ADDENDUM A
RECORD OF DECISION
ALABAMA-COOSA-TALLAPOOSA RIVER BASIN
MASTER WATER CONTROL MANUAL
REVIEW AND UPDATE

04 MAY 2015

The following addendum to the Record of Decision (ROD) signed on _____ addresses comments that were received on the Draft Environmental Impact Statement (EIS) and on the Final EIS, through the end of the comment period that was extended to February 5, 2015. This addendum also provides additional information regarding the manner in which water supply uses at Allatoona Lake were addressed in the EIS and Water Control Manual (WCM), as well as clarification regarding water supply issues that were raised in public comments and in lawsuits filed by the State of Georgia, the Atlanta Regional Commission, and the Cobb County-Marietta Water Authority (CCMWA), for which no final agency action has been taken in connection with the ROD. The U.S. Army Corps of Engineers (USACE) has considered all comments received throughout the EIS process.

Water Supply Uses at Allatoona Lake

USACE recognizes that future water supply storage usage at Allatoona Lake, particularly by the CCMWA, has been a subject of particular interest among stakeholders. As noted in the EIS, USACE took into account actual and projected water supply uses at Allatoona Lake in its modeling of alternatives in the EIS and in the water control manuals, but did not consider allocating additional water supply storage in Allatoona Lake, or making final policy decisions on certain outstanding policy issues that were raised in public comments on the draft and final documents. This addendum provides additional information on USACE considerations regarding water supply at Allatoona Lake.

Water supply is an authorized purpose of the Allatoona Lake project by virtue of two existing water supply storage agreements, entered into between 1963 (CCMWA) and 1991 (Cartersville) under the authority of the Water Supply Act of 1958, to facilitate withdrawals from Allatoona Lake. At the time this WCM update process began, USACE had long deferred taking action to address the question of whether and how future water supply needs could be accommodated from Allatoona Lake. USACE had been engaged in litigation since 1990 involving the States of Alabama and Georgia, as well as other parties, challenging, among other things, the existing levels of water supply use in the ACT basin, including allegations that USACE had engaged in "de facto" reallocations of storage by endorsing or tolerating alleged exceedances of existing water supply storage allocations. Despite numerous attempts at resolution of the States' underlying dispute over the allocation of waters in the ACT Basin, no resolution was ever accomplished and, in October 2007, in the absence of any resolution of the States' underlying disputes, the Secretary of the Army instructed USACE to proceed with the long-deferred update of the ACT water control manuals, noting that "[t]here is no dispute that the water control plans and manuals for the ACT basin are outdated and therefore must be revised to reflect downstream developments and operational changes." Secretary of the Army Pete Geren to Senator Jeff Sessions (October 18, 2007). Under those circumstances -- continued disagreement among the States and litigation that persisted until the last remaining claims were ultimately dismissed in July and October 2012 -- USACE made the decision to focus on updating the water control manuals to reflect current circumstances, including existing allocations of storage to water supply in Allatoona Lake. As USACE made clear in the draft and final EIS, and in other statements throughout the manual update process, USACE would take no final agency action with regard to Georgia's future water supply needs associated with Allatoona Lake before completing the action of updating the ACT water control plans and manuals. See Draft EIS ¶¶ 1.3, 1.4, 4.1.

On January 24, 2013 -- more than five years after this manual update process began and just months after the remaining ACT litigation claims were dismissed in October 2012 -- the State of Georgia submitted an updated request for additional storage in Allatoona Lake for future water supply needs. In view of the extensive effort already expended to complete the WCM manual update to reflect current conditions, as well as the urgent need to update operations for *all* authorized purposes, not water supply alone, USACE continued with the current WCM process, without undertaking the additional, discretionary action of considering Georgia's water supply request at that time. Assistant Secretary of the Army (Civil Works) Jo-Ellen Darcy to Governor Nathan Deal (April 29, 2013). There are multiple congressionally authorized project purposes in the ACT Basin that USACE must balance in devising the operations of the federal improvements in the ACT Basin and water supply storage is but one of those purposes. Moreover, Allatoona Lake -- the USACE reservoir where future water supply storage has been requested -- is only one part of the overall federal ACT system and one of 16 projects (federal and nonfederal) in the system. Even at Allatoona, water supply storage is only one of the multiple project purposes that USACE must consider. For all of the above reasons, USACE's sole focus was on updating the WCM for the entire ACT basis.

