

MEETING NOTES

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
SALUDA HYDRO PROJECT RELICENSING
LAKE AND LAND MANAGEMENT RESOURCE GROUP**

**SCE&G Training Center
October 16, 2007**

final ACG 2-5-08

ATTENDEES:

| | |
|--------------------------------------|-----------------------------|
| Alan Stuart, Kleinschmidt Associates | Joy Downs, LMA |
| Alison Guth, Kleinschmidt Associates | Ellis Harmon, Landowner |
| Tommy Boozer, SCE&G | Linda Schneider, Landowner |
| David Hancock, SCE&G | Ron Scott, Lexington County |
| Ron Ahle, SCDNR | Steve Bell, LW |
| Randy Mahan, SCANA Services | Amanda Hill, USFWS |
| Dick Christie, SCDNR | Bill Argentieri, SCE&G |
| Bertina Floyd, LMHOC | Tony Bebbber, SCPRT |
| John Frick, Landowner | Van Hoffman, SCANA |
| Bob Perry, SCDNR | Carl Sundius, CALM |
| Rhett Bickley, Lexington County | Nevin Biser, Landowner |
| Jim Cumberland, SCCCL | Jenn Taraskiewicz, SCWF |
| Suzanne Rhodes, SCWF | Carl Shealy, Landowner |

DATE: October 16, 2007

DATE OF NEXT MEETING: November 8, 2007 at 9:30 a.m.
Located at the CRP

INTRODUCTIONS AND DISCUSSION

Alan Stuart opened the meeting and introductions were made. Alan explained that the purpose of the day's meeting would be to discuss several issues that had been brought up by stakeholders. In particular there were items that Steve Bell with Lake Watch and Bertina Floyd with the Lake Murray Homeowners Coalition had requested time to discuss.

Discussions began with a presentation from Bertina Floyd. She explained that the LMHOC wanted to provide information on their perspective for developing the new land use plan. She added that the members of the LMHOC utilize Lake Murray's resources much more than the casual visitor and feel that their input is valuable as the committee develops the land use plan. Bertina explained that as lake residents, their organization is not against private development, but is interested in the

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protection of boater safety, water quality, and has congestion concerns. She also noted that they concur with the findings of the Natural Resource committee on the high resource value areas for rebalancing. The entire discussion by LMHOC can be viewed below (in final notes).

Alan then redirected the group to discuss the items that Steve Bell had requested discussion on via email. These items included:

- Dock Policies and Fringeland Purchase Requirements
- Forest and Game Management Lands for areas that may be suitable for access
- Review of Newberry and Saluda Shorelines to Determine the Percentage and Location of Development
- Review of Issues Related to Shoreline Uses and Rebalancing

Steve Bell began the discussions. He addressed Randy Mahan and asked how SCE&G had the legal authority to require individuals to buy fringeland in order to obtain a dock. Mahan replied that on a purely legal basis, it is because SCE&G owned the property. Mahan continued to explain that instead of having to manage small strips of property, they would rather the back property owner purchase the land. Bell explained that some property owners had expressed that they didn't want to purchase the fringelands in order to receive a dock. Tommy Boozer added that there is a financial element to the selling of fringelands; when they sell a piece of property SCE&G then uses the resources for a 10-31 exchange. In support of his argument that SCE&G should not be allowed to sell any of the property acquired by the Lexington Water Power Company for the Saluda Project, John Frick expressed the opinion that property acquired by a utility for utility purposes through eminent domain must always and forevermore be used only for the utility purposes for which it originally was acquired.

The next item that the group discussed was in reference to the Forest and Game Management areas. Bell inquired as to whether the forest and game maps were available and if there were many areas that were shallow and did not provide much in the way of wildlife habitat. Boozer replied that they have reviewed this data and estimated that there are roughly 44 tracts of land where there are back property owners behind forest and game management property. Boozer continued to note that this information gave them some idea of how many people they were dealing with if they decided to change the policy to allow them some sort of access. Boozer further clarified that SCE&G was not sure if this was something they wanted to do; they simply looked at the areas because it was an issue brought up by the TWC. David Hancock noted that this issue would be best addressed after rebalancing had taken place. Mahan pointed out that the group needs to be sure they include in the final program the flexibility to address issues, like this, that arise.

