only to construction costs, is that
14 right?

15 MR. BAILEY: That was my answer, yes.

16 MR. KYLER: Because obviously there are
17 other non-construction factors in their
18 conditions. The cost of those have not been
19 evaluated, is that right?

20 MR. BAILEY: I'm not -- they have been
21 evaluated. I'm not sure they changed the
22 cost.

23 MR. KYLER: Again, we arrive at adaptive
24 management which gets back to the previous
25 discussion. It seems to me that would have to

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2 change the budget, unless the terms for
3 adaptive management themselves change.

4 MR. BAILEY: Okay. Any other questions
5 on the biological opinion?

6 MR. DYSART: Hope.

7 MS. MOORER: Also, pretty much across the
8 board on any of the items within the cost
9 estimates, in addition to adaptive management
10 monitoring pretty much across the board,
11 there's a 25% contingency included in the cost
12 estimate into the various components.

13 MR. KYLER: Is this a new ground rule for
14 this project?

15 MS. MOORER: No. They do a cost risk
16 analysis. That kind of determines the level
17 of contingency. It's usually pretty high in
18 a Corps project.

19 For different components, like dredging
20 it might be lower. The construction of
21 something might be higher, you know. The
22 contingency, it's pretty much across the board
23 within the project almost. Bill, do you know
24 anything that's not 25%.

25 MR. BAILEY: In this project it is 25%

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2 for everything. The Corps always included, as
3 far as I've been associated with them, the
4 Corps has always included a contingency factor
5 on the cost, not benefit side but the cost
6 side.

7 MR. KYLER: As my understanding improves
8 with this discussion, I assume then that the
9 budget for adaptive management only includes
10 the cost of monitoring assessment, and the
11 management functions -- administrative and
12 management functions, not the construction
13 alteration costs, which would be handled by
14 contingencies already provided for --

15 MS. MOORER: Right.

16 MR. KYLER: -- historically not unique to
17 adaptive management.

18 MS. MOORER: Right.

19 MR. KYLER: There's no additional funds
20 of that type under adaptive management. It's
21 just monitoring assessment administrative
22 budget for adaptive management, is that
23 correct?

24 MS. MOORER: No. There are changes for
25 if something were to need to be changed,

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2 there's costs associated with that too.

3 MR. BAILEY: One of the things that is
4 the result of the 10 years of this group, and
5 some of the recommendations you've given GPA
6 and that have come to the Corps; we have
7 included costs for adaptive management in the
8 project. That's not been included on other
9 projects. It's what the Savannah District has
10 done.

11 MR. KYLER: But as I say, there's
12 adaptive management function and management
13 functions and then there's adaptive management
14 construction costs that would ensue, when the
15 adaptive management identifies deviations.

16 MR. BAILEY: And what I'm talking
17 about is the cost to adjust the project, if
18 it's not performing as intended. Those costs
19 -- this is the first project I know of, in
20 Savannah, that those costs are included on.

21 MR. KYLER: So that would include some --
22 might include some combination of the historic
23 contingency funds of 25%, and some part of the
24 adaptive management budget?

25 MR. BAILEY: They are shown separately.

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2 They're developed separately.

3 MR. KYLER: Yeah.

4 MR. BAILEY: I think that's -- I'll stop
5 there.

6 MR. KYLER: I'm just trying to clarify so
7 we have a common understanding of what funds
8 are available, under what circumstances for
9 what corrections.

10 MR. BAILEY: Yeah.

11 MR. KYLER: It seems to be vague right
12 now. I think we need to clarify that.

13 MS. MOORER: Okay. I'll take a stab at
14 it. Like when you have the rock dam, the
15 sturgeon passage, \$32,000,000. That cost
16 includes 25% within that cost for
17 contingencies.

18 MR. KYLER: Right.

19 MS. MOORER: The estimated cost is
20 actually lower, but the total cost included in
21 the project cost is 32,000,00. That includes
22 the 25% contingency. Then there is an amount
23 of money set aside, in case things need to be
24 adjusted during the process, like you said, in
25 addition to that 25% for adaptive management.

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2 Like Bill said, it's in two separate pots
3 of money. Your cost estimate of the item has
4 the 25% contingency in it. Then you have
5 another pot of money that is adaptive
6 management. That can be used for adjustments
7 as well.

8 MR. KYLER: I just think we need to have
9 a clear understanding of what the criteria are
10 for using each. It seems to me it's kind of
11 obvious that adaptive management, when it
12 works and catches problems, would require the
13 use of contingency funds, if those expenses
14 are beyond what the adaptive management budget
15 allows.

16 Obviously, there is some interplay or
17 prospective interplay between these two funds,
18 and we need to understand what the procedures
19 are for using them to have adaptive management
20 acceptable, legitimate adaptive management
21 process.

22 MR. DYSART: Chuck.

23 MR. HAYES: Hope, I just wanted to know
24 if the -- for example, let's go back to the
25 sturgeon. Five years down the road, three

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2 years down the road, it shows the ramp is not
3 working; would that construction of adjustment
4 come from the 25% contingency or from the
5 adaptive management fund?

6 MR. BAILEY: From adaptive management.

7 MR. HAYES: So it's not -- so the
8 contingency funding is only associated with
9 any problems during the initial construction,
10 and not with any adjustments later?

11 MS. MOORER: I personally think it could
12 come from either. If there are funds on hand
13 for a component of the project, I think it
14 could come from that. I think it's something
15 the Corps is working through, since this is
16 one of the first times adaptive management is
17 associated with one of these projects.

18 When they get the money in, it's like
19 this much is awarded for this portion of the
20 project, this much, that much, so it's there.

21 MR. HAYES: Right, but I guess the
22 question I have is when that construction
23 phase ends, when the project ends, then that
24 money appropriated for that specific period,
25 say the 32,000,000 you use 25,000,000 to

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2 actually build it; once the construction
3 ends, any money above and beyond the
4 25,000,000 goes back to the general treasury
5 or goes back to what we call the black hole?

6 MS. MOORER: I'll just give you my
7 experience on Brunswick Harbor Deepening
8 Project. That money did not go away until
9 after all the components of the project were
10 completed, after -- after a period of time of
11 monitoring, and it's still completely closed
12 out.

13 MR. HAYES: Since I'm beginning to see
14 your way, I think, that because of the -- that
15 even during the adaptive management phase
16 after the construction, the project is still
17 considered in construction, is that right?

18 MR. BAILEY: Yes.

19 MS. MOORER: It's still using
20 construction funds and is still in
21 construction.

22 MR. HAYES: I think I see your way, that
23 25% would be available in addition to the
24 adaptive management funds.

25 MS. MOORER: I think an argument could

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2 be made it could. I don't think there's a
3 policy that states what is there and exactly
4 how to use it, particularly since we now have
5 adaptive management funding.

6 And Congress, while they've set up
7 adaptive management, they didn't set up how to
8 fund it either, you know, within their WRDA
9 2007.

10 So we're kind of breaking new ground with
11 this, and I think there's a case to be made
12 that yes, if that money can be used for that
13 component, you've estimated it to cost that
14 much. Then you have adaptive management funds
15 to use as well.

16 MR. WILLIS: Hope, do I understand you're
17 saying essentially it's sort of a discretion
18 of the port?

19 MS. MOORER: It may take -- I don't know.
20 I don't know, and it may take some time asking
21 Congress, depending how it is funded,
22 depending on how the wording was on the
23 funding.

24 It may take asking Congress it continue
25 to be used for that component, you know. I

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2 think we'll learn as we go through this, but I
3 think we'll be able to. It just makes sense
4 that we should be able to.

5 MR. DYSART: Morgan.

6 MR. REES: We've probably got to the
7 point I was going to making in that there is
8 no budget, in the common understanding of
9 budget, where you get a certified public
10 accountant -- this money is here and that
11 money is there.

12 These are estimates. Think about the
13 definition of the term estimate, and there's a
14 lot of flexibility, and we pointed out there's
15 a 25% contingency, and it's okay to, as you
16 get into construction, adjust that when you
17 see well, you've had too much cost here, but
18 under -- I mean over-estimated the costs over
19 here.

20 In the Corps -- there's a term of art in
21 the Corps called the discretion of the chief
22 of engineers, and there's a lot of discretion
23 involved to move money around as needed when
24 you learn stuff that you were making estimates
25 about in the planning phase.

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2 It's not a cast in stone budget that this
3 item goes under that column, and that item
4 goes in another column. It's a cost estimate
5 to frankly give to the decision makers in
6 Washington a sense for what are the costs and
7 what are the benefits.

8 MR. DYSART: Bill.

9 MR. WIKOFF: For clarity, funds are
10 appropriated annually and then do these
11 contingency funds not go away if they are not
12 used in that annual year? They remain with
13 the project, is that correct?

14 MS. MOORER: Right.

15 MR. BIRDWELL: Funds are appropriated by
16 Congress. They set the time limit for how
17 long the funds can be used. They can extend
18 over more than one fiscal year. That's at
19 the discretion of Congress.

20 It is not unusual for Congress to
21 authorize the funding and -- authorize
22 something and then appropriations -- and then
23 those appropriations are good until spent, or
24 until rescinded by Congress.

25 We do that all the time, particularly in

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2 this district because we do so much military
3 construction that goes over years. Once money
4 is appropriated for a particular construction
5 project, that money is set for that
6 construction project, and it continues until
7 expended or rescinded by Congress.