During the WCM update process, it became apparent that the current water supply storage usage at Allatoona Lake was also of particular interest to stakeholders. As noted, claims in the longstanding litigation that concluded in 2012 included allegations that USACE, by action or inaction, had effected "de facto" reallocations of storage by tolerating alleged exceedances by Georgia water supply providers of existing storage allocations to water supply. USACE denied that it had ever taken such action, and the U.S. District Court for the Northern District of Alabama dismissed those claims in July 2012 on the grounds that USACE had not taken final agency action. Similarly, as explained here, USACE is taking no final agency action in this ROD with regard to future water supply uses to the extent that any withdrawals are in excess of the 1963 contract amounts at Allatoona Lake.

During the comment period on the Draft EIS, USACE received numerous comments from stakeholders regarding how the no action alternative set out the current state of affairs in the ACT Basin and especially with regard to how the no action alternative and all other alternatives took into account water withdrawals from Allatoona Lake. The Draft EIS assumed that water supply withdrawals from Allatoona Lake would reflect "current contracted amounts," i.e., withdrawals contemplated under existing storage agreements at the time those agreements were executed. See Draft EIS, ¶¶ 4.2.6, 6.1. In responding to these robust comments, USACE reexamined the no action alternative and determined that the FEIS would use the actual, recorded 2006 withdrawals from Allatoona Lake in the no action alternative instead of the amounts that were set out in the Draft EIS. In 2006, CCMWA withdrew an average of 47.19 million gallons per day (mgd), compared to the estimated daily requirement of 34.5 mgd referenced in its 1963 water supply storage agreement. In the Draft EIS, USACE utilized the 34.5 mgd figure from the 1963 agreement as the basis for its HEC-ResSim modeling of withdrawals from Lake Allatoona. As the commenters noted, using that 34.5 mgd figure as the measure for withdrawals from Allatoona Lake does not capture what occurred in 2006, the year of greatest overall demands on the system. Moreover, the commenters observed that withdrawals by CCMWA have often exceeded 34.5 mgd as an annual average, calling into question the use of the 34.5 mgd figure for the Proposed Action Alternative (PAA), as well. Since 2006, withdrawals by CCMWA have averaged 37.10 mgd annually.

USACE determined that inputting the 34.5 mgd figure in comparing the no action and the PAA, as was done in the Draft EIS, would not fulfill its legal obligations under NEPA, because it would not adequately capture either current conditions under the no action alternative or the impacts to the human environment as between the no action alternative and the PAA. Accordingly, in the Final EIS, USACE revised the no action alternative to accurately reflect actual withdrawals from Allatoona Lake in 2006, and to better reflect the delta of the impacts between the no action alternative and the PAA, to meet its obligations under NEPA. At the same time, USACE concluded that it was still appropriate to use 2006 withdrawals --

since 2006 represents the year of greatest annual diversions in the ACT Basin during the period of simulation -- to remain consistent with its modeling of basin-wide conditions for each alternative evaluated in the EIS. Therefore, in evaluating the effects of water supply usage at Allatoona Lake in the Final EIS, the USACE used the actual, recorded water supply withdrawals of 47.19 mgd in 2006 to represent the no action alternative. For the PAA and all other alternatives, USACE based its analysis on the same, actual 2006 withdrawals. However, the HEC-ResSim modeling parameters limited the withdrawals from Allatoona Lake to those that would be available, under the modeled circumstances, from existing water supply storage allocations pursuant to the method of water supply storage accounting that USACE currently employs at Allatoona Lake. According to the model results for the PAA, withdrawals from the existing water supply storage would average 43.34 mgd annually -- more than the 34.5 mgd requirement referenced in the 1963 agreement and utilized in the DEIS, but less than the 47.19 mgd average that was actually withdrawn in 2006.

Although the data indicate that actual, annual average daily withdrawals by CCMWA have been less than either 43.34 or 47 mgd in every year since 2006, the model results nonetheless indicate that the available water supply storage -- under the model assumptions, including the storage accounting methodology that is currently employed at Allatoona Lake -- is insufficient to accommodate the 2006 level of demand or future demand increases during anticipated drought conditions in the future.

