BEAVER LAKE WATER SUPPLY REALLOCATION STUDY

APPENDIX F: Correspondence
On June 30, 2015, USACE sent a Scoping Letter to interested parties, including state and federal agencies, local municipalities and conservation districts, water municipalities, and area marinas, to help identify concerns and issues that might be addressed, and bring them to USACE attention. A complete list of parties contacted is listed below.

**List of interested parties contacted:**

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Contact Information</th>
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<tbody>
<tr>
<td>Melissa Lombardi, FWS</td>
<td>Mayor Bill Edwards, City of Centerton</td>
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<tr>
<td>Cindy Dohner, FWS</td>
<td>Frank Holzkamper, Centerton Water-Sewer Dept.</td>
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<tr>
<td>Michael P. Jansky, EPA</td>
<td>Mayor Bob Tharp, City of Decatur</td>
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<tr>
<td>Jeanene Peckham, EPA</td>
<td>Mayor Jackie Crabtree, City of Pea Ridge</td>
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<td>David Friewald, USGS</td>
<td>Ken Hayes, Pea Ridge Water Dept.</td>
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<td>Reed Green, USGS</td>
<td>Mayor Stacy Digby, City of Highfill</td>
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<td>Michael Sullivan, NRCS</td>
<td>Butch Wiand, Highfill Water and Sewer Dept.</td>
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<td>Rhonda Foster, NRCS</td>
<td>Mayor Frank Hackler, City of Gateway</td>
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<tr>
<td>Steven Spencer, Dept. of the Interior</td>
<td>Gateway Public Water Authority</td>
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<tr>
<td>Loretta Sutton, Dept. of the Interior</td>
<td>Mayor Sonny Hudson, City of Prairie Grove</td>
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<td>Cam Sholly, National Park Service</td>
<td>Brian Hawkins, Prairie Grove Water Dept.</td>
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<tr>
<td>Tony Robinson, FEMA</td>
<td>Mayor Darrell Trahan, City of Huntsville</td>
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<tr>
<td>Fritha Ohlson, Southwestern Power Administration</td>
<td>Mayor Kevin Johnston, City of Gentry</td>
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<tr>
<td>Chris Turner, Southwestern Power Administration</td>
<td>Gentry Water Department</td>
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<tr>
<td>Nicki Fuller, Southwestern Power Resources Administration</td>
<td>Mayor John Turner, City of Siloam Springs</td>
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<td>Becky Keogh, ADEQ</td>
<td>Steve Gorsczczyk, Siloam Springs Water Depart.</td>
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<tr>
<td>Scott Bennettt, ADHT</td>
<td>Mayor Rob Hulse, City of Lincoln</td>
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<td>Chris Colclasure, ANHC</td>
<td>Clyde Wood, Lincoln City Manager</td>
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<td>Frances McSwain, AHPP</td>
<td>Mayor Doug Sprouse, City of Springdale</td>
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<td>Tracy L. Copeland, ADFA</td>
<td>Mayor Lionel Jordan, City of Fayetteville</td>
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<td>Richard W. Davies, ADPT</td>
<td>Mayor Robert Berry, City of Eureka Springs</td>
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<td>Matt McNair, ADPT</td>
<td>Mayor Gary Blackburn, City of Garfield</td>
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<td>Doug Akin, AFC</td>
<td>Mayor Kurt Maddox, City of Gravette</td>
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<td>Mike Knoedl, AGFC</td>
<td>Lost Bridge Village Water and Sewer Department</td>
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<td>Jon Stein, AGFC</td>
<td>Robert Clindard, Benton County Judge</td>
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<td>Randy Young, ANRC</td>
<td>Marilyn Edwards, Washington County Judge</td>
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<td>Edward Swaim, ANRC</td>
<td>Frank Weaver, Madison County Judge</td>
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<td>Nathaniel Smith, MD, ADH</td>
<td>Sam Barr, Carroll County Judge</td>
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<td>Jeff Stone, ADH</td>
<td>Casey Dunigan, Washington Co. Conservation District</td>
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<td>Scott Simon, The Nature Conservancy</td>
<td>Gail Sparks, Benton Co. Conservation District</td>
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<td>Paul Richmond, Madison Co. Regional Water Dist</td>
<td>Denton Fancher, Madison Co. Conservation Dist.</td>
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<td>Barry Connell, Carroll-Boone Water District</td>
<td>John Mullen, Ugly John’s Rocky Branch Marina</td>
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<td>Alan Fortenberry, Beaver Water District</td>
<td>Craig Smith, Prairie Creek Marina</td>
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<td>Jerry Lovell, Benton Co. Water District #1</td>
<td>Jim Humphreys, Lost Bridge Marina</td>
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<tr>
<td>Washington Water Authority</td>
<td>Mike Whitehouse, Hickory Creek Marina</td>
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<td>Agency Acronyms:</td>
<td>Description</td>
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<td>ADEQ</td>
<td>Arkansas Department of Environmental Quality</td>
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<td>ANRC</td>
<td>Arkansas Natural Resources Commission</td>
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<td>ADPT</td>
<td>Arkansas Department of Parks and Tourism</td>
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<td>EPA</td>
<td>Environmental Protection Agency</td>
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<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
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<td>FWS</td>
<td>U.S. Fish and Wildlife Service</td>
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<td>NRCS</td>
<td>Natural Resources Conservation Service</td>
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<td>USGS</td>
<td>U.S. Geological Survey</td>
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June 30, 2015

