UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

SCOPING MEETING

GORDON BUTTE PUMPED STORAGE HYDRO PROJECT

GB ENERGY PARK LLC PROJECT NO. 13642-001

Martinsdale Community Center
110 Main Street
Martinsdale, Montana 59053

Wednesday, June 25, 2014
6:00 p.m. (MDT)

PRESENT FOR THE FEDERAL ENERGY REGULATORY COMMISSION:

Jennifer Hill - Chief, Northwest Branch Division, Hydropower Licensing

Michael Tust - Fish Biologist/License Coordination

Dianne Rodman - Terrestrial Biologist

Sean O'Neill - Project Engineer

Cleo Deschamps - Attorney-Advisor

PRESENT FOR ABSAROKA ENERGY LLC:

Carl E. Borgquist - President & CEO

Rhett Hurless - Senior Vice President, Techinical/Engineering Development

PROCEEDINGS:

MR. TUST: Welcome, everybody. Thanks for coming out.

This is the public scoping meeting for the proposed pumped storage project, obviously located right up there up on Gordon Butte.

So we're here today to do scoping for an environmental assessment for the project. As FERC, Federal Energy Regulatory Commission, we're required to evaluate the proposal and produce an environmental document to look at the effects of licensing the project, and evaluate alternatives and receive input from you all, the public, and get your opinions and comments on what the issues are that we should be addressing in our document.

So I haven't introduced myself yet, I'm Mike Tust, I'm a fish biologist with the Federal Energy Regulatory Commission, or FERC. And in addition to addressing the aquatics and fish issues for the project, I'll be coordinating the licensing. And with me I have the other team members on the licensing staff. When you first walked in is Dianne Rodman, she's the terrestrial biologist, she'll be handling all the terrestrial resource issues as well as the vegetation issues and certainly the threatened

and endangered species issues for the project.

To my left, we have Jen Hill, who is the chief of the Northwest Branch Division of Hydropower Licensing, Sean O'Neill, who is the engineer for the project. He'll be handling geologic and soil resource issues, air quality issues, and reviewing the plans and exhibits to the project. And then to the far left, we have our attorney, Cleo Deschamps. And then over here -- to the other left I guess I would say, it's kind of late, we've been up all day just going around the sites of this -- we have Denise Nowak who is our court reporter. She'll be recording the conversations and discussions today. It will be officially part of the record.

So during this, we're eager to hear from you and eager to get your opinions and comments on the project of what you think we should be evaluating in our environmental document. So there are plenty of ways for you to contribute. One is obviously to contribute to the discussion tonight. If you don't wish to speak up in person, you can submit written comments. There's a registration form that we ask you to fill out.

If you haven't signed in, I believe you all have, but we would appreciate that you sign in

there and get a copy of the scoping doc so you can follow along with us tonight.

Another way to provide your comments is on line, we have an eLibrary, an eComment tool; it's on FERC.gov under documents and filings. There's an eComment tab where you can submit your comments online. ELibrary is our repository for all the documents that get filed with the project. The project number for that is P-13642. So if you go on eLibrary, you can go and check and see all the documents that have already been filed for the project so far, and any future filings will also be on there.

In terms of online, you can also eSubscribe to the project, that's also on that tab under FERC.gov, documents and filings; it's called eSubscribe. If you want to be alerted to any filings that come in rather than having to go on eLibrary to check, you can receive an e-mail notification that a new filing has come in. So it's another way for you to keep up with the project.

And finally, in the back of the scoping doc we have for you, there's a mailing list. This is the official mailing list for the project, starting on page 22. If you don't see your name here and you

wish to be on the official mailing list so you're given all the documents that come in, feel free to follow the procedure in the paragraphs there under 10.0 on page 22 to be able to add yourself to the mailing list. If you need help, there's a call number there, and they should be able to help you as well.

So like I said, we're here today to hear from you about the environmental issues that we should be evaluating in our environmental document. For those of you who don't know who FERC is or what we do, we're an independent regulatory agency, we regulate the interstate transmission of electricity, natural gas and oil, but we also review proposals to build natural gas pipeline, liquified natural gas terminals, and licensing hydropower projects, like the Gordon Butte Pumped Storage project here in Meagher County.

Within FERC, the hydro licensing is done out of the Office of Energy Projects. We're all based in Washington D.C. where the Office of Energy Projects' headquarters is. And within that, there are six regional branches, and all of us here on the licensing team are on the Northwest Branch.

The applicant has the option to submit an

application under three different licensing processes that we oversee. They've chosen the traditional licensing process. And the major difference between the traditional licensing process and what our default one is, that most projects come in under the default process would be, is really where our involvement is in the project in the process.

So for our default, which is called the integrated, we would be involved a lot in the pre-filing stage, meaning before they actually submit a license application for us. So the applicant would consult the agencies and the public and have their public meeting, issue their preliminary application documentation, which they did on April 29th, 2013, they had an environmental site visit and a public meeting in August of 2013, and they're receiving comments back from the agencies and other stakeholders in the formulation of their study plans, and the issues that they need to find out more information through their studies.

Now, normally we wouldn't be involved at this stage, but the applicant has asked us to do early scoping, so that's why we're here today. We agreed to do early scoping to try to flush out the issues a little more and to better iron out the

issues that we need to address.

So with that, I'll turn it to Carl and his team to give a brief presentation on the project for you and where it stands today.

So Carl?

MR. BORGQUIST: Thank you. Thank you, all for being here. Some of you I know, I'd like to meet those of you that I don't. My name is Carl Borgquist, I'm from Bozeman, Montana. My company, Absaroka Energy, is the developer of this project. We have a single purpose entity called GB Energy Park LLC that is the single purpose entity to prosecute the development of the project, so if you hear that name, GB Energy Park, that's really this particular development.

I've got some folks here that work with me, and I want to introduce them to you so you can ask questions of me or them as you wish. My XO is Rhett Hurless, project manager; a graduate of MSU in engineering, and kind of the head of our project development team. Eli Bailey is back in the back corner, he's our assistant project manager. And Paul Baucus, some of you know, does business development for Absaroka Energy. We're all based in Bozeman working on the project.

In addition, we have here a number of experts that have been helping us. We're not biologists and cultural experts, so we've engaged some experts to help us gather the information and do the study work, and I want to introduce them to you.

First, the gentleman sitting to my left, Marty Weber, is from Stanley Consultants. Stanley is an engineering firm out of the midwest. Stanley is our owner's engineer, and if you have any engineering questions, he is the gentleman to ask. Steve Padula is with McMillan. McMillan, and Steve in particular, is assisting us with the FERC licensing process. It's the federal government, and it's quite complicated sometimes to navigate, so he helps us navigate those waters. Pam Spinelli, raises your hand a little higher. There she is. She is a wildlife biologist with Garcia & Associates, and is helping us conduct the wildlife studies and surveys. Leanne Roulson is with Hydro Solutions. Hydro Solutions is helping us with our fishery issues and water issues. Steve Laufenberg is with Cobb Crest, and Kevin Schneider, up here in front, is with Barnard Construction. Barnard is a very large EPC contractor that has a lot of experience in dam construction and hydro facilities. And it is our

intention for them eventually to be the EPC contractor and build this project; another Montana company.

I want to take a minute to describe to you what the heck it is that we're trying to do here. We've got some images that we've blown up here that I hope you come up after the presentation to take a look at. Hopefully a picture is worth a thousand words, and I'm going to call attention to them right now.

Over here on my right we've got this Google Earth view where we have mocked up the upper and lower reservoir. Obviously you're all from around here, you know those reservoirs don't exist right now, but this is a representation of the two reservoirs. These are about 4,000-acre feet, about 80 acres, various depths, and they're connected by an underground penstock of about 18 feet in diameter. I'm calling your attention now to a cutaway up on the other side of the room where you can see a representation of the upper reservoir, connected by that penstock, to the lower reservoir.

The power station for this facility will be in the ground. A little bit of the top roof may be above ground, but most of this, going down about

160 feet, will be in the ground. And in the ground will be a stack not unlike the cutaway you see across the room there, with a turbine on the top, a motor generator and a pump, all on a single shaft. Again, all buried in the ground. Four of these units will be in there at 100 megawatts in a short circuit arrangement, and I'll explain what short circuit means in a moment.

The connection to the grid, obviously this power station needs to be connected to the grid, will come out to Cottonwood Road, and then out to the Colstrip 500 KB line south of the project. This will all be on 71 Ranch property, the entire route out to the Colstrip line.

You all probably know this: The Colstrip line is owned and controlled by five very large utilities that do business in the northwest. So when we interconnect them with the Colstrip line, there's the opportunity, and I think eventually this will be the business case and the reality for the station, is that this will be a grid tool used by utilities to keep their systems reliable. I'll explain what that means in a little more detail in just a minute.

Again, a closed loop system. So these things don't exist, these reservoirs, they'll be dug

in and constructed with earthen berm and roller compacted concrete and then aligned. We will fill the lower reservoir, and then be moving water back and forth every moment of the day as the grid or the user of the facility needs to either take electrons off the system, and pump, store energy, or release electrons and generate energy.

This kind of equipment that you see in the cutaway is in wide use in other parts of the world. We've built pumped storage in the United States, but we don't have this modern equipment in those pumped storage facilities. And as we put more renewables, and just for generation on the grid, there have been more demands to keep the grid healthy and have something to act as a shock absorber and/or a battery. And this is kind of the business case for the facility.

So I'll give you a real world example from Montana, just to illustrate what I'm talking about. We all know that our utility, Northwestern Energy, is considering buying dams from PP&L. These dams are run of the river. So what that means is at night they keep running; they keep producing electricity because they need to feed water to the fish below the dam.

So what do we do with the energy at night? Well, obviously we're not turning the lights on and using that energy, so we need someplace for it to go. A facility like this could pump during the night, and then allow that energy to come back out during the day when the demand is there and prices are higher.

The system also, because of its ability to pump and generate at the same time, can act as a shock absorber. Again, I think you all probably know this, because we're in wind country, these wind generators, though they spin all the time, they're not necessarily producing energy, and the energy they do produce ramps up and down in terms of how it affects the grid very quickly. And it's very difficult for the utilities to control their system when they're constantly having to try to figure out how to replace that energy that's coming on or off the grid, what do they do with it and how they manage it. So a facility like this can act as a shock absorber and quickly take electrons, pump water up, or release electrons and create the energy to keep the system balanced.

We also know that our system, our transmission, all of this is an issue. We want to

try to get the most out of it that we can. A tool like this would allow us essentially to store energy for short periods of time, keep the transmission system fully utilized. That's a benefit for rate payers and for -- well, it's a benefit for the utilities that we hope will translate to a benefit for rate payers from the utilities using the system.

The project, give or take, is about a billion dollar project all in, though if you look -- this is a mock-up of what you would see from Highway 294 -- directly in front of the project right in this area, it will be difficult when you drive by to even understand that all of this equipment is back there. You won't see it. You won't know it's back there unless you know it's back there.

But it's a huge amount of tax revenue and jobs, about 300 to 350 construction jobs, and once the facility is built, it takes about three years to build it, another six months to get it into operation; after that, about 20 to 24 jobs are expected, and the Montana Department of Commerce estimates those jobs will average $87,500 in terms of a competitive wage. So there's economic opportunity, I think, that will obviously come from the facility being installed and in operation.

MR. MCCOLLOM: Are they going to give local residents a first come/first serve on those jobs?

MR. BORGQUIST: I can't say, because I'll probably be gone at that point, honestly. But my intention is that this be a Montana project and we use Montana workers first. We're a Montana company. And of course from the operator's perspective, if the workforce is there with the appropriate skills, then that's a win for everybody.

MR. TUST: Just to chime in here. So for anybody that wants to comment, just to get it on the record, if you could just please identify your name, and for the first time maybe spell it so she can get it on the record.

MR. MCCOLLOM: I'm Rick McCullough.

MR. TUST: Thank you.

MR. BORGQUIST: Okay, great, thank you. Michael has already gone through kind of the process that we've been through getting to this point, so with that, I'll turn it back to you.

MR. TUST: I just want to mention at this point that the applicants are operating under an existing preliminary permit. So this does not authorize construction at this time, but it does

maintain priority of the application for the site while they study the site and prepare to file their license application with us. So we're at a stage where we need to hear from you to find out what kinds of issues we need to start evaluating and that we would need to evaluate to determine the licensing decision for this project.

So I kind of went over some of the purposes of the scoping, but just to reiterate, we're inviting you here to identify the environmental socioeconomic issues associated with this project; determine their significance. We've identified certain issues that we think are important at this point, but we are eager to hear from you to see what you think. And, again, feel free to offer at any time as we go through this.

In addition to that, we want you to help us try to identify how we can better perform a cumulative effects analysis for the project and the project area in the vicinity, identify any reasonable alternatives you may have to the project, or any alternatives to any of the environmental measures that they're currently proposing. And if there's issues that we raise that you don't think are important and we shouldn't address, then feel free to

tell us that as well.

So with that, I'll kind of transfer to the scoping doc itself. If you go to page 6, if you're following along, under the National Environmental Policy Act, which is NEPA, it requires us, FERC, to at a minimum, evaluate the applicant's proposed action, as Carl described, a no action alternative, meaning at this point license denial, or other alternatives to the project that are appropriate that we should be evaluating in our environmental assessment.

So if any of you have input on certain reasonable alternatives that we should be addressing, feel free to tell us now, or feel free to comment later during the different ways I told you how to comment, either online or through the mail.

So on page 9 we have -- I won't go through the description of the project and project operations, I believe Carl did that for us there, so we'll kind of move to page 9, proposed environmental measures for the project. Now this is obviously not an exhaustive list here. We're at the early stages of the applicant's proposal. We don't have a licensed application yet, so we don't have a ton of the environmental measures that are eventually going

to be proposed, but we do have a few here that we have identified from their preliminary application document. I won't go through them in-depth, because again, these are very early stages in the process and I think it's more important for us to look at the issues themselves.

Yes, sir.

MR. INDRELAND: I'm Dick Indreland, I'm just local here. But as soon as you get into the environmental measures, the one thing that I was wondering is if all the science that you use in making the evaluations will be available or up front so that people can look at that and see the basis that you've used to make a determination one way or the other.

MR. TUST: Sure. Yeah, so the applicant has proposed certain studies to be done. They have study plans already filed with the Commission that you can review. Once those studies are complete, those results will be filed on our system so they will be publically accessible. And as we write our environmental assessment, any of the analysis that we do will be based on their studies, based on the literature, based on the public material that we will reference in our documents. So you'll see exactly

where we base our decision. We'll have a list of references at the end so you can see exactly where we base our decisions for any of the issues that we discuss.

Anybody else at this point?

MS. MURPHY: Deb Murphy, Bair Ranch. I am concerned about recent geologic episodes at Yellowstone that you can feel here recently, and how secure is that dam going to be in case of a catastrophe? And what are you going to do if it fails?

MR. TUST: Well, we'll certainly -- if that's an issue that we need to look at, we'll certainly include that here and we'll start evaluating it. So thank you for the comment.

But if Carl has any additional information to address there.

MR. BORGQUIST: Yeah. Ma'am, I'm going to let the engineer chime in, because this is much more of his lexicon. These roller compacted dams, roller compacted on top and then earthen berm at the bottom. This is a unique scenario for us with this facility because we can either pump water to the upper reservoir or release it, in particular very quickly, we can release it down from the upper down

to the lower. And again, we don't have both filled. We fill one, and then the water moves back and forth. So that does a couple of things. It gives us the opportunity, if there's a problem, to move the water out of the way quickly. It also gives us the opportunity to inspect and repair and have a good maintenance program that's very convenient and easy, where we're not impacting the water supply or a fishery or anything like that. If we want to empty one of the reservoirs and take a look any time, we can do that.

Marty will talk about the kind of review process we have to go through at FERC in terms of having our engineering reviewed, and that will also include reports and studies we have to prepare and make available about these kinds of issues and what effect there would be if there was such an event.

Another fortunate part of this, again, on the upper reservoir, we can evacuate the water to the lower very quickly. The lower reservoir really evacuates, if there's a problem, into the Musselshell River. And we again have the ability to move the water back and forth, which is a --

MS. MURPHY: The Musselshell River is quite a concern.

MR. BORGQUIST: I'm going to ask Marty to talk a little bit about the kind of safety measures and review process we have to have as part of this process, and just to talk a little bit about these kind of dams and their safety record.

MR. WEBER: Okay, yeah. First of all, the design of the dams themselves will be designed by a qualified firm that will be part of the contractors' team. Those designs will be reviewed by my company, they'll be reviewed by FERC, and they're going to be reviewed by an independent board of consultants. The board of consultants are all 40 years' experience engineers that have seen a lot of this before. So the design will be reviewed quite a bit.

The design standards that will be used for the design, in the first place, are well established standards that have been used before, and they do take in to account any forces that are due to seismic activity, okay. And we'll figure out what the potential seismic event is for this area and it will be designed for it.

Once it's constructed, or actually during construction, there're quite a few levels of quality concerns that goes in the construction process itself

to make sure that the concrete is right, the soil is compacted and everything is built the way it was designed on paper. So there's a lot of quality assurance and quality control that goes into the construction process.

After it's built, there will be a series of different source of monitoring equipment that's on these embankments to determine ahead of time if there's a problem. There will be what's called inclinometers that tell if an embankment is starting to shift a little bit. The owner of the facility will know immediately and they can take action.

There will be ways to measure the water that's seeping. We'll try to prevent seepage from these embankments; but you can't stop it, you can only control it, and there are ways to measure that. And if seepage is getting to be more than what's anticipated, then we drain the reservoir and take a look at it.

MS. MURPHY: Well, this is a liability issue for people down from the reservoir. If something happened, what's the liability issue?

MR. BORGQUIST: I think the liability is on the owner of the facility, right? So we will be testing, monitoring and building this, because we

don't want any dam failures because we'll be responsible for it if it does fail.

I think the other thing I wanted to have Marty speak to is this kind of construction had a very good track record; and if you would speak to that.

MR. WEBER: Yeah. The roller compacted concrete embankments are state of the industry for tall embankments of this sort, and as well are earthen embankments or rock-filled embankments. Again, they're a proven way of retaining water.

MS. MURPHY: Does this mean that the soil, and that a lot of that is fairly unstable?

