MEETING NOTES

SOUTH CAROLINA ELECTRIC & GAS COMPANY SALUDA HYDRO PROJECT RELICENSING LAKE AND LAND MANAGEMENT TWC

SCE&G Lake Murray Training Center May 24, 2007

Final acg 6-27-07 - revised 7-10-07

ATTENDEES:

Alison Guth, Kleinschmidt Associates Alan Stuart, Kleinschmidt Associates

Bill Argentieri, SCE&G

Steve Bell, Lake Watch

Tony Bebber, SCPRT Kristine Jensen, WPYC

Kristine Jensen, WPYC

Bill Grant, WPYC

Russell Jacobus, WPYC

Kelley McLeod, WPYC

Fran Trapp, WPYC

Brad Anderson, WPYC

Ginger Gocke, WPYC

George Schneider, property owner

Linda Schneider, property owner

Jennifer Richardson, property owner

Ellis Harmon, property owner

Emily Hamby, property owner

James Leslie, Lake Murray Docks, Inc.

John Sheffield, boater

Dick Christie, SCDNR

Cecil Sheppard, Bass

Sherron Hopper, WPYC

Bonnie Harmon, property owner

Clyde Harmon, property owner

Phil Hamby, property owner

Mac Smith, boater

Debra Booth Tullis, boater

Brenda Parsons, property owner

Regis Parsons, property owner

Sonya Nussbaum, property owner

Ken Simmons, property owner, Wingfield Dee Dee Simmons, property owner, Wingfield

Dee Dee Simmons, property owner, wingfie

Steve Fitts, property owner, Wingfield

Dave Landis, LMA

Joy Downs, LMA

Connie Frick, property owner

John Frick, property owner

Amanda Hill, USFWS

Ron Ahle, SCDNR

Barbara Grissom, boater

Mike Summer, SCE&G

John Jaques, WPYC

Tommy Boozer, SCE&G

Vicki Hamby, property owner

HOMEWORK:

- Discuss Harmon property deed restrictions with legal team SCE&G
- Discuss FERC's designation on SC navigable waters with legal team SCE&G

DATE OF NEXT MEETING: TBA

MEETING NOTES:

These notes serve to be a summary of the major points presented during the meeting and are not intended to be a transcript or analysis of the meeting.

Alan Stuart opened the meeting and noted that they would begin discussions with two presentations from stakeholders. John Frick was the first to present to the group, and his discussion centered around his recommendations for a framework for the Shoreline Management Plan. The presentation can be viewed at

http://www.saludahydrorelicense.com/documents/LakeMurrayShorelineManagementPlanpresentation.ppt
After John F. completed his presentation, the floor was opened up for questions and comments. There were some concerns expressed about the large size of lots that were being proposed which would cater only to the extremely wealthy. Tommy Boozer clarified that during the relicensing they could only deal with what was inside the project boundary line (PBL), they could make decisions on permitting docks, but not on zoning and lot sizes. John F. noted that his framework for a SMP looked at the total lands and the fringelands, and the SMP must extend beyond the PBL to be effective. Steve Bell pointed out that the sale of fringelands was yet to be discussed in the TWC.

Dee Dee Simmons and Steve Fitts then gave a presentation on the property they were currently in the process of developing, Wingfield. The presentation can be viewed at http://www.saludahydrorelicense.com/documents/WingfieldPresentation-May2407.ppt. As Dee Dee concluded the presentation, she explained that the county was very excited about this development, as the counties are having a lot of negative impact from the high density development. Tony Bebber noted that similarly on the Saluda River there was a development that has left the frontage along the river as common area. After the Wingfield presentation, the floor was also opened for questions. There were several questions about the natural areas that were being implemented on the property. Dee Dee noted that they were currently working on obtaining the fringelands around the property. Ron Ahle asked if the fringeland was made available, not to buy, but under a type of fee program in order to obtain boat slips, if that would be acceptable. Dee Dee noted that may be a favorable option.