8 That can extend beyond one fiscal year;
9 in other words, it will cross fiscal
10 boundaries. That is not unusual.

11 MR. DYSART: Thank you. David.

12 MR. KYLER: Just a follow-up to the last
13 several comments. I think it should be -- I
14 would recommend as one member of the SEG that
15 the Corps, as part of the adaptive management
16 recommendation or proposal, as rendered in the
17 revised final EIS describe this, and
18 specifically the procedures and ground rules
19 for using these funds, and the intent to get
20 Congress to support continuing funding, over
21 multiple budget years, to support the concept
22 of adaptive management over a number years.

23 MR. DYSART: Okay. Further comments,
24 questions. Bill.

25 MR. BAILEY: Hope is going to talk about

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2 work on chlorides.

3 MS. MOORER: Hope is going to try to talk
4 about the work on chlorides. I have back up
5 here who can provide clarification, John and
6 Heath on the technical details of the studies
7 that have been ongoing, because they have been
8 done at their water plant.

9 The investigation of any impact on
10 chlorides started way, way back at the
11 beginning of the project. The city raised
12 concerns that deepening the harbor would
13 increase the salinity upriver and thereby
14 increase the chlorides at the water intake.

15 The water intake is on Abercorn Creek and
16 at this point has some issues with higher
17 levels of chlorides, so that raises their
18 concern.

19 The facility is an IND plant, and has
20 become more and more used, and will in the
21 future as the groundwater -- they have to, the
22 city has to reduce their use of groundwater
23 and use more surface water.

24 The facility would be used for municipal
25 or drinking water in the future. So it is a

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2 dual use facility. The concern originally
3 that was being looked at was that agreements
4 with several major industries and their very
5 small margins of what their equipment can
6 accept, in terms of chloride levels and how
7 that impacts the equipment.

8 Going forward now with the increased
9 municipal use, there is a greater concern of
10 how that might impact drinking water as well.
11 The original evaluation -- and I'll say this
12 too; while this has gone on for so long as
13 well, as the very small levels of chlorides
14 are extremely difficult to measure in the
15 studies over the years, I think John and
16 Heath, we have learned a lot about how the
17 whole system, the river system works, and have
18 collected a lot more data throughout the years
19 that has been more useful, I think, in trying
20 to come up with an answer.

21 So initially there was some modeling
22 done, and the city was not happy with that
23 modeling. They didn't think it included
24 enough data to be useful to come out with a
25 reliable result.

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2 The EIS, to give you a little bit of
3 background, predicted minimum impacts to the
4 water system. And alternatives for mitigation
5 were analyzed as well as part of the
6 mitigation investigation.

7 A raw water storage pond was evaluated as
8 part of that, at various locations, and
9 determined that the best locations was one at
10 GPA. Additionally, a supplemental intake line
11 was evaluated further upriver from Abercorn
12 creek, and that was near Plant McIntosh, and
13 the supplemental intake line was deemed the
14 best option, should mitigation be needed at
15 that stage of the analysis.

16 Like I said, the city did not agree with
17 the results of the modeling. So the Corps
18 hired a firm to collect additional data and
19 have additional modeling done. The EIS
20 reported the results would be available in
21 final EIS. The EIS assumed, though, the
22 supplemental intake would be required.

23 That cost of the supplemental intake was
24 included in the sensitivity analysis of the
25 total project costs. And so the additional

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2 modeling did show that higher -- there are
3 higher levels of impact to the water. The low
4 end of the impact from -- went from 10.6
5 milligrams per liter now to 36 milligrams per
6 liter with the deepening project, and it
7 varies with depths.

8 This, I believe, is with the NED depth of
9 47 feet, and the high end of what the
10 chlorides are went from 36 milligrams per
11 liter currently up to severe drought, on very
12 high tide 185 milligrams per liter.

13 All of this is still underneath the EPA
14 mandated drinking level of the 250 milligrams
15 per liter, is that right, John, but these
16 levels and the duration -- frequency, duration
17 and time -- is it frequency, duration and --

18 MR. SAWYER: Magnitude.

19 MS. MOORER: Magnitude, sorry, frequency,
20 duration and magnitude are the combination of
21 factors that create an impact to city's
22 system.

23 So Corps of Engineers hired a firm,
24 Freeman & Associates to understand what might
25 be done, what this firm would suggest. It was

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2 kind of a high level look that, during these
3 periods of higher chlorides, what might be
4 done to prevent corrosion or impacts for the
5 city water system, lower that chloride level.

6 Freeman & Associates suggested lime could
7 be added and lower the ph and prevent the
8 corrosion factor. The city requested some
9 additional analysis, thought it would be
10 appropriate, because this is not only an
11 industrial application which that might have
12 taken care of, but it's also having to do with
13 their hole pipe system and corrosion on pipes
14 over the longer term.

15 So we hired, GPA hired CDM, Camp Dresser
16 McKee, which is a firm out of Raleigh actually
17 that specialize in these municipal system. So
18 they came in to do -- the Freeman work
19 suggested further analysis be done as well.
20 So the Freeman work suggested further analysis
21 be done.

22 So CDM did a bench scale test. There
23 were hundreds of jars of water from the
24 treatment plant at different levels of
25 chlorides, and all of the chloride levels were

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2 at different ph's. So they had a chloride of
3 2.25 milligrams per liter, and then had all
4 kind of different ph's. They did that for all
5 levels of chloride.

6 There are two ways to prevent chlorides
7 into the system. Either you get fresher water
8 into the plant, or you can try to treat it.
9 So the bench scale test was to see if you
10 could treat the water and prevent the
11 corrosion. So far as so good, John?

12 MR. SAWYER: Uh-huh.

13 MS. MOORER: Okay. So they used metal
14 coupons and pieces of pipe -- did they use
15 pieces of pipe or pieces of metal?

16 MR. SAWYER: Coupons.

17 MS. MOORER: Coupons to test to see if
18 there was any corrosion with these various
19 treatment levels, and none of the treatments
20 were successful. So you have for various
21 reasons, which are extremely technical, and
22 I'll let John talk about those if you have
23 other questions about that.

24 So the other option is to get fresher
25 water into the plant. CDM went back and

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2 evaluated the -- evaluated a bunch of ways, in
3 addition to the two in the EIS, they evaluated
4 reverse osmosis, which is extremely expensive,
5 and the maintenance costs are extremely
6 expensive as well and time consuming, a lot of
7 labor hours.

8 They look at moving that supplemental
9 intake line further upriver and then also
10 reevaluated the storage ponds or impoundments.
11 The recommendation of CDM was the storage
12 impoundment, storage pond impoundments. I
13 think it has lesser maintenance requirements
14 maybe than the pipe. It was what they
15 recommended.

16 They sized the pipe for each depth and
17 they came with various costs. The cost of the
18 five foot -- this is with the 25% contingency
19 inputted, the cost for the five foot scenario,
20 deepening scenario, was 27.8 million, 27.9
21 million with 27 million 855.

22 Then the six foot scenario was
23 \$31,500,000. CDM recommended the storage
24 ponds. They came up with an O and M cost for
25 the ponds as well going forward, and the

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2 report has not -- is still under review.

3 I wanted to go ahead and report this
4 while it was very close, but it is still under
5 review. As soon as report is finalized, then
6 we'll post it on the website.

7 We've got to get the clearance from the
8 Corps that they have accepted the report as
9 final, and all of the details. Then there's
10 comment response period, things like that with
11 the Corps. John, did I miss something or --

12 MR. SAWYER: No, you did good.

13 MS. MOORER: -- do you want to add
14 anything? All right.

15 MR. WILLIS: So John, you're saying you
16 pretty much agree with the CDM findings?

17 MR. SAWYER: Yes.

18 MR. DYSART: David.

19 MR. KYLER: Did the CDM analysis say
20 anything about evaporative losses from the
21 impoundment?

22 MR. SAWYER: No. I can tell you that the
23 impoundment is -- is sized to make use of 80%
24 of the total volume. Obviously, you can't
25 strain out every drop. There is a certain

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2 amount of it that's basically unusable at the
3 bottom.

4 MS. MOORER: It's also for use during the
5 periods as far as chlorides, but they will
6 needing to keep things operating. It will be
7 used as part of normal operations.

8 MR. SAWYER: Routine.

9 MR. KYLER: My only point is speculative,
10 because we don't know what the impacts of
11 evaporative losses are. But since this would
12 be needed for extreme conditions of drought,
13 depriving the river of any freshwater under
14 the circumstances would have impacts.

15 The question is how much more impact,
16 adding to the stress of drought, would the
17 evaporative losses of this impoundment cost?

18 MR. SAWYER: It's the same water whether
19 it is in the river or in an impoundment, it's
20 the same water --

21 MR. KYLER: Yeah, but you're increasing
22 the surface area of exposure so you're
23 increasing evaporative losses.

24 MR. SAWYER: No, I don't think so.

25 MR. KYLER: Well, I mean, other than

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2 reservoirs have analyzed this kind of impact,
3 so there is definitely an impact.

4 MR. WILLIS: It's about 45 inches a year,
5 45 inches a year loss. That's what it is.

6 MR. SAWYER: No, it was not evaluated.

7 MR. KYLER: Okay. I just think that
8 needs to be examined. It may be marginal or
9 trivial, but it needs to be considered.

10 MR. DYSART: Steve.

11 MR. WILLIS: In any of these studies, was
12 sea rise considered? I mean nobody believes
13 in sea rise, but everybody knows it's
14 happening. Did our knowing get ahead of our
15 believing, and was sea rise evaluated?

