July 19, 2005

CALFED Ecosystem Restoration Program
Attn: Rebecca Fris
650 Capitol Mall, 5th floor
Sacramento, CA 95814

Subject: Budget of the Battle Creek Restoration/PG&E Retrofit Project

California Bay-Delta Authority Members:

Thank you for the opportunity to address the CDBA with regard to the Battle Creek Restoration/PG&E Retrofit Project. I am writing you today from two perspectives; as a concerned citizen and taxpayer, and as the private property owner at "ground zero" of this project. In those dual roles, I would like to express the grave reservations I have about this project.

Outlined in this letter are the underlying details covering my key concerns:

- This proposed project would be an environmental disaster for Oasis Canyon, resulting in permanent alteration of a pristine ecosystem.
- None of these environmental or economic costs is accounted for or mitigated in the plan.
- This would be one of the most expensive salmon habitat restoration projects ever proposed in the U.S., with a per-fish cost of more than $45,000 aiming at an uncertain outcome due to the experimental nature of much of the project.
- There are less expensive and less environmentally damaging ways to achieve the goals of salmon habitat restoration that we all share.
- This project appears more of a taxpayer-funded bailout of PG&E historic degradation of this watershed than a habitat restoration that ultimately will benefit the public.

Ranch land that I own and love sits astride the South Fork of Battle Creek and encompasses Oasis Canyon, one of the primary construction sites proposed in the project. I was first attracted to Battle Creek and Oasis Canyon because of the pristine waters and raw beauty of this special place. In addition to grazing and hunting operations, I run a fully operational fly-fishing lodge, Oasis Springs Fly Fishing Lodge, on the South Fork. In fact the waters of Battle Creek, once described to me as the most "productive water I ever seen" by a Montana biologist, offer one of the best fly-fishing experiences in California.

As someone attracted to the unspoiled beauty of the region and as an avid fly-fisherman, I was excited when I first heard about a restoration of Battle Creek. The idea of bringing this special environment closer to its original state thrilled me. I have often thought about the "old days" in California when thousands of salmon and steelhead ran through our waters, and how absurd it is that I have traveled to Oregon and Alaska to find fish that should've been far closer to home. Not only do I support the goal of bringing back these endangered salmon, I have been proud to discover that "my" little stream offers such a unique habitat.

However, as the Battle Creek project has progressed and as more details have been released, I have become disillusioned by the process and the direction it has taken. That disappointment is driven by the economic waste and environmental damage that would result; and the fact that this project has not accounted for that damage and makes not attempt to mitigate that damage. So I am writing you not in opposition of the goal of the project, but rather in opposition to the specific project plan for achieving that goal.

This project has been characterized as a salmon and steelhead restoration; however, you must look beyond the project title to properly identify the project. It seems that the project, as currently conceived, may well amount to little more than a financial bailout for PG&E after the years of environmental destruction that their hydropower operations have wreaked in this watershed. Essentially, it appears that the government (that is to say, the taxpayers of California) is paying for and performing all of the remediation that would be required of PG&E by current environmental standards.

I have a front row seat to this project. More than 40 percent of the overall construction budget is to be spent in Oasis Canyon on both PG&E facilities, and on my land. The plan calls for a fish ladder, a "bypass tunnel and tailrace connector," and a fish screen to be built here. On paper, these structures sound fairly innocuous. In reality, they would be an environmental disaster for Oasis Canyon.

In Oasis Canyon alone, the project to "restore" Battle Creek includes the following:

- **Fish Ladder**
  The current fish ladder on Inskip dam covers 700 square feet – about the size of one of those small one-bedroom apartments in San Francisco. The new, proposed fish ladder complex would cover 3.15 acres. What is now a wooded river bank would become a massive concrete fixture with an adjacent 4200 sq. ft. parking lot (such parking lot for trucks to be located right on the riverbank, within feet of wild trout, steelhead, and salmon and other species including monarch butterflies), a prefabricated railway bridge, and a new 12-foot-wide access road surrounding it.

- **"Tailrace Connector and Tunnel"**
  The purpose of this connector is to divert water from the South Powerhouse into a PG&E canal downstream. It is actually a 10-foot-high, 1,200-foot-long tunnel blasted and drilled through the canyon wall with a 34-foot-high by 50-foot-feet wide entrance cut out of the riverbank. A 100 feet x 20 feet concrete channel would funnel water into the tunnel. All in all, this tunnel would require the excavation of over 180,000 cubic feet of rock – which is to be dumped on my property with no environmental and no economic mitigation citied in the EIS/EIR. The environmental disturbance from this well-intentioned but seriously misguided element of the project is tragic.

