



US Army Corps
of Engineers
Alaska District

Public Notice of Application for Permit

Regulatory Division (1145)
CEPOA-RD
Post Office Box 6898
JBER, Alaska 99506-0898

PUBLIC NOTICE DATE: August 6, 2012
EXPIRATION DATE: August 21, 2012
REFERENCE NUMBER: POA-2012-311
WATERWAY: Walker Lake

Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. Please contact **Roberta Budnik** at (907) 753-2785, toll free from within Alaska at (800) 478-2712, by fax at (907) 753-5567, or by email at roberta.k.budnik@usace.army.mil if further information is desired concerning this notice.

APPLICANT: Southern Energy, Inc., Post Office Box 489, Haines, Alaska 99827

AGENT: Lynn Canal Professional Services, 660 South Oregon Street, Jacksonville, Oregon 97530

LOCATION: The project site is located within Sections 27 and 34 of T. 28 S., R. 55 E., Sections 1, 2, and 3 of T. 29 S., R. 55 E., and Section 6 of T. 29 S., R. 56 E., Copper River Meridian; USGS Quad Map Skagway B-4; Latitude 59.3927° N., Longitude 136.1438° W.; in Haines, Alaska.

PURPOSE: The applicant's stated purpose is to reduce the need for diesel generated electricity and support the power grid (in Haines) for stabilization purposes.

PROPOSED WORK: Construct two small dams adjacent to Walker Lake on the southeast end of the lake. The dams would be constructed of rock fill and impervious material. Dam 1 would require the discharge of up to 900 cubic yards (cy) of fill material into 0.02-acre of Walker Creek. Dam 2 would require the discharge of up to 12,094 cy of fill material into 0.44-acre of wetlands. At Dam 2, there would be a concrete intake structure, weir works, spillway, and trash racks. A 24-inch penstock would consist of PVC pipe, with an additional 1,000 to 2,000 feet of

penstock consisting of steel pipe. Up to 200 feet of penstock would be within wetlands, requiring a temporary discharge of up to 155 cy of native material to be stockpiled in an area of 0.13-acre for penstock burial. The dams would cause Walker Lake to increase in size by up to 20 acres. There are some areas of fringe wetlands along Walker Lake, and therefore, up to 20 acres of wetland may be lost due to flooding. However, it is anticipated that the acreage of fringe wetlands lost due to flooding would be less than 20 acres.

The remainder of the proposed project is not within waters of the U.S., including wetlands, and therefore does not require a permit from the Corps. The 26-foot by 38-foot powerhouse would be located on a hillside above the Little Salmon River, approximately 200 yards from the Little Salmon Bridge crossing. A tailrace would release the post-turbine water into Little Salmon River. From the powerhouse, a 12.5 KV transmission line would be located within the existing Haines Division of Forestry roadbed running four miles east back towards the Kleheni River Bridge. The proposed project would result in a generating power of 1 megawatt, and would connect into the "Inside Passage Electric Utility" grid.

All work would be performed in accordance with the enclosed plan (sheets 1-4), dated June 5, 2012.

ADDITIONAL INFORMATION: The proposed project previously went out for agency review on June 8, 2012. No project information has changed.

APPLICANT PROPOSED MITIGATION: The applicant proposes the following mitigation measures to avoid, minimize, and compensate for impacts to waters of the United States from activities involving discharges of dredged or fill material.

a. Avoidance: The applicant has selected the routing of various project components to avoid impacts to waters of the U.S., including wetlands: use existing roadways for the installation of the underground transmission line; locating the powerhouse on a hillside; and the penstock is located mostly on high topographical lines staying away as much as possible from wetland areas.

b. Minimization: The dams are engineered in order to require the least amount of footprint to accomplish the structural requirements to control required lake levels and safety levels. Also, fill would be located away from the lake area to avoid any construction activity causing any turbidity changes to the lake.

c. Compensatory Mitigation: No compensatory mitigation has been proposed by the applicant.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRS) has been consulted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are no listed or eligible properties in the vicinity of the worksite. Consultation of the AHRS constitutes the extent of cultural resource investigations by the District Commander at this time, and he is otherwise unaware of the presence of such resources. This application is being

coordinated with the State Historic Preservation Office (SHPO). Any comments SHPO may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work.