MR. WEBER: Well --

MS. MURPHY: Or is it fairly stable? Tell me what you're building on, is it fairly stable or unstable?

MR. WEBER: The foundation material?

MS. MURPHY: Yes, sir.

MR. WEBER: Up on the top it's an extremely competent rock called shonkinite. Down below it's the Judith formation, which is not as hard as the rock on top, but it's still a very, very hard rock. So we're not building on soil, we're building on rocks.

MS. MURPHY: Okay, thank you.

MR. WEBER: Yeah, you're welcome.

DR. HILL: I just want to add to that that we have word from the environmental staff here for the most part and one attorney, but we also have a whole group that is just a dam safety group. And they would be involved with reviewing the application. They would be involved with asking questions that we need. And they would be involved with working with the board of consultants that would be looking at the project.

We also have, once projects are in, at very various times, depending upon how high hazard the dam is, in other words what potential there is for destruction or loss of life or something like that downstream; they would investigate, they would do inspections on frequency and in proportion to how much damage there possibly could be if something terrible happened.

There's also emergency action plans that are required, they have to do testing for that. So we have a whole program, that's quite a renowned program actually, for dam safety. And after they get the application, they would have to file things and then go through a whole process with them in addition

before they would have the construction done.

MS. MURPHY: Would this be water in Cottonwood Creek?

DR. HILL: I didn't hear.

MS. MURPHY: At any point in time, would this be water in Cottonwood Creek?

MR. BORGQUIST: No. I mean Cottonwood Creek does dewater, you know that, it does in August when there's calls for water and not enough water in Cottonwood Creek. But our proposal is to try to take water during the high runoff periods. We don't need to grow anything, and we need about 35 to 40 days over a three-year period to fill the lower reservoir.

We haven't formalized this, but our approach is to take runoff water at convenient times for the rest of the users in the system, and specifically not create impacts to the other users, as we will be the junior water right, which is another protection. But the intent is to be a good neighbor and take it when there's too much water in the system and nobody really needs it.

MR. TUST: All right, yes?

MS. NICHOLES: Hi, I'm K.G.H. Nicholes, and I live up the valley a little way here. I have two questions. I know there are significant

archeological sites in Castle Mountains, there are pictographs and things like that. Has anybody checked the proposed sites for significant archeological sites that might need to be addressed before work progresses?

The other thing is, you guys obviously know your stuff, you're well intentioned, and I love the idea of improving our electrical infrastructure, but I also know that sometimes when there's shortages of budgets or facilities pass from one company to another, and maybe the new people aren't quite as careful about oh, that inclinometer has given us trouble, oh, well, we'll check into it later. If worse came to worse and the upper reservoir failed and it was full, is there any possibility of a lot of water coming down into Martinsdale and hurting people? And, so, you know, I know you're doing a lot of things to make sure that that doesn't happen, but just with the lay of the land, is it a physical possibility?

MR. BORGQUIST: Can I answer that?

DR. HILL: Go ahead.

MR. BORGQUIST: First to the cultural, you'll see that that is a requirement, and we have that as part of the scope.

MS. NICHOLES: Wonderful.

MR. BORGQUIST: So they're going to review that section and at least give you the highlights. And you are free to go to the website and see the studies we've proposed; they're extensive.

MS. NICHOLES: Great. Great.

MR. BORGQUIST: Okay, that's the first thing. The second thing is part of the dam safety thing that we have to do. We'll have to make a report; we'll have to hire somebody to say if there was -- forget about the ability to evacuate it down, which we'll have the advantage of having that that other dams don't have, but we'll have to make a report that would say and identify what would happen if there was a failure up there.

And essentially, if you look at the topography, and I'm saying this generally, that report has not been produced yet, but if you look at it generally, the water flows south and back, and there is a tremendous amount of territory back on the Butte to disburse, even if the entire storage system had all of its water, which is unlikely, at any given moment, even if it had all of its water out there.

MS. NICHOLES: Thank you.

MR. BORGQUIST: But that information is going to be made publically available.

MS. NICHOLES: I'm going to subscribe to your website.

MR. TUST: I was going to suggest that. I just want to add to the notion of transferring. I guess what you're saying is if a company comes in and if there's a transfer of a license. They would still have abide by the conditions of the original license, so...

MS. NICHOLES: Well, we know that people are supposed to, but there's been pipelines built, there's been bridges that have fallen, you know, I mean, facilities get old and sometimes owners don't take the care of them the way that they should.

DR. HILL: It would still be under our inspection program; we would still have oversight. We have ongoing oversight.

MS. NICHOLES: But your budget may be cut. Look what they're doing to the chicken inspectors these days, you know, they're saying oh, we don't have the money to inspect the chickens the way they're supposed to be inspected, we're going to let the lines go faster, we're going to let the companies inspect them themselves, and the political

landscape can change.

So when we're planning, we have to plan not just if we, the careful people, are taking care it, but also to try to have a little bit of a fudge factor in there and think about what could happen if it was mismanaged and mishandled.

And look what happened in Japan with those reactors. You know, that's not because the original people did sloppy work.

DR. HILL: I understand, and I certainly appreciate your concern. I will let you know that we are -- well, we are funded through appropriations from Congress.

MS. NICHOLES: Um-hum.

DR. HILL: The money comes into Congress -- the money comes in from annual charges from the licensees, so we're actually kind of at a zero budget kind of folks, we actually charge -- it's a really great thing. They go through our process and we regulate them and we charge them for us to regulate them.

MS. NICHOLES: So they --

DR. HILL: So money comes in from the people that we regulate.

MS. NICHOLES: Well, it --

DR. HILL: Now, it does have to be re-appropriated.

MS. NICHOLES: Yeah.

DR. HILL: But I would imagine that there would be quite a public outcry if we didn't have budget for the money that they get charged.

MS. NICHOLES: They were just considering taking money from the post office's profits that are supposed to be put into the post office to cover another shortfall. So, you know, again, politics can change things, and we don't always have full control in perpetuity.

MR. TUST: Thank you.

Any additional comments before we move on? Yes, sir.

MR. BERG: I'm Russ Berg, I'm a neighbor here. In the winter is there going to be enough turbulence to keep this thawed out or from freezing up? What's the scenario on like last March when we were 30 below at 20-mile-an-hour winds? Is it going to be able to function at that time or...

MR. BORGQUIST: Yes.

MR. BERG: -- will it -- it has enough turbulence to keep it thawed out?

MR. BORGQUIST: I don't want you to get

the idea that it's like a toilet when it's going back and forth. But it's possible, while it's moving one direction or another, it's possible to move 10 feet in an hour in terms of its level. So, no, the water is going to be under constant pressure and under constant movement. So I'm sure there could be some ice around the edges that form, but no, it wouldn't -- it's not going to affect the ability to operate the project.

MR. TUST: Okay. With that, I think we'll move on to page 11 of the scoping document which deals with cumulative effects. And after cumulative effects, we'll start getting into the more site-specific resource issues, and we can go through this one by one and give you all a chance to comment on those.

So with that, I'll turn it to our terrestrial biologist, Dianne Rodman, to handle this.

MS. RODMAN: Cumulative effects are basically the idea that this project, or a project, not necessarily this one, could be the straw that breaks the camel's back for some resource. And so we look at the potential of the proposal to have a cumulative effect on any of the resources that the project involves.

In this case, we've come up with terrestrial resources as something that could add to other actions in the area to affect vegetation and wildlife. And the reasons for this is that we do have the wind farm in the vicinity of the upper reservoir, and we do have agriculture in the vicinity of the lower reservoir.

The construction itself of just the reservoirs alone will result in the loss of a great deal of vegetation. So that is one of the reasons for identifying that as a cumulative effect. And we're looking at a time scale of 30 to 50 years into the future, based on the potential term for the original licenses that we issue. And geographic scope of the analysis would consider lower Cottonwood Creek watershed.

Now, I'd like to know if anybody knows of any other kind of -- well, of any actions in the proposed project area that would affect terrestrial resources. Anybody building any casinos or subdivisions out there? No?

We're doing our analysis from 2,000 miles away, so we really do need the help of the people who know the area and have their ears to the ground. Or for that matter, since I've explained what cumulative

effects are, are there other resources that you think that this project would add that last little bit, something that was initially innocuous, all of a sudden with this project is just intolerable?

MR. MCCOLLOM: I've got a question. Rick McCollom.

MS. RODMAN: Yes?

MR. MCCOLLOM: I was just reading this. That's going to be a 25-foot shaft go all the way in and go up.

MS. RODMAN: Yes.

MR. MCCOLLOM: When we drive that shaft, and I've been underground for going on 15 years, what's going to happen to our water supplies from Martinsdale to the three springs that we draw out of when you disturb the aquifer that's underneath the Butte?

Because I know what happens when you drive through aquifers. I worked at Stillwater Mine for ten years and off, and on other places for others. When you drive through an aquifer with that big of a hole, it's going to disturb those springs on the surface. We've actually had springs that go away down by Stillwater and on the East Boulder that aren't there anymore. What's going to happen to the

town's water supply from those springs?

MS. RODMAN: Okay, that's something to consider. I would like --

MR. MCCOLLOM: And the one goes right under that -- if I'm reading that map you got over there right, the one spring is where that shaft is going to go right under.

A VOICE: That's Brock Spring.

MR. MCCOLLOM: That's Brock Spring, yeah.

MS. RODMAN: Excuse me, Mr. McCollom, what springs?

MR. MCCOLLOM: It would be the one that's right above Brock Gould's house.

MS. RODMAN: Is there a name for it?

MR. MCCOLLOM: And then there's two on the east facing side of the Butte that supply Martinsdale.

MS. RODMAN: Okay. All right.

MR. MCCOLLOM: And when you make that big of a disturbance underground, a lot of times the springs will dry up on the surface.

MS. RODMAN: Thank you. All right. Okay, anything you folks would like to say about that?

MR. BORGQUIST: I think it's something

that we're going to have to consider as we get ready to prepare this. I don't think anybody is competent, at this point, to say what the effect might be of drilling that hole right now or not. So beyond that I guess I don't have much to say about it.

DR. HILL: So that's something we can add. We'll be going through resource by resource, but that's something that we can add as an analysis that we'd like to have in our environmental documents. So thank you for saying that.

Do you want to go on to the other resource issues?

MR. TUST: Yeah, sure.

We're starting now on page 12 with the individual resource issues. We'll kind of go one by one and give a pause to see if any of you need to or want to comment on any of these specific issues.

So we'll start with geologic and soil resources. Sean?

MR. O'NEILL: Sure. Sean O'Neill, FERC.

So in terms of geology and soils, we've identified possible effects of project construction, higher erosion and sedimentation, you know, disturbed soils which can lead to erosion. That can be an impact.

Obviously you've also raised the issue here of seismic activities in the area. That's another issue we're going to take a look at.

MR. TUST: So for aquatic resources, we've identified the effects of project construction operation on water quality of the project waters and Cottonwood Creek, the effects of the initial water fill and annual makeup fills of the reservoir, on other surface water uses in the basin, and effects of project construction operation on fisheries and aquatic habitat in the project waters in Cottonwood Creek.

And I imagine, based on your comment, the drilling close to this aquifer, into this aquifer, close to this aquifer, would be one that we would need to add to that. So we can definitely do that, or we'll consider that in our --

MS. MURPHY: You list effects, but you don't say what the effects are.

MS. RODMAN: We're not there yet, ma'am.

MS. MURPHY: This is their to-do list.

MS. RODMAN: We're preparing this analysis with not a great deal of information. I believe that GB Energy Park is going out and doing studies this summer. So we're going to need to see

that information and any other information we can get from you or from State and Federal agencies before we do our analysis.

DR. HILL: There are a lot of steps for public input that we have built in the process. And our coordinator here will go through all those different steps and opportunities to kind of amend, and when our analysis will be done. But we're really right at the beginning stages, and that's why -- normally they put an applicant for this kind of process that they're using, to develop an application. Normally we're not involved until after the application gets filed, and then we see what information we need after they have the whole application together.

They had asked us to come out early and to help scope some issues, to help draw out what the issues are so that they can look at that in their initial design.

So we're very early in the process. We're just trying to figure out what the issues are that you're aware of so that they can be looking at that. And this is preliminarily what we'll look at in our environmental document; there may be more issues as we get down the road, but we wanted to get

that on the paper now. And they asked for it to be done early so that they can look at that in the studies that they were needing to do to inform their application. But there are a lot of steps before any decision would be made on a project.

MS. MURPHY: Well, I'd certainly check about the town's water supply --

DR. HILL: Absolutely.

MS. MURPHY: -- as one of the highlights.

DR. HILL: Thank you.

MS. LAND: So my name is Karen Land. This is a little off the subject, but what's the timeline? I mean, I know that you could go through all these studies and everything, but if everything kind of is checked along, is this something that happens in one year, two years, or I mean, what's -- how --

MR. TUST: Yeah, we're going to get to that.

DR. HILL: We have a preliminary schedule.

MS. LAND: Okay, sorry. Sorry, I'll wait.

MR. TUST: We'll get there, don't worry. Thank you, ma'am.

So anything else with aquatic resources that we should consider at this point? Again, with the understanding --

MS. MURPHY: What happens with the fisheries?

MR. TUST: Well, if you'd like to comment specifically about the fisheries? We're proposing to evaluate the effects of the project construction and the project operations on fisheries.

MS. MURPHY: Okay.

MR. TUST: So any additional information, specific information that you would like to us to consider in that? Yes, ma'am.

MS. NICHOLES: Again, I'm K.G.H. Nicholes. You're talking about aquatic, so I do have some questions here. Are these reservoirs going to be fenced to keep wildlife from drinking out of them?

MR. BORGQUIST: Yes.

MS. NICHOLES: If wildlife do drink from them, is it just plain water, or are you going to put antifreeze in it, or is it going to be adulterated in any way?

MR. BORGQUIST: Just plain water.

MS. NICHOLES: Just plain water.

MR. BORGQUIST: And it will be fenced.

MS. NICHOLES: And it will be fenced. So this won't be an opportunity for wildlife to get a resource that they need, this is something kind of separate from the --

MR. BORGQUIST: Yes.

MS. NICHOLES: -- wildlife habitat?

MR. BORGQUIST: Yes.

MS. NICHOLES: Okay.

MR. TUST: Any other comments?

Okay, Dianne, do you want to move on to terrestrial resources?

MS. RODMAN: This is, at this moment, kind of general. And if anyone would like to help me focus in on these bullets here, I would appreciate it.

First of all, the effects of the project construction and operation on vegetation. As I said earlier, just building the project you'll have structures that replace a lot of vegetation that's there now. Then the effect of project construction and operation of the spread of invasive species, because over that three-year construction period you're going to have a lot of construction vehicles, you're going to have a lot of possibility of weed seeds getting into the project area, you're

disturbing soil, so we're going to be looking at the possibility of that possible spread. And if the applicant may come in with FERC proposals for how they're going to minimize that problem.

Then the effect of upland, riparian, and wetlands habitat loss on wildlife. That's including mule deer, and the federal candidate species Sprague's pipit and greater sage-grouse.

And then the effects of the transmission line on raptors, waterfowl, other migratory birds, and other wildlife. And that would include both electrocution and possibly collisions; if it's a foggy morning and the birds don't see the transmission line, they could possibly hit it.

Do you know of anything else that you can think of in the plant or wildlife area? Yes?

MR. TOLIVAISA: Peter Tolivaisa, Cottonwood Cabins LLC, 2262 State Highway 294. On top of Gordon Butte there are like a lot of rattlesnakes, and the diversion from Cottonwood Creek to kind of like where the pool would be is a natural barrier. Since it's an open channel, snakes don't cross it. And I've never seen a rattlesnake on my place, and my parents always said that's because of the canal; they don't cross it.

Now, with this project, is that canal supposed to be piped now, so there will be no natural barrier for them to cross and get down into my property?

MR. BORGQUIST: The plan is to pipe the open ditch now.

MR. TOLIVAISA: Okay.

MR. BORGQUIST: I'm not aware --

MR. TOLIVAISA: So the natural barrier will be eliminated.

MR. BORGQUIST: I'm not aware, Mr. Tolivaisa, if a canal is a natural barrier for a rattlesnake or not. I don't know anything about that.

Pam, do you have any information on that?

MS. SPINELLI: Well, I don't know any evidence if that is a barrier, but --

MR. TOLIVAISA: Deterrent.

MS. SPINELLI: Rattlesnakes can swim.

A VOICE: They swim like hell.

MS. SPINELLI: I think so. I think it's pretty speculative.

MS. RODMAN: Anything else? Okay.

I'm also doing threatened and endangered species, which for this specific site is very -- as

far as we know, the only species that could be affected is the proposed species wolverine; which we were up there this afternoon, and I'm looking around going wolverine?

MR. MCCOLLOM: We've seen them right here at the lake in the last year.

MS. RODMAN: Really?

MR. MCCOLLOM: You see them all the time in the Crazys.

MS. RODMAN: Okay. All right.

MR. MCCOLLOM: And what about the swift fox?

A VOICE: They're not from around here.

MR. MCCOLLOM: Oh, yes, they are. There was one caught last year on the Hutterites by a trapper and they released them.

MS. RODMAN: Okay, I'll check on that, because our agency will have to check all the boxes for endangered species. And if there is a situation which this proposed action may affect endangered species, there are specific procedures we have to go through. So swift fox and wolverine have been spotted both in the Crazys?

MR. MCCOLLOM: Yeah, we used to have an open trapping season on them here.

MS. RODMAN: Okay. All right, great. Thank you. It shows what I know.

MR. MCCOLLOM: You can go up into Cottonwood Creek and watch them play in the rock piles in the afternoons when they're out after the mice and the rodents.

MS. RODMAN: Wow. Spectacular. It looks like I've got a little more on the wolverines than I thought I did. And I will check on the swift fox.

All right, is that it for the terrestrial resources?

DR. HILL: Are there any other resources, terrestrial or anything, or any other species that are important that we need to ask the applicant to evaluate?

MS. RODMAN: You all know the critters around here far better than anyone from out of town, so...

MS. LAND: I have one more question. It's kind of backing up a little bit, but when you say the transmission lines, the effects on birds and stuff, where is the transmission line at? Or maybe I just need to look.