Planning and Environmental Division

Addressee

Dear:

The Little Rock District, Corps of Engineers has initiated a water reallocation study for Beaver Lake in northwest Arkansas under the authority of the Water Supply Act of 1958, as amended. The study will determine if there are any serious impacts from reallocating storage for the following Municipal and Industrial (M&I) water users: Benton–Washington Regional Public Water Authority, Carroll-Boone Water District, and the Madison County Water District.

The three requests are being analyzed as one proposed action in order to fully capture the cumulative impacts from these water reallocations and to facilitate a more efficient funding and study process. Our initial appraisal suggests that approximately 42,000 acre-feet of water will need to be reallocated to meet the water association/districts immediate needs.

As part of the analysis process, the Corps of Engineers is requesting information and comments that would assist in the preparation of an Environmental Assessment (EA) for the proposed water reallocation. Please submit any information your agency may have by August 1, 2015. If comments are not received by this date, we will assume your agency has no preliminary comments on the proposed action. If there are any questions or concerns, our environmental POC for this study is Mr. Craig Hilburn at (501) 324-5735; email: David.C.Hilburn@usace.army.mil.

Sincerely,

[Signature]

Dana O. Coburn
Chief, Environmental Branch
Planning & Environmental Division
August 5, 2015

Mr. Dana O. Coburn  
Chief, Environmental Branch  
Planning & Environmental Division  
Department of the Army  
Little Rock District Corps of Engineers  
P.O. Box 867  
Little Rock, Arkansas  72203-0867

RE:  Beaver Lake Water Reallocation Study Letter (UNCLASSIFIED)

Dear Mr. Coburn:

The State Clearinghouse has received the above document pursuant to the Arkansas Project Notification and Review System.

To carry out the review and comment process, this document was forwarded to members of the Arkansas Technical Review Committee. Resulting comments received from the Technical Review Committee which represents the position of the State of Arkansas are attached.

The State Clearinghouse wishes to thank you for your cooperation with the Arkansas Project Notification and Review System.

Sincerely,

[Signature]

Tracy L. Copeland, Manager  
State Clearinghouse

TLC/cc  
Enclosure  
CC: Randy Young, ANRC
MEMORANDUM

TO:      Mr. Tracy Copeland, Manager
         State Clearinghouse

FROM:    Mr. J. Randy Young, P.E., and Chairman
         Technical Review Committee

SUBJECT:  Beaver Lake Water Reallocation Study Letter
          UNCLASSIFIED

DATE:    August 4, 2015

Members of the Technical Review Committee have reviewed the above referenced project: the Little Rock District Corps of Engineers has initiated a water reallocation study for Beaver Lake in northwest Arkansas under the authority of the Water Supply Act of 1958, as amended.

The study will determine if there are any serious impacts from reallocating storage for the following Municipal and Industrial water users: Benton-Washington Regional Public Water Authority, Carroll-Boone Water District, and the Madison County Water District.

The three requests are being analyzed as one proposed action in order to fully capture the cumulative impacts from these water reallocations and to facilitate a more efficient funding and study process. The Corps initial appraisal suggests that approximately 42,000 acre-feet of water will need to be reallocated to meet the water association/district immediate needs.

The Committee supports this project.

Agency comments are included for your review.

The opportunity to comment is appreciated.

JRY/ddavis
MEMORANDUM

TO: All Technical Review Committee Members

FROM: Tracy L. Copeland, Manager - State Clearinghouse

DATE: July 9, 2015

SUBJECT: Beaver Lake Water Reallocation Study Letter (UNCLASSIFIED)

Please review the above stated document under provisions of Section 404 of the Clean Water Act, Section 102(2) of the National Environmental Policy Act of 1969 and the Arkansas Project Notification and Review System.

Your comments should be returned by (July 23, 2015) to Mr. Randy Young, Chairman, Technical Review Committee, 101 E. Capitol, Suite 350, Little Rock, AR 72203.