ENDANGERED SPECIES: No threatened or endangered species are known to use the project area. We have determined the described activity would have no effect on any listed or proposed threatened or endangered species, and would have no effect on any designated or proposed critical habitat, under the Endangered Species Act of 1973 (87 Stat. 844). Therefore, no consultation with the U.S. Fish and Wildlife Service or the National Marine Fisheries Service is required. However, any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). No EFH species are known to use the project area. We have determined the described activity would not adversely affect EFH in the project area.

TRIBAL CONSULTATION: The Alaska District fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore

erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authority:

(X) Discharge dredged or fill material into waters of the United States - Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings and a Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander
U.S. Army, Corps of Engineers

Enclosures

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
401 Certification Program
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
WQM/401 CERTIFICATION
555 CORDOVA STREET
ANCHORAGE, ALASKA 99501-2617
PHONE: (907) 269-7564/FAX: (907) 334-2415

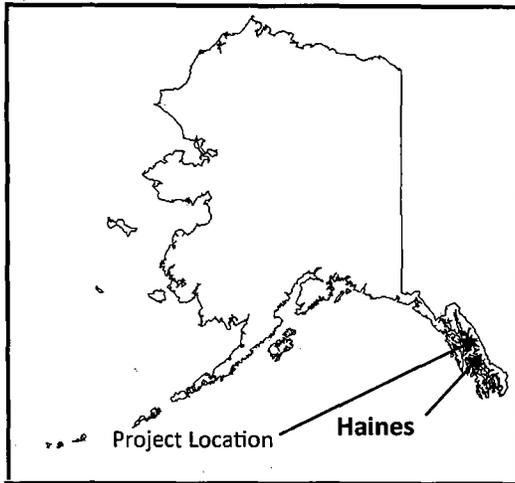
NOTICE OF APPLICATION
FOR
STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

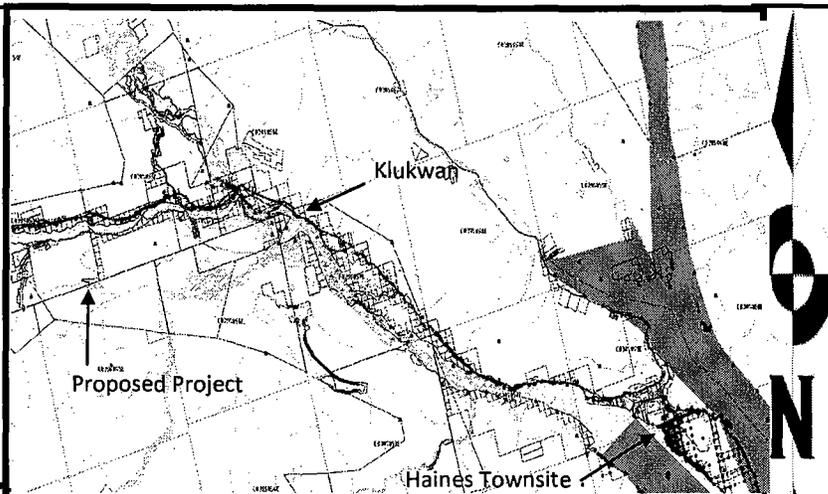
Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. POA-2012-311, Walker Lake, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