MS. RODMAN: Well, actually --

MR. BORGQUIST: (Indicating.)

MS. LAND: Because I was looking at that --

DR. HILL: We can get a depiction of that.

MS. LAND: Is there just one transmission line?

MR. BORGQUIST: Yes, it's coming out and then crossing over Cottonwood Road in the back.

MS. LAND: Okay, so is that the main one -- which -- which?

MR. BORGQUIST: That's the one and only one.

MS. LAND: Okay. What was the name of it? Did you have a name for it?

MR. BORGQUIST: No, there's no name for it.

MS. LAND: Okay.

MR. BORGQUIST: Oh, that's this one.

MS. MURPHY: She wants to know Colstrip.

MS. LAND: Okay, that was -- yeah, okay. So that's a different line. Okay, I just wanted to clarify that.

MS. NICHOLES: The Colstrip line. The power is not feeding the local community's grid, it's going in to these high tension -- the big towers.

MR. BORGQUIST: Well, they're all connected. Once an electron gets on, you don't know where it goes.

MS. NICHOLES: Well, the further away from the source that we use it, the more loss there is in between. That's one reason why it's nice to see the wind towers, because locally generated power that comes to the little substation across the road, is coming to our communities very efficiently with very little loss. So, you know, just as a general thing.

It's interesting that this project has nothing to do with the local power except as it's part of a larger grid.

MR. BORGQUIST: Yes.

DR. HILL: Also, I'd like to point out that on page 8, we do have a diagram of the project that you could look at now. Of course you've got these great pictures, but they're not that close to you at the moment, and there's a dotted line going down from the lower reservoir parallel with the Cottonwood Creek Road --

MS. NICHOLES: Um hum.

DR. HILL: -- and ending at the interconnected substation. And although it's not

shown on this figure, what we were told this afternoon was that that substation would be more or less underneath the Colstrip line.

MS. MURPHY: How much of this project is federally subsidized?

MS. RODMAN: I don't think any of it is.

MR. BORGQUIST: None, none at the moment.

MR. TUST: I just want to remind people to state their names so that we can keep track.

I know Denise is doing a great job, but she can't keep track of everyone here. So if you could please keep stating your name before commenting, that would be helpful. Thank you.

MR. TOLIVAISA: Peter Tolivaisa, Cottonwood Cabins, 2262 State Highway 294. The canal is from the diversion of Cottonwood Creek. From the diversion point over is currently open, correct? It's an open channel. With this project, that canal will now be closed and in a pipe. How are the animals supposed to drink water? You just took it away from them and put it in a pipe.

MS. RODMAN: That is a good question, and that's one that we all can look at. So yeah, that's --

DR. HILL: That's part of the evaluation

that would be done of what other sources of water would be available, what would be remaining, what are the species that would utilize that. So, yes, that's part of an analysis that we would expect to see in an application and evaluation, and something we would also be putting in our NEPA doc.

MR. TOLIVAISA: Thank you, ma'am.

MS. RODMAN: That's a very typical question for the source information.

MR. TUST: All right. Well, our recreation specialist normally would handle recreational and land use, cultural and aesthetic resources, but she could not make it today, Suzanne Novak, so I'll be going through them. If there's questions specific to this that we cannot answer, we will certainly do our best, and if we need to, we'll come back and get back in touch with you with an answer from Suzanne.

But for recreation and land use, we identify the effects of project construction, operation, and maintenance on recreation resources in the project vicinity. And the effects on land use activities in the project vicinity, including, as we identified, irrigation, agricultural production, grazing and private residential use.

Are there any additional land use activities occurring that you can tell us about that could be affected, or any additional specific recreational resources you would like us to go to more in-depth? Feel free to let us know. Okay.

For cultural resources, we identify the effects of construction and operation of the proposed project on historic, archeological, and traditional resources that may be eligible for inclusion in the National Register of Historic Places.

Any -- yes.

MS. MURPHY: Have you had that surveyed?

MR. TUST: Carl? Part of the applicant's proposed studies are to get to --

MR. BORGQUIST: Are you --

MS. MURPHY: Have the archeological assets been surveyed?

MR. BORGQUIST: We're in the process of doing that right now.

MS. MURPHY: Okay, thank you.

MR. TUST: Any additional information on that you can provide us at this time?

MR. BORGQUIST: No. I mean, we're not finished, so...

MR. TUST: Right, I was just putting it

open.

MR. BORGQUIST: Yeah.

MR. TUST: Okay, so we'll move on to aesthetics site resources. We identify the effects of the construction and project operation on aesthetics, including views in the project vicinity, how the landscape is going to be affected; we also identify the effects of noise from project construction, operation and maintenance.

Any additional effects that we should consider under aesthetics at this time? Peter?

MR. TOLIVAISA: Peter Tolivaisa. Lower reservoir on that drawing over there, Gordon Butte Pumped, right there, will that, the right side of the lower reservoir, be visible from the road like it's hidden over on that picture?

MR. BORGQUIST: Just for all of you, this is a -- we had an expert come in to essentially create this visual of what the lower reservoir will look like when you're standing right in front of it. This will be a better visual representation of what this is going to look like than that cutaway.

So essentially, this fill, this saddle right here; this saddle right here (indicating), so the visual is here looking at the lower reservoir.

Did I answer your question?

MR. TOLIVAISA: Yes, sir.

MS. LAND: One more question. Karen Land. And then is the fencing out of view as well? I was just curious with the fencing around. I guess I see that the dam is hidden, but I didn't know if the --

MR. BORGQUIST: I'm going to have to punt that one Rhett. I don't know if they put the fencing in below grade there.

MR. HURLESS: Rhett Hurless with Absaroka Energy.

The fencing will follow the top, and this location will follow the top of the reservoir.

MS. LAND: Um hum.

MR. HURLESS: And so if you look really close, you can see little gray lines, which are the rails along that fencing.

MS. LAND: And so that's the scale, so that's...

MR. HURLESS: Correct, that's the scale.

MS. LAND: Okay, thank you.

MR. BORGQUIST: I don't have my glasses on, so I can't see it.

MS. LAND: I can't see it either, but...

MR. TUST: Any other comments? So we'll move on.

Socioeconomics. The effects of the project on local economy of Meagher County, Montana.

And I know that Carl had gone into what they project in terms of what the project will bring in terms of jobs, but any effects that you think that we should be addressing in our environmental document, please let us know.

MR. TOWNSEND: I can see -- come up with a tax revenue.

MR. TUST: Yes, sir, I'm sorry, I couldn't hear.

MR. TOWNSEND: Tax revenue.

MR. TUST: Can you identify yourself, please sir.

MR. TOWNSEND: My name is Herb Townsend, I'm county commissioner.

MR. TUST: Okay. Tax revenue?

MR. BORGQUIST: Yeah, I have to look at the study plan, but I would assume -- we've already, sir, I think, talked about those estimates, but I feel certain they're also in our study plan additionally as well. And I don't know if Steve Laufenberg is here. There he is.

MR. LAUFENBERG: I believe they are. That's going to be part of the whole compliment of analyses.

MR. TOWNSEND: Yeah.

MR. LAUFENBERG: This is Steve Laufenberg, Cobb Crest LLC.

MR. TUST: Anybody else?

Sean, do you just to want finish up with air quality?

MR. O'NEILL: Sure. We also identified the possibility of project construction activities and air quality in the area. It's a potential for the use of a lot of large construction equipment which could produce some emissions, and whether that could have an effect on the local air quality is something we'd like to hear if you think it's an issue or if it's a non issue?

MR. MCCOLLOM: Rick McCollom. How is the shaft going to be driven?

MR. BORGQUIST: We're not certain yet, sir, probably a tunnel boring machine.

MR. MCCOLLOM: You're not going to be able to do the down shaft with a TBM.

MR. BORGQUIST: Well, let me --

MR. LAUFENBERG: Most likely --

MR. BORGQUIST: -- let Kevin Schneider from Barnard --

MR. MCCOLLOM: So where are you going to house all these people that they're going to bring in to do a TBM and a raised board?

MR. SCHNEIDER: They'll live anywhere from Townsend to Bozeman to Livingston, Big Timber, Billings if they choose. They can find a place by White Sulfur, Harlowton.

MR. MCCOLLOM: That's not just an overnight mining job. When we did the overnight in Stillwater, that was so long, it took us over a year just to drive the horizontal shaft, and way over a year to drive the vertical shaft that's going to be in there.

MR. SCHNEIDER: Yes, it this should be the same.

MR. TUST: Yes, sir?

MR. HURWITZ: I'm Ben Hurwitz, County Commissioner here in Meagher County. And all I'm hearing tonight are just the saddest, negative things.

Here you have a company that wants to spend a billion dollars in our little county and create 300 jobs while construction is taking place,

25 jobs after construction, and I get the feeling it's very negative here, and I'm just shocked actually. I would think that our starved out county that lost its logging industry in the '60s would be grateful to have a thing like this come along.

Yes, there's -- you're going to do all those things. You're going to look at the issues and whatnot, but I hope you don't feel like that -- this sounds like an inquisition to me. And I think it's fantastic that anybody would even consider doing this. And this is not -- this is a tried and true project done many places around the world. You're not inventing the wheel. And it's pretty great when you have a battery like this that's going to firm all these windmills that are a problem for our power industry. This is a great idea.

And there are some glitches and, you know, we're going to have to find a place for 300 workers to live. Well, that will be a nice problem to have. So anyway, I just --

MR. BORGQUIST: I'm grateful for the comment, sir. Thank you, I appreciate it.

MR. HURWITZ: I just want to thank you for even trying to do this.

MR. BORGQUIST: I appreciate that very

much.

MR. TUST: Any additional comments at this time?

MR. TOLIVAISA: Concerning the water that you have to fit to the historical tenants. What priority date will Absaroka Energy be using for its water usage?

MR. BORGQUIST: Well, it's going to be a new permit and --

MR. TOLIVAISA: Really?

MR. BORGQUIST: -- that means the priority date would be a new priority date. You don't want to give up your old priority date, Mr. Tolivaisa, do you?

MR. TOLIVAISA: On a general abstract by the state of Montana, my priority date is August 1st, 1884. And --

MR. BORGQUIST: Yeah, we're not going to have that priority date.

MR. TOLIVAISA: -- the flow rate, you know, and I am down creek from this project, so...

MR. BORGQUIST: As I've mentioned to you before, we're going to have to fit in to a well trodden system, and our plan is to create and fill the lower reservoir without creating an impact to

anybody. Again, we're just fortunate that we're not growing anything, so we can take water when it's convenient in the system for us to take water and others don't need it. And you all know there are some times in the year when there's too much water and the water causes some destruction. So we want to be a good neighbor and take it then, and, again, try to facilitate the operation of what we think is a very clean, very efficient project for the county.

MR. TOLIVAISA: I have a copy of my water right here. How can I get it in to the record or if anyone would like to look at it right now or after the meeting, I have a copy of it.

DR. HILL: You can give it to our transcriber, we can put it in the record or you can file it as you wish.

MR. TOLIVAISA: Thank you, ma'am.

MR. TUST: Okay. If there is no additional comments right now, we can move on to page 14 section 5.0, Proposed Studies. As I said, under the traditional licensing process, the applicant usually will work with the stakeholders to develop their study plans and carry out their studies before we get involved. But being as we are doing early scoping, we provided here a summary of the current

studies being proposed.

So we can kind of go through them one by one. You can provide comments as you wish to help the applicant see what other issues may need to be addressed; but here are the current studies that are being proposed.

So we'll start with geology and soils.

MR. O'NEILL: Sean O'Neill, FERC. So currently GB Energy Park proposes to conduct an analysis on geology and soils to identify potential geologic hazards or soil instability.

MR. TUST: Any comments on that?

For Aquatic Resources, the applicant proposes to characterize benthic macroinvertebrate communities and aquatic habitat and source waters and identify the potential project effects on the aquatic resources in the project area. And Cottonwood Creek, I guess, would be included in that, but -- in the study, correct? In the area of Cottonwood Creek?

MR. BORGQUIST: No.

MR. TUST: No.

MR. BORGQUIST: Our studies are behind --

MR. TUST: Right, I wanted to have you --

MR. BORGQUIST: Yeah, can I -- I neglected to do something when I was describing the

project. As Mr. Tolivaisa alluded to, our plan is to have the landowner install a fish screen behind his diversion to keep fish out of the canal, and we would like to pipe this because that's a more efficient use of the water and we think it will add water to the system. So we're going to pipe the water, but there will be a fish screen in between that, and that's where our project really starts.

We're not going to put another diversion into Cottonwood Creek. So we have a work with the 71 Ranch in order to be able to accomplish the lower fill. So the studies, though the landowner and Fish, Wildlife & Parks are going to be doing studies on fish counts in Cottonwood Creek. We will be doing studies behind the fish screen as identified in the document.

MR. TUST: Any comments on that?

MS. RODMAN: Terrestrial resources. We have one vegetation study and one wildlife study.

The vegetation is to identify the types, abundance, and distribution of wetlands and riparian habitat and other plant communities within the project boundary, including along the proposed transmission line right-of-way; and to quantify the potential project effects on vegetation.

The wildlife they proposed to identify use by raptors, waterfowl and other wildlife by season, habitat type; evaluate the species' presence and habitat quality for federal candidate species and birds protected under the Bald and Golden Eagle Protection Act and the Migratory Bird Treaty Act, and, again, to quantify the potential project effects on wildlife resources.

I would also add that GB Energy Park has filed a somewhat longer discussion of their proposed studies with the Commission, and that's available on our internet site. So if you would like to know a little more than the information that we summarize here, you can go to the internet and find what they told us.

For threatened and endangered species, they don't propose to do any studies at this time.

So does anybody have any comments about that? Do you think that these terrestrial resources or threatened and endangered species proposals are academic?

(Conferring.)

MS. RODMAN: Oh, yeah.

Well, do we need wolverine studies, or actually if they are identifying use by raptors,

waterfowl and other wildlife, if they're going out there looking for wildlife in general, they may run across the wolverines.

MR. MCCOLLOM: I think your studies on the wolverines have already been done by Fish, Wildlife & Parks.

MS. RODMAN: Okay. All right.

MR. MCCOLLOM: At least I'd check into it anyway. That's why they closed our trapping season for it.

MS. RODMAN: Okay.

DR. HILL: That kind of information is really helpful to us. If you have sources of information that we might not know of, it's very helpful if you can let us know, and we can contact them and have it. Thank you.

MS. RODMAN: Right, yeah. They had a biologist this morning, but unfortunately he was a fish biologist, which didn't help me much.

MR. MCCOLLOM: I believe the guy's name is TJ. He's out of Great Falls. He's also our wolf biologist for this area.

MS. RODMAN: Thank you very much, I'll be getting on the computer as soon as I can.

That is part of the scoping, is finding

out from people what information may be sitting on somebody's file cabinet that we have no idea about. We try to hit the internet fairly heavily, but sometimes you miss things. So pointing out things like that is a huge help to us.

DR. HILL: And to the applicant, they'll be putting together a lot of information that will form the basis of our NEPA document.

MR. MCCOLLOM: I have one more question. What's the effect of this going to be on the elk population on Gordon Butte --

MS. RODMAN: That's something --

MR. MCCOLLOM: -- and the mule deer that we have there?

MS. RODMAN: Yeah, that is an issue that -- well, especially mule deer. We had listed that in the terrestrial resources issues. So that is something that we're going to be looking at.

MR. MCCOLLOM: And the moose that have just showed up in the last few years on this side of the mountains?

MS. RODMAN: Has the State been studying that?

MR. MCCOLLOM: Actually we have a season for them, finally, on this side.

MS. RODMAN: Oh, okay.

MR. MCCOLLOM: And it was just given to us two years ago. Now they have declined the tags because of the decline of the moose population in the Crazys already.

MS. RODMAN: Really?

MR. TOLIVAISA: Cottonwood Cabins, Peter Tolivaisa. I've had several moose on my property in the past couple of years, one bull, two cows and a couple little ones. I do believe that they were harvested by the outfitter for the 71, so maybe he might be able to give you some information. They were on my property hanging out in the creek bed, so thank you.

MS. RODMAN: You said the outfitter for the 71?

MR. TOLIVAISA: Yes, ma'am.

MS. RODMAN: 71 has an outfitter? I didn't know that.

A MCCOLLOM: Yeah, they have two of them.

MS. RODMAN: Two, okay.

A MCCOLLOM: Or they did have two. I think they're down to just one now.

MS. RODMAN: Okay. So I know, Mr. Tolivaisa, you had mentioned the effects on hunting

this morning.

MR. TOLIVAISA: Yes, ma'am. I would like to say that the building called The Lodge in Martinsdale is where the outfitter for the 71 is headquartered, or one of them, I don't know where they're actually out of.

A MCCOLLOM: They're actually out of Winifred, Montana -- Winter, Montana.

MS. RODMAN: Thank you. This is very good information.

MR. TUST: Any additional comments for the proposed studies for Terrestrial Resources or Threatened and Endangered Species?

Okay. So for Recreation and Land Use, the applicant proposes to identify recreation and land use resources and needs in the project area and evaluate the effects of the project on those resources.

Any comments on that?

For Cultural Resources, they proposed to conduct a Class III, which from my understanding from this morning is an on-the-ground survey type cultural resource and inventory of the Area of Potential Effect in the project area and a traditional cultural properties study to locate and document all cultural

resources and traditional cultural properties and determine their eligibility for inclusion in the Natural Register of Historic Places.

Any comments on that?

Okay. For Aesthetic Resources. They propose to quantify and qualify the existing visual quality of the project area and analyze potential visual effects of constructing and operating the project.

For Socioeconomics, they proposed to evaluate the effects of the project construction and operation on the local and regional economy and on local social conditions, goods and services.

And air quality?

MR. O'NEILL: And GB Energy Park at this point does not propose any studies on air quality.

MR. TUST: Any comments on the air quality or anything we should be aware of?

MS. LAND: Karen Land. I guess as to the air quality, I mean, I live like the first house when you come into town, so is the air quality from doing all the digging or from the construction vehicles and everything, I mean, if there's no -- I mean there's just going to be no sort of guidelines for that, or how does that work when construction of this size is

happening? Is that monitored in any way or is it just kind of a free-for-all?