NOTE: It is imperative that your response be in to the ANRC office by the date requested. Should your Agency anticipate having a response which will be delayed beyond the stated deadline for comments, please contact Ms. Debby Davis of ANRC at (501) 682-3830 or the State Clearinghouse Office.

[Support] [Do Not Support (Comments Attached)]

[Comments Attached] [Support with Following Conditions]

[No Comments] [Non-Degradation Certification Issues (Applies to ADEQ Only)]

Name (print) John Turner Agency ATE Date 7/27/15

Telephone Number 501-682-1608
MEMORANDUM

TO: All Technical Review Committee Members
FROM: Tracy L. Copeland, Manager - State Clearinghouse
DATE: July 9, 2015
SUBJECT: Beaver Lake Water Reallocation Study Letter (UNCLASSIFIED)

Please review the above stated document under provisions of Section 404 of the Clean Water Act, Section 102(2) of the National Environmental Policy Act of 1969 and the Arkansas Project Notification and Review System.

Your comments should be returned by (July 23, 2015) to Mr. Randy Young, Chairman, Technical Review Committee, 101 E. Capitol, Suite 350, Little Rock, AR 72203.

NOTE: It is Imperative that your response be in to the ANRC office by the date requested. Should your Agency anticipate having a response which will be delayed beyond the stated deadline for comments, please contact Ms. Debby Davis of ANRC at (501) 682-3830 or the State Clearinghouse Office.

☐ Support
☐ Do Not Support (Comments Attached)
☐ Comments Attached
☐ Support with Following Conditions
☐ No Comments
☐ Non-Degradation Certification Issues (Applies to ADEQ Only)

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Strongly support:

Name (print) William Proctor
Agency Arkansas
Date 7-10-2015

Geological Survey

Telephone Number 501-682-0177
MEMORANDUM

TO: All Technical Review Committee Members
FROM: Tracy L. Copeland, Manager - State Clearinghouse
DATE: July 9, 2015
SUBJECT: Beaver Lake Water Reallocation Study Letter (UNCLASSIFIED)

Please review the above stated document under provisions of Section 404 of the Clean Water Act, Section 102(2) of the National Environmental Policy Act of 1969 and the Arkansas Project Notification and Review System.

Your comments should be returned by (July 23, 2015) to Mr. Randy Young, Chairman, Technical Review Committee, 101 E. Capitol, Suite 350, Little Rock, AR 72203.

NOTE: It is imperative that your response be in to the ANRC office by the date requested. Should your agency anticipate having a response which will be delayed beyond the stated deadline for comments, please contact Ms. Debby Davis of ANRC at (501) 682-3830 or the State Clearinghouse Office.

[Checkboxes for Support, Comments Attached, No Comments, Do Not Support (Comments Attached), Support with Following Conditions, Non-Degradation Certification Issues (Applies to ADEQ Only)]

Name(print): [Signature]
Agency: [Signature]
Date: [Signature]
Telephone Number: (501) 682-1297
July 29, 2015

Mr. Randy Young
Chairman, Technical Review Committee
101 East Capitol, Suite 350
Little Rock, Arkansas 72203

RE: U.S. Army Corps of Engineers
Beaver Lake Water Reallocation Study
Benton, Carroll, and Madison Counties

Mr. Young:

We appreciate the opportunity to comment on the USACE’s water reallocation study.

Based on the information provided and our understanding of the study, we do not see an apparent or immediate conflict with public outdoor recreation in Arkansas. However, any reallocation of water in Beaver Lake, or change in the management policies of the same, has the potential to greatly affect public outdoor recreation in Arkansas. As such, the Arkansas Department of Parks & Tourism requests access to all findings, results, and proposed actions related to this study, and the opportunity to comment on same.

Thank you again for the opportunity to participate in this process. If you have any questions or require additional assistance, please feel free to contact us at 501-682-1227 or via email at mcmurtry@arkansas.gov.

Respectfully,

[Signature]

Matt McNair
Environmental Review Coordinator
Outdoor Recreation Grants Program
MEMORANDUM

TO: All Technical Review Committee Members  
FROM: Tracy L. Copehart - Manager - State Clearinghouse
DATE: July 9, 2015
SUBJECT: Beaver Lake Water Reallocation Study Letter (UNCLASSIFIED)

Please review the above stated document under provisions of Section 404 of the Clean Water Act, Section 102(2) of the National Environmental Policy Act of 1969 and the Arkansas Project Notification and Review System.

Your comments should be returned by (July 23, 2015) to Mr. Randy Young, Chairman, Technical Review Committee, 101 E. Capitol, Suite 350, Little Rock, AR 72203.