- **Fish Screen**
  The fish screen is a 121.5 foot-long structure with motorized sweeping brushes and electronic monitoring. It would require the construction of a new headwork – a new concrete channel built into the riverbank that is 31 feet long and 20 feet high. An 8 foot-

wide, 5 foot-high, 60 foot-long sluiceway channel would also need to be built on piers in the stream above the screen to funnel sediment.

These project elements would further require the following infrastructure for their construction and maintenance:

- **New Canyon Wall Road**
  A new, permanent, 1,850-foot-long, 20-foot-wide road would be carved out of the canyon wall to connect the Fish Ladder construction site with the existing powerhouse road. The canyon wall would need to cut out up to 31.5 feet above the road level. 495,000 cubic feet of rock and soil would be excavated off the canyon wall, or rather blasted off the canyon wall since explosives are proposed for carving out the road bed. Following construction the canyon walls would be "acid washed" in order to restore a "natural appearance." This acid and the erosion from construction are expected to fall into Battle Creek.

- **New Ranch Road**
  This new road is described as "improvement to an old ranch road," but in reality, it is a new two-mile road to be cut out of an unspoiled, wooded portion of the ranch, home to pristine springs and vernal pools. This permanent road would require a 50-foot-wide cut and would travel within feet of the pristine, acre-sized Hazen Springs that is the source of Ripley Creek.

- **Tailrace Dike**
  The wooded peninsula that stretches between the powerhouse canal and the mainstream of the South Fork would be deforested and converted into a 15-foot-high levee. A road would be constructed on the top of it, with a 10-foot-wide earth ramp at the end, an accompanying spillway, and a 100-foot-long concrete canal for overflow. The banks of the dike would be covered with rip-rap. This element of the project covers a uniquely valuable and picturesque portion of the South Fork of Battle Creek and indeed the entire Lassen Watershed. Elements of the project like this make a mockery of the attempt to call this a "Restoration" of Battle Creek, when in reality it may well be a massive "industrialization" of the delicate watershed in hopes of maximizing PG&E's generating capacity while asking taxpayers to pony up for remediation costs rightly borne by the utility.

- **Coffer Dams**
  A series of coffer dams would be built in the riverbed in order to dewater the river and facilitate construction of the tunnel and fish screen. One of the dams would be approximately 13 feet high, 70 feet long, and 60 feet wide at its base. A road would be built in the streambed to access these sites. This aspect of the project is the height of irony: there is no estimate of the effect these elements (or others) would have on the current, priceless strain of indigenous, native trout in the stream, much less the other species of interest (snakes, turtles, crayfish, otters, birds, and the entire food chain of insect life in the stream). In the name of a few thousand salmon, no regard is being paid

to even more numerous trout and the other species that have thrived despite man's other mistakes in these rare canyons.

- **Staging Areas**
  9.2 acres of ranch land would be used for staging construction, contractor use, and for a concrete plant. This land is located in the heart of the crucial migratory grounds for the largest indigenous herd of deer in California. The deer depend on this land for winter habitat before returning to the wilds of the Lassen National Park in the summer seasons.

- **Disposal Area**
  Over 3 acres of land would be used to dump the 675,000 cubic feet of excavated material – that's 3 acres of land covered with over 5 feet of material. Much of this earth would be contaminated explosive tailings. No element of this "environmentally friendly" project deals with the consequences of such actions, which may involve environmental violations.

In all, the construction of the structures would require the clearing of 28.6 acres of land in Oasis Canyon. Almost 11 of these acres would be in the riparian zone and over 8 acres of land would be used for new roads. This land simply cannot support construction on such a scale. The natural character of the Canyon would be forever lost.

As you might expect, all of this construction would be extremely expensive:

• **Fish Ladder**	$ 3,602,000.00
• **Tailrace Connector and Tunnel**	$ 3,816,000.00
• **Fish Screen**	$ 13,713,200.00
	$ 21,131,200.00

On top of this, the project does not fully account for all the future costs. The plan does not provide mitigation or funding for the environmental damage listed above. Furthermore, the costs listed above do not account for all of the future planning or road construction that would be required. It does not address the issues raised by the CNFH Science Panel about the influence downstream of Battle Creek of environmental factors in the Sacramento River, in the estuary, and in the ocean and their impacts on migration success. Finally, there are also many issues with the operation of the Coleman Fish Hatchery that are still unanswered and could impact the potential success of the restoration project. It is essential that the entire project cost be disclosed now to determine if the enormous project expense is commensurate with potential and unknown fish enhancement projected results.