After the presentations had been concluded, Alan explained that the group would spend the remainder of the meeting time discussing Two Bird Cove and its designation as a Special Recreation Area. Tommy began the discussion by giving the group an update of the situation. Tommy explained that this first surfaced during the required five year review period of the SMP. He explained that at one of the meetings for the review, Jim Leslie with Lake Murray Docks discussed the protection of a cove that they had historically used for sailboating. Tommy noted that as the orders started to proceed, SCE&G was ordered by the Federal Energy Regulatory Commission (FERC) to discuss with DNR and USFWS on designating this cove a Special Recreation Area. Tommy explained that they were not familiar with the name Two Bird Cove, as it was stated in the FERC order, as it had always been known as Harmon Cove in the past. He continued to note that originally SCE&G was opposed to the designation, however they were required by FERC to reevaluate it and the 2004 order required SCE&G to designate the waters in the cove. Tommy pointed out that the designation only applies to the waters, however, not the land. It was further noted that SCE&G does not have any road access to the property. He explained that there have been some concerns by homeowners regarding the designation, however the group could not make a decision today, as it was up to the FERC. One individual asked what the Harmon's (back property owners) wanted to be done when the designation came about. Ellis Harmon noted that they had wanted the cove left as it was, not for use by only one group of recreators. Alan explained, however, that the FERC designation did not prohibit anyone else from using the cove. Alan continued to note that he believed that the Windward Point Yacht Club's (WPYC) intention behind the request was to make sure that the property was protected, however the FERC responded

and protected the water. It was noted that the question also arose of whether or not the FERC had the legal authority to designate the navigable waters of the state of South Carolina. The concern that the back property owners expressed was that the special designation may encourage more use and act as a flashing beacon for recreators. Alan noted that this would be best discussed if representatives from each group came to the front to express their opinions on the issue.

Jim Leslie spoke for the first on behalf of Lake Murray Docks. Jim L. explained that they were concerned about preserving the water *and* the land of Two Bird Cove. He noted that this area is very important to the sailing community, and added that he does have a direct business interest in the designation staying in place as the cove is within a certain sailing distance from his marina. He explained that he would like to see the SCE&G lands of Two Bird Cove and Hurricane Cove taken out of future development and placed in some type of land trust. He also noted that originally the most convenient cove for sailboaters was Pine Island, however it has become too developed. He noted that their group wanted the designation to stay as it was, as they felt the designation gave more leverage for keeping the fringelands unsold. Phil Hamby explained that this is why the water-based designation does have a potential negative affect on the fringeland itself.

Regis Parsons then presented the group with some of the concerns of the back property owners of Two Bird Cove. Regis explained that they are not opposed to having sailboats come into the cove. He continued to note that, as Jim L. had pointed out, all over the lake people have built homes close to the shore. He cautioned that the Yacht club members should understand that some of the back property owners own down to the 360'. Regis noted that there had been a conscious decision by their families to keep their lands natural. He acknowledged that he cannot guarantee that under future owners, these properties will remain as they are currently and cautioned that much of the land off which the yacht owners anchor is not SCE&G fringeland but is privately owned. He continued to explain that he cannot guarantee that the property will remain as it currently is in the future. He also explained that because Two Bird Cove is now labeled as a Special Recreation Area, it will attract more people and thus have an adverse impact on the shoreline and aquatic habitat. Regis further asked the group to look at it from the point of view of other users of the cove. He explained that they when there are too many sailboats rafted up in the cove, it is difficult for other boaters and fishermen to use the cove. Regis explained that he had received a written response from FERC (NOV 1, 2006) stating that the cove designation is intended only to confirm the historical use of the cove waters for overnight anchoring, and that the designation was not to be interpreted as involving any additional provisions. Given that FERC explicitly stated that the designation had no other provisions, he argued that the notion that the designation would keep the cove fringelands protected from development was baseless. Regis ended asking that the TWC support removing the designation from the waters of the cove.