NOTE: It is imperative that your response be in to the ANRC office by the date requested. Should your Agency anticipate having a response which will be delayed beyond the stated deadline for comments, please contact Ms. Debby Davis of ANRC at (501) 682-3850 or the State Clearinghouse Office.

[Signature]

Name (print) Don Nichols  
Agency AHD  
Date 7-15-15  
Telephone Number 501-569-2221
July 20, 2015

Ms. Dana Coburn
Chief, Environmental Branch
Little Rock District Corps of Engineers
Post Office Box 867
Little Rock, Arkansas 72203-0867

RE: Greers Ferry Lake Water Supply Storage Reallocation & Environmental Assessment Study

Dear Ms. Coburn:

The recent update of the 2014 Arkansas Water Plan identified federal projects as potential sources to be utilized in meeting future 2050 water demands in Arkansas. Reallocation of storage in federal projects is a recommendation of the 2014 Arkansas Water Plan. Therefore, the Little Rock District’s initiation of the Environmental Assessment Study for reallocating 42,000 Acre-Ft for municipal and industrial use in Beaver Lake is fully supported by the Arkansas Natural Resources Commission. Maximizing use of Beaver Lake storage is essential to meeting future water needs in the North Arkansas Planning Zone as identified in the 2014 Arkansas Water Plan.

We appreciate the opportunity to support this effort and look forward to study results as they become available.

Please coordinate any study activities with Ken Brazil (501-682-3980) of my staff.

Sincerely,

J. Randy Young, PE
Executive Director

JRY/KWB/ddavis
Good afternoon, Mr. Hilburn,

Please find attached a copy of a comment letter regarding the Water Reallocation Study for Beaver Lake from Alan D. Fortenberry, P.E., Chief Executive Officer of Beaver Water District, for your consideration. The original will be forthcoming to you by mail. After your review, if you have any questions or need additional information, please contact Mr. Fortenberry or me.

Thank you for your help in this matter,

Kayla Mhoon
Executive Assistant
Beaver Water District
P. O. Box 400
Lowell, AR  72745
479-756-3651
479-751-4356 Facsimile
kmhoon@bwdh2o.org
July 28, 2015

Little Rock District Corps of Engineers
P.O. Box 867
Little Rock, AR 72203-0867

Attn: Craig Hilburn
Environmental Branch, Planning & Environmental Division

Re: Water Reallocation Study – Beaver Lake

Dear Mr. Hilburn:

Thank you for the opportunity to comment on the proposed water reallocation study for Beaver Lake. Beaver Water District (BWD) supports in principle the requests of the three other water utilities that utilize Beaver Lake for drinking water supply to increase their water storage rights within Beaver Lake. It is the District’s position, which is supported by the recently approved Arkansas State Water Plan by the Arkansas Natural Resource Commission, that production of drinking water is the highest priority use of water. Realizing that the total amount of water withdrawn from the Lake annually by all four drinking water utilities is less than the amount lost to evaporation, it is difficult to imagine that there will be any negative impacts on water quality or aquatic biota if the reallocation requests are granted. In fact, as more water is dedicated for drinking water supply, the pressure from the public to maintain high water quality in the Lake should increase.

By examination of the values given in your letter, we recognize that should all of the outstanding requests for additional storage rights be granted, then the total reallocation for water supply will exceed the congressionally approved 50,000 acre-feet limit. This would, in turn, necessitate further Congressional action to meet the requested storage. BWD wishes to clearly state its position that no consideration should be given to reallocating any of BWD’s existing contracted rights to storage in the Lake. Unlike the other three water utilities that use Beaver Lake as a water supply source, BWD was an initial “partner” in establishing the need for the creation of the lake. Without BWD’s commitment to purchase storage rights sufficient to yield an average of 120 million gallons per day (mgd) in 1960, Beaver Lake would not have had sufficient financial benefits, from flood control and hydroelectric generation, to justify the cost of building the lake. In other words, without Beaver Water District, there would be no Beaver Lake. BWD’s master plan identifies the need for the entire 120 mgd average yield to meet the drinking water needs of its four wholesale customer cities within the District’s planning horizon. This is the only source of water for one out of seven Arkansans, and at some point in time it is conceivable that even more storage will have to be allocated for this primary use of producing drinking water.
Once again, thank you for the opportunity to comment on the reallocation study. BWD is supportive of the other three water utilities’ request for additional storage, but must insure that the integrity of its water storage rights is maintained.