Not only would the project be extremely expensive, it would be extremely wasteful. Based on simple research, I have found comparable projects that are capable of handling more fish or water that cost one-third to one-tenth of the cost this project. For instance:

- The new "state-of-the-art" fish ladder at the Fall Creek Research Center in Oregon cost $1 mm, less than 1/3 the cost of the experimental ladder proposed for Inskip Dam.

- The fish screen and fish passage project on the Flathead River in Montana costs $183,000 and is capable of handling 36% more water than the fish screen proposed for this project.

It should be noted that these projects were driven by more sensible calculations of cost and benefit that appear not to have been used in this "Restoration" Project.

The net result of the "Restoration" Project is that all of these risks are being taken and $90 mm are being spent, all in the hopes that the salmon will return. The best case results will cost $45,000 per fish, without factoring in permanent changes to the existing environmental quality of the area. What happens if the salmon and steelhead don't return in the projected numbers? How will you measure success? Will all of the new structures be removed if the fish do not return? Or is it possible to achieve most of the important goals with vastly less money? And can we add expensive elements over time as progress is being made, not just promised? Finally, shouldn't the public do what can be sensibly done for endangered species now, but ultimately hold responsible those private, profit making enterprises that have exploited the environment for their own gain for many, many decades?

The fact that so much environmental damage is being done in the name of restoration is ironic. Because this damage is also unnecessary, the project also becomes tragic. In each case, complicated, expansive, unproven, and unnecessary designs were chosen over simple, proven, and unobtrusive designs. Many of these decisions were based on unreasonable assumptions. For me, the most egregious example of this is the diversion tunnel. This $13 mm tunnel (the single most expensive element of the "Restoration" Project) is to be built on the off-chance that mixing North Fork and South Fork water will cause fish to stray and lead to a catastrophic decline in fish populations. The scientists involved in the project have provided no quantitative, scientific proof that "straying" will be a problem and readily admit that mixing is unlikely to affect populations.

The choices that have been made only intensify and expand the presence of the hydropower operations. This project does not deserve to be called a "restoration" of the river. Restoration is judged by how much closer a project brings the affected environment back to its original state. In this watershed, a true restoration plan would remove all of the dams (importantly, this true restoration alternative was dismissed by the proponents of the current plan in a cursory evaluation designed to push the current plan forward).

The first principle of restoration should be: "First, do no harm." The current plan inflicts certain environmental and economic harm in the hope that migratory fish may return. Let's not forget, that is was PG&E's hydropower facilities that destroyed the salmon and steelhead habitat in the first place. However, this plan goes to enormous lengths just to save the PG&E facilities at the expense of the environment. The project costs now exceed the total value of the PG&E facilities! These retrofits will be required of PG&E by FERC and maybe even the Endangered Species Act. How can this be viewed as anything but a taxpayer subsidy for PG&E? A cynic might be prompted to ask what is being saved here: the salmon or the power plants?

Fortunately, a far simpler plan could be implemented that would:

- Avoid the certain and tragic environmental damage;
- Cost less than the original $28 mm budget, not to mention the current $90 mm budget;
- Deliver the same anticipated results in terms of spawning fish;
- Lower the environmental footprint of the project to a tenth of what is proposed.
- Not require the building of any new roads, the drilling of damaging tunnels, the destruction of riparian habitat, or the construction of massive concrete fixtures.

The very fact that we avoid these over-engineered, environmentally-damaging elements is why this program would be cheaper. Additionally, we retain the option to implement the more controversial options in the future, should either the science or the experience of the project provide at least some of the currently lacking evidence that would indicate such steps are desirable.

In the beginning, I said that I would also outline my concerns as a deeply affected property owner within the South Battle Creek watershed, in fact the most affected owner by at least an order of magnitude. Naturally, my issues arise directly from the scale of construction of the project and the environment degradation that will result.

I own 4000 acres which have, at its heart, the South Powerhouse, the Cross Country Canal, the tailwater from the Powerhouse and the Inskip Dam. As noted above, this area is truly "Ground Zero" for the "Restoration" Project and suffers the vast majority of environmental degradation proposed in the name of "Restoration." In this context, I have several concerns:

- Operation of the Oasis Springs Lodge (www.oasisflyfishing.com) and my other commercial activities will be disrupted for, at the very least, the three years of construction;
- My fishing lodge will remain closed beyond that period because of the damage to streambed and the destruction of habitat for native trout from siltation. I will lose years of goodwill from Oasis customers and will suffer massive reputation loss from the Oasis Springs brand name;
- I will lose the use of over 23 acres of property and the value of the property surrounding the degraded acreage will be significantly impaired;
- New roads will divide my property, degrade the environment, and permanently alter the character of the land;
- The viewscape from my lodge will be permanently ruined. What is now a wooded "oasis" will no longer look across the river to the grassy, tree covered canyon wall. In the future, the lodge will look at a road for heavy machinery and be surrounded by huge concrete fish structures, parking lots, and sterile rip-rap and revetment.
- Most of the vegetation surrounding the lodge will lost;
- I will lose access between the two parcels of my ranches forcing me to make over an hour drive to travel between them;
- Investment and recent enhancement of our properties will be lost.

