

**TOWN OF BLENHEIM
North Blenheim, New York 12131**

**Submitted on behalf of the Town of Blenheim, by authorization of the
Blenheim Town Board, by:**

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August 8, 2014

Re: FERC Docket # P-2685-026

**To: Federal Energy Regulatory Commission
Kimberly Bose, Secretary
888 First Street, NE ~ Room 1A
Washington, DC 20426**

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Scoping Hearings / Submission to Federal Energy Regulatory Commission
Re: License Application by New York State Power Authority to re-license
Blenheim- Gilboa Pumped Storage Project (Project #2685-026)
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Request for a Study of :
The Socioeconomic Impacts of NYPA's Blenheim-Gilboa Pumped Storage Project

**This submission is made on behalf of the Town of Blenheim and the Blenheim Long
Term Community Recovery Committee (LTCR) in relation to the application for
relicensure by the New York State Power Authority (NYPA) to operate its pumped
storage hydropower project at Blenheim-Gilboa (BG).**

**Having been authorized by the Town Board of Blenheim to submit this request for a
socioeconomic study, I hereby submit this request officially on behalf of the Town
of Blenheim. I am a lifelong resident of Blenheim, and I also serve in a voluntary**

capacity as member of the Blenheim Long-Term Community Recovery Committee (LTCR) of our community, as well as the Relicensing subcommittee of the Schoharie County Board of Supervisors' Flood Committee. I am also a Board member of dam Concerned Citizens, Inc. (DCC), which has submitted separately recommendations relating to dam safety that our Town supports.

We as a community request that the Federal Energy Regulatory Commission (FERC), as part of the Licensing Application process referenced hereinabove, require that the New York State Power Authority must provide funding for an independent and objective and duly qualified entity, to do a thorough and comprehensive study of the socioeconomic impacts of its pumped storage project at Blenheim-Gilboa on the Schoharie Creek.

Human Beings are Part of our Environment: In Addition to the Environmental Impact Study, a Socioeconomic Impact Study is Needed as a "Human EIS"

The Town of Blenheim, as well as Schoharie County, and many individuals in the course of the Scoping Hearings, have strongly recommended (in separate filings for these hearings) that a full and comprehensive Environmental Impact Study (EIS) be done. (That request has been filed separately for the Town of Blenheim by Donald Airey). Unfortunately, the original licensing process, concluded in 1969, preceded many of the statutory requirements that now exist to require an EIS for a project of this magnitude. Therefore, there was never a thorough examination of the impacts on our environmental resources. Those impacts, mostly deleterious, have degraded our environment locally, affecting Schoharie Creek significantly. At this juncture, half a century after the imposition on Schoharie Creek of this pumped storage project, it is imperative that this lacuna be remedied, and that the improvements in the law that have since occurred, acknowledging the need to understand how such a project can transform the environment, be applied to the process of considering relicensure for another half century to come. A full EIS can shed light on these impacts, and help to identify measures which can be undertaken for protection of resources, mitigation of negative impacts, and positive enhancement measures to ensure a better future for our resources and our residents.

The increased focus on, and higher standards for, our environmental resources that have resulted from the reform legislation and regulations of the past several decades, have been important improvements.

Nevertheless, while it is certainly important to examine environmental impacts and to protect our flora and fauna, **it is equally important that we fully understand the impacts on the important species of *Homo sapiens*. Too often this is neglected in the process, and the impact on human beings is disregarded to the detriment of the quality of life of our communities.**

Overwhelming Local Consensus about the Negative Socioeconomic Impacts of BG

As residents of the Town of Blenheim, we cherish the natural resources, the agricultural bounty, the historic heritage, the cultural traditions and the scenic beauty of our beloved Schoharie Valley. We hope to preserve these assets, and the traditional values of our rural way of life, for future generations.

Overwhelmingly, the thrust of the public comments at the oral hearings in this process (July 7 and 9, 2014) underscored the negative effects of the New York State Power Authority's pumped storage project at Blenheim-Gilboa on the host communities of Blenheim and Gilboa, as well as on Schoharie County generally.

Context of BG's Negative Impacts

To illustrate why such a socioeconomic study is needed, it is important to begin by providing, for the FERC Commissioners and staff, some context to convey our unique circumstances in this host community, as well as the long history of deceitfulness, arrogance, and disregard for any fairness, on the part of the licensee, NYPA, in its interaction with its host communities here. In the nearly five decades of their presence here in Blenheim and Gilboa, the New York State Power Authority (NYPA) has, unfortunately, been a very bad neighbor to our host communities.

The unwillingness of NYPA to be a good neighbor and acknowledge the tremendous sacrifice that the host communities have undergone for this project, and to invest in meaningful ways --- as a joint steward of the natural resources which it shares as part of the towns of Blenheim and Gilboa --- to assist the host community in its many needs, has exacerbated the already challenging socioeconomic factors that these small, financially deprived communities face.

It is important to begin with a bit of background information about our area, which is relevant to providing some context for the long and disappointing relationship of the NYPA to our host communities.