Sincerely,

\[Signature\]

Alan D. Fortenberry, PE
Chief Executive Officer

cc: Dana O. Coburn, Chief, Environmental Branch
    Tim Nyander, City of Fayetteville
    Heath Ward, Springdale Water Utilities
    Earl Rausch, Rogers Water Utilities
    Mike Bender, City of Fayetteville
    Barry Connell, Carroll-Boone Water District
    Scott Borman, Benton-Washington RPWA
    Paul Richmond, Madison County Water District
    Bill Watkins, BWD Board
    Christopher Weiser, BWD Board
    Woody Basset, BWD Board
    Cathy Foraker, BWD Board
    Mary Gardner, BWD Board
    David Short, BWD Board
    Senator John Boozman
    Senator Tom Cotton
    Representative Steve Womack
Benton County Conservation District
1401 NE McClain Road, Suite #5
Bentonville, AR 72712
479-271-2622 ext. 3
479-271-3721 fax

July 8, 2015

Dana O. Coburn
Chief, Environmental Branch
Planning and Environmental Division
Department of the Army
Little Rock District Corps of Engineers
P. O. Box 867
Little Rock, AR 72203-0867

Subject: The Water Reallocation Study for Beaver Lake in Northwest Arkansas

Dear Ms. Coburn,

The Benton County Conservation District Directors thank you for your letter on the above subject and wish to express our interest in the water reallocation study for Beaver Lake in Northwest Arkansas.

The Benton County Conservation District Directors support regional efforts to look at how lake storage is allocated utilizing Arkansas’s Water Plan (AWP) recommendations.

Please let us know if we can be of assistance or join in on any future meetings on the water reallocation study for Beaver Lake in Northwest Arkansas.

Sincerely,

Frank L. Walker,
Secretary/Treasurer
Benton County Conservation District
From: Mike Bender [mbender@bentonvillear.com]
Sent: Monday, July 27, 2015 1:03 PM
To: Hilburn, David C SWL
Subject:[EXTERNAL] Beaver Lake Storage Reallocation Study

Mr. Hilburn,

Attached, please find comments from the City of Bentonville regarding the Beaver Lake Reallocation Study for Benton-Washington Regional Public Water Authority, Carroll-Boone Water District, and the Madison County Water District. Please feel free to contact me with any questions.

Thank you,

Mike Bender, PE
Public Works Director
City of Bentonville
305 SW A Street, Bentonville, Arkansas 72712
Phone: 479-271-6720  Fax: 479-271-6807
E-mail: mbender@bentonvillear.com <mailto:mbender@bentonvillear.com>
July 27, 2015

Dana O. Coburn  
Chief, Environmental Branch  
Planning & Environmental Division  
Department of the Army  
Little Rock District Corps of Engineers  
PO Box 867  
Little Rock, Arkansas  72203-0867

RE: City of Bentonville Comments  
Proposed Beaver Lake Reallocation Study for Benton-Washington Regional Public Water Authority, Carroll-Boone Water District, and Madison County Water District

Dear Ms. Coburn:

The City of Bentonville received your letter dated June 30, 2015 regarding the above referenced project. Bentonville does not object to the proposed study at this point provided the current storage allocation for Beaver Water District is not adversely impacted or reduced. As future decisions/determinations may affect the City of Bentonville, Bentonville requests to be kept posted of project status and milestones throughout the life of this project. The City reserves the right to comment on this project at any point in the future.

Thank you for your consideration of these comments regarding the storage reallocation study for Beaver Lake in Northwest Arkansas. Please feel free to contact me at mbender@bentonvillear.com or 479-271-6873 if you have any questions or wish to further discuss any comments.

Respectfully,

Mike Bender, PE  
Public Works Director

Cc: Honorable Bob McCaslin, Mayor, City of Bentonville  
File
Ms. Coburn,

Attached is a PDF copy of Southwestern Power Administration's comments concerning the development of an environmental assessment (EA) for the proposed reallocation of storage at Beaver Lake for the Benton-Washington Regional Public Water Authority, the Carroll-Boone Water District, and the Madison County Water District. The original document will be mailed today. A PDF copy of your letter is also attached. We appreciate the opportunity to provide information to assist the Corps in developing the EA and reallocation report.

Michael R. Denny, P.E.
Division of Resources and Rates
Southwestern Power Administration
michael.denny@swpa.gov
918-595-6683
July 22, 2015

Dana O. Coburn  
Chief, Environmental Branch  
U.S. Army Corps of Engineers, Little Rock District  
P.O. Box 867  
Little Rock, AR 72203-0867

Dear Ms. Coburn:

This is in response to your letter dated June 30, 2015, requesting information and comments pertaining to the preparation of an Environmental Assessment (EA) for a proposed water storage reallocation at Beaver Lake for the Benton-Washington Regional Public Water Authority, the Carroll-Boone Water District, and the Madison County Water District. Southwestern Power Administration (Southwestern) is pleased to offer comments to assist you in the development of the storage reallocation report and EA.