16 MS. MOORER: For the project, the
17 agencies requested sea level rise be used
18 within modeling, so I think you would --
19 you're having the highest level of mitigation
20 by using a model run without sea level rise
21 prior to the project.

22 If you put in sea level rise, like in the
23 terms of a freshwater wetlands and model runs,
24 I'm stretching the bounds here, model run
25 pretty much with sea level rise and without

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2 the deepening project, it had a huge impact on
3 the freshwater wetlands.

4 So that was a big to do with the Corps of
5 Engineers headquarters is where sea level
6 rise and how it's incorporated into the
7 project, and the way that the project
8 incorporates sea level rise, you have the
9 maximum level of mitigation.

10 MR. WILLIS: So your maximum level of
11 mitigation is, in fact, including some kind of
12 sea rise scenario.

13 MS. MOORER: What I'm saying is if you
14 include sea level rise, you have to with
15 project evaluation and a without project
16 evaluation. If you include sea level rise
17 into with project, I mean without project
18 evaluation, then a lot of your with project
19 mitigation needs to go away.

20 MR. WILLIS: So in other words, we don't
21 have to worry about wrecking anything because
22 it's going to be wrecked anyway.

23 MS. MOORER: No. I'm just saying when
24 you look at those runs, those model runs with
25 sea level rise without the project, it reduces

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2 your mitigation package considerably. We
3 fought to have the sea level rise -- to do it
4 without the sea level rise as the basis for at
5 the minimum level of sea level rise, so that
6 the project impacts which occur now, not 50
7 years into the future, are mitigated for as
8 part of the project.

9 MR. WILLIS: I understand. I hope
10 everybody does.

11 MS. MOORER: Yes. So we did -- that was
12 a huge discussion, policy discussion, that
13 went up to headquarters at the Corps of
14 Engineers.

15 MR. WILLIS: The impacts would be
16 magnified, if you have harbor deepening and
17 the sea rise?

18 MS. MOORER: Actually, your impacts were
19 -- a lot of impacts, some of them were already
20 caused. They were already caused. I mean
21 that's the problem in terms of mitigation.

22 Like with wetlands if you look at sea
23 level rise, your freshwater wetlands were not
24 there with sea level rise without the project.
25 So you're right, there is a magnitude with the

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2 project, but your mitigation, if you consider
3 that your baseline, mitigation is decreased
4 considerably.

5 MR. JESTER: One of things with Corps
6 policy we have to consider, when we take into
7 account sea level rise without, we have to
8 take it into account in our with condition.
9 And so if what we're doing doesn't affect it
10 with it happening, really then we can't
11 mitigate for it. That's why we had to go with
12 that it doesn't happen for mitigation
13 purposes, because we can't mitigate for mother
14 nature.

15 MR. KYLER: But I don't want to -- Chuck,
16 am I --

17 MR. DYSART: Carl and Chuck.

18 MR. HALL: Carl Hall, Georgia Wildlife
19 Federation. I was going to ask Hope or
20 John out of curiosity, tell me about the
21 reservoir in terms of size; what would it
22 take, how much do you need in reserve I mean?

23 MR. SAWYER: If I remember the
24 dimensions, it's about 825 feet square on the
25 surface area and approximately 20 feet deep or

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2 so.

3 MR. HALL: That's small.

4 MR. SAWYER: It's not very big. We're
5 not talking about Building Lake Lanier.
6 You're talking about a small --

7 MR. HALL: If you have got extreme
8 conditions, drought conditions okay, I don't
9 know how long it would last to fill the
10 reservoir up.

11 MR. SAWYER: It really has to do with how
12 it's operated. CDM built a model and we built
13 own model using two different methodologies.
14 We came out to almost exactly the same answer.
15 It's really in how you operate it, because
16 what we're trying to do is reduce chloride
17 concentration.

18 MR. HALL: Uh-huh.

19 MR. SAWYER: Now with a reservoir that
20 is, let's say starts off full at a low
21 concentration, say 10 milligrams per liter, as
22 you pump into it, you can do one of two
23 things.

24 You can either -- well, as the chloride
25 rises you can do one of two things; you can

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2 either stop pumping into the reservoir and
3 send that water -- the reservoir being between
4 the raw water intake and the treatment plant
5 -- so you can either stop pumping any raw
6 water and pull completely from the reservoir,
7 in which case your available volume of water
8 goes down quickly, or you can pump from your
9 raw water intake in the reservoir and let
10 basically a dilution take place.

11 MR. HALL: Working both.

12 MR. SAWYER: So that now your higher
13 chloride raw water is diluted within the
14 reservoir which brings now that level down
15 that's getting pumped to the plant, but it
16 keeps the reservoir full.

17 And depending upon exactly how you
18 operate, then we have the size that came from
19 the actual data that got ran on the harbor
20 model. We plugged in and ran, I want to say
21 we took all of the hourly information since
22 2001, I believe it was, and we ran it for
23 every hour for that entire period and whatever
24 the chlorides spikes or whatever were.

25 So that's how we would operate. It would

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2 be pumped into the reservoir, dilute that out,
3 and then that carries on to the plant. There
4 does come a point at which you get above a
5 certain level, you don't want to put that in
6 the reservoir. That's just a balancing act we
7 have to do as the operator.

8 MR. HALL: Actually, Abercorn Creek,
9 you're probably even on a critical period on a
10 daily basis, your chlorides are changing at
11 the tides.

12 MR. SAWYER: They change constantly.

13 MR. HALL: You can work the reservoir on
14 the good side.

15 MR. SAWYER: Yes. It's that balance
16 between volume and concentration we have got
17 to maintain.

18 MR. HALL: I was just curious. The first
19 thing that hits your minds is a big reservoir,
20 where are you going to put it, how big of a
21 hole are you going to dig. Around here if you
22 dig too big of a hole, you get into clay and
23 pretty soon you've got a ph of three.

24 MR. SAWYER: That's really is why what I
25 said about the evaporation. I'm not trying to

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2 argue any points, but when you are talking
3 about an impoundment so small, you're really
4 -- there's not a whole lot of difference
5 between the surface area of that and the
6 surface area of the river.

7 I mean, an evaluation can be done I
8 guess, but there's -- substantively you're not
9 really talking about any difference, and it's
10 a flow-thru almost continuous to the plant
11 anyway.

12 MR. HALL: Right now you're pumping on
13 all tides cycles, right?

14 MR. SAWYER: The treatment plant is
15 basically a wide spot in the pipeline. It
16 stays within the plant about four, five maybe
17 six hours, depending on how hard the customers
18 are pulling.

19 It comes out of the creek. It's treated
20 and sent out. That happens in about -- the
21 whole thing from the time we pull it out to
22 the time it reaches the last customer is about
23 10 hours.

24 MR. HALL: Would the chlorides spike out
25 there in critical conditions; would it be like

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2 under, you know, highest chlorides in the
3 harbor is neap tide conditions stratified. I
4 reckon it would be sort of similar up there or
5 is it mixed -- more problems?

6 MR. SAWYER: No. We see the highest
7 chlorides obviously at the high spring tide
8 and low river stage.

9 MR. HALL: Okay. It's high tide then?

10 MR. SAWYER: Yeah, yeah, for chlorides.
11 We have other things that happen in various
12 tide stages, but for chlorides it's high
13 spring tide and low river stage.

14 MR. HALL: If you had four hours or six
15 hours a day between tides, you could pump okay
16 out of there. You could keep priming the
17 reservoir is what you're saying?

18 MR. SAWYER: It would probably be a
19 continuously flow through the reservoir, up
20 until we reach a certain point in chloride
21 level, in which case we would not put that
22 into the reservoir. It may be an hour, two
23 hour, three hour window we wouldn't pump into
24 the reservoir. In order to operate it, we
25 will probably operating it via a model

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2 constantly feeding it the new information as
3 we get it on what the chlorides are, what they
4 have been and make our decisions based on
5 that.

6 MR. HALL: Thank you.

7 MR. DYSART: Chuck.

8 MR. HAYES: You're saying the reservoir
9 is fairly small. Is that going to be big
10 enough for, say 25 years from now, projected
11 increase in water use?

12 MR. SAWYER: That is based -- we ran the
13 model -- built the model based on a demand at
14 the plant of 62 1/2 million gallons a day,
15 which is the current capacity of the plant.

16 As much as I'd love to build things for
17 what we might need 100 years from now, Bill
18 wouldn't let me do that. But the current
19 capacity of the plant is 62 1/2 million
20 gallons a day. The firm capacity, meaning the
21 largest volume we can pump out of the creek
22 with one of the pumps out of service is
23 75,000,000 gallons a day. So to answer your
24 question, the sizing of the reservoir was done
25 on the extreme of the current capacities of

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2 the system.

3 MR. HAYES: Okay. You guys know where
4 the reservoir will be placed?

5 MR. WILLIS: I thought you had a
6 preferred site somewhere around the port. I
7 thought somebody said that.

8 MR. SAWYER: I have lots of preferred
9 sites. Ultimately that will have to be
10 selected by the port.

11 MS. MOORER: In this study by CDM, the
12 location that is used and modeled is near
13 their facility. It's one of sites at the
14 Savannah International Trade Park, Savannah
15 River International Trade Park, which is
16 closer to 95 on 21 and across the street.