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The group then reviewed Newberry and Saluda shoreline mileage. Boozer passed out information to the group that listed the shoreline miles and acreage for all four counties (attached below, in final notes). Bell noted that he believed this information would be helpful during land rebalancing.

The next item that the group discussed was the issues matrix. As the group reviewed each of the items identified on the issues matrix, there was some discussion on the item concerning a review of federal regulations. Bell noted that he believed the group had a fairly comprehensive list of these regulations and if there was any need to review these regulations than he could email a copy to the group.

Another item on the issues matrix that the group addressed dealt with updated shoreline classifications. Boozer noted that they have consolidated the classifications and they are available in the draft SMP. Stuart added that they have been consolidated in a way that the FERC typically prefers to see.

With respect to buffer zone restoration, Bell proposed that the group take a field survey of all of future development lands to determine if there is a need for restoration. Boozer noted that SCE&G will identify the most severe areas and work with the back property owners in a replanting process.

Ron Ahle reemphasized that as shoreline management is an issue that is ongoing, the group should meet periodically after relicensing to further review the program and how it is being implemented. Stuart explained that SCE&G is requesting that a 10 year review of the SMP take place with annual group meetings to discuss any issues that have arisen.

The issue of Two Bird Cove and Hurricane Hole cove (designated by the FERC as special recreation areas) was brought up during discussions. Carl Shealy, a property owner in Hurricane Hole cove explained that he hoped this committee could address the FERC on this matter. Shealy continued to note that as property owners in this area, they have had continued problems with boaters trespassing onto their land, etc. Stuart pointed out that even if the special recreation area designation were lifted, it would not change how the boaters are currently using the area. Hancock noted that in both of these areas, there were places where the homeowners owned down to the 360' and areas where there were 75' setbacks. He continued to explain that the privately owned lands could be posted by the landowners, but they needed to yet discuss the use of the fringelands. Stuart noted that one possibility was to make a recommendation on these areas in the license application. Ahle added that the committee could recommend that the designation be lifted, or alternatives, but the easiest way to reverse the designation would be to reach a compromise with the sail-boating groups.

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Shealy pointed out that as far as he understood, the FERC designated this area without fully understanding the situation. He continued to note that if the group is unable to remove the designation fully, then maybe they could further define the designation.

Dick Christie further reiterated that to simply approach the FERC and ask them to remove the designation would be difficult, unless some sort of compromise was made with the sail-boaters. Amanda Hill added that if there was some type of resolution that the group could submit to the FERC, it may be possible. She explained that the FERC prefers the agencies and utilities to find solutions to their problems themselves.

The group concluded that after land rebalancing was completed, the group would convene a small technical committee to work through this issue. Once options had been discussed the technical committee would then bring results to the land-owners and sail-boaters. The technical committee could possibly include individuals such as Jim Leslie, Regis Parsons, representatives from DNR, PRT, and SCE&G, among others.

After lunch, Stuart noted that they would like to briefly review the new proposed land use classifications. Stuart noted to please email in any comments on these classifications before the group reviewed the SMP (November 9th).

Ahle noted that he had developed a presentation on the results of the rebalancing work done by the natural resources committee. He explained that the presentation includes potential recommendations for rebalancing and provides a summary of the work the groups did (economics and natural resources). The group decided to meet on November 8th to view the presentation and share ideas.

Group adjourned.

The following comments were provided prior to the meeting:

From John Frick:
Received: 1-15-08

There are a couple of key issues discussed during this meeting that should be reflected in the meeting notes.

First, The land owned by SCE&G was taken under "Imminent Domain" for the purpose of electric power production. The land needed for this purpose is the land at and below the 360 elevation. Land above this elevation was routinely resold to the back property owners because it was not needed.