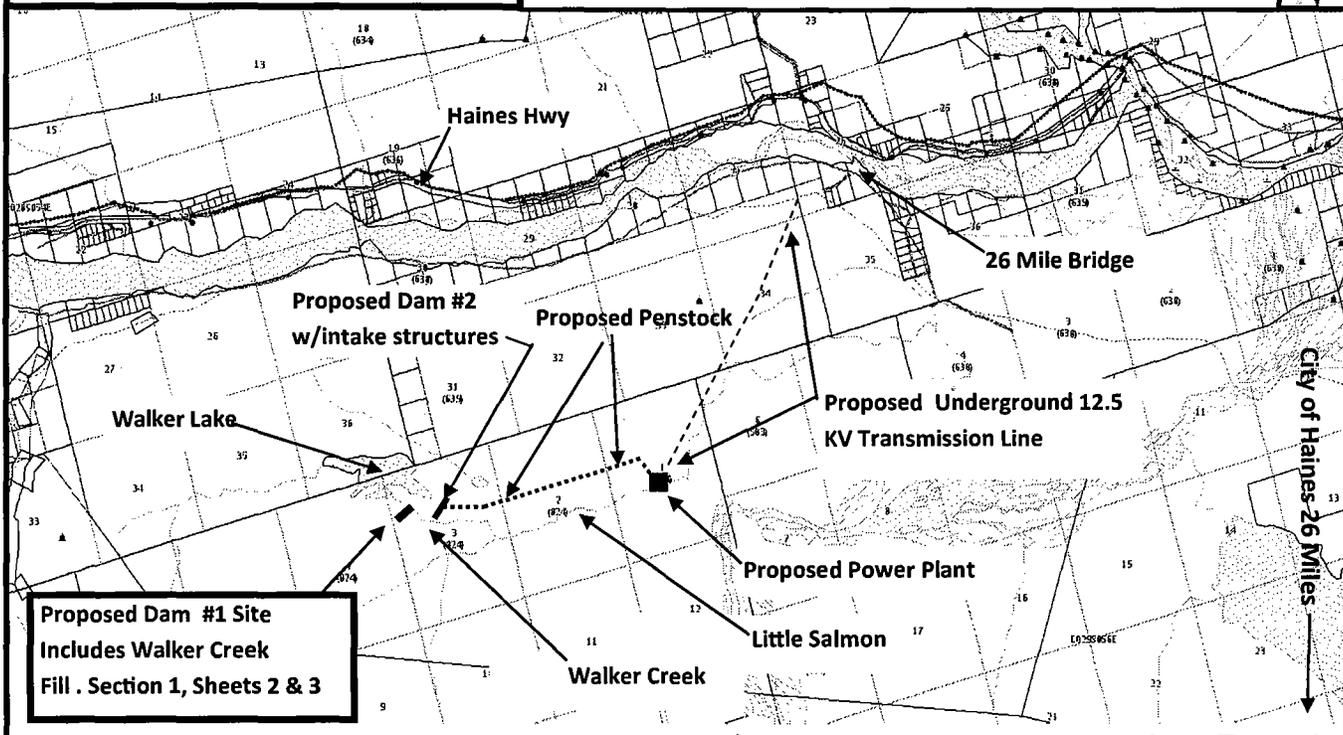
Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.



State of Alaska Location Map



Vicinity Map



PROJECT LOCATION MAP / PLAN VIEW

Proposed Activity: Walker Lake Hydroelectric Project - FERC Preliminary Permit # P- 14346

PERMIT DRAWINGS FOR

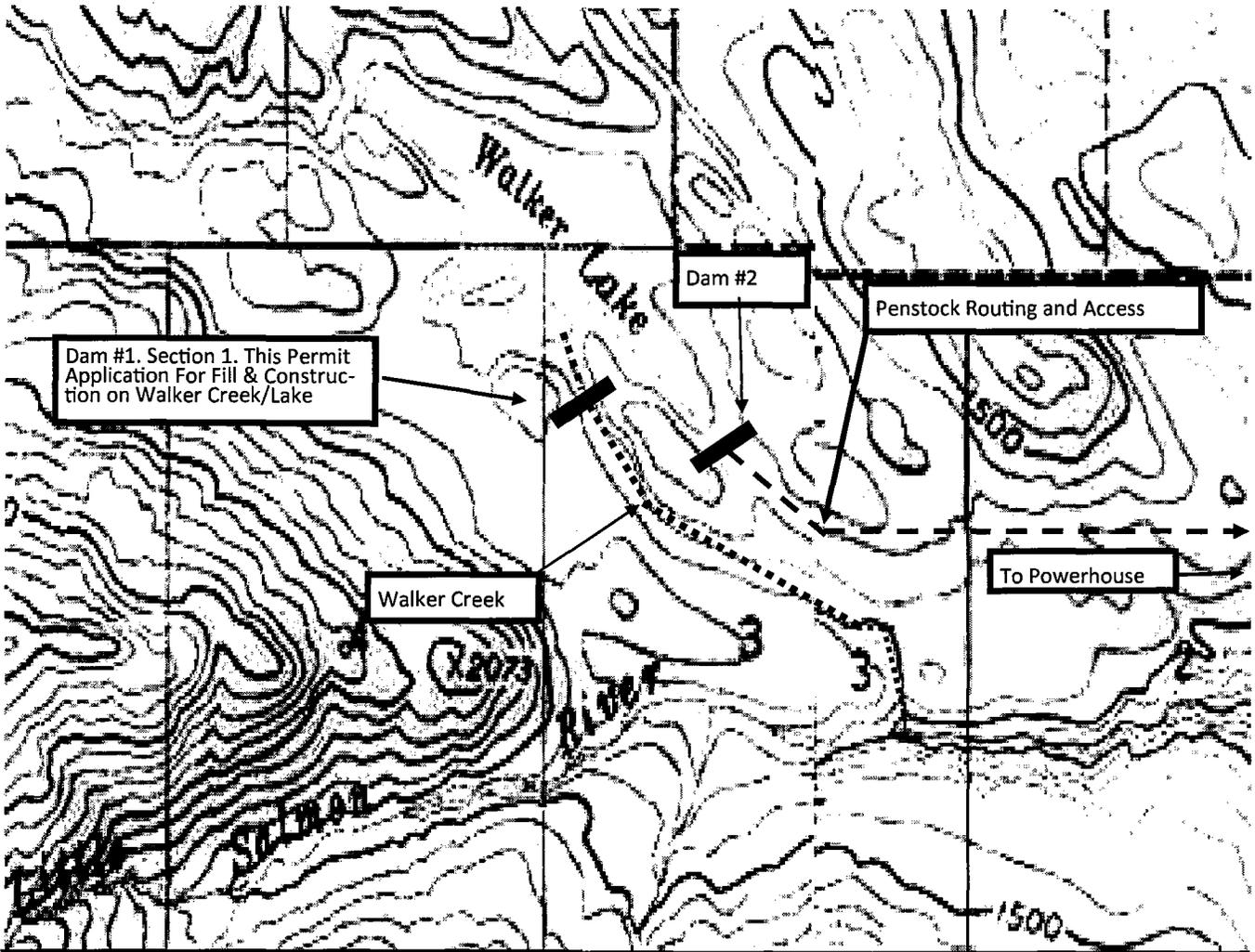
U.S. ARMY CORP OF ENGINEERS POA-2012-311