MR. BORGQUIST: Can I take that, please?

MS. LAND: Because I've never been around it. So it's just a question.

MR. BORGQUIST: Do you have the dust permit; is that correct?

MR. SCHNEIDER: Yes.

MR. BORGQUIST: Yes, that's through the State. And I'm going to let Kevin Schneider from Barnard, who's, again, been through this.

MR. SCHNEIDER: We'll be required to get dust permits, air quality permits for the concrete plants. Equipment will be required to meet certain federal standards that are in place now.

The fact that they're not studying -- it is a separate issue than what we'll have to do and is already in place.

MS. LAND: Okay.

MR. SCHNEIDER: And we will follow all of those guidelines.

MR. BORGQUIST: Yeah, that's actually a good point. These are things we're going to study and provide information on, but he's right, that's all. They have a bunch of guidelines they have to

follow.

MS. LAND: Okay.

MR. TUST: Any additional comments on the proposed studies? Yes?

MS. NICHOLES: Can you give me any idea of how loud the pumps will be once it's in operation?

MR. BORGQUIST: You're not going to hear these. Even standing in front of the -- if you're in the power station, you'll hear the equipment in the power station, but if you walk outside --

MS. NICHOLES: But from the road you wouldn't?

MR. BORGQUIST: If you walk outside the door, you won't hear it.

MS. NICHOLES: Excellent.

DR. HILL: So it seems what you're saying is you would like to see an evaluation of the noise?

MS. NICHOLES: It already says you're going to evaluate the noise. I just wondered from my own thinking about it, you know, are people in Martinsdale going to be hearing a heartbeat? Do you know what I mean?

DR. HILL: Yeah, we have said we would like to evaluate noise in our study -- in our NEPA documents, but the applicant has not proposed to do

any studies on that to evaluate it. So it seems like you're indicating that you would like to see an evaluation submitted in their application of that.

MS. NICHOLES: Well, if somebody has experience with a similar setup, maybe they could say.

MS. LAND: I wouldn't know that I'm not going to hear it.

MS. NICHOLES: Yeah, it would be nice to have it on record that they don't expect it to be really noisy. That would be nice.

MR. TUST: Okay, thank you. Yes?

MR. VOLDSETH: Gary Voldseth, land owner.

I was wondering if any thought has been given to the transmission line and where you tie in to the big line in order to handle more power for, say, like the Hutterites build a site over there, or is it just going to be a size to handle what you're doing here?

MR. TUST: Carl?

MR. BORGQUIST: Yeah, that's a good question. It's a little of both. We're obviously not going to want to build more than is necessary just to interconnect the project. On the other hand, having the substation there, it's going to be an

asset and it's going to allow -- if there are other projects that make sense, they could be plugged in to that substation, so...

MR. VOLDSETH: It's set it up so the substation can be expanded?

MR. BORGQUIST: Yeah, they can expand it. I mean, we're going to do just what we have to do to get interconnected, but the fact is we have to cut the line there and that's a big expense.

MR. VOLDSETH: Okay.

MR. BORGQUIST: So once it's done, that's a cost that's already been covered.

MR. TUST: Additional comments on the studies?

MR. VOLDSETH: Thank you, folks.

DR. HILL: Thank you very much.

MR. TUST: So on page 16 we have some of the information that we're looking for moving forward even beyond the scoping meetings here today.

It doesn't end today. So we're continually trying to find out more information as the applicant forms their license application and as we move forward with evaluating the action and forming our environmental assessment.

So, again, some of the information that

we're still looking for from you as we move forward here, anything that you can provide to us that will help us with the geographic temporal scope of our analysis, both site-specific and the cumulative effects that you've heard today, any additional environmental studies that you come across that we should be made aware of relevant to the project, any existing information to help us characterize past and present actions that have occurred. You obviously have a lot more historical knowledge than we could ever imagine on our end, so any of that knowledge would be useful for us to evaluate the project as it stands in terms of our environmental baseline for starting with the baseline and evaluating the effects of the project when added to the baseline.

Any information on any Federal, State or local resource plans or project proposals you hear about that we haven't evaluated that you would like us to evaluate and consider, please submit those. Any documentation that would help us, again, contribute to our cumulative, adverse or beneficial effects of the resources we've talked about today. And, again, any resources that you think that should be excluded from our environmental document.

I'll kind of go to page 18 just to touch

on some of the areas where you all will be able to provide input.

So first with this scoping document, we're asking for comments to be submitted by July 25th. They can be submitted online or in paper form. The information on how to submit those comments is provided on page 22 -- oh, wait, that's the mailing list, never mind. It's provided on page 17. So go back a page.

On page 17, if you go online, you can submit your comments. All filings must clearly identify the Gordon Butte Pumped Storage project, but again, the project number is P-13642 on our eLibrary system or eComments. And you can file them electronically, or at the end of the first paragraph there you have the address to send any written comments if you prefer to mail them to us.

Now, if we go to page 18 for our EA preparation schedule. Again, we start with the scoping meeting that we had today. We had again asked for comments by July 25th. As we go through the comments, if there are major issues that we need to address and include in our scoping document, if we feel the need to, we'll issue a Scoping Doc 2. Basically that's an informational document to show

you how we address the comments at this stage.

And then once the license application is filed, which we're expecting that to be filed September of 2015, we'll be evaluating that application for adequacy. And if everything is up to snuff and we have all the information we need to do our environmental analysis, we'll issue a Ready for Environmental Analyses Notice, an REA, and you'll be able to provide comments at that time.

Once we issue our draft EA, we'll also have a comment period then for you to review the draft EA and provide comments on our analysis and see how we did.

DR. HILL: Preliminary recommendations.

MR. TUST: Right, and preliminary recommendations for any conditions and environmental measures that are proposed that you think, you know, we'll just provide comments on what's proposed at that time.

And once we receive the comments on the draft EA, those will be due about two months after our draft EA is issued, that will also be filed online, on our eLibrary system, in case you're wondering. So we'll issue our Final EA, right now, January 2017.

Again, these target dates may change. For instance, when the application is filed, if we have any additional information requests that go out or we have information that we need from the applicant to perform our analysis, it may adjust these dates. But this is how it stands now.

And I open the floor for any comments on the schedule or any questions about how to comment or provide input at this time before we open the floor to anybody to provide any oral comments at the meeting here. Okay?

All right. Well, at this point --

(Conferring.)

MR. TUST: Oh, okay, yeah, great. Well, I'll just also touch page 19 and 20. We have our proposed EA outline, so you'll see how we proposed to structure our EA at this time.

And then on page 21 for comprehensive plans, the Section 10(a)(2) of the Federal Power Act requires FERC to consider the extent to which a project is consistent with any federal or state comprehensive plans, they're filed with the Commission, for improving, developing or conserving the waterways.

So we have a master list of comprehensive

plans that have been filed for the State of Montana. That master list is available on line, and feel free to go on line. There's a link there for instructions on how to get to the -- well, that's for filing a plan, but we do have our master plan online, so feel free to review that.

This is a preliminary list, a subset of the master list for the plans filed for the State of Montana that we identify that could be relevant to this project. And under section 10(a)(2), we have to make sure that the project is consistent with these plans.

So any plans that you feel we didn't include that we should be looking at, please let us know. And any plans that you don't find on the list or on the master list that you think should be added, there's a process for having them filed, and that link is there at the top at the end of the first paragraph on page 21.

And, again, before we get to the oral comments, I just want to reiterate, the mailing list starting on page 22, if you'd like to be added, there's information there on how to get yourself added to the mailing list if you feel you want to. And also if you are on the mailing list and you don't

want to be receiving all this and want to have yourself taken off the mailing list, that can also be done. So there's information there for you to have that done.

So at this time we'll have folks come up that wanted to give oral comments. Starting with Dan Lloyd of the Governor's Office of Economic Development.

MR. LLOYD: Thank you. Dan Lloyd, I'm in the Governor's Office of Economic Development. And my boss, John Rodgers, couldn't be here today, so I'm going to read a letter on his behalf.

"I'm writing this letter in support of the Gordon Butte Pumped Storage Hydro Project currently in the licensing process undertaken by Montana-based Absaroka Energy through its single purpose subsidiary, GB Energy Park LLC. I understand that the Commission has agreed to early scoping under the National Environmental Policy Act review for the project and I support FERC in this decision.

"The Governor's Office of Economic Development and other State of Montana agencies have worked closely with Absaroka Energy to facilitate the responsibile development of this project. It is clear that Absaroka Energy began consulting with the

relevant state and federal resource agencies early and has maintained an open dialogue throughout the development process. In the course of these discussions, they have built solid relationships with staff identifying potential issues and concerns, consulting on study plans and defining the scope of the NEPA review.

"Some of the nation's best sources of renewable energy are available in Montana, yet the full potential of these resources has yet to be realized. As we continue to expand this important industry, I believe that building a modern, fast-acting pumped storage hydro facility will help integrate renewable energy resources into the regional transmission grid, catalyze the development of new generation projects, and preserve and optimize our existing transmission infrastructure.

"If approved and developed, the Project would result in hundreds of construction jobs as well as numerous high wage permanent positions and generate sustainable tax revenue. The project would inject economic life into rural Montana and provide further economic development opportunities around the state.

"The State of Montana is committed to

properly permitting, monitoring and reviewing the project to ensure that it complies with all federal and state laws and protects Montana's natural, cultural and economic resources. If my office may assist the Commission in any way please let me know.

"Sincerely, John Rodgers."

Thank you.

DR. HILL: Thank you.

MR. TUST: Thanks. So we'll go next to Brian Spangler of the DEQ renewable program.

MR. SPANGLER: I'm Brian Spangler with the Department of Environmental Quality in Helena. I manage the renewable energy program at the DEQ at the State Energy office.

We are not part of the regulatory part, but I can tell you I believe in strong partnerships, and I work very hard to build those relationships with air programs to water programs and remediation programs. And I also have a business background and build strong partnerships outside the DEQ with companies to move renewables for in the State of Montana.

So I'm just up here to reinforce the letter of from the Governor's Economic Development Office that we support this project, and I know that

our director of the DEQ did talk with the Department of Natural Resources and the Fish, Wildlife & Parks, and did submit a letter to FERC also. So thanks.

DR. HILL: Thank you very much.

MR. TUST: Eric Love?

MR. LOVE: Hi, my name is Eric Love. I live in Bozeman, and I work for the nature preserve there as the global director of conservation transactions. But today I'm here to represent myself and my family.

And I've been following this project from its inception and will follow it closely. I strongly believe that we, as a society, are at a crossroads and that our economy is based on fossil fuels, and this is simply not sustainable. So as our global population increases, so will our energy needs, and projects like this are going to help solve that problem.

I think that pumped storage is a very much proven and cost effective technology. It's used elsewhere around the world, and I think it's been slow to catch on in the United States; and I think that this is a great example of where it could work.

As I thought about it last night in preparation, I looked up that one gigawatt hour of

power per year is enough for a thousand homes. And if this project produced -- my understanding from the scoping document, an estimated 1,300 gigawatt hours annually, that's enough to power 1.3 million homes.

So I'm here personally. I've never testified at a hearing like this before in my life, but as someone who works on behalf of the environment, I just wanted to comment and throw my support for this project. Thank you.

MR. TUST: Thank you. Kathy Burg?

A VOICE: She left.

A VOICE: She's gone.

MR. TUST: And I'm assuming Russell left as well, Russell Burg?

A VOICE: He left also.

MR. TUST: We have some people that mentioned they may want to talk, but we'll certainly give you the opportunity. So Dick Indreland?

MR. INDRELAND: I think I already made my comment. I was really interested to find out if all the science that you'd used, especially for the impact statement and the environmental assessment would be open for anyone that would like to read through that, and I think that's the best way to do it.

But I also wondered as far as ownership, is this going to be purely an American company or is there a foreign investment involved in this?

MR. BORGQUIST: It's an American company.

MR. TUST: Yes.

MR. BORGQUIST: Yeah, it's an American company.

MR. INDRELAND: 100 percent?

MR. BORGQUIST: It's Montana investors.

MR. INDRELAND: One of the reasons I ask that question is so many times you find out we either have middle eastern investment, we have English, there's nothing wrong with that, but it's nice to know.

MR. BORGQUIST: It's American, Montana.

MR. INDRELAND: It's 100 percent American? That's a fact.

MR. BORGQUIST: Montana. 100 percent, yes.

MR. INDRELAND: Thank you.

MR. TUST: And K.G.H.?

MS. NICHOLES: That's me. I've asked most of my questions. I'd like to speak with you after the meeting for just a minute.

MR. BORGQUIST: Sure.

DR. HILL: It would be great if we could get anything that you have to say on the record, the public record.

MS. NICHOLES: Okay.

DR. HILL: Just because we like have it available to the applicant and others as well, unless you're telling us the site of some archeological resource which, by the way --

MS. NICHOLES: Well, no, it's not archeological. I've lived in this area now almost 25 years, and when I first moved here there were lots of song birds and there were lots of tiger salamanders. People told me that there were tiger salamanders all over. And I love critters, and I put up birdhouses and I've gotten -- I've had salamanders for pets that people have given me.

And I've noticed as the flood irrigation has given way to pivots, there have been fewer and fewer tiger salamanders around. And now we're losing our songbirds. There's lots of magpies, but the songbirds aren't coming to my feeder anymore. So I'm a little concerned that the ecological balance is already shifting.

Also at one point they sprayed herbicide along the old railroad track and they missed and they

got our scrub and killed a bunch of willow and like all the frogs. And suddenly you couldn't hear the frogs in the summer anymore. They're starting to come back, but I am concerned about if they cover up that irrigation canal, that that may be one of the -- since it is one of the open irrigation ditches, it may be one of the last area habitats.

But I don't know -- you know, I'm not -- that's not an area that I walk on, and I don't know who could tell you whether they see salamanders there, but that is a concern of mine.

A VOICE: Speak up for the salamanders.

MS. NICHOLES: There we go.

MS. RODMAN: All right.

DR. HILL: Thank you. We really appreciate you putting that on the record.

By the way, I did want to mention, we said that we have things -- I'm going to speak up a little more because --

MS. RODMAN: Mother nature is here.

DR. HILL: -- I've got this competition. But most of the information is on the public record, but things like the location of archeological sites, the location of particular -- the exact location of endangered species, those kinds of things, we have a

restricted service list that we prepare and only the kind of need-to-know people get access to that. So certain kinds of information we do keep out of the public record and we just have it on a need-to-know basis, but almost everything is enclosed.

MR. TUST: Jason Phillips? Mark Haneynoose(ph)?

MR. HANEYNOOSE: Not at this time.

MR. TUST: Eric Love?

DR. HILL: We did Eric's.

MR. TUST: Oh, we did Eric.

DR. HILL: He spoke. And I think that was it. Was there anybody else who signed in that I missed? Yes?

MR. TOLIVAISA: May I address the panel? This is a copy of my water right. Peter Tolivaisa, Cottonwood Cabins LLC.

How does the priority date on my water rights impair with the guidelines?

MR. BORGQUIST: I have no idea.

MR. TOLIVAISA: There is a large pond of water right here. Well, may I use this? Please excuse me. Right here is my property, I believe; is that correct? And --

MR. BORGQUIST: I think you would know

more than I would.

MR. TOLIVAISA: So my property here is kind of off this. And this diversion line concerns me greatly. What I was thinking, what about doing some sort of pond right here so the water is able to flow completely through Cottonwood Creek down the Musselshell, and this lower reservoir would be fed off of Musselshell. And also since the Musselshell goes all the way to Martinsdale Reservoir, wouldn't that be an alternate to put water in to this, because what is the linear foot that's going to be piped as a diversion or elimination of Cottonwood Creek and how much is going to be piped?

MR. BORGQUIST: Yeah. We're lucky, again my opinion, you might have a disagreement with me about that, but we're lucky and fortunate in the fact that the project particulars that create the most feasible project also create the project with the least amount of impact. So this arrangement not only is the most feasible from a construction, aesthetic, and cost perspective, but it's also the arrangement that creates the least amount of an impact in its totality. That's why we have -- this is the most efficient design and efficient arrangement. That's why we've selected it and proposed this as the

original.

MR. TOLIVAISA: I just think it would be more beneficial to the environment not to close the canal from Cottonwood Creek to the lower reservoir, because there are games that are there. And considering that Cottonwood Creek runs down here, and also 3,000 feet, I don't know how long this pipe diversion is going to be, but that's a lot shorter than I do believe this diversion point. So that is my suggestion. Thank you very much.

MR. BORGQUIST: Thank you.

MR. TUST: Any other folks have comments they want to bring forward at this point? I just want to note before we close that a copy of the transcript of this meeting will be available on our website in about two weeks. If you prefer to have the transcript earlier than that, you can speak with Denise following the meeting and she can arrange that with you, provided that you know that it would be a per page charge for that early delivery of that transcript. But again, it's going to be available on our eLibrary system in about two weeks.

Yes.

MR. TOLIVAISA: Peter Tolivaisa. How long will it be before the transcript is on Absaroka

Energy's website; do you happen to know?

MR. BORGQUIST: Sometime after FERC makes it available. I can't give you a precise date.

MR. TOLIVAISA: So a month?

MR. BORGQUIST: We have to get it and update our website, so I think in terms of getting the transcript as fast as possible, probably the FERC website is the one I'd go to first.

MR. TUST: And if you need more information on getting to that website, we can provide that. It's FERC.gov, documents and filings, eLibrary and put in the project code P-13642. And again, if you eSubscribe, once we file the transcript, you'll be notified if you prefer to have that right away.

MR. TOLIVAISA: Thank you, sir.

MR. TUST: Yes.

MR. MCCOLLOM: I have one last question.

Has the Department of State Lands chimed in on this, being as you guys are going to border right up against the Department of State Land on the north side of that lower reservoir?

MR. BORGQUIST: No.

MR. MCCOLLOM: Didn't even know that state land would border on the north side of that

reservoir?

MR. BORGQUIST: We know where the state land is. It's not going to be on any state land.

MR. TUST: Anybody else? All right.

Well, thank you all for attending the meeting. We really appreciate the input, and feel free to comment moving forward here as we go.

So I'll close the meeting. Thank you very much.

(The meeting was adjourned at 8:00 p.m.)

UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

SCOPING MEETING

GORDON BUTTE PUMPED STORAGE HYDRO PROJECT

GB ENERGY PARK LLC PROJECT NO. 13642-001

Martinsdale Community Center
110 Main Street
Martinsdale, Montana 59053

Wednesday, June 25, 2014
6:00 p.m. (MDT)

PRESENT FOR THE FEDERAL ENERGY REGULATORY COMMISSION:

Jennifer Hill - Chief, Northwest Branch Division, Hydropower Licensing

Michael Tust - Fish Biologist/License Coordination

Dianne Rodman - Terrestrial Biologist

Sean O'Neill - Project Engineer

Cleo Deschamps - Attorney-Advisor

PRESENT FOR ABSAROKA ENERGY LLC:

Carl E. Borgquist - President & CEO

Rhett Hurless - Senior Vice President, Techinical/Engineering Development

PROCEEDINGS:

MR. TUST: Welcome, everybody. Thanks for coming out.

This is the public scoping meeting for the proposed pumped storage project, obviously located right up there up on Gordon Butte.

So we're here today to do scoping for an environmental assessment for the project. As FERC, Federal Energy Regulatory Commission, we're required to evaluate the proposal and produce an environmental document to look at the effects of licensing the project, and evaluate alternatives and receive input from you all, the public, and get your opinions and comments on what the issues are that we should be addressing in our document.

So I haven't introduced myself yet, I'm Mike Tust, I'm a fish biologist with the Federal Energy Regulatory Commission, or FERC. And in addition to addressing the aquatics and fish issues for the project, I'll be coordinating the licensing. And with me I have the other team members on the licensing staff. When you first walked in is Dianne Rodman, she's the terrestrial biologist, she'll be handling all the terrestrial resource issues as well as the vegetation issues and certainly the threatened

and endangered species issues for the project.

To my left, we have Jen Hill, who is the chief of the Northwest Branch Division of Hydropower Licensing, Sean O'Neill, who is the engineer for the project. He'll be handling geologic and soil resource issues, air quality issues, and reviewing the plans and exhibits to the project. And then to the far left, we have our attorney, Cleo Deschamps. And then over here -- to the other left I guess I would say, it's kind of late, we've been up all day just going around the sites of this -- we have Denise Nowak who is our court reporter. She'll be recording the conversations and discussions today. It will be officially part of the record.

So during this, we're eager to hear from you and eager to get your opinions and comments on the project of what you think we should be evaluating in our environmental document. So there are plenty of ways for you to contribute. One is obviously to contribute to the discussion tonight. If you don't wish to speak up in person, you can submit written comments. There's a registration form that we ask you to fill out.

If you haven't signed in, I believe you all have, but we would appreciate that you sign in

there and get a copy of the scoping doc so you can follow along with us tonight.

Another way to provide your comments is on line, we have an eLibrary, an eComment tool; it's on FERC.gov under documents and filings. There's an eComment tab where you can submit your comments online. ELibrary is our repository for all the documents that get filed with the project. The project number for that is P-13642. So if you go on eLibrary, you can go and check and see all the documents that have already been filed for the project so far, and any future filings will also be on there.

In terms of online, you can also eSubscribe to the project, that's also on that tab under FERC.gov, documents and filings; it's called eSubscribe. If you want to be alerted to any filings that come in rather than having to go on eLibrary to check, you can receive an e-mail notification that a new filing has come in. So it's another way for you to keep up with the project.

And finally, in the back of the scoping doc we have for you, there's a mailing list. This is the official mailing list for the project, starting on page 22. If you don't see your name here and you

wish to be on the official mailing list so you're given all the documents that come in, feel free to follow the procedure in the paragraphs there under 10.0 on page 22 to be able to add yourself to the mailing list. If you need help, there's a call number there, and they should be able to help you as well.

So like I said, we're here today to hear from you about the environmental issues that we should be evaluating in our environmental document. For those of you who don't know who FERC is or what we do, we're an independent regulatory agency, we regulate the interstate transmission of electricity, natural gas and oil, but we also review proposals to build natural gas pipeline, liquified natural gas terminals, and licensing hydropower projects, like the Gordon Butte Pumped Storage project here in Meagher County.

Within FERC, the hydro licensing is done out of the Office of Energy Projects. We're all based in Washington D.C. where the Office of Energy Projects' headquarters is. And within that, there are six regional branches, and all of us here on the licensing team are on the Northwest Branch.

The applicant has the option to submit an

application under three different licensing processes that we oversee. They've chosen the traditional licensing process. And the major difference between the traditional licensing process and what our default one is, that most projects come in under the default process would be, is really where our involvement is in the project in the process.

So for our default, which is called the integrated, we would be involved a lot in the pre-filing stage, meaning before they actually submit a license application for us. So the applicant would consult the agencies and the public and have their public meeting, issue their preliminary application documentation, which they did on April 29th, 2013, they had an environmental site visit and a public meeting in August of 2013, and they're receiving comments back from the agencies and other stakeholders in the formulation of their study plans, and the issues that they need to find out more information through their studies.

Now, normally we wouldn't be involved at this stage, but the applicant has asked us to do early scoping, so that's why we're here today. We agreed to do early scoping to try to flush out the issues a little more and to better iron out the

issues that we need to address.

So with that, I'll turn it to Carl and his team to give a brief presentation on the project for you and where it stands today.

So Carl?

MR. BORGQUIST: Thank you. Thank you, all for being here. Some of you I know, I'd like to meet those of you that I don't. My name is Carl Borgquist, I'm from Bozeman, Montana. My company, Absaroka Energy, is the developer of this project. We have a single purpose entity called GB Energy Park LLC that is the single purpose entity to prosecute the development of the project, so if you hear that name, GB Energy Park, that's really this particular development.

I've got some folks here that work with me, and I want to introduce them to you so you can ask questions of me or them as you wish. My XO is Rhett Hurless, project manager; a graduate of MSU in engineering, and kind of the head of our project development team. Eli Bailey is back in the back corner, he's our assistant project manager. And Paul Baucus, some of you know, does business development for Absaroka Energy. We're all based in Bozeman working on the project.

In addition, we have here a number of experts that have been helping us. We're not biologists and cultural experts, so we've engaged some experts to help us gather the information and do the study work, and I want to introduce them to you.

First, the gentleman sitting to my left, Marty Weber, is from Stanley Consultants. Stanley is an engineering firm out of the midwest. Stanley is our owner's engineer, and if you have any engineering questions, he is the gentleman to ask. Steve Padula is with McMillan. McMillan, and Steve in particular, is assisting us with the FERC licensing process. It's the federal government, and it's quite complicated sometimes to navigate, so he helps us navigate those waters. Pam Spinelli, raises your hand a little higher. There she is. She is a wildlife biologist with Garcia & Associates, and is helping us conduct the wildlife studies and surveys. Leanne Roulson is with Hydro Solutions. Hydro Solutions is helping us with our fishery issues and water issues. Steve Laufenberg is with Cobb Crest, and Kevin Schneider, up here in front, is with Barnard Construction. Barnard is a very large EPC contractor that has a lot of experience in dam construction and hydro facilities. And it is our

intention for them eventually to be the EPC contractor and build this project; another Montana company.

I want to take a minute to describe to you what the heck it is that we're trying to do here. We've got some images that we've blown up here that I hope you come up after the presentation to take a look at. Hopefully a picture is worth a thousand words, and I'm going to call attention to them right now.

Over here on my right we've got this Google Earth view where we have mocked up the upper and lower reservoir. Obviously you're all from around here, you know those reservoirs don't exist right now, but this is a representation of the two reservoirs. These are about 4,000-acre feet, about 80 acres, various depths, and they're connected by an underground penstock of about 18 feet in diameter. I'm calling your attention now to a cutaway up on the other side of the room where you can see a representation of the upper reservoir, connected by that penstock, to the lower reservoir.

The power station for this facility will be in the ground. A little bit of the top roof may be above ground, but most of this, going down about

160 feet, will be in the ground. And in the ground will be a stack not unlike the cutaway you see across the room there, with a turbine on the top, a motor generator and a pump, all on a single shaft. Again, all buried in the ground. Four of these units will be in there at 100 megawatts in a short circuit arrangement, and I'll explain what short circuit means in a moment.

The connection to the grid, obviously this power station needs to be connected to the grid, will come out to Cottonwood Road, and then out to the Colstrip 500 KB line south of the project. This will all be on 71 Ranch property, the entire route out to the Colstrip line.

You all probably know this: The Colstrip line is owned and controlled by five very large utilities that do business in the northwest. So when we interconnect them with the Colstrip line, there's the opportunity, and I think eventually this will be the business case and the reality for the station, is that this will be a grid tool used by utilities to keep their systems reliable. I'll explain what that means in a little more detail in just a minute.

Again, a closed loop system. So these things don't exist, these reservoirs, they'll be dug

in and constructed with earthen berm and roller compacted concrete and then aligned. We will fill the lower reservoir, and then be moving water back and forth every moment of the day as the grid or the user of the facility needs to either take electrons off the system, and pump, store energy, or release electrons and generate energy.

This kind of equipment that you see in the cutaway is in wide use in other parts of the world. We've built pumped storage in the United States, but we don't have this modern equipment in those pumped storage facilities. And as we put more renewables, and just for generation on the grid, there have been more demands to keep the grid healthy and have something to act as a shock absorber and/or a battery. And this is kind of the business case for the facility.

So I'll give you a real world example from Montana, just to illustrate what I'm talking about. We all know that our utility, Northwestern Energy, is considering buying dams from PP&L. These dams are run of the river. So what that means is at night they keep running; they keep producing electricity because they need to feed water to the fish below the dam.

So what do we do with the energy at night? Well, obviously we're not turning the lights on and using that energy, so we need someplace for it to go. A facility like this could pump during the night, and then allow that energy to come back out during the day when the demand is there and prices are higher.

The system also, because of its ability to pump and generate at the same time, can act as a shock absorber. Again, I think you all probably know this, because we're in wind country, these wind generators, though they spin all the time, they're not necessarily producing energy, and the energy they do produce ramps up and down in terms of how it affects the grid very quickly. And it's very difficult for the utilities to control their system when they're constantly having to try to figure out how to replace that energy that's coming on or off the grid, what do they do with it and how they manage it. So a facility like this can act as a shock absorber and quickly take electrons, pump water up, or release electrons and create the energy to keep the system balanced.

We also know that our system, our transmission, all of this is an issue. We want to

try to get the most out of it that we can. A tool like this would allow us essentially to store energy for short periods of time, keep the transmission system fully utilized. That's a benefit for rate payers and for -- well, it's a benefit for the utilities that we hope will translate to a benefit for rate payers from the utilities using the system.

The project, give or take, is about a billion dollar project all in, though if you look -- this is a mock-up of what you would see from Highway 294 -- directly in front of the project right in this area, it will be difficult when you drive by to even understand that all of this equipment is back there. You won't see it. You won't know it's back there unless you know it's back there.

But it's a huge amount of tax revenue and jobs, about 300 to 350 construction jobs, and once the facility is built, it takes about three years to build it, another six months to get it into operation; after that, about 20 to 24 jobs are expected, and the Montana Department of Commerce estimates those jobs will average $87,500 in terms of a competitive wage. So there's economic opportunity, I think, that will obviously come from the facility being installed and in operation.

MR. MCCOLLOM: Are they going to give local residents a first come/first serve on those jobs?

MR. BORGQUIST: I can't say, because I'll probably be gone at that point, honestly. But my intention is that this be a Montana project and we use Montana workers first. We're a Montana company. And of course from the operator's perspective, if the workforce is there with the appropriate skills, then that's a win for everybody.

MR. TUST: Just to chime in here. So for anybody that wants to comment, just to get it on the record, if you could just please identify your name, and for the first time maybe spell it so she can get it on the record.

MR. MCCOLLOM: I'm Rick McCullough.

MR. TUST: Thank you.

MR. BORGQUIST: Okay, great, thank you. Michael has already gone through kind of the process that we've been through getting to this point, so with that, I'll turn it back to you.

MR. TUST: I just want to mention at this point that the applicants are operating under an existing preliminary permit. So this does not authorize construction at this time, but it does

maintain priority of the application for the site while they study the site and prepare to file their license application with us. So we're at a stage where we need to hear from you to find out what kinds of issues we need to start evaluating and that we would need to evaluate to determine the licensing decision for this project.

So I kind of went over some of the purposes of the scoping, but just to reiterate, we're inviting you here to identify the environmental socioeconomic issues associated with this project; determine their significance. We've identified certain issues that we think are important at this point, but we are eager to hear from you to see what you think. And, again, feel free to offer at any time as we go through this.

In addition to that, we want you to help us try to identify how we can better perform a cumulative effects analysis for the project and the project area in the vicinity, identify any reasonable alternatives you may have to the project, or any alternatives to any of the environmental measures that they're currently proposing. And if there's issues that we raise that you don't think are important and we shouldn't address, then feel free to

tell us that as well.

So with that, I'll kind of transfer to the scoping doc itself. If you go to page 6, if you're following along, under the National Environmental Policy Act, which is NEPA, it requires us, FERC, to at a minimum, evaluate the applicant's proposed action, as Carl described, a no action alternative, meaning at this point license denial, or other alternatives to the project that are appropriate that we should be evaluating in our environmental assessment.

So if any of you have input on certain reasonable alternatives that we should be addressing, feel free to tell us now, or feel free to comment later during the different ways I told you how to comment, either online or through the mail.

So on page 9 we have -- I won't go through the description of the project and project operations, I believe Carl did that for us there, so we'll kind of move to page 9, proposed environmental measures for the project. Now this is obviously not an exhaustive list here. We're at the early stages of the applicant's proposal. We don't have a licensed application yet, so we don't have a ton of the environmental measures that are eventually going

to be proposed, but we do have a few here that we have identified from their preliminary application document. I won't go through them in-depth, because again, these are very early stages in the process and I think it's more important for us to look at the issues themselves.

Yes, sir.

MR. INDRELAND: I'm Dick Indreland, I'm just local here. But as soon as you get into the environmental measures, the one thing that I was wondering is if all the science that you use in making the evaluations will be available or up front so that people can look at that and see the basis that you've used to make a determination one way or the other.

MR. TUST: Sure. Yeah, so the applicant has proposed certain studies to be done. They have study plans already filed with the Commission that you can review. Once those studies are complete, those results will be filed on our system so they will be publically accessible. And as we write our environmental assessment, any of the analysis that we do will be based on their studies, based on the literature, based on the public material that we will reference in our documents. So you'll see exactly

where we base our decision. We'll have a list of references at the end so you can see exactly where we base our decisions for any of the issues that we discuss.

Anybody else at this point?

MS. MURPHY: Deb Murphy, Bair Ranch. I am concerned about recent geologic episodes at Yellowstone that you can feel here recently, and how secure is that dam going to be in case of a catastrophe? And what are you going to do if it fails?

MR. TUST: Well, we'll certainly -- if that's an issue that we need to look at, we'll certainly include that here and we'll start evaluating it. So thank you for the comment.

But if Carl has any additional information to address there.

MR. BORGQUIST: Yeah. Ma'am, I'm going to let the engineer chime in, because this is much more of his lexicon. These roller compacted dams, roller compacted on top and then earthen berm at the bottom. This is a unique scenario for us with this facility because we can either pump water to the upper reservoir or release it, in particular very quickly, we can release it down from the upper down

to the lower. And again, we don't have both filled. We fill one, and then the water moves back and forth. So that does a couple of things. It gives us the opportunity, if there's a problem, to move the water out of the way quickly. It also gives us the opportunity to inspect and repair and have a good maintenance program that's very convenient and easy, where we're not impacting the water supply or a fishery or anything like that. If we want to empty one of the reservoirs and take a look any time, we can do that.

Marty will talk about the kind of review process we have to go through at FERC in terms of having our engineering reviewed, and that will also include reports and studies we have to prepare and make available about these kinds of issues and what effect there would be if there was such an event.

Another fortunate part of this, again, on the upper reservoir, we can evacuate the water to the lower very quickly. The lower reservoir really evacuates, if there's a problem, into the Musselshell River. And we again have the ability to move the water back and forth, which is a --

MS. MURPHY: The Musselshell River is quite a concern.

MR. BORGQUIST: I'm going to ask Marty to talk a little bit about the kind of safety measures and review process we have to have as part of this process, and just to talk a little bit about these kind of dams and their safety record.

MR. WEBER: Okay, yeah. First of all, the design of the dams themselves will be designed by a qualified firm that will be part of the contractors' team. Those designs will be reviewed by my company, they'll be reviewed by FERC, and they're going to be reviewed by an independent board of consultants. The board of consultants are all 40 years' experience engineers that have seen a lot of this before. So the design will be reviewed quite a bit.

The design standards that will be used for the design, in the first place, are well established standards that have been used before, and they do take in to account any forces that are due to seismic activity, okay. And we'll figure out what the potential seismic event is for this area and it will be designed for it.

Once it's constructed, or actually during construction, there're quite a few levels of quality concerns that goes in the construction process itself

to make sure that the concrete is right, the soil is compacted and everything is built the way it was designed on paper. So there's a lot of quality assurance and quality control that goes into the construction process.

After it's built, there will be a series of different source of monitoring equipment that's on these embankments to determine ahead of time if there's a problem. There will be what's called inclinometers that tell if an embankment is starting to shift a little bit. The owner of the facility will know immediately and they can take action.

There will be ways to measure the water that's seeping. We'll try to prevent seepage from these embankments; but you can't stop it, you can only control it, and there are ways to measure that. And if seepage is getting to be more than what's anticipated, then we drain the reservoir and take a look at it.

MS. MURPHY: Well, this is a liability issue for people down from the reservoir. If something happened, what's the liability issue?

MR. BORGQUIST: I think the liability is on the owner of the facility, right? So we will be testing, monitoring and building this, because we

don't want any dam failures because we'll be responsible for it if it does fail.

I think the other thing I wanted to have Marty speak to is this kind of construction had a very good track record; and if you would speak to that.

MR. WEBER: Yeah. The roller compacted concrete embankments are state of the industry for tall embankments of this sort, and as well are earthen embankments or rock-filled embankments. Again, they're a proven way of retaining water.

MS. MURPHY: Does this mean that the soil, and that a lot of that is fairly unstable?