The power of "Imminent Domain" was not granted to allow SCE&G a monopolized pathway into the real estate business. It may not be legal, and certainly does not seem ethical, for SCE&G to require repurchase of land previously taken (at prices determined by SCE&G) in order for the descendants of the original property owners to have boating access to the lake.

Second, SCE&G's position with regard to lands designated as "Game and Wild life Management" does not conform to the current Shoreline Management Plan in that NONE of the 44 back property owners have their property in the DNR Game Management program. As a result, the fringe land so designated does not provide the wild life habitat, Forrest management, hunting opportunities or wilderness protection originally intended. In fact, these lands have no more protection from development than any other lake property. The only difference in property currently designated as noted above and other undeveloped property on the lake is that the back property owners are denied the same boating access to the lake that all the other back property owners enjoy.

It is also interesting to note that much of the property designated by SCE&G as Game and Wildlife Management is NOT designated as such by DNR on their maps. Therefore the narrow strips of fringe land are unknown and primarily unused by the public even if isolated small sections are suitable for hunting or other outdoor activities.

It was discussed during this meeting that to meet the intent of Game and Wildlife Management/ Forrest Management, large tracts of land would have to be put into some type of "Conservation Easement" in order for the original intent to be fulfilled. The primary reason for "Rebalancing" is to address this flaw in the current Shoreline management plan.

Response to above comment:

In response to the above last paragraph, the actual "primary reason" for the rebalancing requested in the June 6th SMP order by the FERC, was to address future development properties inside the PBL, not Forest and Game management lands as it is above implied.

September, 2007

| Saluda County | Miles | Acres |
|-----------------------------|---------------|----------------|
| 75-Foot Setback | 8.14 | 69.59 |
| Causeway | 0 | 0.00 |
| Commercial Recreation | 0.76 | 10.08 |
| Conservation Areas | 0.2 | 4.34 |
| Easement | 50.74 | 1255.58 |
| Easement w/ 75-Foot Setback | 0 | 85.33 |
| Forest and Game Management | 59.43 | 1899.78 |
| Future Development | 26.88 | 608.10 |
| Public Recreation | 1.92 | 37.24 |
| | 148.07 | 3970.04 |

September, 2007

| <u>Newberry County</u> | <u>Miles</u> | <u>Acres</u> |
|-------------------------------|---------------------|---------------------|
| 75-Foot Setback | 10.05 | 85.69 |
| Causeway | 0.13 | 0.28 |
| Commercial Recreation | 0.55 | 26.89 |
| Conservation Areas | 0.47 | 15.18 |
| Easement | 65.07 | 1927.19 |
| Easement w/ 75-Foot Setback | 0 | 92.88 |
| Forest and Game Management | 37.92 | 1398.26 |
| Future Development | 28.7 | 534.90 |
| Public Recreation | 15.02 | 334.22 |
| | 157.91 | 4415.48 |

September, 2007

| Lexington County | Miles | Acres |
|-----------------------------|---------------|----------------|
| 75-Foot Setback | 8.77 | 72.41 |
| Causeway | 0.22 | 0.71 |
| Commercial Recreation | 4.06 | 64.71 |
| Conservation Areas | 0.09 | 2.26 |
| Easement | 238.25 | 4074.37 |
| Easement w/ 75-Foot Setback | 0 | 86.54 |
| Forest and Game Management | 2.77 | 272.20 |
| Future Development | 38.59 | 721.04 |
| Project Operations | 1.63 | 1081.27 |
| Public Recreation | 15.19 | 343.83 |
| | 309.57 | 6719.34 |

September, 2007

| Richland County | Miles | Acres |
|-----------------------------|--------------|---------------|
| 75-Foot Setback | 1.02 | 6.61 |
| Causeway | 0.52 | 2.19 |
| Commercial Recreation | 0.68 | 12.59 |
| Conservation Areas | 0 | 0.00 |
| Easement | 32.32 | 685.79 |
| Easement w/ 75-Foot Setback | 0 | 7.60 |
| Forest and Game Management | 0 | 0.00 |
| Future Development | 0.81 | 16.09 |
| Public Recreation | 0.48 | 8.42 |
| | 35.83 | 739.30 |

