

MEMO

CLIC MEETING – AUGUST 3RD “SAVE THE DAM”

Re: Email Message from EGC to Greater East Grand Region Economic Planning Group

Good Morning All:

In our SWOT analysis the loss of the Forest City Dam and resulting impact on East Grand Lake was recognized as the major economic threat to our Region. See attached comments submitted to reporter after the meeting—a few general sound bites recorded on 6:00PM channel 2 last night.

The following is a somewhat brief summary from mental notes from the “Save the Dam” rally yesterday sponsored by CLIC. Several of our planning group attended including Jackie and myself. Dwayne had prepared but was preempted.

- Many thanks to CLIC and President David Townsend (see emails attached)
- Estimates of nearly 300 people in attendance
- Detailed update of status of Dam by Townsend, roughly bulleted as follows:
 - Over 100 years in existence
 - GP operated under a 20 year license from FERC
 - Prior to sale to Hong Kong Group (HKG) GP secured a 30 year license
 - Shortly after acquisition HKG filed to surrender from FERC purview the Dam citing excessive costs and no need for water
 - Townsend, a former environmental law professor at UNB, cited facts supporting cost of new license was a ruse, the real issue is simply reducing operating costs of the mill and/or piled on complicated water management rules imposed by USF&W Service.
 - Actions by WPLLC, FERC regulatory process over past 2-3 years including hearings and many pages of testimony about consequences of loss of Dam from interveners like CLIC, and a 11th hour offer of potential involvement by State of Maine to assume ownership (of US side of Dam) have delayed actions. (*FYI EGC submitted on behalf of CLIC quite a lengthy piece citing ecological consequences a 6 foot drop in water—based on ecological assessments associated with TCF- East Grand Watershed Initiative*)
 - While Townsend was careful about laying “blame” on local WPLLC per se he clearly feels the HK investor group is the main culprit in the Dam controversy
 - Townsend opinion is: it is necessary to keep FERC involvement as there is no other game in town – no one else has a solution or even knows how to “manage” the dam and water—remove FERC and the Dam enters no-man’s land.
 - The IJC (International Joint Commission – who has the job of deciding matters involving water between two countries) did not escape unscaled as the quote was something like “stop setting around drinking coffee and eating donuts” and do something. Townsend says they have promised to weigh in but only after FERC decides...implication - somewhat irresponsible on behalf of IJC.
 - Of note was the statement about the \$400 Million investment by HK in the mill especially in pollution abatement and natural gas electrical generation both of which reduce the need for water and hydroelectricity.

- Townsend comments about upcoming August 28th meeting – tentatively at school (notice attached)
 - Unprecedented by FERC – no other Dam issue he knows of anywhere in US has FERC done this
 - The agenda is very rigid – panel is limited (No interveners such as CLIC or Passamaquoddy Tribe was invited) He believes this is to our benefit and recommends continued FERC involvement rather than any other options. Need big numbers to show up for nose counting but public testimony at the meeting will be limited. Post meeting, once transcript is posted on the federal register VERY important to submit written comments.
- Not all in Townsend camp of supporting FERC. Steve Whitman from Long Lake Sporting Camps in Princeton offered much caution – evidence mid-night removal by FERC of gates from fish way at Grand Lake allowing large- mouth bass (and Alewife's) to enter West Grand at will – prognosis devastating to Salmon, small mouth and doom for the Hatchery. Whitman is a hydrologic engineer with many hundreds of hours invested in studying the St. Croix. He believes (has evidence) the alewife passage issue is driven by an environmental agenda without scientific support.
- A fair number of similar concerns, as above, from others including a belief the entire Dam issue is a stalking horse. The real issue is dam removal throughout the entire watershed and country and there are political forces much higher than regulatory FERC calling the shots.
- The Chairman of the Board of McCain Foods (has a camp on the Lake) spoke about the need for us to focus on the agenda at hand – Save the Dam and for us preserve potential for economic survival. He offered the solution will most likely be a political one.

After the formal meeting consensus seemed to be the need for a massive letter writing campaign to any and all political contacts. If not elevated to the highest level of government and that level have an ear for our issue any horse we pick to ride on will likely be the wrong one or insufficient. Our numbers are small, location is at the extremity of the country, hugely rural and politically insignificant. Whether being railroaded by business, regulatory red tape, international inaction or an environmental agenda the message is justice and principle over size. If there are no ears interested, then it may be se le vie.

Maybe the real policy question is does the 100 years of impoundment and use by manufacturing which fosters millions of unimpeded dollars of private investment and public dependency count when the needs for manufacturing change? Who is left holding the bag?

Need all to attend on the 28th, it is critical, just don't know what to say about what to say?

Elbridge

**GREATER EAST GRAND REGION ECONOMIC PLANNING GROUP
COMMENTS FOR CLIC SAVE THE DAM MEETING
AUGUST 3, 2019**

Good afternoon, my name is Elbridge Cleaves, a life-long resident of Weston. My comments today are as a steering committee member of the Greater East Grand Region Economic Planning Effort - A 300,000 acre initiative with East Grand Lake as its economic centerpiece.

It doesn't take a planning guru to know how significant East Grand Lake is to the economic fabric of our entire area. Contrary to FERC order dated December 21, 2017, "The East Grand Lake shoreline is mostly timber forests" - it is home to nearly 1000 private camp lots, a number of businesses and several public recreational facilities. The customer base from area lake neighborhoods is approximately twice the size and buying power of our local regional population. Waterfront lots on East Grand now occupy tens of millions of dollars in the local tax base. As an economy that is dependent upon scenic beauty, a clean environment and well cared for natural resources, anything that disrupts the desirability of East Grand Lake in the marketplace negatively affects our region.

While we have not conducted an economic analysis of the total impact of the loss of the dam (reductions in long established water levels), the resulting shift in local real estate taxes from decreased waterfront values alone would drive all-ready elevated mil rates to intolerable levels. We believe the consequences would be devastating – undue financial stress leading to loss of local education, banking and health services, to name just a few.

East Grand Lake, as currently vested, embodies the recreational, aesthetic and economic landscape of our entire Region. Jobs in the forest products industry are likewise as important. Rural decline is real and our planning efforts are not without a sense of urgency.

Bottom line: Even the threat of a diminished East Grand Lake has called into question the economic survival of local communities. The actual act would mean collapse. For the Greater East Grand area: Preserving the East Grand Landscape – Preserves the Region.

Elbridge Cleaves
Steering Committee Member
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Greater East Grand Region Economic Planning Group: Local partnering organization: Citizens Organization for Rural Education, Machias Savings Bank, East Grand School, the Town of Danforth, the Town of Weston and the Greater East Grand Lake Chamber of Commerce. Sunrise County Economic Council is the lead partnering agency, with planning assistance provided by the Northern Maine Development Commission.