We have attempted to meet with the planning committee, but only last month were we granted an eleventh-hour, one-and-a-half hour meeting. We have commented in great length on the Draft

EIS/EIR and the Supplemental report, but no response to our letters has been received. These letters are attached and raise significant concerns about the environmental and socioeconomic adverse impacts to our businesses and properties. Our concerns have been raised, but no answers or assurances have been made if the PG&E project goes forward.

1. There is no mitigation plan that we have seen to address the negative economic impacts of this project on the affected properties controlled by Oasis Springs Lodge or the Rocky Springs Ranch. We are a high-end commercial fly fishing lodge with a reputation to uphold for good fishing and outstanding natural environment.

2. We have identified preliminarily some $11-$16 mm in impact costs to these properties that are not identified in the EIS/EIR or the project budget. We provided the Bureau of Reclamation letters regarding these concerns early in the process. However, the current budget proposal before you contains no funding for mitigation. Why is this being overlooked? Mine is the single most affected property with the project boundaries.

3. You are being asked to approve a budget for this plan without the benefit of completed EIS/EIRs. As noted, this budget cannot be considered complete without consideration of the environmental remediation and mitigation demanded by the law in the context of more than $11 mm of estimated damage to Oasis Springs Ranch and Rocky Springs Ranch.

4. The project proposal that is before you states in section 6 of the Land Use Checklist, "It is not anticipated that any additional land will be required to implement the Restoration Project. Most of the facilities are on PG&E land." However, this is incorrect. As page 23 of the "Preliminary Engineering Concepts Technical Report" states, "The property that the fish ladder and fish screen are to be built on does not belong to PG&E, so easements will have to be obtained for construction, access roads, and staging areas." As mentioned before, the total land needed is over 23 acres. As you know, Proposition 50, the source of funding for this project, requires that all property interests must be acquired from willing sellers. It appears however that the government's project proponents seeks to use PG&E as a proxy in dealing with property interest acquisitions. If this is true, the government agencies involved appear to be skirting the intent of the voters.

The Joint Battle Creek Review Panel (JBCRP) in their recent Technical Review stated:

"Feasibility of achieving the primary biological objectives of proposed project activities...is impossible to judge at this time..."

"The JBCRP does not feel that it can provide adequate comments on the topic of cost/benefit of the Battle Creek Restoration Plan. First, ecological benefits that might result from the project have not been quantified and no economic measures of the restoration values have been presented."

"We continue to have some reservations concerning aspects of project design that concern response of the physical habitat and fish community to dam removals..."

"We encourage the CBDA to rigorously review the budget and identify possible cost savings."

I also encourage you to demand more reasoned and cost-effective solutions. A recent press release of the CDBA described this project as, "the largest single investment to date for the CALFED Bay-Delta Program." A lot is riding on this decision. As you consider this project, please ask yourself the following:

- Shouldn't we wait for all of the environment and economic impacts to be assessed?
- Why are the public's financial obligations growing but not PG&E's share?
- Who benefits most from this outlay of public funds – the people of California or PG&E?
- In times of budget shortfalls and added scrutiny of the CDBA, is this really the project we want to make our flagship project?

Prior to making a decision on this project, I invite you and all members of the Bay-Delta Authority to Oasis Springs Lodge and Rocky Springs Ranch for a site visit. If this is the "biggest single investment", I think it is worth the time to make a site visit and see for yourself what will happen to this beautiful watershed and to Oasis Springs Canyon if you allow this project to go forward.

I would like to see the goals of this project achieved. However, I am afraid that this costly, wasteful, and risky plan will fail. We can save the fish and Oasis Canyon. I hope to work with you in the future to achieve these goals.

Sincerely,

Val Vaden

Attachments:

- October 15, 2003, Comments on Draft EIS/EIR - no response to date
- August 6, 2004, Comments on Administrative Draft of Supplemental EIS/EIR – no response to date
- April 28, 2005, Comments on Supplemental Draft EIS/EIR - no response to date