Lake Murray Homeowners Coalition
Concerns on the Land Use Plan
Presentation to LLM/TWC October 16, 2007
by
Bertina Floyd, Vice Chairperson

The Lake Murray Homeowners Coalition represents 22 lake communities with an estimated 4500 residents. We understand the need to keep this committee small and streamlined in order to get the job done. We appreciate the committee giving us a few minutes to provide information we believe will be very helpful developing a new land use plan.

Lake Murray homeowners are a very unique and special interest group. As residents, our quality of life, property values, and our enjoyment and participation in recreational opportunities are impacted by how the lake and its resources are managed now and in the future. On the average, we utilize the lake's resources much more than the casual visitor. Thus, we have a clear understanding of the recreational needs as it relates to protecting and enhancing project resources. And we feel our input will be valuable as this committee develops a plan that will ensure future generations will enjoy the resource as we know it today.

As lake residents, we are frequently criticized for participating in discussions on shoreline protection. Let it be clear, our organization is not against private development on Lake Murray. We are against a land use plan that is out of balance and gives little consideration to protecting public values such as recreation, fish and wildlife and natural beauty. And we are not in favor of a land use plan that contributes to congestion, boating safety and water quality concerns. The Coalition believes the number one issue relating to the shoreline use is the need to preserve areas "to get away from it all" and for the preservation and protection of wildlife areas.

We offer the following comments and suggestions as it relates to rebalancing.

Future Development Lands

The Coalition reviewed the Natural Resource Sub-committee's survey of lands within the Future Development classification. Many of the tracts in this category received high marks (3 & 5) for recreation and natural resource values. Based on our experience, we concur with the findings of this committee. It is apparent that these project lands which are currently open to the public provide important passive recreational opportunities including hunting, fishing, hiking, birding, picnicking, enjoyment of scenic qualities and most importantly provide places to "get away from it all." Additionally, it is clear that many of these areas represent some of the last pristine tracts in their respective areas, which provide important habitat for wildlife and protect the lake's natural beauty.

Forest and Game Management

The Coalition noted that most of these "protected" shore lands (approx. 90 miles) are located in the upper tributaries and are available for public use. The Coalition believes these areas provide great opportunities for passive recreational use including, hunting, fishing, hiking, birding, picnicking, enjoyment of scenic qualities and most importantly provide places to "get away from it all."

Recommendations

Future Development Lands -- Shorelines with scores of 3 or higher for recreation and natural resources values (as noted in the natural resource sub-committee survey) should be reclassified to a Natural/Recreation classification. No lands should be sold in these areas. No docking facilities should be allowed except that consideration should be given to back property owners who offer proposals that would better protect the project's resources in exchange for limited private access.

Forest and Game Management -- These shorelines should retain their protective status but where the project boundary runs close to the shoreline, we recommend considering proposals by back property owners that widen the "buffer" by donating lands to the project in exchange for limited access

Conclusion

The existing breakdown of land uses shows that only 5% of the shoreline is designated for public recreation and only approximately 15% is designated as protected. The result is that 80% of the shoreline is either developed or in a development classification. It is apparent that there is an imbalance between environmental protection, recreation and private development. Our rebalancing proposal would add an additional 60 miles of shoreline to the recreation classification resulting in a new breakdown: Public Recreation 15%, Forest and Game Management 15% and Private Development (Easement and 75' buffer areas) 70%. This proposal, however small, will make a big difference in ensuring that future generations will enjoy at least some of the benefits we treasure today.

The Lake Murray Homeowners Coalition was formed over two years ago to ensure that lake residents have a voice in the relicensing process, as well as other decision making processes, that impact quality of life, property values, and the lake's public resource values.

Once again, thank you for allowing me time to present our concerns and recommendations.