17 MR. WILLIS: Do you have any idea how
18 high that is above mean sea level --

19 MS. MOORER: I don't offhand know.

20 MR. WILLIS: -- or how deep you plan on
21 being?

22 MR. SAWYER: I think the total depth is
23 about 20 feet. You're only going to be able
24 to go down a small part of that. You'll end
25 up in ground water you go much below that.

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2 MR. WILLIS: It's pretty deep.

3 MS. MOORER: They evaluated by borings
4 right near that location to determine how they
5 could construct it.

6 MR. SAWYER: The location really is going
7 to be dependent on where property is, where we
8 can get it, so forth. The closer to the plant
9 the better. It allows us to take advantage of
10 the size of the pumps that are already at the
11 raw water intakes.

12 We're sized to pump against the elevation
13 difference and the head loss of pipes to the
14 reservoir, because we've got to build an
15 additional pumping system from the impoundment
16 to the plant. So rather than building
17 something real close to where the raw water is
18 now, and having to build much bigger pumps to
19 get it on to the plant, to allow the existing
20 pumps to bring it to the impoundment and then
21 smaller pumps used to take it on to the plant.

22 MR. WILLIS: What's the total cubic feet
23 holding of this reservoir?

24 MR. SAWYER: I want to say -- I want to
25 say it was designed around 77.5 million

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2 gallons.

3 MS. MOORER: Yes, 77.5 million gallons or
4 for the 47 foot scenario. It will larger for
5 the 48 and smaller for the 45.

6 MR. WILLIS: You're drawing 62,000,000,
7 so basically if you had two days where you
8 couldn't use Abercorn Creek you would use up
9 all the water in the reservoir.

10 MR. SAWYER: If I could not pull anything
11 out of Abercorn Creek, yeah. That's correct.
12 Right now I've got zero -- I got four hours.

13 MR. WILLIS: Right. The future could be
14 different.

15 MS. MOORER: They base the sizing on the
16 runs of the model. That includes the
17 frequency, duration and magnitude of the
18 chlorides, and the periods of longest non-use.

19 MR. WILLIS: I understand, two days
20 basically.

21 MR. DYSART: Mary.

22 MS. LANDERS: John, what is the O and M
23 cost estimate and who pays that?

24 MR. SAWYER: I don't remember and I don't
25 remember. I honestly don't remember what the

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2 O and M -- CDM came up with those numbers.

3 They're in the report.

4 I honestly don't remember what they are
5 off the top of my head, separated from
6 everything else. And who pays for it, I would
7 love to say that the Corps is going to do that
8 from now on.

9 My gut tells me that's not going to be
10 the case, but I do think that is still a very
11 large question mark out there. Maybe it's a
12 little, small question mark.

13 At one time there was some discussion.
14 Now in the end, I don't know. If I was a
15 betting man, I would say it's going to be me.

16 MS. LANDERS: No, me. You don't live in
17 the city.

18 MR. SAWYER: Or you.

19 MR. WILLIS: One more question.

20 MR. SAWYER: Sure.

21 MR. WILLIS: How many residents, what
22 percentage of residents in Savannah now are on
23 surface water?

24 MR. SAWYER: Well, to put that question
25 in perspective in about -- in the late '90s,

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2 maybe around 2000, the industrial customers
3 comprised about 97% of all the water that was
4 produced through that plant. As of last year,
5 that is now the industrial customers comprise
6 about 80%.

7 MR. WILLIS: You said 97% was the first
8 number?

9 MR. SAWYER: Yes.

10 MR. WILLIS: Basically 20% is going to
11 some kind of residential users?

12 MR. SAWYER: Yes.

13 MR. WILLIS: And it's much higher in
14 Chatham County, I would assume?

15 MR. SAWYER: I'm not sure I know what's
16 your question. You say much higher?

17 MR. WILLIS: The City of Savannah, are
18 you talking about just the area in general?

19 MR. SAWYER: I'm just talking about the
20 use made of the surface water, about 10 to 15
21 years ago it was 97% industrial.

22 MR. WILLIS: Uh-huh.

23 MR. SAWYER: Today it's about 80%
24 industrial. The other 20% is commercial,
25 residential.

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2 MR. WILLIS: And that water goes to
3 people in the City of Savannah and the county
4 as well?

5 MR. SAWYER: It goes into the City of
6 Savannah main system. It goes to the City of
7 Pooler, the City of Port Wentworth, Effingham
8 County.

9 Just about anything that is expanding on
10 the east side is directly pulling on that
11 plant. That's going to continue to increase
12 as we work more on these issues of reductions
13 of groundwater or due to saltwater intrusion
14 and other things we're currently working on.

15 The surface water plant is only going to
16 get -- it's going to become more and more
17 critical for residential use.

18 MR. HAYES: I think that was the point I
19 was trying to make in terms of size of
20 impoundment. If there is continued increase
21 in growth in Savannah, Rincon, Effingham
22 County and all that; will this thing, as soon
23 as it gets built, will it be inadequate?

24 If you design it around the capacity of
25 what you have now, do you perceive the

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2 capacity of what you have now for Savannah to
3 deliver water being diminished, being taxed
4 beyond what it can provide, given the current
5 or projected rates of growth?

6 MR. SAWYER: There is one more number in
7 that. What I gave you are the capacities
8 which is correct 62 1/2 million gallons a day
9 on the treatment side, and 70, about 75 NGD on
10 the raw water pumping side, but our current
11 demand on the plant is somewhere around 33,
12 34,000,000 gallons a day.

13 So we are less than half or approximately
14 half of the actual capacity of the plant.
15 So the demand on it is only about half of what
16 it is capable of providing.

17 MR. LLOYD: It's tough to answer that
18 question, because John talked about the
19 groundwater that we have to separate from the
20 surface water. We don't know what's going to
21 happen in the groundwater.

22 So if that is the source we have to use,
23 there's not a good, solid answer as to what it
24 will be. Like he mentioned, that is currently
25 where we are now.

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2 MR. HAYES: That's the critical moment
3 there. If you are at demand of 66,000,000
4 gallons per day, then you would be in trouble.

5 MR. SAWYER: Yeah. To put that in some
6 perspective, the current groundwater systems,
7 Savannah systems, because we have multiples
8 throughout the county, but the groundwater
9 systems that Savannah owns has a total average
10 daily demand of about 25,000,000 gallons for
11 all the systems.

12 So even if you were to put that 25 --
13 that full 25,000,000 gallons on to what is the
14 current demand on the plant today, you're just
15 beginning to reach the absolute capacity of
16 the plant. You know, anything can happen and
17 we could have somebody that would come in, and
18 I think we'd all about tickled to death if we
19 had a big industry come in that was going to
20 hire 10,000 people and use a lot of water.

21 So, you know, things can change, but at
22 least from what we see right now, I don't see
23 the capacity of the plant being inadequate, at
24 least not in the short-term, foreseeable
25 future.

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2 MR. DYSART: Bill.

3 MR. WIKOFF: Hope, you talked about a
4 supplemental intake line near Plant McIntosh.
5 I just want to be clear; is that part of the
6 project or part of adaptive management?

7 MS. MOORER: No. That was one of the
8 mitigation methods that was considered, and
9 CDM recommended, the city agrees that the pond
10 the storage pond impoundment was the better
11 alternative.

12 MR. WIKOFF: For either of you?

13 MS. MOORER: I'm speaking for you, John,
14 is that correct?

15 MR. SAWYER: You're right.

16 MR. WIKOFF: Well then, is this line then
17 an adaptive management feature?

18 MS. MOORER: No, huh-uh.

19 MR. HAYES: This is the line that would
20 cross refuge property.

21 MR. SAWYER: Yes.

22 MR. WIKOFF: Just to kind of give it
23 perspective, the surface area of this
24 reservoir in acres --

25 MS. MOORER: I don't remember.

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2 MR. SAWYER: It's about 825, 850 feet

3 square, so square that and divide it by

4 43,560. That will give it to you.

5 MR. DYSART: About 30.

6 MR. SAWYER: No, it was a lot bigger than

7 that.

8 MR. HAYES: I was going to say 25 to 30

9 acres.

10 MR. WIKOFF: I was thinking 50.

11 MS. MOORER: I don't remember, but

12 hopefully the Corps will get the okay, the

13 review is over and I can post it too. That's

14 included in there.

15 MR. DYSART: I came up with 300 acres.

16 MS. MOORER: It's not that big.

17 MR. GRIFFIN: I made it about 17 and

18 850 square. If it's 850 on each side, it's

19 about 16.6 acres.

20 MR. SAWYER: That's probably about right.

21 That's surface area.

22 MR. GRIFFIN: Yeah.

23 MR. DYSART: Further questions? Through

24 with chlorides. Why don't let's take about a

25 10 minute break. Before we take a break,

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2 Jamie, why don't you introduce yourself on the
3 record. I believe you came -- I believe
4 you're the only one that came in after.

5 MR. McCURRY: Jamie McCurry, Georgia
6 Ports Authority.

7 MR. DYSART: Okay, 10 minutes.

8 (Short Break)

9 MR. DYSART: Let's reconvene, please, if
10 you'll take your seats.

11 MR. BAILEY: Ben, when you get started,
12 he has something.

13 MR. DYSART: Okay. You're going to kick
14 it off?

15 MR. BIRDWELL: Sure.

16 MR. DYSART: Okay. We will move on to
17 the next item now. The next item is South
18 Carolina Water Quality Certification, and
19 before Bill Bailey and Hope speak, Billie
20 wants to kick this off.