Steve Bell explained that the Lake and Land Management TWC would be discussing the fringeland tracts in Two Bird Cove as a part of land rebalancing discussions. Steve noted that the designation will be considered as a part of the decision making during rebalancing. Alan added that the classification will just be one of many factors considered during the rebalancing. Ron Ahle noted that he was personally concerned about the cove because it is a very significant fish spawning area. Ron also explained that he personally wished that the designation would go away because the designation has resulted in pitting folks of similar interest at odds with each other. He continued to explain that the location of the designation was unknown to him until after the FERC order. Amanda Hill agreed that this would be a cove that the agencies will want to protect. She then asked the group if they would be agreeable to the TWC requesting that the Special Recreation Area designation be removed, however the fringelands be protected. There were differences of opinion regarding this.

It was also pointed out that the Harmon family has provisions in their deed that they have the right to farm the fringeland if they so choose. Tommy further explained that the deed entails that the Harmon's have agricultural and pasture use of the land and allows them to clear to the water's edge. He noted that when the FERC made the decision to make the cove a Special Recreation Area, they did not know about this. Tommy further explained that this was a perpetual deed.

John Sheffield, a sailboat owner, then began to discuss the issue of the designation with the group. He noted that he felt the sailboat owners and the back property owners both had common ground on this issue. He asked the group if the back property owners would work with them in preserving the fringelands. One individual replied that, if all the usage rights are the same, with and without the designation, then why not have the designation removed so there is no more misinterpretation. Phil Hamby, a back property owner, pointed out that the decision to designate the cove was done in a manner that was not an open process. The public's (back property's) ability to provide input was negated since the location of Two Bird Cove was not identified until after the FERC designation was made. He then asked the group if there were any other coves that the group could explore switching the designation to. One individual replied that there were not any coves, other than Two Bird Cove that were within a certain distance of sailing from Mr. Leslie's marina. Phil replied that no studies were conducted outlining options; therefore, he would like to see some other options given and consider working towards some sort of compromise. He continued to note that it would work best to designate a location that already has public use occurring (such as the current State Park, or at the new proposed State Park) instead of adjacent to private residences/back property owners. Vicki Hamby explained that part of their concern is what the designation may mean for the land. She noted that they, as back property owners, have had to deal with the noise pollution, congestion and the loss of privacy. She also noted that this designation also causes some people to view the area as a "party cove". Tommy pointed out that FERC made the designation decision before they knew of the deed restrictions, so that may shed some light on the situation. Tommy noted that they also had to get some advice from their legal staff on this issue.

Joy Downs with LMA shared her opinion on the subject with the group. She explained that she did not believe this designation has been made anywhere else and was a little disappointed that the FERC only considered one group's opinion when making this decision. Joy explained that the Lake Murray Association is concerned that there is a designation on the lake that there is no good definition or reason for.

There was more discussion from individuals from each organization and the group agreed that they must work together, and not let it get to the point where threats were being made regarding the land. Alan asked the individuals who were members of the TWC if any more information was needed from the groups to supplement discussions on the land designations. Ron pointed out that one thing that they had discussed in the TWC was if there was another place on the Lake for the designation. He continued to explain that he was hearing that there was not, however he asked if the groups could come together and look at a map of the lake. An individual from WPYC noted that it needed to be within 5 miles of where they were docked.

In closing, Alan explained that the TWC will review the lands of Two Bird Cove, but noted the issue of the recreation designation may not be resolved in the license. He noted that the WPYC and back property owners needed to come together to come to a resolution with the designation. Alan also noted that the TWC could make the recommendation to the FERC if the WPYC and back property owners came together to a resolution. Various back property representatives noted that it was unreasonable to be asked to develop a compromise after the fact. They expressed that they had no position to compromise from since the designation was already in place – they would only lose more. Further, it was clarified that they believed in compromise and communication, and that is

exactly why they wanted to have that opportunity occur BEFORE the designation was decreed. It was also noted that any recommendations by the TWC in the classifications of fringeland properties will be made available to those parties involved. Tommy explained that action items for SCE&G included finding out if the FERC can place a designation on navigable waters and also review the deed restrictions on the Harmon property. The group adjourned and Alan again encouraged the WPYC and back property owners to come together and discuss a resolution that can be presented to the TWC.