MR. WEBER: Well --

MS. MURPHY: Or is it fairly stable? Tell me what you're building on, is it fairly stable or unstable?

MR. WEBER: The foundation material?

MS. MURPHY: Yes, sir.

MR. WEBER: Up on the top it's an extremely competent rock called shonkinite. Down below it's the Judith formation, which is not as hard as the rock on top, but it's still a very, very hard rock. So we're not building on soil, we're building on rocks.

MS. MURPHY: Okay, thank you.

MR. WEBER: Yeah, you're welcome.

DR. HILL: I just want to add to that that we have word from the environmental staff here for the most part and one attorney, but we also have a whole group that is just a dam safety group. And they would be involved with reviewing the application. They would be involved with asking questions that we need. And they would be involved with working with the board of consultants that would be looking at the project.

We also have, once projects are in, at very various times, depending upon how high hazard the dam is, in other words what potential there is for destruction or loss of life or something like that downstream; they would investigate, they would do inspections on frequency and in proportion to how much damage there possibly could be if something terrible happened.

There's also emergency action plans that are required, they have to do testing for that. So we have a whole program, that's quite a renowned program actually, for dam safety. And after they get the application, they would have to file things and then go through a whole process with them in addition

before they would have the construction done.

MS. MURPHY: Would this be water in Cottonwood Creek?

DR. HILL: I didn't hear.

MS. MURPHY: At any point in time, would this be water in Cottonwood Creek?

MR. BORGQUIST: No. I mean Cottonwood Creek does dewater, you know that, it does in August when there's calls for water and not enough water in Cottonwood Creek. But our proposal is to try to take water during the high runoff periods. We don't need to grow anything, and we need about 35 to 40 days over a three-year period to fill the lower reservoir.

We haven't formalized this, but our approach is to take runoff water at convenient times for the rest of the users in the system, and specifically not create impacts to the other users, as we will be the junior water right, which is another protection. But the intent is to be a good neighbor and take it when there's too much water in the system and nobody really needs it.

MR. TUST: All right, yes?

MS. NICHOLES: Hi, I'm K.G.H. Nicholes, and I live up the valley a little way here. I have two questions. I know there are significant

archeological sites in Castle Mountains, there are pictographs and things like that. Has anybody checked the proposed sites for significant archeological sites that might need to be addressed before work progresses?

The other thing is, you guys obviously know your stuff, you're well intentioned, and I love the idea of improving our electrical infrastructure, but I also know that sometimes when there's shortages of budgets or facilities pass from one company to another, and maybe the new people aren't quite as careful about oh, that inclinometer has given us trouble, oh, well, we'll check into it later. If worse came to worse and the upper reservoir failed and it was full, is there any possibility of a lot of water coming down into Martinsdale and hurting people? And, so, you know, I know you're doing a lot of things to make sure that that doesn't happen, but just with the lay of the land, is it a physical possibility?

MR. BORGQUIST: Can I answer that?

DR. HILL: Go ahead.

MR. BORGQUIST: First to the cultural, you'll see that that is a requirement, and we have that as part of the scope.

MS. NICHOLES: Wonderful.

MR. BORGQUIST: So they're going to review that section and at least give you the highlights. And you are free to go to the website and see the studies we've proposed; they're extensive.

MS. NICHOLES: Great. Great.

MR. BORGQUIST: Okay, that's the first thing. The second thing is part of the dam safety thing that we have to do. We'll have to make a report; we'll have to hire somebody to say if there was -- forget about the ability to evacuate it down, which we'll have the advantage of having that that other dams don't have, but we'll have to make a report that would say and identify what would happen if there was a failure up there.

And essentially, if you look at the topography, and I'm saying this generally, that report has not been produced yet, but if you look at it generally, the water flows south and back, and there is a tremendous amount of territory back on the Butte to disburse, even if the entire storage system had all of its water, which is unlikely, at any given moment, even if it had all of its water out there.

MS. NICHOLES: Thank you.

MR. BORGQUIST: But that information is going to be made publically available.

MS. NICHOLES: I'm going to subscribe to your website.

MR. TUST: I was going to suggest that. I just want to add to the notion of transferring. I guess what you're saying is if a company comes in and if there's a transfer of a license. They would still have abide by the conditions of the original license, so...

MS. NICHOLES: Well, we know that people are supposed to, but there's been pipelines built, there's been bridges that have fallen, you know, I mean, facilities get old and sometimes owners don't take the care of them the way that they should.

DR. HILL: It would still be under our inspection program; we would still have oversight. We have ongoing oversight.

MS. NICHOLES: But your budget may be cut. Look what they're doing to the chicken inspectors these days, you know, they're saying oh, we don't have the money to inspect the chickens the way they're supposed to be inspected, we're going to let the lines go faster, we're going to let the companies inspect them themselves, and the political

landscape can change.

So when we're planning, we have to plan not just if we, the careful people, are taking care it, but also to try to have a little bit of a fudge factor in there and think about what could happen if it was mismanaged and mishandled.

And look what happened in Japan with those reactors. You know, that's not because the original people did sloppy work.

DR. HILL: I understand, and I certainly appreciate your concern. I will let you know that we are -- well, we are funded through appropriations from Congress.

MS. NICHOLES: Um-hum.

DR. HILL: The money comes into Congress -- the money comes in from annual charges from the licensees, so we're actually kind of at a zero budget kind of folks, we actually charge -- it's a really great thing. They go through our process and we regulate them and we charge them for us to regulate them.

MS. NICHOLES: So they --

DR. HILL: So money comes in from the people that we regulate.

MS. NICHOLES: Well, it --

DR. HILL: Now, it does have to be re-appropriated.

MS. NICHOLES: Yeah.

DR. HILL: But I would imagine that there would be quite a public outcry if we didn't have budget for the money that they get charged.

MS. NICHOLES: They were just considering taking money from the post office's profits that are supposed to be put into the post office to cover another shortfall. So, you know, again, politics can change things, and we don't always have full control in perpetuity.

MR. TUST: Thank you.

Any additional comments before we move on? Yes, sir.

MR. BERG: I'm Russ Berg, I'm a neighbor here. In the winter is there going to be enough turbulence to keep this thawed out or from freezing up? What's the scenario on like last March when we were 30 below at 20-mile-an-hour winds? Is it going to be able to function at that time or...

MR. BORGQUIST: Yes.

MR. BERG: -- will it -- it has enough turbulence to keep it thawed out?

MR. BORGQUIST: I don't want you to get

the idea that it's like a toilet when it's going back and forth. But it's possible, while it's moving one direction or another, it's possible to move 10 feet in an hour in terms of its level. So, no, the water is going to be under constant pressure and under constant movement. So I'm sure there could be some ice around the edges that form, but no, it wouldn't -- it's not going to affect the ability to operate the project.

MR. TUST: Okay. With that, I think we'll move on to page 11 of the scoping document which deals with cumulative effects. And after cumulative effects, we'll start getting into the more site-specific resource issues, and we can go through this one by one and give you all a chance to comment on those.

So with that, I'll turn it to our terrestrial biologist, Dianne Rodman, to handle this.

MS. RODMAN: Cumulative effects are basically the idea that this project, or a project, not necessarily this one, could be the straw that breaks the camel's back for some resource. And so we look at the potential of the proposal to have a cumulative effect on any of the resources that the project involves.

In this case, we've come up with terrestrial resources as something that could add to other actions in the area to affect vegetation and wildlife. And the reasons for this is that we do have the wind farm in the vicinity of the upper reservoir, and we do have agriculture in the vicinity of the lower reservoir.

The construction itself of just the reservoirs alone will result in the loss of a great deal of vegetation. So that is one of the reasons for identifying that as a cumulative effect. And we're looking at a time scale of 30 to 50 years into the future, based on the potential term for the original licenses that we issue. And geographic scope of the analysis would consider lower Cottonwood Creek watershed.

Now, I'd like to know if anybody knows of any other kind of -- well, of any actions in the proposed project area that would affect terrestrial resources. Anybody building any casinos or subdivisions out there? No?

We're doing our analysis from 2,000 miles away, so we really do need the help of the people who know the area and have their ears to the ground. Or for that matter, since I've explained what cumulative

effects are, are there other resources that you think that this project would add that last little bit, something that was initially innocuous, all of a sudden with this project is just intolerable?

MR. MCCOLLOM: I've got a question. Rick McCollom.

MS. RODMAN: Yes?

MR. MCCOLLOM: I was just reading this. That's going to be a 25-foot shaft go all the way in and go up.

MS. RODMAN: Yes.

MR. MCCOLLOM: When we drive that shaft, and I've been underground for going on 15 years, what's going to happen to our water supplies from Martinsdale to the three springs that we draw out of when you disturb the aquifer that's underneath the Butte?

Because I know what happens when you drive through aquifers. I worked at Stillwater Mine for ten years and off, and on other places for others. When you drive through an aquifer with that big of a hole, it's going to disturb those springs on the surface. We've actually had springs that go away down by Stillwater and on the East Boulder that aren't there anymore. What's going to happen to the

town's water supply from those springs?

MS. RODMAN: Okay, that's something to consider. I would like --

MR. MCCOLLOM: And the one goes right under that -- if I'm reading that map you got over there right, the one spring is where that shaft is going to go right under.

A VOICE: That's Brock Spring.

MR. MCCOLLOM: That's Brock Spring, yeah.

MS. RODMAN: Excuse me, Mr. McCollom, what springs?

MR. MCCOLLOM: It would be the one that's right above Brock Gould's house.

MS. RODMAN: Is there a name for it?

MR. MCCOLLOM: And then there's two on the east facing side of the Butte that supply Martinsdale.

MS. RODMAN: Okay. All right.

MR. MCCOLLOM: And when you make that big of a disturbance underground, a lot of times the springs will dry up on the surface.

MS. RODMAN: Thank you. All right. Okay, anything you folks would like to say about that?

MR. BORGQUIST: I think it's something

that we're going to have to consider as we get ready to prepare this. I don't think anybody is competent, at this point, to say what the effect might be of drilling that hole right now or not. So beyond that I guess I don't have much to say about it.

DR. HILL: So that's something we can add. We'll be going through resource by resource, but that's something that we can add as an analysis that we'd like to have in our environmental documents. So thank you for saying that.

Do you want to go on to the other resource issues?

MR. TUST: Yeah, sure.

We're starting now on page 12 with the individual resource issues. We'll kind of go one by one and give a pause to see if any of you need to or want to comment on any of these specific issues.

So we'll start with geologic and soil resources. Sean?

MR. O'NEILL: Sure. Sean O'Neill, FERC.

So in terms of geology and soils, we've identified possible effects of project construction, higher erosion and sedimentation, you know, disturbed soils which can lead to erosion. That can be an impact.

Obviously you've also raised the issue here of seismic activities in the area. That's another issue we're going to take a look at.

MR. TUST: So for aquatic resources, we've identified the effects of project construction operation on water quality of the project waters and Cottonwood Creek, the effects of the initial water fill and annual makeup fills of the reservoir, on other surface water uses in the basin, and effects of project construction operation on fisheries and aquatic habitat in the project waters in Cottonwood Creek.

And I imagine, based on your comment, the drilling close to this aquifer, into this aquifer, close to this aquifer, would be one that we would need to add to that. So we can definitely do that, or we'll consider that in our --

MS. MURPHY: You list effects, but you don't say what the effects are.

MS. RODMAN: We're not there yet, ma'am.

MS. MURPHY: This is their to-do list.

MS. RODMAN: We're preparing this analysis with not a great deal of information. I believe that GB Energy Park is going out and doing studies this summer. So we're going to need to see

that information and any other information we can get from you or from State and Federal agencies before we do our analysis.

DR. HILL: There are a lot of steps for public input that we have built in the process. And our coordinator here will go through all those different steps and opportunities to kind of amend, and when our analysis will be done. But we're really right at the beginning stages, and that's why -- normally they put an applicant for this kind of process that they're using, to develop an application. Normally we're not involved until after the application gets filed, and then we see what information we need after they have the whole application together.

They had asked us to come out early and to help scope some issues, to help draw out what the issues are so that they can look at that in their initial design.

So we're very early in the process. We're just trying to figure out what the issues are that you're aware of so that they can be looking at that. And this is preliminarily what we'll look at in our environmental document; there may be more issues as we get down the road, but we wanted to get

that on the paper now. And they asked for it to be done early so that they can look at that in the studies that they were needing to do to inform their application. But there are a lot of steps before any decision would be made on a project.

MS. MURPHY: Well, I'd certainly check about the town's water supply --

DR. HILL: Absolutely.

MS. MURPHY: -- as one of the highlights.

DR. HILL: Thank you.

MS. LAND: So my name is Karen Land. This is a little off the subject, but what's the timeline? I mean, I know that you could go through all these studies and everything, but if everything kind of is checked along, is this something that happens in one year, two years, or I mean, what's -- how --

MR. TUST: Yeah, we're going to get to that.

DR. HILL: We have a preliminary schedule.

MS. LAND: Okay, sorry. Sorry, I'll wait.

MR. TUST: We'll get there, don't worry. Thank you, ma'am.

So anything else with aquatic resources that we should consider at this point? Again, with the understanding --

MS. MURPHY: What happens with the fisheries?

MR. TUST: Well, if you'd like to comment specifically about the fisheries? We're proposing to evaluate the effects of the project construction and the project operations on fisheries.

MS. MURPHY: Okay.

MR. TUST: So any additional information, specific information that you would like to us to consider in that? Yes, ma'am.

MS. NICHOLES: Again, I'm K.G.H. Nicholes. You're talking about aquatic, so I do have some questions here. Are these reservoirs going to be fenced to keep wildlife from drinking out of them?

MR. BORGQUIST: Yes.

MS. NICHOLES: If wildlife do drink from them, is it just plain water, or are you going to put antifreeze in it, or is it going to be adulterated in any way?

MR. BORGQUIST: Just plain water.

MS. NICHOLES: Just plain water.

MR. BORGQUIST: And it will be fenced.

MS. NICHOLES: And it will be fenced. So this won't be an opportunity for wildlife to get a resource that they need, this is something kind of separate from the --

MR. BORGQUIST: Yes.

MS. NICHOLES: -- wildlife habitat?

MR. BORGQUIST: Yes.

MS. NICHOLES: Okay.

MR. TUST: Any other comments?

Okay, Dianne, do you want to move on to terrestrial resources?

MS. RODMAN: This is, at this moment, kind of general. And if anyone would like to help me focus in on these bullets here, I would appreciate it.

First of all, the effects of the project construction and operation on vegetation. As I said earlier, just building the project you'll have structures that replace a lot of vegetation that's there now. Then the effect of project construction and operation of the spread of invasive species, because over that three-year construction period you're going to have a lot of construction vehicles, you're going to have a lot of possibility of weed seeds getting into the project area, you're

disturbing soil, so we're going to be looking at the possibility of that possible spread. And if the applicant may come in with FERC proposals for how they're going to minimize that problem.

Then the effect of upland, riparian, and wetlands habitat loss on wildlife. That's including mule deer, and the federal candidate species Sprague's pipit and greater sage-grouse.

And then the effects of the transmission line on raptors, waterfowl, other migratory birds, and other wildlife. And that would include both electrocution and possibly collisions; if it's a foggy morning and the birds don't see the transmission line, they could possibly hit it.

Do you know of anything else that you can think of in the plant or wildlife area? Yes?

MR. TOLIVAISA: Peter Tolivaisa, Cottonwood Cabins LLC, 2262 State Highway 294. On top of Gordon Butte there are like a lot of rattlesnakes, and the diversion from Cottonwood Creek to kind of like where the pool would be is a natural barrier. Since it's an open channel, snakes don't cross it. And I've never seen a rattlesnake on my place, and my parents always said that's because of the canal; they don't cross it.

Now, with this project, is that canal supposed to be piped now, so there will be no natural barrier for them to cross and get down into my property?

MR. BORGQUIST: The plan is to pipe the open ditch now.

MR. TOLIVAISA: Okay.

MR. BORGQUIST: I'm not aware --

MR. TOLIVAISA: So the natural barrier will be eliminated.

MR. BORGQUIST: I'm not aware, Mr. Tolivaisa, if a canal is a natural barrier for a rattlesnake or not. I don't know anything about that.

Pam, do you have any information on that?

MS. SPINELLI: Well, I don't know any evidence if that is a barrier, but --

MR. TOLIVAISA: Deterrent.

MS. SPINELLI: Rattlesnakes can swim.

A VOICE: They swim like hell.

MS. SPINELLI: I think so. I think it's pretty speculative.

MS. RODMAN: Anything else? Okay.

I'm also doing threatened and endangered species, which for this specific site is very -- as

far as we know, the only species that could be affected is the proposed species wolverine; which we were up there this afternoon, and I'm looking around going wolverine?

MR. MCCOLLOM: We've seen them right here at the lake in the last year.

MS. RODMAN: Really?

MR. MCCOLLOM: You see them all the time in the Crazys.

MS. RODMAN: Okay. All right.

MR. MCCOLLOM: And what about the swift fox?

A VOICE: They're not from around here.

MR. MCCOLLOM: Oh, yes, they are. There was one caught last year on the Hutterites by a trapper and they released them.

MS. RODMAN: Okay, I'll check on that, because our agency will have to check all the boxes for endangered species. And if there is a situation which this proposed action may affect endangered species, there are specific procedures we have to go through. So swift fox and wolverine have been spotted both in the Crazys?

MR. MCCOLLOM: Yeah, we used to have an open trapping season on them here.

MS. RODMAN: Okay. All right, great. Thank you. It shows what I know.

MR. MCCOLLOM: You can go up into Cottonwood Creek and watch them play in the rock piles in the afternoons when they're out after the mice and the rodents.

MS. RODMAN: Wow. Spectacular. It looks like I've got a little more on the wolverines than I thought I did. And I will check on the swift fox.

All right, is that it for the terrestrial resources?

DR. HILL: Are there any other resources, terrestrial or anything, or any other species that are important that we need to ask the applicant to evaluate?

MS. RODMAN: You all know the critters around here far better than anyone from out of town, so...

MS. LAND: I have one more question. It's kind of backing up a little bit, but when you say the transmission lines, the effects on birds and stuff, where is the transmission line at? Or maybe I just need to look.