21 MR. BIRDWELL: Just to clarify, the NOAA
22 biological opinion is on our website. I will
23 admit to a senior moment. It's been there for
24 a while. It's on our SHEP landing page. In
25 fact, the news release I put out announces it

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2 was also there. Senior moment for the day, it
3 is there for everyone to read.

4 MR. DYSART: Thank you. Bill, you or
5 Hope are going to start this off?

6 MR. BAILEY: I'll start it off. Earlier
7 we said some of the major things have occurred
8 since the last SEG meeting and this is one of
9 them. The project got it's water quality
10 certification from the State of South
11 Carolina.

12 It's been in the press quite a bit, so I
13 wanted to walk you through some of the steps
14 leading up to that. I think I've got two or
15 three pages of these things, these different
16 steps.

17 It started off with a DHEC letter,
18 comments on the draft EIS in March. The Corps
19 sent a letter in response back in March. In
20 May we met to talk through things, to find out
21 what DHEC's concerns were.

22 They asked for some additional
23 information. We provided some in that month,
24 I think in the next month, as part of a larger
25 effort, but also to address one of the

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2 concerns of DHEC.

3 We held a meeting of the Wetlands
4 Interagency Coordination Team to talk through
5 some of the wetland impact analysis in
6 mitigation.

7 And then later that month in June, DHEC
8 wrote a letter saying that they continued to
9 have concerns and requested some additional
10 information. In the next month, the Corps
11 provided some additional information. In July
12 and the beginning of August, we completed a
13 couple of reports of some analyses, additional
14 analyses that DHEC had asked for.

15 Those things got completed. We sent them
16 to them. So it's in up through August, and
17 then the end of September, the staff -- DHEC
18 wrote and said the staff intended to deny
19 certification. They explained the process.

20 If we didn't agree with that, we could
21 request a review by the board before that went
22 final, so we did request that the beginning of
23 October.

24 The end of October we met again to talk
25 about the issues. The beginning of November

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2 we wrote a letter to DHEC agreeing to some of
3 the conditions, some of the things they had
4 asked about.

5 A little bit later, I guess later that
6 week, we provided an additional response to
7 the DHEC positions. And then on the 10th of
8 November was the board meeting. The staffs
9 met before the board meeting.

10 We were able to resolve the remaining
11 issues. The staff went in and recommended
12 approval to the board. The board concurred
13 and granted the approvals. So that's walking
14 you through what happened in that process.

15 The different correspondence back and
16 forth will be in the final EIS, so you get to
17 see all the back and forth and the additional
18 information that we provided.

19 Let's see, the reports, the second bullet
20 there, they had asked -- those are two sets of
21 additional analyses we conducted at their
22 request, DHEC's request. They had concerns
23 about the DO system, whether it would operate
24 in the shallow river.

25 Basically, the initial design report

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2 showed how it would work in the main channel,
3 so they had concern with whether it would
4 operate in shallow water.

5 So we had folks look at that and run some
6 more analyses and came back and said yeah, it
7 would indeed work in shallow water. So their
8 staff reviewed that and concurred in those
9 results.

10 The second analysis was a comparison
11 between modeling, the hydrodynamic model we
12 used for impact analysis, and other work that
13 EPA had done. We wanted to compare some of
14 those things. So we had somebody compare
15 those, compare the results from them.

16 Let's see, somewhere in that October --
17 in that October/November period, kind of the
18 basic, I guess my summary, my impression of
19 the issues for DHEC's concern, they were --
20 they were concerned about -- they had five
21 things they were interested in or five
22 remaining concerns.

23 One was cultural resources, and we told
24 them that yes, you are right. The Corps'
25 commitment, what it would do for cultural

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2 resources, we had not signed that yet, but we
3 intended to do what we said in the draft EIS
4 and we intended to sign that. They said --

5 MS. MOORER: Tell them what that is, sign
6 what.

7 MR. BAILEY: It's called programmatic
8 agreement. It says what would be done. It's
9 kind of an agreement between the agencies that
10 you will go look at these, look for cultural
11 resources. This is what you'll do to make
12 sure the project protects cultural and
13 historic resources.

14 You'll go and look. If you find
15 something, you'll go talk with the other
16 agencies and you'll consider what they say,
17 that type of thing.

18 So there was an agreement, a draft
19 agreement in the draft EIS. So they were
20 concerned that it had not been signed yet. So
21 we started routing it around. We had started
22 routing it before. It had gotten lost going
23 from one agency to another. So we started it
24 over, and so that met that issue.

25 That has since been signed by Georgia and

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2 South Carolina and is now at the Corps. So
3 the Corps -- Georgia, South Carolina signed
4 that. It is now at the Department of Navy.
5 So that will be signed by all the parties and
6 in the final EIS. That was one.

7 They were interested in impacts to
8 shortnose sturgeon and said that at that time
9 -- well, all throughout the year, they
10 basically said well NOAA has not said anything
11 yet about the whether the project was
12 acceptable for sturgeon.

13 They said if NOAA says it's okay, then
14 they were okay. So at the beginning of
15 November, NOAA provided their final biological
16 opinion which said the project was fine for
17 impacts to shortnose sturgeon, as long as it
18 did a few things; the fish passage and some of
19 those things. So that issue -- they were
20 satisfied with that issue after NOAA's
21 biological opinion.

22 They had expressed concern with the
23 evaluation of sufficient alternatives,
24 identified that as an action. That was
25 something they were concerned about.

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2 We reiterated what was in the draft EIS
3 that we had looked at non-structural
4 alternatives, structural alternatives, other
5 harbors, other -- deepening to other locations
6 within Savannah Harbor.

7 And so they were -- so that issue was
8 satisfactory to them. I guess that response
9 was satisfactory.

10 The two other ones, two remaining ones
11 were the assurance of operating or assurance
12 of funding to operate the DO systems. They
13 wanted a -- they wanted funds set aside for
14 50 years of operation of the DO systems.

15 We said the federal government could not
16 do that. That was just -- couldn't do it. We
17 don't know what a future Congress may decide
18 to spend money on and what it may not.

19 When -- in the meetings the morning here
20 on the 10th when the parties got together
21 before the board meeting, the GPA said that
22 they -- well, DHEC again expressed that
23 concern.

24 The Corps again expressed that it could
25 not legally do anything to resolve it. The

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2 State of Georgia said -- they talked through
3 it. They tried to clarify what it was the
4 state was looking for, and the state said they
5 could meet what DHEC wanted.

6 MS. MOORER: Can I elaborate?

7 MR. BAILEY: Uh-huh.

8 MS. MOORER: The way we discussed it with
9 them, and I can't remember the exact wording
10 of the consent order with DHEC, but should the
11 DO systems, in any given year, not receive
12 enough federal funds for operation and
13 maintenance of the systems that the GPA would
14 fund it. That was it.

15 MR. BAILEY: The fifth issue was
16 mitigation for conversion of salt marsh. DHEC
17 didn't agree with -- DHEC's staff didn't agree
18 with the Corps' proposal for mitigation for
19 salt marsh impacts.

20 They had some concerns, technical
21 concerns with that. We explained how that
22 plan was developed, you know, through a
23 coordination of a number of years with the
24 Wetland Interagency Coordination Team and as a
25 result of the views of a number of agencies.

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2 We, the Corps, thought its science was
3 sound, and then GPA offered to provide --
4 offered to protect some other -- some existing
5 salt marsh in the estuary and that met DHEC's
6 desires. If you want to elaborate on that.

7 MS. MOORER: Yeah. It was we remembered
8 that Georgia DOT owned additional marshland
9 outside of the dredge disposal areas. We
10 coordinated with DOT to make sure that it
11 would be acceptable to them to protect or
12 provide to South Carolina, whichever they
13 choose that they would like to do, though the
14 16, I think is what DHEC had decided it
15 required, 1,690 acres of salt marsh protection
16 mitigation above what the Corps deemed was
17 appropriate for the project.

18 So the Georgia Ports Authority and
19 Georgia DOT agreed to provide that land to
20 South Carolina DHEC or South Carolina, State
21 of South Carolina, whichever entity.

22 MR. PARSONS: Is this salt marsh in South
23 Carolina --

24 MS. MOORER: It is. It's owned by the
25 Georgia DOT. They have been paying taxes on

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2 it since when, David?

3 MR. GRIFFIN: The '70s or '80s.

4 MS. MOORER: The '70s or so. It was
5 originally deemed necessary for future dredge
6 disposal areas. David agrees. That's what it
7 was originally acquired for so.

8 So it is behind the two areas -- one is
9 behind, not behind but adjacent to Jones
10 Oyster Bed Island. And then another area is
11 further up the Right River, adjacent to some
12 land that I read this week was near or part of
13 a conservation easement.

14 MR. PARSONS: So what level of protection
15 is being afforded; is it being put in a
16 conservation easement or --

17 MS. MOORER: It's not in a conservation
18 easement right now. It's just owned by DOT.
19 So it will be either an agreement with DHEC on
20 how it's either protected or transferred. I
21 mean with DHEC it will be agreed what kind of
22 protection it has, or transferred over to
23 South Carolina.

24 MR. PARSONS: Okay.

25 MS. MOORER: It's written -- I think the

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2 consent order was written with the option of
3 protection or transfer to South Carolina. So
4 basically, there were -- after the Corps had
5 been working with DHEC since January, there
6 were those five remaining items after their
7 denial, the staff's denial -- proposed denial.