Southwestern is an agency within the U.S. Department of Energy which is responsible for marketing the hydroelectric power and energy from 24 Corps of Engineers (Corps) projects in the region, including Beaver. As the Federal agency responsible for marketing the hydropower from Beaver, Southwestern has concerns with the proposed storage reallocation. Federal hydropower will be the project purpose most adversely affected by the proposed reallocation. As Southwestern has stated in previous correspondence and meetings, the proposed reallocation should meet three criteria: 1) the reallocated storage is satisfying an immediate need for water supply; 2) the reallocation is the lowest cost alternative for the water supply; and 3) Federal hydropower must be properly compensated for losses resulting from the reallocation. The third criterion is typically not met in Corps studies.

As you are aware, Southwestern has provided comments for all recent water storage reallocation reports prepared by the Little Rock District (LRD) for storage at LRD projects. There are longstanding disagreements between Southwestern and the Corps regarding storage reallocations, and Southwestern typically provides similar comments on every reallocation report. Those disagreements primarily deal with three areas: 1) the determination of the actual loss of hydropower capacity and energy; 2) the value of the lost capacity and energy; and 3) the procedure used to determine hydropower credits. We urge the Corps to work with Southwestern and the other Power Marketing Administrations to resolve those longstanding issues. Agreement between the Corps and the Federal Hydropower interests would simplify the preparation and evaluation of future storage reallocation reports and would speed the approval of the reports.
Southwestern is very concerned that the Corps is proposing to reallocate 42,000 acre-feet of storage in Beaver Lake, greatly exceeding the Corps' discretionary authority at the project. The Water Supply Act of 1958 states that modifications to a reservoir project which would seriously affect the authorized project purposes must be approved by Congress. The Corps' Engineer Regulation (ER) 1105-2-100 states that the Corps may reallocate up to 50,000 acre-feet or 15% of the project's storage, whichever is less, without Congressional approval if such reallocation would not have a severe effect on other authorized purposes at the project. The limit of 50,000 acre-feet applies at Beaver Lake. The ER recognizes that reallocations exceeding the Corps' discretionary authority will have severe effects on the authorized project purposes and must be approved by Congress. Reallocations within the Corps' discretionary authority have major impacts on Federal hydropower. Reallocations exceeding that limit will unquestionably have severe effects on Federal hydropower and must be approved by Congress. Previous reallocation reports for Beaver have noted that about 21,200 acre-feet of storage have been reallocated to date under the Corps' discretionary authority, leaving about 28,800 acre-feet of storage available for reallocation under that discretionary authority. The proposed storage reallocation must be reduced so that the reallocation does not exceed the Corps' discretionary limit of 50,000 acre-feet, or the Corps must obtain Congressional approval for the reallocation.

It is imperative that the economic impacts of the reallocation alternatives be properly evaluated. In almost all reallocation studies evaluated by Southwestern, reallocation of flood storage provides the least benefits foregone and is the National Economic Development (NED) plan. We would expect the same result in the current study. Consideration of reallocating flood storage should not be eliminated simply because it may require the Corps to consult with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act. In addition to a flood storage reallocation, the use of storage for hydropower yield protection operation (HYPO) is an available option that should be utilized. ER 1105-2-100 recommends the use of operational changes, when possible, to compensate hydropower users. The use of HYPO, similar to dependable yield mitigation storage (DYMS) for existing water supply users, is another method of protecting the hydropower purpose. LRD has the discretion to include HYPO and in fact did so in the White River Minimum Flow Study. It is a viable alternative that should be considered in formulating the NED plan. The use of HYPO as part of a storage reallocation would maintain the current yield of the hydropower storage and, therefore, minimize the hydropower losses, especially capacity and on-peak energy losses.

Southwestern has performed a preliminary evaluation of the proposed reallocation, assuming a conservation storage reallocation as was previously proposed by the Corps. If 42,000 acre-feet of conservation storage were reallocated at Beaver, Southwestern estimates the reallocation would result in a dependable capacity loss of about 3.4 megawatts and an annual peaking energy loss of about 8,300 megawatt-hours. Those are significant impacts to Federal hydropower that would result in an estimated $880,000 in annual hydropower replacement costs and about $500,000 in annual hydropower revenues foregone, based on current market prices and Southwestern's
current rates. Reallocating the storage from flood control storage would reduce the lost capacity and energy, and including HYPO storage with a flood control storage reallocation would further reduce the off-peak energy loss while eliminating on-peak energy and capacity losses.