Agency and Public Coordination

USACE initiated the ACT River Basin Master WCM update process by publishing a Notice of Intent to prepare an EIS in the *Federal Register* on November 9, 2007. USACE held four public scoping meetings in the basin in September 2008 to inform and receive input on the Master WCM update process. Public review of the Draft EIS was completed on May 31, 2013. During public review of the Draft EIS, USACE held four public workshops in the basin to answer questions and receive public comments. USACE considered all public and agency comments on the Draft EIS. The Final EIS included all comments on the Draft EIS and the detailed USACE responses to those comments. Substantial updates and revisions were included in the Final EIS in response to public and agency comments. The Final EIS was filed with the U.S. Environmental Protection Agency (EPA) and made available for 30-day public review on November 7, 2014. The comment period was extended by 60 days at the request of multiple agencies, organizations, and individuals, concluding on February 5, 2015.

Agencies, organizations, and individuals provided 105 comment letters or emails during review of the Final EIS. Comments were received from various federal, state, and local government interests (including water and wastewater utilities), Alabama Power Company (APC), and environmental organizations. The vast majority of the comment letters received on the Final EIS were from individuals and organizations representing direct interest in the potential effects of the ACT Master WCM update on Lake Martin, Weiss Lake, and Allatoona Lake. The comments and USACE responses are summarized in the following paragraphs. Except as noted below, the comments on the Final EIS did not identify new substantive issues, information, or reasonable alternatives that had not already been identified and considered during the EIS process, nor did public or agency comments dictate the need for any changes to the impact determinations in the Final EIS. Some of the comments identified minor errors and omissions in the Water Control Manuals and these editorial changes have been made.

EPA expressed concern about water quality impacts under the PAA and the sufficiency of the HEC-5Q water quality modeling to adequately define and address these impacts. EPA also recommended optimizing the use of existing infrastructure for meeting water supply needs and the disclosure of impacts of ACT operations on greenhouse gases and climate change as well as the impacts of climate change on ACT operations under the PAA.

USACE response: USACE complies with all applicable laws, regulations, executive orders, and policies, including the applicable provisions of the Clean Water Act (CWA). EPA/Alabama Department of Environmental Management (ADEM) models are site specific and designed for use in assessing TMDLs. As EPA comments noted, they were developed to use observed historic data and not designed to compare alternatives using predicted inputs. While useful in making decisions regarding development of TMDLs, they are of limited value in making water release decisions and selecting alternative operations at reservoirs. The purported precision of the EPA model would likely be diminished by the use of predicted inputs rather than historic data. The USACE technical team of subject matter experts has reviewed the comments from EPA and determined that the evaluation of water quality impacts contained in the Final EIS complies with NEPA requirements. The role of USACE projects in meeting water supply needs was generally considered in the WCM update and Final EIS, even though the update did not include a storage reallocation study. The sensitivity analysis in the Final EIS considered the potential effects of climate change on proposed operations under the PAA.

The Southeastern Power Administration (SEPA) and Southeast Federal Power Customers (SEFPC), Inc. reiterated strong concerns from the Draft EIS comments about potential impacts of the PAA on hydropower generation and marketing. Specific concerns included: USACE has downplayed its obligation to provide peak hydropower benefits; the Final EIS does not comply with NEPA; and the Final EIS does not disclose the water supply storage use accounting methodology.

USACE response: SEPA and SEFPC did not raise new substantive issues in their comments on the Final EIS that were not fully addressed in response to the Draft EIS comments and considered during preparation of the Final EIS by USACE.

Georgia Environmental Protection Division (GAEPD) restated concerns expressed in comments on the Draft EIS, including: the EIS does not consider Georgia's current and future water supply needs; the modeling and analysis of Georgia's current water usage and needs as part of the PAA were not properly conducted; and the cumulative effects analysis relative to water supply is inadequate.

USACE response: As described above and in the ROD, WCM, and associated appendices, USACE made adjustments to the FEIS to more accurately describe and evaluate the no action alternative, the PAA, and the other alternatives evaluated in the FEIS. Although the data indicate that actual, annual average daily withdrawals by CCMWA since 2006 have been less than either the 43.34 mgd model results for the PAA or the 47.19 mgd withdrawals in 2006, the model results nonetheless indicate that the available water supply storage -- under the model assumptions, including the storage accounting methodology that is currently employed at Allatoona Lake -- is insufficient to accommodate the 2006 level of demand or demand increases during anticipated drought conditions in the future. USACE did not consider, as part of this EIS for the WCM update, Georgia's request for additional storage for water supply in Allatoona Lake. The ASA(CW) is considering notice and comment rulemaking to address and clarify water supply policy issues nationwide.

Georgia Wildlife Resources Division (GA WRD) stressed the need for cool water tailrace conditions for striped bass in the summer and early fall downstream from Allatoona Dam and requested that USACE consider using sluice gates in lieu of spillway gates to maintain the optimum temperature regime when releasing excess water between June and early October.