8 It was a proposed denial and then there's
9 an opportunity for a hearing. We also
10 requested the hearing, GPA did. We wrote to
11 them and requested that.

12 So the Corps met with them on three of
13 the issues, and the two that the Corps either
14 could not guarantee or did not agree with, the
15 GPA provided those. So then staff recommended
16 to the board approval of the water quality
17 certification.

18 It wasn't an overturning of the staff
19 decision. The conditions of the permit
20 requirements were met, and then staff
21 recommended approval of the water quality
22 certification and the coastal zone consistency
23 determination.

24 MR. PARSONS: So the final protection for
25 the 1,600 acres will be identified in the

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2 protective instruments for mechanisms to be
3 identified in the final EIS?

4 MS. MOORER: I don't think so. I don't
5 know.

6 MR. BAILEY: I don't think so.

7 MS. MOORER: We have begun with DOT the
8 surveying. DOT has begun the process to
9 survey that land, to go ahead and get that
10 taken care of with South Carolina. They
11 wanted that done as soon as possible, but Bill
12 will have to tell you whether it's going to be
13 in there. I don't think it's going to be in
14 there. It wasn't something the Corps agreed
15 with, so I don't know.

16 MR. DYSART: Billie.

17 MR. BIRDWELL: This agreement was between
18 the State of South Carolina and the State of
19 Georgia. It was not with the -- the transfer
20 of this land and this preserve was not part of
21 the Corps of Engineers Savannah Harbor
22 Expansion Project.

23 That was done outside of that project.
24 That is an agreement between the two states,
25 not with the Corps of Engineers.

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2 MR. DYSART: Chuck.

3 MR. HAYES: This 1,690 acres, is that 780
4 I think it's a 780 acre conversion from salt
5 to brackish?

6 MS. MOORER: I wasn't in the session, but
7 I think that's what it is. It's that
8 conversion from salt to brackish which was
9 what our entire -- a lot of what the EIS
10 mitigation was based on was trying to improve
11 that from salt to brackish.

12 MR. HAYES: The argument there was not so
13 much value as it was a conversion from one
14 type to another. That's a different argument.

15 MS. MOORER: Right. It's a judgment call
16 on which is valuable or has more ecological
17 benefit, you're right.

18 MR. HAYES: The agreements between the
19 states, I guess it goes to the State of South
20 Carolina. Is there a provision or is there
21 wiggle room where that property could go to a
22 conservation organization as opposed to just
23 to the states?

24 MR. BIRDWELL: That's theirs.

25 MS. MOORER: Yes.

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2 MR. DYSART: Jamie.

3 MR. McCURRY: Technically, it's 2,200
4 mitigation credits worth of land which is
5 approximated at 1,690 acres. The State of
6 Georgia will either protect or transport to
7 South Carolina that land.

8 It will be up to the State of South
9 Carolina as to how they situate that land, if
10 it is transferred to them in perpetuity --
11 simply managed by the state or turned over.

12 Then to the question of Bill about tying
13 into the EIS, the obligation of the State of
14 Georgia is to do that prior to construction,
15 so that has to happen prior to that.

16 MR. HAYES: You're basically looking at
17 right now two large parcels?

18 MR. McCURRY: Yes. They are separated,
19 but one is considerably larger than the other,
20 but two separate parcels.

21 MS. MOORER: One is about 1,100, 1,200
22 acres, and the other is the balance. Those
23 will be worked out with South Carolina.

24 MR. PARSONS: This transfer isn't
25 considered part of the federal mitigation

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2 package?

3 MS. MOORER: No.

4 MR. McCURRY: No. It's a legally binding
5 agreement between the two states.

6 MR. DYSART: Bill.

7 MR. WIKOFF: Hope, you talked about one
8 of these items from the State of South
9 Carolina was assurance funding of, I think,
10 the words was to run the DO system for 50
11 years if the funding fell through.

12 MS. MOORER: Yes. Operate and maintain
13 in any given year that the federal funds fall
14 short, falls short or aren't there, to make
15 sure they're in operation and are maintained.

16 MR. WIKOFF: Earlier we kind of talked
17 about, you know, hey, some items might use up
18 a lot of funding in adaptive management or
19 something. Speece cones was one of those
20 items that there seems to be question about.
21 Does this agreement address if more Speece
22 cones were needed?

23 MS. MOORER: That's part of the project.
24 The reason the Corps can't guarantee that
25 Congress is going to fund anything in any

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2 given future years, as you well know, so the
3 Corps couldn't make that guarantee to South
4 Carolina or other agencies, because other
5 agencies were concerned about that as well.

6 So we agreed if funding was not provided
7 in any given year to operate and maintain,
8 whether it was enough or all of it, then we
9 would provide that funding.

10 MR. BAILEY: The Corps agreed with South
11 Carolina to spend the money that it received,
12 that if and when it received funds to maintain
13 the harbor, it would take the first chunk of
14 that and use that to operate the DO systems.

15 And that was not sufficient. That didn't
16 meet South Carolina's desires. So we couldn't
17 go beyond that.

18 MR. PARSONS: Might that leave other
19 plans unfunded --

20 MR. BAILEY: Oh yeah.

21 MR. PARSONS: -- in the Savannah Harbor?

22 MS. MOORER: It would potentially leave
23 dredging unfunded. So in other words, the
24 operation and maintenance of the Speece cones
25 is part O and M budget for the harbor, so the

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2 dredging of the harbor.

3 And normally I think right now annual
4 dredging costs are about 22,000,000. It's
5 around 20,000,000. I'm not sure of the exact
6 amount, but the average dredging costs are
7 that.

8 So if in the future if only \$10,000,000
9 is received from the federal government for O
10 and M in the Savannah Harbor, the first moneys
11 for that would go to operation and maintenance
12 for the DO systems and the balance of that
13 would go for dredging.

14 MR. WIKOFF: Or like monitoring?

15 MS. MOORER: No. That's separate.

16 MR. BAILEY: This is what happens in the
17 year 20 or the year 40. That's the issue.

18 MR. WIKOFF: There's some long-term
19 monitoring.

20 MR. BAILEY: Yes. There's like four
21 monitors or water quality stations that the
22 Corps would or the project would fund forever,
23 yeah.

24 MR. WIKOFF: So there are supposed to be
25 some funds?

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2 MR. BAILEY: Uh-huh.

3 MR. DYSART: Steve.

4 MR. EAMES: The DHEC letter of September
5 30, the staff letter regarding dissolved
6 oxygen made two points; one was questioning
7 the effectiveness of the mechanical means for
8 the dissolved oxygen. The second was a
9 question of long-term financing. The second
10 question is answered. Where is the answer to
11 the first question, in which of the
12 correspondence?

13 MR. BAILEY: It was in that second
14 bullet, the end of July, beginning of August.
15 It's one of those reports.

16 MR. EAMES: So they received an answer
17 and asked the same question in their September
18 30th -- I need to talk to them about it, don't
19 I?

20 MR. KYLER: Doesn't hurt to ask.

21 MR. EAMES: Yeah.

22 MR. BAILEY: That was, I guess my only
23 answer is that the technical feasibility
24 questions, that when it came down to the end,
25 DHEC -- that was not an issue to DHEC, the

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2 technical feasibility of how well the DO
3 systems operate.

4 MR. EAMES: So did the Corps answer that
5 question sometime after 30 September?

6 MR. BAILEY: No.

7 MR. EAMES: Did they provide additional
8 information to what they provided previously?
9 I just want to know where -- I don't need to
10 worry about the information. I just want to
11 know where the information is so I can find
12 it.

13 MS. MOORER: I think in your request for
14 review, you did provide additional -- you
15 provided explanations addressing each of their
16 questions.

17 MR. BAILEY: Uh-huh.

18 MS. MOORER: So whether it's prior to
19 that as well, Steve, I don't know, but I know
20 you addressed that concern in your request for
21 review. We did too, but we don't -- I mean we
22 probably don't count it as highly as they do.

23 MR. EAMES: Thanks.

24 MR. DYSART: Chuck, then David Kyler.

25 MR. HAYES: Bill, you said in the reports

1 SOUTH CAROLINA WATER QUALITY CERTIFICATION

2 and additional analyses you said there was
3 some additional analyses on the sufficiency of
4 the Speece cones.

5 MR. BAILEY: How well would they operate
6 in shallower water.

7 MR. HAYES: Was that reviewed by an
8 outside agency, like USGS, who reviewed the
9 initial studies and had major concerns with
10 those?

11 MR. BAILEY: I'm not sure. I don't think
12 so.

13 MR. HAYES: DHEC went ahead and accepted
14 the analysis?

15 MR. BAILEY: Yes.

16 MR. DYSART: David Kyler.

17 MR. KYLER: Somewhat facetiously but not
18 entirely, has anyone from the Corps district
19 been subpoenaed by the South Carolina
20 legislature?

21 MR. BAILEY: Not that I know of.

22 MR. KYLER: But back to the question
23 Steve asked on the subject covered regarding
24 the Speece cones; it's my understanding USGS
25 reviewed the testing done at some stage by the

1 SOUTH CAROLINA WATER QUALITY CERTIFICATION

2 Corps, I think this was just before the draft
3 EIS came out, and concluded that the testing
4 was inclusive as opposed to the Corps'
5 conclusion that it proved that the Speece
6 cones would work.