Southwestern is also concerned with the environmental impacts and the potential for high costs of replacement energy and capacity relating to greenhouse gas (GHG) emissions. Capacity and energy to replace the renewable hydropower lost as a result of the reallocation will likely come from a fossil-fuel generating plant, resulting in increased GHG emissions. With the current national emphasis on climate change and GHG emissions, non-renewable generation that results in increased GHG emissions could have significant additional costs associated with regulatory changes in the electrical industry and climate change legislation being considered in Congress. The environmental impacts and potential costs of the increased emissions should be quantified and included in the EA.

In a related matter, Southwestern has recently become aware that there have been problems with the Corps’ accounting processes regarding the provision of credits to the Federal hydropower purpose as provided for in storage reallocations at Corps projects. Apparently, there may be a “disconnect” between the Corps Planning Divisions that perform the reallocation studies and the Resource Management Offices (or appropriate department) that perform the accounting of the project cost accounts. We urge the Corps to resolve the existing issues so that the credits relating to storage reallocations will be provided as expected in a timely manner, and the repayment obligations of Federal hydropower reduced accordingly.

We appreciate the opportunity to provide comments concerning the preparation of the reallocation report and EA for the proposed storage reallocation. Please contact Mr. Michael Denny at (918) 595-6683 or Michael.Denny@swpa.gov if you have any questions concerning our comments.

Sincerely,

Frida Ohlson
Director
Division of Resources and Rates

cc:
Nicki Fuller
Executive Director
Southwestern Power Resources Association
Mr. Hilburn,

I have attached the U.S. Fish and Wildlife Service comments on the Beaver Lake Water Reallocation Study. Thank you for the opportunity to coordinate. Please feel free to contact me if you have any questions.

Melissa Lombardi  
Endangered Species Biologist  
U.S. Fish and Wildlife Service  
Arkansas Ecological Services Field Office  
110 South Amity Road, Suite 300  
Conway, AR 72032  
(501) 513-4488  
melissa_lombardi@fws.gov
July 8, 2015

Colonel Courtney W. Paul,
c/o Ms. Dana Coburn, Environmental Branch
Little Rock District, U.S. Army Corps of Engineers
Post Office Box 867
Little Rock, AR 72203-0867

Dear Colonel Paul:

The U.S. Fish and Wildlife Service (Service) has received your letter dated June 30, 2015 requesting information and comments on the proposed water reallocation study for Beaver Lake in northwest Arkansas.

Our comments are submitted in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661-667e), the Bald and Golden Eagle Protection Act (16 U.S.C. 668-668d), and the Endangered Species Act (87 Stat. 884, as amended 16 U.S.C. 1531 et seq.).

The letter states that approximately 42,000 acre-feet of water will need to be reallocated to meet the water association/districts immediate needs.

The federally listed Ozark Cavefish (Troglichthys roseni), Gray Bat (Myotis griseus), and Indiana Bat (Myotis sodalis) are known to occur in the affected project area. The federally protected Bald Eagle (Haliaeetus leucocephalus) is also known to occur in the project area.

Beaver Lake and the associated watershed occur in the karst region of Arkansas. Four designated karst recharge zones exist in the project area. The karst region has unique hydrology and both surface and underground features. As the true extent of the underground environment is difficult to clearly delineate, undiscovered karst features; such as cave openings, sinkholes, and underground passages may occur on or near a project site, even in previously developed areas.

The Service would recommend that the effect of the water reallocation on endangered species in the project area and the hydrology of the karst recharge zones be considered in the preparation of the Environmental Assessment by the Corps of Engineers.

The comments herein are for the sole purpose of providing technical assistance to the action agency or for individual pre-project planning assistance. These comments and opinions should not be misconstrued as an “effect determination” or considered as concurrence with any proceeding determination(s) by the action agency in accordance with Section 7 of the ESA. These comments do not authorize the “take” of a threatened or endangered species as defined under the ESA. In the absence of authorization (e.g., an ESA Section 10 Permit, a Biological Opinion with “incidental take” provisions, a finding concurrence letter, etc.) from the Service, both lethal and nonlethal “take” of protected species are in violation of the ESA.
Thank you for the opportunity to provide these comments. If you have any questions or additional comments, please contact Melissa Lombardi at 501-513-4488 or melissa_lombardi@fws.gov.

Sincerely,

[Signature]

Melvin Tobin
Field Supervisor

cc:

Arkansas Natural Heritage Commission, Little Rock, Arkansas
Arkansas Natural Resources Conservation Commission, Little Rock, Arkansas
Arkansas Game and Fish Commission, Little Rock, Arkansas
Arkansas Department of Environmental Quality, Little Rock, Arkansas
Environmental Protection Agency, Dallas, Texas

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April 19, 2017

Colonel Robert G. Dixon
c/o Mr. David C. Hilburn
Little Rock District, U.S. Army Corps of Engineers
Post Office Box 867
Little Rock, AR 72203-0867

Dear Colonel Dixon:

The U.S. Fish and Wildlife Service (Service) has received your letter dated June 30, 2015, requesting information and comments on the proposed water reallocation study for Beaver Lake in northwest Arkansas. The letter states that approximately 42,000 acre-feet of water will need to be reallocated to meet the water association/districts immediate needs.