USACE response: USACE will work with GA WRD to maintain conditions suitable for striped bass between June and early October to the extent practicable.

The Alabama Office of Water Resources (AL OWR) reiterated comments and concerns previously expressed in response to the Draft EIS. These comments and concerns included: USACE used an inappropriate baseline condition for the NEPA analysis; USACE performed an inadequate cumulative

effects analysis; HEC-ResSim and HEC-5Q have numerous errors in the models and the data; the water quality impact analysis is inadequate; USACE has made substantial and inappropriate reordering of Allatoona Lake's project purposes under the PAA; under the PAA, there would be more severe and frequent occurrences of drought operations, which would be adverse to the state of Alabama; the Final EIS contains inadequate water storage accounting information for Allatoona Lake; and USACE failed to address CCMWA water supply issues.

USACE response: each specific comment and concern raised by the AL OWR on the Draft EIS was fully addressed in the development of the Final EIS, including explicit clarifications and revisions that were made to the EIS in response to those comments. The AL OWR Final EIS comments did not raise substantive new issues that had not already been expressed at the Draft EIS stage. Specific AL OWR comments about water supply storage accounting at Allatoona Lake and CCMWA water supply issues are further discussed above in the USACE response to GA EPD Final EIS comments.

The Alabama Department of Environmental Management (ADEM) reiterated concerns expressed in its comments on the Draft EIS. These concerns included: the PAA would have adverse impacts to water quality of Alabama waters; the EIS contains an insufficient analysis of water quality impacts under the PAA; the water quality modeling conducted for the WCM update is inadequate to analyze and determine the water quality impacts. The comment letter asserted that the PAA would have a high probability of adversely affecting Alabama's surface waters and that the PAA would be in violation of the Clean Water Act, Alabama's Water Pollution Control Act, and Alabama's Water Quality Standards.

USACE response: all specific ADEM comments on the Draft EIS were fully addressed during the development of the Final EIS. USACE complies with all applicable laws, executive orders, regulations and agency guidance. Additional analysis performed in response to water quality comments on the Final EIS shows that there will be little impact under the PAA to the water quality in the ACT Basin. HEC-5Q is an approved and widely accepted USACE water quality model with which EPA, GAEPD, and ADEM are familiar, and it was selected as the preferred water quality model for the ACT Basin early in the WCM update process. The HEC-5Q model provides enough spatial, temporal, and mechanistic precision to determine the impacts of the PAA on water quality compared to the No Action Alternative.

The Alabama Department of Conservation and Natural Resources (ALDCNR) repeated concerns expressed in comments on the Draft EIS and raised no substantive new issues. ALDCNR concerns include: the 7Q10 flow should not be used by USACE as a "target flow" for project releases as this flow level would be inadequate to support ecological functions and fish and wildlife; the PAA would have potential water quality impacts on fish and wildlife resources, particularly in Weiss Lake downstream of Allatoona Dam; the PAA would have adverse impacts on backwater areas and on Alabama sturgeon recovery; the PAA does not include plans for fish passage at R.F. Henry Lock and Dam.

USACE response: ALDCNR comments on the Draft EIS were fully addressed in the Final EIS. With respect to the water quality comment in regard to Weiss Lake, USACE maintains that the Final EIS has adequately evaluated water quality impacts downstream of its projects and throughout the basin. The Final EIS demonstrates that, during extreme drought conditions, chlorophyll *a* may show increases in Weiss Lake but that overall water quality impacts would be minor.

Alabama Power Company (APC) essentially restated comments and concerns that had been expressed in the May 2013 APC comments on the Draft EIS. These comment included: proposed operations under the PAA require congressional approval and cannot be implemented using administrative discretion; the Final EIS does not comply with NEPA; USACE has not adequately responded to EPA or U.S. Fish and Wildlife Service (USFWS) concerns; and USACE should move forward on Weiss and Logan Martin WCMs. APC did raise one new comment on the Final EIS, questioning a USACE change to the water

supply demand assumption for Allatoona Lake in the HEC-ResSim model from using existing water supply storage agreement limits to actual net 2006 withdrawals for the No Action Alternative.

USACE response: APC comments on the Draft EIS were fully addressed in the development of the Final EIS, including detailed responses to those comments and some associated clarifications and revisions to the EIS document. The change in the water supply demand assumption for the HEC-ResSim modeling, as noted by APC in the their Final EIS comments, was intended to more correctly represent existing conditions upon which the No Action Alternative is based. This change had an overall negligible effect on the model results and did not affect the selection of the PAA.