7 Has there been any attempt to resolve
8 that apparent dispute or difference of
9 opinion?

10 MR. BAILEY: I'm going to have to answer
11 your question with a question; what testing
12 are you talking about?

13 MR. KYLER: All I know this that this was
14 some agency comments on the draft EIS that
15 alluded to some USGS review of Corps testing
16 of the Speece cones, and the USGS analysis
17 concluded that it was -- those tests were
18 inclusive as to whether it would work.

19 MR. BAILEY: Okay. I think you remember
20 GPA did a demonstration project. So it was a
21 GPA not a Corps testing, so it was a little
22 distinction.

23 MR. KYLER: Okay.

24 MR. BAILEY: There was a testing of the
25 processes of Speece cone technology. There

1 SOUTH CAROLINA WATER QUALITY CERTIFICATION

2 was a demonstration of that. That was to try
3 to answer concerns of agencies, the agencies
4 had the at the time; would it add so much
5 oxygen it kills fish, could you really add
6 oxygen, some of those things.

7 USGS did express concerns with the first
8 report that came out. As a result of those
9 concerns, and let's see, the Corps had
10 agencies look at those reports also.

11 USGS expressed concerns. As a result of
12 that, GPA had contractors do more work and
13 bring in -- and do additional analysis. They
14 not only looked at the data harder, to see
15 what they could do with that data, what
16 conclusions they could draw from that data,
17 they also had modeling work done they had not
18 done before.

19 As a result of that, there was another
20 report that was issued, a revised report, an
21 updated report. That went back out to the
22 agencies for review, and USGS did not provide
23 any comments on the revised report.

24 MR. KYLER: When did that last report go
25 out, do you remember roughly?

1 SOUTH CAROLINA WATER QUALITY CERTIFICATION

2 MR. BAILEY: A couple of years ago.

3 MR. KYLER: Before the EIS?

4 MR. BAILEY: Oh yeah.

5 MR. KYLER: The EIS, draft EIS.

6 MR. WILLIS: I thought Corps testing was
7 just two years ago.

8 MR. DYSART: It was '07, summer of '07.

9 MS. MOORER: Yeah, it was a long time
10 ago.

11 MR. BAILEY: We've been here a long time.
12 I think the report came out a year later. The
13 revised report may have come out in '09. I
14 don't know, but the revision took a year, a
15 little bit -- six months.

16 MS. MOORER: It took a while, yeah.

17 MR. BAILEY: So the Corps considers that
18 initial comment USGS to have been resolved,
19 because when they were provided a revised
20 report they did not provide any comments.

21 MR. DYSART: Further questions, comments?

22 MR. BAILEY: As part of the posting that
23 the Corps did today, the South Carolina DHEC's
24 final agency decision is posted. The water
25 quality certification is posted. Their CZM

1 PROJECT STATUS AND SCHEDULE

2 letter is posted.

3 I think we put both the Georgia water
4 quality certification up there also at the
5 same time. So those things are up there if
6 you want to look at that them in detail.
7 That's it.

8 MR. DYSART: Hope.

9 MS. MOORER: I don't have anything. I
10 think within the final agency decision
11 package, it has the consent order as well
12 between the -- about regarding the provision
13 of the saltwater marsh and payment in lieu of
14 federal funding as necessary for the DO
15 system.

16 MR. DYSART: Okay. Any further
17 questions, comments on this topic? Okay.
18 Bill Bailey show will continue. Project
19 status and schedule.

20 MR. BAILEY: There is something else.
21 Okay. Basic is a broad picture of schedule.
22 We're working now to put together the final
23 reports.

24 The Corps will have its big meeting in
25 the spring, where the Corps in Washington will

1 PROJECT STATUS AND SCHEDULE

2 look at that and let us know if the reports
3 are okay to send out for final -- for final
4 public and agency review.

5 So then there would be a 30 day review at
6 that time. Then in the summer we'll look at
7 the comments. The federal agencies will make
8 their decisions. It will probably be in the
9 fall when the Corps record decision will be
10 signed. So this is kind of a broad, broad
11 picture of the schedule.

12 MR. WILLIS: You say the review period is
13 90 days?

14 MR. BAILEY: 30.

15 MR. WILLIS: 30 days.

16 MR. DYSART: Hope.

17 MS. MOORER: There was something you
18 mentioned that I thought was interesting. The
19 final documents are issued by headquarters.

20 MR. BAILEY: Yeah.

21 MS. MOORER: The comments are sent back
22 to headquarters, right?

23 MR. BAILEY: Yes.

24 MS. MOORER: I didn't know that. I
25 thought that was interesting.

1 PROJECT STATUS AND SCHEDULE

2 MR. DYSART: Tim.

3 MR. BARRETT: Based on that, Bill, if
4 that actually happens, when would be the
5 earliest you would start construction?

6 MR. BAILEY: Then it gets into the
7 question of money. This is kind of the
8 authority part. Then it becomes the money
9 question, and that's even -- that's more
10 uncertain than the authority part. I don't
11 know.

12 MS. MOORER: Technically, there also has
13 to be signed between the Corps and the local
14 sponsor, should it be approved once there's a
15 record of decision, the local sponsor and the
16 Corps enter into a project partnership
17 agreement, a PPA, and you cannot move into the
18 construction phase until that's signed.

19 That's basically a contract of what you
20 pay, what the Corps pays, how the project will
21 move forward, who will contract, who is the
22 principle representative of each agency,
23 things like that.

24 Our PPA would include Georgia DOT in the
25 project partnership agreement, as local

1 PROJECT STATUS AND SCHEDULE

2 sponsor, like they were for the Brunswick
3 Harbor deepening. That is something that has
4 to take place prior to it moving to
5 construction as well, in addition to the
6 funding question.

7 MR. DYSART: Steve.

8 MR. WILLIS: Yeah, I understand John
9 Mica's committee has had several meetings to
10 talk about port development, and Savannah has
11 actually been discussed a good bit. Is there
12 -- I guess I would assume that any federal
13 funding would not be confirmed until after the
14 ROD and the PPA are all completed. Is there a
15 possibility of pre-funding this or what?

16 MR. BAILEY: I don't know.

17 MS. MOORER: We've already -- Congress
18 has already provided construction funds
19 previously for the project. It's just been in
20 that account. And right now this year, in
21 fact, the administration had funds in the
22 general investigation account and both the
23 House and Senate moved those funds from
24 general investigation to construction, but the
25 budget hasn't been passed.

1 PROJECT STATUS AND SCHEDULE

2 But it technically -- the construction
3 funds have been able to be used for the
4 continuation of the project. So it's already
5 received construction funds.

6 MR. WILLIS: But nothing like the funding
7 needed to complete the project?

8 MS. MOORER: No.

9 MR. WILLIS: A similar issue, Senator
10 Chambliss recently has come out and said he's
11 all for this project, but he believes the
12 estimates, the cost estimates are very low,
13 and he feels like it's really wise to have
14 more accurate funding projections.

15 So when he asked for funding, he will get
16 the funding that's needed, and they won't be
17 headed toward a shortfall. Why does Chambliss
18 think these numbers are low, the number we've
19 been using, the \$600,000,000 figure is too
20 low?

21 MR. BAILEY: Ask him.

22 MR. BIRDWELL: Ask Chambliss.

23 MR. WILLIS: No nobody has a clue.

24 MR. DYSART: Billie.

25 MR. BIRDWELL: I'm sorry. If you have a

1 PROJECT STATUS AND SCHEDULE

2 question, just send it to Chambliss. You need
3 to address that to Senator Chambliss.

4 MR. DYSART: Okay. Chuck.

5 MR. HAYES: Hope, I know the State of
6 Georgia has been appropriating money.

7 MS. MOORER: Yes.

8 MR. HAYES: Assuming the Corps, the
9 federal government doesn't come through, can
10 the State of Georgia proceed with
11 construction themselves?

12 MS. MOORER: There are opportunities for
13 that. You have to sign an agreement with the
14 Corps on how that will be handled. There are
15 accelerated, advanced or contributed funds.
16 There are different types of agreement, and
17 dependent on the agreement is whether you're
18 reimbursed, whether you're reimbursed over
19 many, many, many, many years or whether you're
20 not reimbursed.

21 So Charleston right now in their
22 feasibility study has made such an agreement
23 with the Corps to spend out of balance right
24 now on their feasibility study. You're not
25 allowed to spend more than what your cost

1 PROJECT STATUS AND SCHEDULE

2 share is normally, but you can spend out of
3 balance, or depending on the agreement you
4 may be able to pay for the project and try to
5 get it reimbursed at a later time.

6 But there are various types of agreements
7 that are available. The State of Georgia has
8 not determined yet if we will pursue any of
9 those types of agreements. Thus far, the
10 state has approved and bond funding of
11 \$134,000,000 towards this project, and the
12 governor has indicated several times that he
13 will request of the legislature another 46.7
14 million dollars in this upcoming session in
15 bond funding.

16 There's been no decision by the State of
17 Georgia as to how it will proceed at this
18 point.

19 MR. DYSART: Mary.

20 MS. LANDERS: I didn't quite understand
21 that if Georgia wants to pay for the whole
22 thing, could it do it legally? Would it need
23 to go through the same process with the Corps?

24 MS. MOORER: There's a section 204
25 authority that, and I'll let Morgan check me

1 PROJECT STATUS AND SCHEDULE

2 on this one. It's a section 204 authority
3 that does allow the local sponsor to pay for
4 the project.