Prepared By: Southern Energy Inc. , Applicant
 P.O. Box 489, Haines, AK 99827
 (907) 766-2899

Range: 55E; CRM; TWP: 29S; Sec. 3
Lat: N 59°23'34.0"; **Long.:** W 136°8'38.0"
Project Land Ownership: Entirely upon St. of AK.

Date: April 16th, 2012
Scale: 1" = 1 Mile

Waterway: Walker Lake/Walker Stream
Figure: 1 of 4 **Date:** June 5, 2012



Dam #1 . Section 1. Detailed Proposed Dam Construction/Fill Information. Dam #1 is located about 100' downstream of Walker Lake and crosses perpendicular to Walker Stream. The dam is 60' wide at the base x 250' long. It is 25' high going from MSL of 1170' to MSL of 1195'. The current OHW mark is 1180' and will rise to 1195'. The fill will be of impervious dirt and rock fill with a membrane option if materials dictate. Walker Stream is an average of 15' wide with steep slopes at the dam crossing and is intermittent at 18 cfs. The fill in the waters of the U.S. ,(Walker Creek) , is 60'x 15' x 25' for a total of 833 cyds within a footprint of 900 sq. ft. (.02 acres). Total fill for Dam #1 is 10,996 cyds. The dam is 150' long on the base and 250' long at the crest. The crest is 15' in width. The project supplies 1 megawatt of power to the Inside Passage Electric Cooperative grid at 26 mile Haines Hwy.

FILL SECTION 1 (A). Dam Construction/Fill: Plan View

Proposed Activity: Walker Lake Hydroelectric Project - FERC Preliminary Permit # P- 14346