MS. RODMAN: Well, actually --

MR. BORGQUIST: (Indicating.)

MS. LAND: Because I was looking at that --

DR. HILL: We can get a depiction of that.

MS. LAND: Is there just one transmission line?

MR. BORGQUIST: Yes, it's coming out and then crossing over Cottonwood Road in the back.

MS. LAND: Okay, so is that the main one -- which -- which?

MR. BORGQUIST: That's the one and only one.

MS. LAND: Okay. What was the name of it? Did you have a name for it?

MR. BORGQUIST: No, there's no name for it.

MS. LAND: Okay.

MR. BORGQUIST: Oh, that's this one.

MS. MURPHY: She wants to know Colstrip.

MS. LAND: Okay, that was -- yeah, okay. So that's a different line. Okay, I just wanted to clarify that.

MS. NICHOLES: The Colstrip line. The power is not feeding the local community's grid, it's going in to these high tension -- the big towers.

MR. BORGQUIST: Well, they're all connected. Once an electron gets on, you don't know where it goes.

MS. NICHOLES: Well, the further away from the source that we use it, the more loss there is in between. That's one reason why it's nice to see the wind towers, because locally generated power that comes to the little substation across the road, is coming to our communities very efficiently with very little loss. So, you know, just as a general thing.

It's interesting that this project has nothing to do with the local power except as it's part of a larger grid.

MR. BORGQUIST: Yes.

DR. HILL: Also, I'd like to point out that on page 8, we do have a diagram of the project that you could look at now. Of course you've got these great pictures, but they're not that close to you at the moment, and there's a dotted line going down from the lower reservoir parallel with the Cottonwood Creek Road --

MS. NICHOLES: Um hum.

DR. HILL: -- and ending at the interconnected substation. And although it's not

shown on this figure, what we were told this afternoon was that that substation would be more or less underneath the Colstrip line.

MS. MURPHY: How much of this project is federally subsidized?

MS. RODMAN: I don't think any of it is.

MR. BORGQUIST: None, none at the moment.

MR. TUST: I just want to remind people to state their names so that we can keep track.

I know Denise is doing a great job, but she can't keep track of everyone here. So if you could please keep stating your name before commenting, that would be helpful. Thank you.

MR. TOLIVAISA: Peter Tolivaisa, Cottonwood Cabins, 2262 State Highway 294. The canal is from the diversion of Cottonwood Creek. From the diversion point over is currently open, correct? It's an open channel. With this project, that canal will now be closed and in a pipe. How are the animals supposed to drink water? You just took it away from them and put it in a pipe.

MS. RODMAN: That is a good question, and that's one that we all can look at. So yeah, that's --

DR. HILL: That's part of the evaluation

that would be done of what other sources of water would be available, what would be remaining, what are the species that would utilize that. So, yes, that's part of an analysis that we would expect to see in an application and evaluation, and something we would also be putting in our NEPA doc.

MR. TOLIVAISA: Thank you, ma'am.

MS. RODMAN: That's a very typical question for the source information.

MR. TUST: All right. Well, our recreation specialist normally would handle recreational and land use, cultural and aesthetic resources, but she could not make it today, Suzanne Novak, so I'll be going through them. If there's questions specific to this that we cannot answer, we will certainly do our best, and if we need to, we'll come back and get back in touch with you with an answer from Suzanne.

But for recreation and land use, we identify the effects of project construction, operation, and maintenance on recreation resources in the project vicinity. And the effects on land use activities in the project vicinity, including, as we identified, irrigation, agricultural production, grazing and private residential use.

Are there any additional land use activities occurring that you can tell us about that could be affected, or any additional specific recreational resources you would like us to go to more in-depth? Feel free to let us know. Okay.

For cultural resources, we identify the effects of construction and operation of the proposed project on historic, archeological, and traditional resources that may be eligible for inclusion in the National Register of Historic Places.

Any -- yes.

MS. MURPHY: Have you had that surveyed?

MR. TUST: Carl? Part of the applicant's proposed studies are to get to --

MR. BORGQUIST: Are you --

MS. MURPHY: Have the archeological assets been surveyed?

MR. BORGQUIST: We're in the process of doing that right now.

MS. MURPHY: Okay, thank you.

MR. TUST: Any additional information on that you can provide us at this time?

MR. BORGQUIST: No. I mean, we're not finished, so...

MR. TUST: Right, I was just putting it

open.

MR. BORGQUIST: Yeah.

MR. TUST: Okay, so we'll move on to aesthetics site resources. We identify the effects of the construction and project operation on aesthetics, including views in the project vicinity, how the landscape is going to be affected; we also identify the effects of noise from project construction, operation and maintenance.

Any additional effects that we should consider under aesthetics at this time? Peter?

MR. TOLIVAISA: Peter Tolivaisa. Lower reservoir on that drawing over there, Gordon Butte Pumped, right there, will that, the right side of the lower reservoir, be visible from the road like it's hidden over on that picture?

MR. BORGQUIST: Just for all of you, this is a -- we had an expert come in to essentially create this visual of what the lower reservoir will look like when you're standing right in front of it. This will be a better visual representation of what this is going to look like than that cutaway.

So essentially, this fill, this saddle right here; this saddle right here (indicating), so the visual is here looking at the lower reservoir.

Did I answer your question?

MR. TOLIVAISA: Yes, sir.

MS. LAND: One more question. Karen Land. And then is the fencing out of view as well? I was just curious with the fencing around. I guess I see that the dam is hidden, but I didn't know if the --

MR. BORGQUIST: I'm going to have to punt that one Rhett. I don't know if they put the fencing in below grade there.

MR. HURLESS: Rhett Hurless with Absaroka Energy.

The fencing will follow the top, and this location will follow the top of the reservoir.

MS. LAND: Um hum.

MR. HURLESS: And so if you look really close, you can see little gray lines, which are the rails along that fencing.

MS. LAND: And so that's the scale, so that's...

MR. HURLESS: Correct, that's the scale.

MS. LAND: Okay, thank you.

MR. BORGQUIST: I don't have my glasses on, so I can't see it.

MS. LAND: I can't see it either, but...

MR. TUST: Any other comments? So we'll move on.

Socioeconomics. The effects of the project on local economy of Meagher County, Montana.

And I know that Carl had gone into what they project in terms of what the project will bring in terms of jobs, but any effects that you think that we should be addressing in our environmental document, please let us know.

MR. TOWNSEND: I can see -- come up with a tax revenue.

MR. TUST: Yes, sir, I'm sorry, I couldn't hear.

MR. TOWNSEND: Tax revenue.

MR. TUST: Can you identify yourself, please sir.

MR. TOWNSEND: My name is Herb Townsend, I'm county commissioner.

MR. TUST: Okay. Tax revenue?

MR. BORGQUIST: Yeah, I have to look at the study plan, but I would assume -- we've already, sir, I think, talked about those estimates, but I feel certain they're also in our study plan additionally as well. And I don't know if Steve Laufenberg is here. There he is.

MR. LAUFENBERG: I believe they are. That's going to be part of the whole compliment of analyses.

MR. TOWNSEND: Yeah.

MR. LAUFENBERG: This is Steve Laufenberg, Cobb Crest LLC.

MR. TUST: Anybody else?

Sean, do you just to want finish up with air quality?

MR. O'NEILL: Sure. We also identified the possibility of project construction activities and air quality in the area. It's a potential for the use of a lot of large construction equipment which could produce some emissions, and whether that could have an effect on the local air quality is something we'd like to hear if you think it's an issue or if it's a non issue?

MR. MCCOLLOM: Rick McCollom. How is the shaft going to be driven?

MR. BORGQUIST: We're not certain yet, sir, probably a tunnel boring machine.

MR. MCCOLLOM: You're not going to be able to do the down shaft with a TBM.

MR. BORGQUIST: Well, let me --

MR. LAUFENBERG: Most likely --

MR. BORGQUIST: -- let Kevin Schneider from Barnard --

MR. MCCOLLOM: So where are you going to house all these people that they're going to bring in to do a TBM and a raised board?

MR. SCHNEIDER: They'll live anywhere from Townsend to Bozeman to Livingston, Big Timber, Billings if they choose. They can find a place by White Sulfur, Harlowton.

MR. MCCOLLOM: That's not just an overnight mining job. When we did the overnight in Stillwater, that was so long, it took us over a year just to drive the horizontal shaft, and way over a year to drive the vertical shaft that's going to be in there.

MR. SCHNEIDER: Yes, it this should be the same.

MR. TUST: Yes, sir?

MR. HURWITZ: I'm Ben Hurwitz, County Commissioner here in Meagher County. And all I'm hearing tonight are just the saddest, negative things.

Here you have a company that wants to spend a billion dollars in our little county and create 300 jobs while construction is taking place,

25 jobs after construction, and I get the feeling it's very negative here, and I'm just shocked actually. I would think that our starved out county that lost its logging industry in the '60s would be grateful to have a thing like this come along.

Yes, there's -- you're going to do all those things. You're going to look at the issues and whatnot, but I hope you don't feel like that -- this sounds like an inquisition to me. And I think it's fantastic that anybody would even consider doing this. And this is not -- this is a tried and true project done many places around the world. You're not inventing the wheel. And it's pretty great when you have a battery like this that's going to firm all these windmills that are a problem for our power industry. This is a great idea.

And there are some glitches and, you know, we're going to have to find a place for 300 workers to live. Well, that will be a nice problem to have. So anyway, I just --

MR. BORGQUIST: I'm grateful for the comment, sir. Thank you, I appreciate it.

MR. HURWITZ: I just want to thank you for even trying to do this.

MR. BORGQUIST: I appreciate that very

much.

MR. TUST: Any additional comments at this time?

MR. TOLIVAISA: Concerning the water that you have to fit to the historical tenants. What priority date will Absaroka Energy be using for its water usage?

MR. BORGQUIST: Well, it's going to be a new permit and --

MR. TOLIVAISA: Really?

MR. BORGQUIST: -- that means the priority date would be a new priority date. You don't want to give up your old priority date, Mr. Tolivaisa, do you?

MR. TOLIVAISA: On a general abstract by the state of Montana, my priority date is August 1st, 1884. And --

MR. BORGQUIST: Yeah, we're not going to have that priority date.

MR. TOLIVAISA: -- the flow rate, you know, and I am down creek from this project, so...

MR. BORGQUIST: As I've mentioned to you before, we're going to have to fit in to a well trodden system, and our plan is to create and fill the lower reservoir without creating an impact to

anybody. Again, we're just fortunate that we're not growing anything, so we can take water when it's convenient in the system for us to take water and others don't need it. And you all know there are some times in the year when there's too much water and the water causes some destruction. So we want to be a good neighbor and take it then, and, again, try to facilitate the operation of what we think is a very clean, very efficient project for the county.

MR. TOLIVAISA: I have a copy of my water right here. How can I get it in to the record or if anyone would like to look at it right now or after the meeting, I have a copy of it.

DR. HILL: You can give it to our transcriber, we can put it in the record or you can file it as you wish.

MR. TOLIVAISA: Thank you, ma'am.

MR. TUST: Okay. If there is no additional comments right now, we can move on to page 14 section 5.0, Proposed Studies. As I said, under the traditional licensing process, the applicant usually will work with the stakeholders to develop their study plans and carry out their studies before we get involved. But being as we are doing early scoping, we provided here a summary of the current

studies being proposed.

So we can kind of go through them one by one. You can provide comments as you wish to help the applicant see what other issues may need to be addressed; but here are the current studies that are being proposed.

So we'll start with geology and soils.

MR. O'NEILL: Sean O'Neill, FERC. So currently GB Energy Park proposes to conduct an analysis on geology and soils to identify potential geologic hazards or soil instability.

MR. TUST: Any comments on that?

For Aquatic Resources, the applicant proposes to characterize benthic macroinvertebrate communities and aquatic habitat and source waters and identify the potential project effects on the aquatic resources in the project area. And Cottonwood Creek, I guess, would be included in that, but -- in the study, correct? In the area of Cottonwood Creek?

MR. BORGQUIST: No.

MR. TUST: No.

MR. BORGQUIST: Our studies are behind --

MR. TUST: Right, I wanted to have you --

MR. BORGQUIST: Yeah, can I -- I neglected to do something when I was describing the

project. As Mr. Tolivaisa alluded to, our plan is to have the landowner install a fish screen behind his diversion to keep fish out of the canal, and we would like to pipe this because that's a more efficient use of the water and we think it will add water to the system. So we're going to pipe the water, but there will be a fish screen in between that, and that's where our project really starts.

We're not going to put another diversion into Cottonwood Creek. So we have a work with the 71 Ranch in order to be able to accomplish the lower fill. So the studies, though the landowner and Fish, Wildlife & Parks are going to be doing studies on fish counts in Cottonwood Creek. We will be doing studies behind the fish screen as identified in the document.

MR. TUST: Any comments on that?

MS. RODMAN: Terrestrial resources. We have one vegetation study and one wildlife study.

The vegetation is to identify the types, abundance, and distribution of wetlands and riparian habitat and other plant communities within the project boundary, including along the proposed transmission line right-of-way; and to quantify the potential project effects on vegetation.

The wildlife they proposed to identify use by raptors, waterfowl and other wildlife by season, habitat type; evaluate the species' presence and habitat quality for federal candidate species and birds protected under the Bald and Golden Eagle Protection Act and the Migratory Bird Treaty Act, and, again, to quantify the potential project effects on wildlife resources.

I would also add that GB Energy Park has filed a somewhat longer discussion of their proposed studies with the Commission, and that's available on our internet site. So if you would like to know a little more than the information that we summarize here, you can go to the internet and find what they told us.

For threatened and endangered species, they don't propose to do any studies at this time.

So does anybody have any comments about that? Do you think that these terrestrial resources or threatened and endangered species proposals are academic?

(Conferring.)

MS. RODMAN: Oh, yeah.

Well, do we need wolverine studies, or actually if they are identifying use by raptors,

waterfowl and other wildlife, if they're going out there looking for wildlife in general, they may run across the wolverines.

MR. MCCOLLOM: I think your studies on the wolverines have already been done by Fish, Wildlife & Parks.

MS. RODMAN: Okay. All right.

MR. MCCOLLOM: At least I'd check into it anyway. That's why they closed our trapping season for it.

MS. RODMAN: Okay.

DR. HILL: That kind of information is really helpful to us. If you have sources of information that we might not know of, it's very helpful if you can let us know, and we can contact them and have it. Thank you.

MS. RODMAN: Right, yeah. They had a biologist this morning, but unfortunately he was a fish biologist, which didn't help me much.

MR. MCCOLLOM: I believe the guy's name is TJ. He's out of Great Falls. He's also our wolf biologist for this area.

MS. RODMAN: Thank you very much, I'll be getting on the computer as soon as I can.

That is part of the scoping, is finding

out from people what information may be sitting on somebody's file cabinet that we have no idea about. We try to hit the internet fairly heavily, but sometimes you miss things. So pointing out things like that is a huge help to us.

DR. HILL: And to the applicant, they'll be putting together a lot of information that will form the basis of our NEPA document.

MR. MCCOLLOM: I have one more question. What's the effect of this going to be on the elk population on Gordon Butte --

MS. RODMAN: That's something --

MR. MCCOLLOM: -- and the mule deer that we have there?

MS. RODMAN: Yeah, that is an issue that -- well, especially mule deer. We had listed that in the terrestrial resources issues. So that is something that we're going to be looking at.

MR. MCCOLLOM: And the moose that have just showed up in the last few years on this side of the mountains?

MS. RODMAN: Has the State been studying that?

MR. MCCOLLOM: Actually we have a season for them, finally, on this side.

MS. RODMAN: Oh, okay.

MR. MCCOLLOM: And it was just given to us two years ago. Now they have declined the tags because of the decline of the moose population in the Crazys already.

MS. RODMAN: Really?

MR. TOLIVAISA: Cottonwood Cabins, Peter Tolivaisa. I've had several moose on my property in the past couple of years, one bull, two cows and a couple little ones. I do believe that they were harvested by the outfitter for the 71, so maybe he might be able to give you some information. They were on my property hanging out in the creek bed, so thank you.

MS. RODMAN: You said the outfitter for the 71?

MR. TOLIVAISA: Yes, ma'am.

MS. RODMAN: 71 has an outfitter? I didn't know that.

A MCCOLLOM: Yeah, they have two of them.

MS. RODMAN: Two, okay.

A MCCOLLOM: Or they did have two. I think they're down to just one now.

MS. RODMAN: Okay. So I know, Mr. Tolivaisa, you had mentioned the effects on hunting

this morning.

MR. TOLIVAISA: Yes, ma'am. I would like to say that the building called The Lodge in Martinsdale is where the outfitter for the 71 is headquartered, or one of them, I don't know where they're actually out of.

A MCCOLLOM: They're actually out of Winifred, Montana -- Winter, Montana.

MS. RODMAN: Thank you. This is very good information.

MR. TUST: Any additional comments for the proposed studies for Terrestrial Resources or Threatened and Endangered Species?

Okay. So for Recreation and Land Use, the applicant proposes to identify recreation and land use resources and needs in the project area and evaluate the effects of the project on those resources.

Any comments on that?

For Cultural Resources, they proposed to conduct a Class III, which from my understanding from this morning is an on-the-ground survey type cultural resource and inventory of the Area of Potential Effect in the project area and a traditional cultural properties study to locate and document all cultural

resources and traditional cultural properties and determine their eligibility for inclusion in the Natural Register of Historic Places.

Any comments on that?

Okay. For Aesthetic Resources. They propose to quantify and qualify the existing visual quality of the project area and analyze potential visual effects of constructing and operating the project.

For Socioeconomics, they proposed to evaluate the effects of the project construction and operation on the local and regional economy and on local social conditions, goods and services.

And air quality?

MR. O'NEILL: And GB Energy Park at this point does not propose any studies on air quality.

MR. TUST: Any comments on the air quality or anything we should be aware of?

MS. LAND: Karen Land. I guess as to the air quality, I mean, I live like the first house when you come into town, so is the air quality from doing all the digging or from the construction vehicles and everything, I mean, if there's no -- I mean there's just going to be no sort of guidelines for that, or how does that work when construction of this size is

happening? Is that monitored in any way or is it just kind of a free-for-all?