The Service’s response and formal Planning Aid Report was provided via the July 8, 2015, letter to the Corps of Engineers and is revised here. The Corps contacted the Service on February 27, 2017, indicating that the flood pool would not be included as a component of considered alternatives. The remaining alternatives involve reallocation from the conservation pool or inactive pool, with no anticipated change in the water level of the lake. A no effect determination for listed species or trust resources is anticipated with no change in the water level of Beaver Lake.

The federally listed Ozark Cavefish (*Troglichthys roosei*), Gray Bat (*Myotis griseascens*), and Indiana Bat (*Myotis sodalis*) are known to occur in the affected project area. The federally protected Bald Eagle (*Haliaeetus leucocephalus*) is also known to occur in the project area.

Beaver Lake and the associated watershed occur in the karst region of Arkansas. Four designated karst recharge zones exist in the project area. The karst region has unique hydrology and both surface and underground features. As the true extent of the underground environment is difficult to clearly delineate, undiscovered karst features, such as cave openings, sinkholes, and underground passages may occur on or near a project site, even in previously developed areas.

In the July 8, 2015, letter, the Service recommended that the effect of the water reallocation on the hydrology of the karst recharge zones be considered in the preparation of the Environmental Assessment by the Corps of Engineers. With no change in water levels in the lake, no effect to the karst hydrology is anticipated.
The comments provided herein are provided in accordance with the Fish and Wildlife Coordination Act Act (16 U.S.C. 661-667e), the Bald and Golden Eagle Protection Act (16 U.S.C. 668-668d), and the Endangered Species Act (87 Stat. 884, as amended 16 U.S.C. 1531 et seq.).

Thank you for the opportunity to provide these comments. If you have any questions or additional comments, please contact Melissa Lombardi at 501-513-4488 or melissa_lombardi@fws.gov.

Sincerely,

Melvin L. Tobin
Field Supervisor

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On July 19, 2015, a Scoping letter was sent to potentially interested Tribes, requesting information and comments. These letters also inquired whether the Tribe would like to participate as a consulting party under Section 106 of the National Historic Preservation Act of 1966, as amended. A copy of the Scoping Letter and a complete list of Tribes contacted, can be found below.

List of Tribes contacted:

- The Seminole Nation of Oklahoma
- The Muscogee (Creek) Nation
- The Choctaw Nation of Oklahoma
- The Chickasaw Nation
- Cherokee Nation
- Shawnee Tribe
- The Quapaw Tribe of Indians
- The Osage Nation
- Delaware Nation

No comments were received from any Tribal Nations.
Addressee

Dear:

The Little Rock District, Corps of Engineers has initiated a water reallocation study for Beaver Lake in northwest Arkansas under the authority of the Water Supply Act of 1958, as amended. Three Municipal and Industrial (M&I) water users: Benton–Washington Regional Public Water Authority, Carroll-Boone Water District, and the Madison County Water District have requested reallocations to meet their current and future demands. This reallocation study will determine if there are any serious impacts from reallocating storage from Beaver Lake.

The three requests are being analyzed as one proposed action in order to fully capture the cumulative impacts from these water reallocations and to facilitate a more efficient funding and study process. Our initial appraisal suggests that approximately 42,000 acre-feet of water will need to be reallocated to meet the water association/districts immediate needs. Alternatives currently under consideration by the planning team would not involve any change to the water elevation currently maintained in the lake.

As part of the National Environmental Policy Act (NEPA) analysis process, the Corps of Engineers is requesting information and comments that would assist in the preparation of an Environmental Assessment (EA) for the proposed water reallocation. We are also inquiring if the Tribe Name would like to participate as a consulting party under Section 106 of the National Historic Preservation Act of 1966, as amended. Please submit any information, or your request to participate, by August 26, 2016. If comments are not received by this date, we will assume that the Tribe Name has no comments and would not like to consult further on this action.

If you have any questions or concerns, please direct your correspondence to my Environmental Branch Chief at (501) 324-5735 or via email at David.C.Hilburn@usace.army.mil.

For cultural resources specific questions or concerns, please contact our District Archaeologist, Ms. Cindy Thomas at (501) 324-5752 or via email at Cynthia.G.Thomas@usace.army.mil. Please be assured that we will remain sensitive to any concerns you may have regarding the confidentiality of information concerning cultural resources.

Sincerely,

Robert G. Dixon
Colonel, US Army
District Engineer