PERMIT DRAWINGS FOR

U.S. ARMY CORP OF ENGINEERS POA-2012-311

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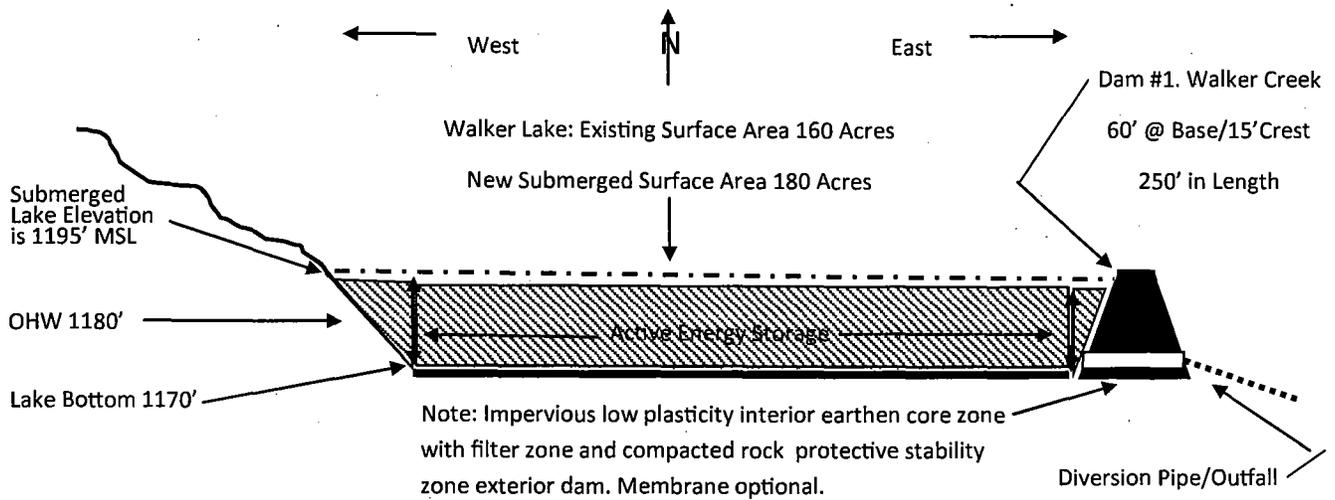
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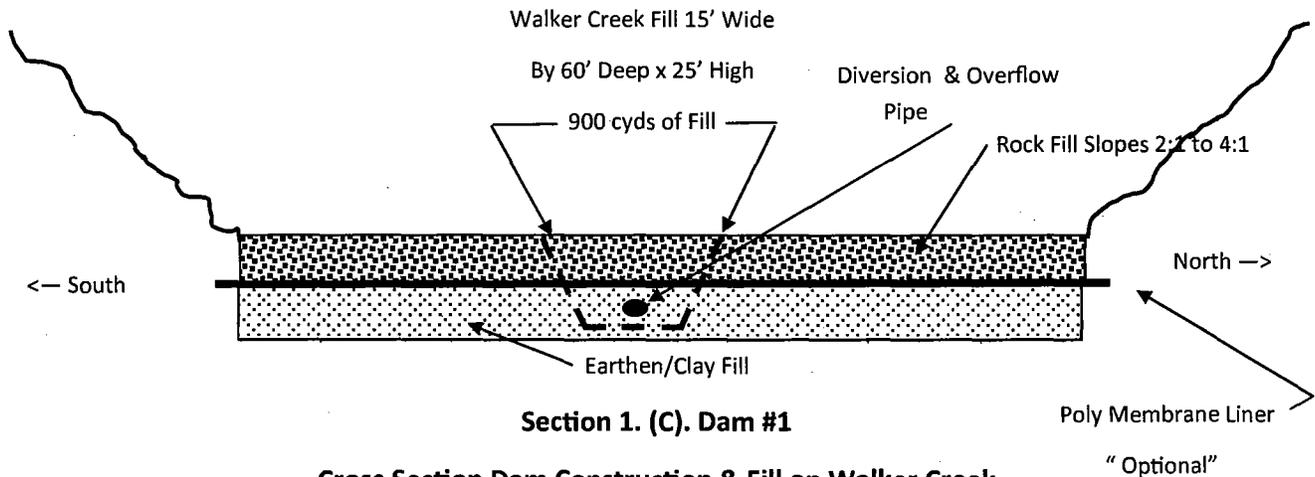
Scale: 1" = 1/2 Mile

Figure: 2 of 4 Date: June 5, 2012



Section 1. (B). Dam #1

Elevation View/Cross Section Dam Construction & Fill on Walker Lake/Creek



Section 1. (C). Dam #1

Cross Section Dam Construction & Fill on Walker Creek

FILL SECTION 1. Dam Construction: Elevation and Sectional View

Proposed Activity: Walker Lake Hydroelectric Project - FERC Preliminary Permit # P- 14346