MR. BORGQUIST: Can I take that, please?

MS. LAND: Because I've never been around it. So it's just a question.

MR. BORGQUIST: Do you have the dust permit; is that correct?

MR. SCHNEIDER: Yes.

MR. BORGQUIST: Yes, that's through the State. And I'm going to let Kevin Schneider from Barnard, who's, again, been through this.

MR. SCHNEIDER: We'll be required to get dust permits, air quality permits for the concrete plants. Equipment will be required to meet certain federal standards that are in place now.

The fact that they're not studying -- it is a separate issue than what we'll have to do and is already in place.

MS. LAND: Okay.

MR. SCHNEIDER: And we will follow all of those guidelines.

MR. BORGQUIST: Yeah, that's actually a good point. These are things we're going to study and provide information on, but he's right, that's all. They have a bunch of guidelines they have to

follow.

MS. LAND: Okay.

MR. TUST: Any additional comments on the proposed studies? Yes?

MS. NICHOLES: Can you give me any idea of how loud the pumps will be once it's in operation?

MR. BORGQUIST: You're not going to hear these. Even standing in front of the -- if you're in the power station, you'll hear the equipment in the power station, but if you walk outside --

MS. NICHOLES: But from the road you wouldn't?

MR. BORGQUIST: If you walk outside the door, you won't hear it.

MS. NICHOLES: Excellent.

DR. HILL: So it seems what you're saying is you would like to see an evaluation of the noise?

MS. NICHOLES: It already says you're going to evaluate the noise. I just wondered from my own thinking about it, you know, are people in Martinsdale going to be hearing a heartbeat? Do you know what I mean?

DR. HILL: Yeah, we have said we would like to evaluate noise in our study -- in our NEPA documents, but the applicant has not proposed to do

any studies on that to evaluate it. So it seems like you're indicating that you would like to see an evaluation submitted in their application of that.

MS. NICHOLES: Well, if somebody has experience with a similar setup, maybe they could say.

MS. LAND: I wouldn't know that I'm not going to hear it.

MS. NICHOLES: Yeah, it would be nice to have it on record that they don't expect it to be really noisy. That would be nice.

MR. TUST: Okay, thank you. Yes?

MR. VOLDSETH: Gary Voldseth, land owner.

I was wondering if any thought has been given to the transmission line and where you tie in to the big line in order to handle more power for, say, like the Hutterites build a site over there, or is it just going to be a size to handle what you're doing here?

MR. TUST: Carl?

MR. BORGQUIST: Yeah, that's a good question. It's a little of both. We're obviously not going to want to build more than is necessary just to interconnect the project. On the other hand, having the substation there, it's going to be an

asset and it's going to allow -- if there are other projects that make sense, they could be plugged in to that substation, so...

MR. VOLDSETH: It's set it up so the substation can be expanded?

MR. BORGQUIST: Yeah, they can expand it. I mean, we're going to do just what we have to do to get interconnected, but the fact is we have to cut the line there and that's a big expense.

MR. VOLDSETH: Okay.

MR. BORGQUIST: So once it's done, that's a cost that's already been covered.

MR. TUST: Additional comments on the studies?

MR. VOLDSETH: Thank you, folks.

DR. HILL: Thank you very much.

MR. TUST: So on page 16 we have some of the information that we're looking for moving forward even beyond the scoping meetings here today.

It doesn't end today. So we're continually trying to find out more information as the applicant forms their license application and as we move forward with evaluating the action and forming our environmental assessment.

So, again, some of the information that

we're still looking for from you as we move forward here, anything that you can provide to us that will help us with the geographic temporal scope of our analysis, both site-specific and the cumulative effects that you've heard today, any additional environmental studies that you come across that we should be made aware of relevant to the project, any existing information to help us characterize past and present actions that have occurred. You obviously have a lot more historical knowledge than we could ever imagine on our end, so any of that knowledge would be useful for us to evaluate the project as it stands in terms of our environmental baseline for starting with the baseline and evaluating the effects of the project when added to the baseline.

Any information on any Federal, State or local resource plans or project proposals you hear about that we haven't evaluated that you would like us to evaluate and consider, please submit those. Any documentation that would help us, again, contribute to our cumulative, adverse or beneficial effects of the resources we've talked about today. And, again, any resources that you think that should be excluded from our environmental document.

I'll kind of go to page 18 just to touch

on some of the areas where you all will be able to provide input.

So first with this scoping document, we're asking for comments to be submitted by July 25th. They can be submitted online or in paper form. The information on how to submit those comments is provided on page 22 -- oh, wait, that's the mailing list, never mind. It's provided on page 17. So go back a page.

On page 17, if you go online, you can submit your comments. All filings must clearly identify the Gordon Butte Pumped Storage project, but again, the project number is P-13642 on our eLibrary system or eComments. And you can file them electronically, or at the end of the first paragraph there you have the address to send any written comments if you prefer to mail them to us.

Now, if we go to page 18 for our EA preparation schedule. Again, we start with the scoping meeting that we had today. We had again asked for comments by July 25th. As we go through the comments, if there are major issues that we need to address and include in our scoping document, if we feel the need to, we'll issue a Scoping Doc 2. Basically that's an informational document to show

you how we address the comments at this stage.

And then once the license application is filed, which we're expecting that to be filed September of 2015, we'll be evaluating that application for adequacy. And if everything is up to snuff and we have all the information we need to do our environmental analysis, we'll issue a Ready for Environmental Analyses Notice, an REA, and you'll be able to provide comments at that time.

Once we issue our draft EA, we'll also have a comment period then for you to review the draft EA and provide comments on our analysis and see how we did.

DR. HILL: Preliminary recommendations.

MR. TUST: Right, and preliminary recommendations for any conditions and environmental measures that are proposed that you think, you know, we'll just provide comments on what's proposed at that time.

And once we receive the comments on the draft EA, those will be due about two months after our draft EA is issued, that will also be filed online, on our eLibrary system, in case you're wondering. So we'll issue our Final EA, right now, January 2017.

Again, these target dates may change. For instance, when the application is filed, if we have any additional information requests that go out or we have information that we need from the applicant to perform our analysis, it may adjust these dates. But this is how it stands now.

And I open the floor for any comments on the schedule or any questions about how to comment or provide input at this time before we open the floor to anybody to provide any oral comments at the meeting here. Okay?

All right. Well, at this point --

(Conferring.)

MR. TUST: Oh, okay, yeah, great. Well, I'll just also touch page 19 and 20. We have our proposed EA outline, so you'll see how we proposed to structure our EA at this time.

And then on page 21 for comprehensive plans, the Section 10(a)(2) of the Federal Power Act requires FERC to consider the extent to which a project is consistent with any federal or state comprehensive plans, they're filed with the Commission, for improving, developing or conserving the waterways.

So we have a master list of comprehensive

plans that have been filed for the State of Montana. That master list is available on line, and feel free to go on line. There's a link there for instructions on how to get to the -- well, that's for filing a plan, but we do have our master plan online, so feel free to review that.

This is a preliminary list, a subset of the master list for the plans filed for the State of Montana that we identify that could be relevant to this project. And under section 10(a)(2), we have to make sure that the project is consistent with these plans.

So any plans that you feel we didn't include that we should be looking at, please let us know. And any plans that you don't find on the list or on the master list that you think should be added, there's a process for having them filed, and that link is there at the top at the end of the first paragraph on page 21.

And, again, before we get to the oral comments, I just want to reiterate, the mailing list starting on page 22, if you'd like to be added, there's information there on how to get yourself added to the mailing list if you feel you want to. And also if you are on the mailing list and you don't

want to be receiving all this and want to have yourself taken off the mailing list, that can also be done. So there's information there for you to have that done.

So at this time we'll have folks come up that wanted to give oral comments. Starting with Dan Lloyd of the Governor's Office of Economic Development.

MR. LLOYD: Thank you. Dan Lloyd, I'm in the Governor's Office of Economic Development. And my boss, John Rodgers, couldn't be here today, so I'm going to read a letter on his behalf.

"I'm writing this letter in support of the Gordon Butte Pumped Storage Hydro Project currently in the licensing process undertaken by Montana-based Absaroka Energy through its single purpose subsidiary, GB Energy Park LLC. I understand that the Commission has agreed to early scoping under the National Environmental Policy Act review for the project and I support FERC in this decision.

"The Governor's Office of Economic Development and other State of Montana agencies have worked closely with Absaroka Energy to facilitate the responsibile development of this project. It is clear that Absaroka Energy began consulting with the

relevant state and federal resource agencies early and has maintained an open dialogue throughout the development process. In the course of these discussions, they have built solid relationships with staff identifying potential issues and concerns, consulting on study plans and defining the scope of the NEPA review.

"Some of the nation's best sources of renewable energy are available in Montana, yet the full potential of these resources has yet to be realized. As we continue to expand this important industry, I believe that building a modern, fast-acting pumped storage hydro facility will help integrate renewable energy resources into the regional transmission grid, catalyze the development of new generation projects, and preserve and optimize our existing transmission infrastructure.

"If approved and developed, the Project would result in hundreds of construction jobs as well as numerous high wage permanent positions and generate sustainable tax revenue. The project would inject economic life into rural Montana and provide further economic development opportunities around the state.

"The State of Montana is committed to

properly permitting, monitoring and reviewing the project to ensure that it complies with all federal and state laws and protects Montana's natural, cultural and economic resources. If my office may assist the Commission in any way please let me know.

"Sincerely, John Rodgers."

Thank you.

DR. HILL: Thank you.

MR. TUST: Thanks. So we'll go next to Brian Spangler of the DEQ renewable program.

MR. SPANGLER: I'm Brian Spangler with the Department of Environmental Quality in Helena. I manage the renewable energy program at the DEQ at the State Energy office.

We are not part of the regulatory part, but I can tell you I believe in strong partnerships, and I work very hard to build those relationships with air programs to water programs and remediation programs. And I also have a business background and build strong partnerships outside the DEQ with companies to move renewables for in the State of Montana.

So I'm just up here to reinforce the letter of from the Governor's Economic Development Office that we support this project, and I know that

our director of the DEQ did talk with the Department of Natural Resources and the Fish, Wildlife & Parks, and did submit a letter to FERC also. So thanks.

DR. HILL: Thank you very much.

MR. TUST: Eric Love?

MR. LOVE: Hi, my name is Eric Love. I live in Bozeman, and I work for the nature preserve there as the global director of conservation transactions. But today I'm here to represent myself and my family.

And I've been following this project from its inception and will follow it closely. I strongly believe that we, as a society, are at a crossroads and that our economy is based on fossil fuels, and this is simply not sustainable. So as our global population increases, so will our energy needs, and projects like this are going to help solve that problem.

I think that pumped storage is a very much proven and cost effective technology. It's used elsewhere around the world, and I think it's been slow to catch on in the United States; and I think that this is a great example of where it could work.

As I thought about it last night in preparation, I looked up that one gigawatt hour of

power per year is enough for a thousand homes. And if this project produced -- my understanding from the scoping document, an estimated 1,300 gigawatt hours annually, that's enough to power 1.3 million homes.

So I'm here personally. I've never testified at a hearing like this before in my life, but as someone who works on behalf of the environment, I just wanted to comment and throw my support for this project. Thank you.

MR. TUST: Thank you. Kathy Burg?

A VOICE: She left.

A VOICE: She's gone.

MR. TUST: And I'm assuming Russell left as well, Russell Burg?

A VOICE: He left also.

MR. TUST: We have some people that mentioned they may want to talk, but we'll certainly give you the opportunity. So Dick Indreland?

MR. INDRELAND: I think I already made my comment. I was really interested to find out if all the science that you'd used, especially for the impact statement and the environmental assessment would be open for anyone that would like to read through that, and I think that's the best way to do it.

But I also wondered as far as ownership, is this going to be purely an American company or is there a foreign investment involved in this?

MR. BORGQUIST: It's an American company.

MR. TUST: Yes.

MR. BORGQUIST: Yeah, it's an American company.

MR. INDRELAND: 100 percent?

MR. BORGQUIST: It's Montana investors.

MR. INDRELAND: One of the reasons I ask that question is so many times you find out we either have middle eastern investment, we have English, there's nothing wrong with that, but it's nice to know.

MR. BORGQUIST: It's American, Montana.

MR. INDRELAND: It's 100 percent American? That's a fact.

MR. BORGQUIST: Montana. 100 percent, yes.

MR. INDRELAND: Thank you.

MR. TUST: And K.G.H.?

MS. NICHOLES: That's me. I've asked most of my questions. I'd like to speak with you after the meeting for just a minute.

MR. BORGQUIST: Sure.

DR. HILL: It would be great if we could get anything that you have to say on the record, the public record.

MS. NICHOLES: Okay.

DR. HILL: Just because we like have it available to the applicant and others as well, unless you're telling us the site of some archeological resource which, by the way --

MS. NICHOLES: Well, no, it's not archeological. I've lived in this area now almost 25 years, and when I first moved here there were lots of song birds and there were lots of tiger salamanders. People told me that there were tiger salamanders all over. And I love critters, and I put up birdhouses and I've gotten -- I've had salamanders for pets that people have given me.

And I've noticed as the flood irrigation has given way to pivots, there have been fewer and fewer tiger salamanders around. And now we're losing our songbirds. There's lots of magpies, but the songbirds aren't coming to my feeder anymore. So I'm a little concerned that the ecological balance is already shifting.

Also at one point they sprayed herbicide along the old railroad track and they missed and they

got our scrub and killed a bunch of willow and like all the frogs. And suddenly you couldn't hear the frogs in the summer anymore. They're starting to come back, but I am concerned about if they cover up that irrigation canal, that that may be one of the -- since it is one of the open irrigation ditches, it may be one of the last area habitats.

But I don't know -- you know, I'm not -- that's not an area that I walk on, and I don't know who could tell you whether they see salamanders there, but that is a concern of mine.

A VOICE: Speak up for the salamanders.

MS. NICHOLES: There we go.

MS. RODMAN: All right.

DR. HILL: Thank you. We really appreciate you putting that on the record.

By the way, I did want to mention, we said that we have things -- I'm going to speak up a little more because --

MS. RODMAN: Mother nature is here.

DR. HILL: -- I've got this competition. But most of the information is on the public record, but things like the location of archeological sites, the location of particular -- the exact location of endangered species, those kinds of things, we have a

restricted service list that we prepare and only the kind of need-to-know people get access to that. So certain kinds of information we do keep out of the public record and we just have it on a need-to-know basis, but almost everything is enclosed.

MR. TUST: Jason Phillips? Mark Haneynoose(ph)?

MR. HANEYNOOSE: Not at this time.

MR. TUST: Eric Love?

DR. HILL: We did Eric's.

MR. TUST: Oh, we did Eric.

DR. HILL: He spoke. And I think that was it. Was there anybody else who signed in that I missed? Yes?

MR. TOLIVAISA: May I address the panel? This is a copy of my water right. Peter Tolivaisa, Cottonwood Cabins LLC.

How does the priority date on my water rights impair with the guidelines?

MR. BORGQUIST: I have no idea.

MR. TOLIVAISA: There is a large pond of water right here. Well, may I use this? Please excuse me. Right here is my property, I believe; is that correct? And --

MR. BORGQUIST: I think you would know

more than I would.

MR. TOLIVAISA: So my property here is kind of off this. And this diversion line concerns me greatly. What I was thinking, what about doing some sort of pond right here so the water is able to flow completely through Cottonwood Creek down the Musselshell, and this lower reservoir would be fed off of Musselshell. And also since the Musselshell goes all the way to Martinsdale Reservoir, wouldn't that be an alternate to put water in to this, because what is the linear foot that's going to be piped as a diversion or elimination of Cottonwood Creek and how much is going to be piped?

MR. BORGQUIST: Yeah. We're lucky, again my opinion, you might have a disagreement with me about that, but we're lucky and fortunate in the fact that the project particulars that create the most feasible project also create the project with the least amount of impact. So this arrangement not only is the most feasible from a construction, aesthetic, and cost perspective, but it's also the arrangement that creates the least amount of an impact in its totality. That's why we have -- this is the most efficient design and efficient arrangement. That's why we've selected it and proposed this as the

original.

MR. TOLIVAISA: I just think it would be more beneficial to the environment not to close the canal from Cottonwood Creek to the lower reservoir, because there are games that are there. And considering that Cottonwood Creek runs down here, and also 3,000 feet, I don't know how long this pipe diversion is going to be, but that's a lot shorter than I do believe this diversion point. So that is my suggestion. Thank you very much.

MR. BORGQUIST: Thank you.

MR. TUST: Any other folks have comments they want to bring forward at this point? I just want to note before we close that a copy of the transcript of this meeting will be available on our website in about two weeks. If you prefer to have the transcript earlier than that, you can speak with Denise following the meeting and she can arrange that with you, provided that you know that it would be a per page charge for that early delivery of that transcript. But again, it's going to be available on our eLibrary system in about two weeks.

Yes.

MR. TOLIVAISA: Peter Tolivaisa. How long will it be before the transcript is on Absaroka

Energy's website; do you happen to know?

MR. BORGQUIST: Sometime after FERC makes it available. I can't give you a precise date.

MR. TOLIVAISA: So a month?

MR. BORGQUIST: We have to get it and update our website, so I think in terms of getting the transcript as fast as possible, probably the FERC website is the one I'd go to first.

MR. TUST: And if you need more information on getting to that website, we can provide that. It's FERC.gov, documents and filings, eLibrary and put in the project code P-13642. And again, if you eSubscribe, once we file the transcript, you'll be notified if you prefer to have that right away.

MR. TOLIVAISA: Thank you, sir.

MR. TUST: Yes.

MR. MCCOLLOM: I have one last question.

Has the Department of State Lands chimed in on this, being as you guys are going to border right up against the Department of State Land on the north side of that lower reservoir?

MR. BORGQUIST: No.

MR. MCCOLLOM: Didn't even know that state land would border on the north side of that

reservoir?

MR. BORGQUIST: We know where the state land is. It's not going to be on any state land.

MR. TUST: Anybody else? All right.

Well, thank you all for attending the meeting. We really appreciate the input, and feel free to comment moving forward here as we go.

So I'll close the meeting. Thank you very much.

(The meeting was adjourned at 8:00 p.m.)

Document Content(s)