5 I'm not exactly sure of the -- whether
6 you get -- you're able to be reimbursed for
7 the federal portion of that on the 204.

8 MR. REES: You can. I must admit I don't
9 claim to be up-to-date on the rules on how to
10 do that. They have changed a number times
11 over the years. But yes, there is a provision
12 for a non-federal sponsor or partner that
13 advances the money and then they can get
14 reimbursed.

15 There have been several provisions over
16 the years that limit the amount of
17 reimbursement for the total water resources
18 program. So whatever Congress appropriates
19 for reimbursements of non-federal advances of
20 the funds, then it gets split up among how
21 ever many non-federal sponsors there have been
22 who put up advanced funds.

23 It changes from time to time. It is
24 based on the budget each year, so I don't know
25 what the current amount is. There are funds

1 PROJECT STATUS AND SCHEDULE

2 made available to reimburse a non-federal
3 sponsors.

4 MS. LANDERS: I'm sorry.

5 MR. DYSART: Mary then Steve.

6 MS. MOORER: You still have to go through
7 all of these.

8 MS. LANDERS: You still have to do
9 everything you're doing?

10 MS. MOORER: Yes, yes.

11 MR. REES: It doesn't change any of the
12 planning. It doesn't change any of the
13 environmental rules. It doesn't change
14 anything other than who puts the money up and
15 at what time.

16 MS. LANDERS: So regardless of
17 reimbursement, could Georgia just say we have
18 600,000,000 extra dollars. We're going to pay
19 for it.

20 MR. McCURRY: Not independent of an
21 agreement and approval from a federal agency.

22 MR. EAMES: The Port of Miami is trying
23 to do it now. They're trying to go under a
24 section 204, but also which is where they have
25 to make the agreement with federal agencies,

1 PROJECT STATUS AND SCHEDULE

2 they're also pursuing a unilateral cause of
3 action.

4 MR. DYSART: Hope.

5 MS. MOORER: The ports in general around
6 the nation, because of limited funds at this
7 time, several ports in their projects are
8 evaluating what their options are for
9 continuing to move forward on their project.

10 MR. DYSART: Steve.

11 MR. WILLIS: I guess this is for Morgan,
12 just to clarify and make sure I really get it.
13 What I'm understanding is that if the state is
14 going to make any agreement with the federal
15 government, they can spend more than their
16 portion of the project, but they have got to
17 make an agreement with the Corps to get paid
18 back at some future date, but if they don't
19 want to get paid back at some future date,
20 they can just say no. We're going to do our
21 own thing and just start digging, say we're
22 just going to transcend all --

23 MS. MOORER: No.

24 MR. WILLIS: That's not correct?

25 MS. MOORER: That's not correct.

1 PROJECT STATUS AND SCHEDULE

2 MR. WILLIS: Then could you correct me,
3 please?

4 MR. DYSART: Okay.

5 MR. REES: It's complicated. Let's just
6 assume that there is a port somewhere that
7 wants to alter their channel; widen it, deepen
8 it, lengthen it, whatever. They decide they
9 don't -- they decide for whatever reason the
10 federal government doesn't have the money to
11 do it, the port can do the work, but it
12 doesn't change any of the federal permitting
13 requirements.

14 They would have to get a permit from the
15 Corps, and do the EIS, and do everything
16 that's been done in this project. The only
17 difference would be that they wouldn't have to
18 show to the federal government, they may have
19 to show to the state government a benefit cost
20 analysis.

21 But a project could go through under a
22 Corps permit, which brings in everything
23 that's been going on in this project.

24 MR. WILLIS: Entirely state funded with
25 no reimbursement?

1 PROJECT STATUS AND SCHEDULE

2 MR. REES: It doesn't change any of the
3 Corps decision rules, other than the need to
4 determine the NED plan.

5 MR. DYSART: Jamie.

6 MR. McCURRY: In the case of SHEP, it
7 would be consistent with the record decision
8 from the Corps. I think the fundamental
9 question here is when we reach record
10 decision, as Bill has gone through here, then
11 we end up with the question of back to
12 whomever asked it about when construction
13 would begin is a matter of availability of
14 funding, there may be multiple scenarios, all
15 of which would have to have federal approval
16 to accommodate funding demands of the project,
17 but the project is still built consistent with
18 the process we've gone through and the record
19 of decision and directive of the federal
20 government. Is that clear?

21 MR. WILLIS: I think that is clearer now.

22 MR. DYSART: David Kyler.

23 MR. KYLER: A couple things. One is
24 again I would hope that maybe just to alert
25 for people at the table to scrutinize any such

1 PROJECT STATUS AND SCHEDULE

2 agreements, for the possibility of shortfall
3 of state funds, in the event of some of these
4 agencies are on the downside, because I could
5 readily envision Georgia falling short on
6 remedying environmental impacts, given what
7 they have done already to the state budget.

8 But another question which is kind of in
9 a different direction, and it may be in
10 digression or a sidebar, is there's been some
11 press coverage of this in reference to this
12 proposal by Senator Graham of South Carolina
13 for a multiport analysis, which in the grand
14 Graham proposal specifically exempts the
15 Savannah project, but others have different
16 opinions. Anybody at the table know anything
17 about that; could they elaborate?

18 MS. MOORER: What proposal? We don't
19 know anything further than what's in the
20 legislation, what the words are.

21 MR. EAMES: Authorized.

22 MR. KYLER: In Graham's proposed
23 legislation.

24 MS. MOORER: The sentence says authorized
25 versus unauthorized projects.

1 PROJECT STATUS AND SCHEDULE

2 MR. EAMES: There was a sentence
3 requesting amendments to the appropriations
4 committee, which added the multiport review
5 shall not affect authorized maritime and
6 inland projects. So the argument would be
7 about what's authorized.

8 MR. KYLER: And where does the -- what's
9 the legislative status of this; is it in
10 committee?

11 MR. EAMES: Still in committee.

12 MS. MOORER: In committee, yeah. The
13 committee hearing has not been scheduled.

14 MR. DYSART: Further questions, comments?
15 Jamie.

16 MR. McCURRY: Point of clarification,
17 Dave. The Georgia Ports Authority, not the
18 State of Georgia, is guaranteeing funds for
19 that operation and maintenance of the DO
20 system.

21 MR. KYLER: I'm sorry, say again.

22 MR. McCURRY: The GPA, a public
23 corporation, not the State of Georgia is
24 the guarantor for the funds for operation and
25 maintenance of the Speece cones.

1 PROJECT STATUS AND SCHEDULE

2 MR. WILLIS: The GPA is 100% guaranteed
3 by the State of Georgia.

4 MR. McCURRY: We are a public corporation
5 that does not rely on the state appropriations
6 for our operations. We generate our own
7 revenue, cover our own costs entirely. That's
8 an important difference in the context of
9 guaranteeing anything.

10 MR. WILLIS: Not the \$600,000,000?

11 MR. McCURRY: We're not guaranteeing
12 \$600,000,000, neither is the State of Georgia.

13 MR. EAMES: You have the faith and credit
14 of the State of Georgia behind you?

15 MS. MOORER: Yes.

16 MR. McCURRY: It is.

17 MR. EAMES: Ultimately Georgia is on the
18 hook.

19 MR. KYLER: Just to be clear, I wasn't
20 talking about any one specific mitigation.
21 I'm talking about everything in general.

22 MR. PARSONS: Can GPA issue their own
23 bonds, sell their own bonds?

24 MR. McCURRY: Yes, we can.

25 MR. WILLIS: Ultimately backed by the

1 NEXT MEETING DATE

2 state, by our assets.

3 MR. EAMES: Is that threshold, financial
4 threshold before the state --

5 MR. McCURRY: I'm not familiar with our
6 bonding capacity and so forth. We have the
7 public authority. We have certain legal
8 bonding capacity, but I'm not educated on the
9 feature.

10 MR. EAMES: Sure.

11 MR. DYSART: More comments, questions?
12 Okay. Then I'll presume we are through with
13 that. Do we have any committee reports or
14 have we kind of gone past that? Okay. It
15 would appear that we talk about the next
16 prospective meeting date to pencil in. What
17 are your thoughts on that, Hope?

18 MS. MOORER: I would suggest to the group
19 an interim meeting on January 10th, and
20 another full SEG on February 7th, if the
21 chlorides report is approved by the Corps by
22 that point, and if you would like to get the
23 technical people in here to speak about that
24 more technically, with the results of why they
25 suggested and the outcome of the bench study.

1 NEXT MEETING DATE

2 That's an idea, but we'll discuss it at
3 the interim SEG meeting. I'd like to suggest
4 an interim SEG on January 10th and a tentative
5 full SEG meeting on February 7th.

6 MR. DYSART: Okay. Is that satisfactory
7 to the group? Okay. Anything else we need to
8 deal with today? If not, the meeting stands
9 adjourned.

10

11 (Concluded 11:45 a.m.)

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C E R T I F I C A T E

G E O R G I A :

C H A T H A M C O U N T Y :

I hereby certify that the foregoing transcript was taken down, as stated in the caption, and the questions and answers thereto were reduced to typewriting under my direction; that the foregoing pages 1 through 105 represent a true and correct transcript of the evidence given upon said hearing, and I further certify that I am not of kin or counsel to the parties in the case; am not in the regular employ of counsel for any of said parties; nor am I in anywise interested in the result of said case.

This the 2nd day of January, 2011.

Kathleen Dore, Certified Court
Reporter, B-2041