PERMIT DRAWINGS FOR

U.S. ARMY CORP OF ENGINEERS POA-2012-311

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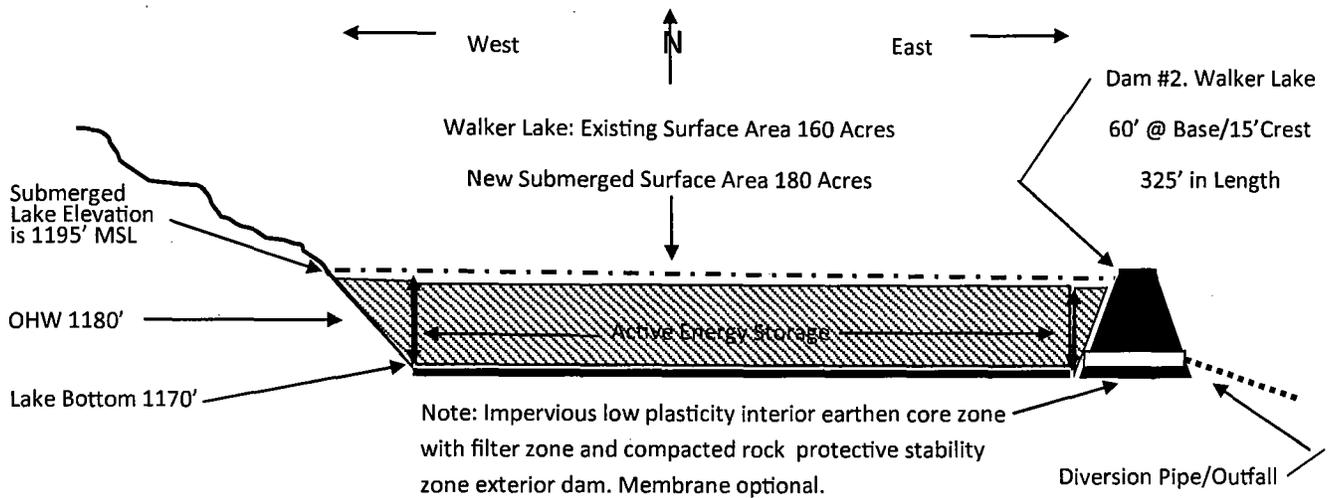
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Lat: N 59°23'34.0"; Long.: W 136°8'38.0"
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Waterway: Walker Lake/Walker Stream

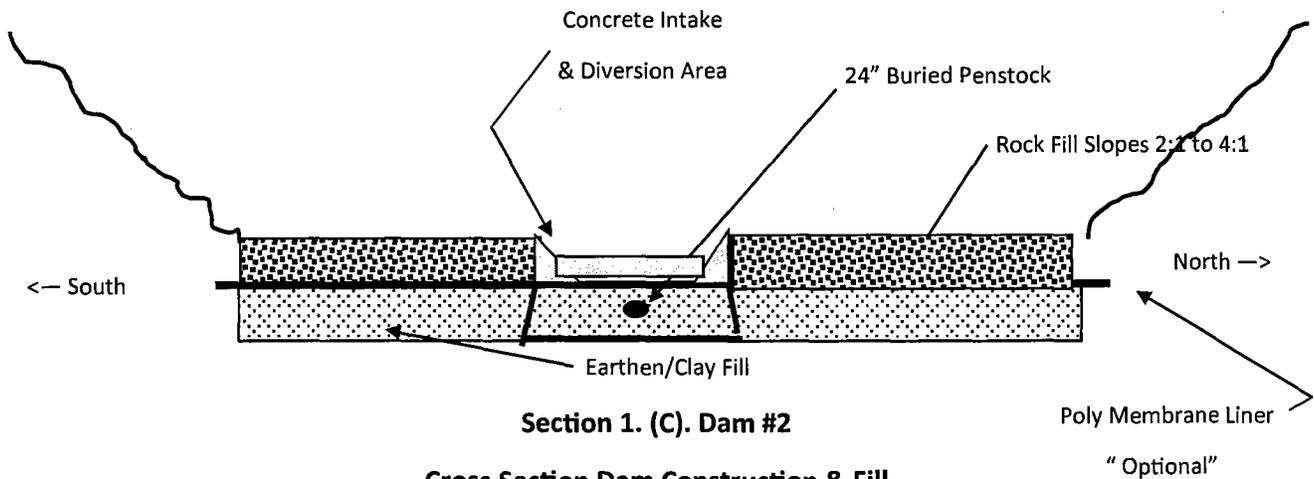
Scale: 1" = 1 Mile

Figure: 3 of 4 Date: June 5, 2012



Section 1. (B). Dam #2

Elevation View/Cross Section Dam Construction & Fill



Section 1. (C). Dam #2

Cross Section Dam Construction & Fill

FILL SECTION 1. Dam Construction: Elevation and Sectional View

Proposed Activity: Walker Lake Hydroelectric Project - FERC Preliminary Permit # P- 14346

PERMIT DRAWINGS FOR

U.S. ARMY CORP OF ENGINEERS POA-2012-311

Prepared By: Southern Energy Inc. , Applicant
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Lat: N 59°23'34.0"; Long.: W 136°8'38.0"

Project Land Ownership: Entirely upon St. of AK.

Waterway: Walker Lake/Walker Stream

Figure: 4 of 4 Date: June 5, 2012