Atlanta Regional Commission (ARC) and CCMWA reiterated the primary concerns they had expressed in comments on the Draft EIS. The principal concerns include: the Final EIS has an unlawfully narrow stated purpose and need (does not address Georgia's January 2013 water supply request); the Final EIS does not consider all reasonable alternatives (including water supply); and ARC/CCMWA have concerns with USACE storage accounting policy.

USACE response: the principal concerns expressed by ARC and the CCMWA are essentially the same as those provided by the Georgia EPD. The USACE responses to the Georgia EPD comments are provided above.

The Mobile Area Water and Sewer System, Montgomery Water Works and Sanitary Sewer Board, Alabama Pulp and Paper Council, and Manufacture Alabama all reiterated their concerns expressed in comments on the Draft EIS that changes in the flow regime in the Alabama River under the PAA could adversely affect water quality and thus adversely affect utility operations and business interests on the river.

USACE response: compared to current operations, the USACE analysis indicates that negligible overall changes to the flow conditions in the Alabama River would be expected under the PAA.

The Alabama Rivers Alliance (ARA) Final EIS comments expressed concerns regarding discussion of impacts in the Final EIS on recreation on the Alabama River and the impact of proposed operations under the PAA on the Mobile Bay and Estuary. ARA attached and referenced a May 31, 2013 Southern Environmental Law Center (SELC) comment letter on the Draft EIS indicating that the letter represented ARA's broader concerns.

USACE response: the analysis in the Final EIS concluded that the PAA would have no effect on Alabama River recreational activities or affect conditions in the Mobile Bay and Estuary. Comments in the 2013 SELC letter were fully addressed in the development of the Final EIS.

Individuals and organizations with specific interest in Lake Martin generally expressed one or more of the following concerns: the Final EIS does not consider APC's request to raise the Lake Martin winter pool by three feet; USACE overstated the Lake Martin conservation storage value used in the modeling; modeling in support of the Final EIS is flawed; and the CCMWA continues to violate its Allatoona Lake storage contract with USACE.

USACE response: USACE does not have a WCM for Lake Martin and does not control releases from that project. Since APC does not divide its reservoir pools into conservation storage and inactive pool, USACE applied its national methodology for determining conservation pool at reservoir projects to develop a bottom of conservation pool level for Lake Martin for modeling purposes. This was done after reviewing numerous APC documents, including data for Lake Martin in the Draft EIS for Lake Martin's FERC relicensing. None of the operations in the alternatives indicate that Lake Martin would reach the bottom of the conservation pool, nor did any of the modeling for the alternatives reveal that Lake Martin would ever likely be drawn down to that level. APC is also seeking a three-foot increase in the winter

conservation pool level at Lake Martin as part of its FERC relicensing effort. If the conservation pool at Lake Martin is increased as a result of the relicensing effort, USACE will consider that change in its next update of the ACT Master WCM. Navigation and water supply storage are authorized project purposes for the ACT system, and USACE must balance navigation below Montgomery and water supply storage contracts with all other authorized purposes. USACE thoroughly considered any impacts to the human environment that resulted from the PAA throughout the Tallapoosa River projects as well as the Alabama and Coosa Rivers.

Concerns raised by Weiss Lake interests included: USACE should concur with APC's request to FERC to raise the winter pool level, and recreational and economic impacts to the local economy from current winter operations at Weiss Lake (pool drawdown) are significant.

USACE response: the update of Weiss and Logan Martin WCMs were delayed because further study is needed for flood risk management issues at both projects. Winter drawdown and pool level may be considered as part of future study and actions for those two projects.

All practicable means to avoid or minimize adverse environmental effects have been incorporated into the recommended plan. Recommendations by the USFWS in the final Fish and Wildlife Coordination Act Report for the proposed Master WCM update have been fully considered and incorporated to the extent practicable, consistent with the congressionally authorized project purposes. Consultation with the USFWS in accordance with Section 7 of the Endangered Species Act has also been completed. The USACE biological assessment of the recommended Master WCM update concluded either "no effect" or "may affect, but not likely to adversely affect" for all federally listed species and their critical habitats in the basin. USFWS concurred with the USACE determination. During the Section 7 consultation process, USACE proposed, with USFWS concurrence, to implement a limited habitat characterization and assessment of mussel and amber darter habitat on the Coosawattee River below Carters Dam.