Schoharie Valley's Unique Agricultural Resources

Schoharie Valley is known as the "Breadbasket of the American Revolution". Its fertile soils produced the wheat which sustained the Continental Army throughout our long struggle for independence. To this day, the prime farmland of Schoharie Valley is a miracle soil : it is rated among the top ten productive soils, not just of the USA, but of the world, its rich, productive topsoil in some areas going deeper than twenty inches and more. This is the site of the very first Agricultural District in America. New York State pioneered the Ag District legislation, which has since been replicated throughout the USA and beyond to preserve prime farmlands, and we are very proud that Schoharie has the honor of having created the very first such entity.

Agriculture is the leading industry of Schoharie County, and that business sector has suffered substantially from the creation of the BG project. Construction of BG pumped storage project confiscated and destroyed, through eminent domain, a huge swath of this enviably productive prime farmland, eliminating several thriving farms. At least five productive family farms were obliterated --- the farms of Luther Mattice, Ted Scholl, Sam Bliss, and Floyd Haverly and the Valenti family, as well as other homes and properties. These farms not only helped feed our nation, but also provided livelihoods for the farm families, and their employees, and contributed significantly to other local businesses associated with agriculture, and their employees as well. In addition, it

affected remaining farms on prime farmlands downstream which utilize Schoharie Creek for irrigation. It also degraded the scenic quality as well as the ecological quality of our area, with negative impacts on tourism and recreation, key components of our regional economy.

Schoharie County's Demographics: Appalachian Region

Schoharie County is the northernmost tip of Appalachia, as defined in the federal legislation that created the eleven-state Appalachian Regional Commission, stretching from here to Alabama. Part of the anti-poverty program of the 1960's, this program targets areas where the poverty statistics are among the worst in America.

We are rich in history, scenic beauty and natural resources, but in so many of the economic indices we are very poor. Whether examining median income, infrastructure data, health statistics, poverty and other economic indices, educational needs, or almost any other segment of socioeconomic indices, Appalachia (including Schoharie County) lags behind the rest of the nation; its niche in this respect is perhaps second only to the plight of our Native American communities.

By any measure, Schoharie County is one of the poorest counties of New York State. When our children get their education, they typically leave to pursue their careers elsewhere, for lack of opportunities here, and their talents and work ethic and energy are exported to other regions where employment opportunities are greater. Our remaining population is increasingly elderly. In addition to the already daunting poverty statistics, in our small town we have also suffered a series of severe natural and manmade disasters, with damages that have exacerbated the economic challenges we already confront.

NYPA's Decimation of Our Local Tax Base

Blenheim-Gilboa also preceded any examples on record of compensatory initiatives undertaken by NYPA to offset the tremendous tax base losses incurred by our communities. Our community, the Town of Blenheim, has received no compensation --- zero --- for losing a third of its tax base, for nearly a half-century of NYPA's presence in

our town. Gilboa lost a substantial percentage also, as did the Gilboa-Conesville School District. Fortunately, since that time, in the FERC Re-Licensing processes for Saint Lawrence in 2003 and Niagara in 2007, we have seen that NYPA has since acknowledged an obligation to commit to some investments to compensate the host / donor communities, and we are hopeful that, in the interest of justice, we will see a similar commitment during this re-licensing process.

Not only have we lost an enormous portion of our tax base, rendering the remaining property owners the highest taxed town in the county; but also, to add insult to injury, we nevertheless must provide substantial services to tax-exempt NYPA, in maintenance of roads, bridges and other infrastructure, and in provision of emergency response services to their facilities in our town. Beyond the most minimal contributions to our emergency response volunteer entities, NYPA has received the benefit of these services with little compensation to the community.

In addition, the excessive burden on remaining taxpayers that NYPA's lack of compensation to the host community, and to the Gilboa-Conesville Central school district as well, has been an obstacle to the town's ability to attract new residents and businesses.

Furthermore, NYPA, in its presentation before the FERC hearings in July 2014, claimed that BG employs approximately "150 employees, many of them local residents". Our observation over the years has been that few of those jobs are actually typically held by Schoharie County residents, and very few by the two host communities. We have requested that the specific data be provided to elucidate their claims as to local job creation.

Blenheim's Specific Challenges : Disasters, Natural and Manmade

Blenheim, with a population of 378, is the smallest town in Schoharie County. To add to our daunting economic challenges as the smallest and poorest of towns, we have suffered a disproportionate amount of natural and manmade disasters, which have even further eroded our tax base and challenged our resources to meet basic service needs.

Blenheim has experienced severe flood episodes, the worst being Hurricane Irene in 2011, categorized as a 500-year flood. This unprecedented flood was so overpowering that it destroyed our iconic Old Blenheim Bridge, designated by the U.S. Department of Interior as a National Historic Landmark. Built in 1855, the longest single span covered wooden bridge in the world, it was known as the “Queen of the Covered Bridges”; this bridge had endured over 150 years, even when the modern Thruway Bridge downstream was destroyed, but the severity of this storm event was unprecedented, and the bridge was swept downstream.

It is important that FERC understand that:

- NYPA has refused, in the wake of the worst natural disaster in our history, the enormous destruction from floods during Hurricanes Irene and Lee, to extend a helping hand to the community in the aftermath of the flood. Individual employees did help on their own, very generously. But they were forbidden to help on behalf of NYPA, with equipment or resources that might have been critical at the time. There are many employees, past and present, who are fine neighbors. But NYPA as an institution has an appalling culture in its top management that has been disrespectful, arrogant and even outright hostile to our communities. This lack of concern for their public image in their host/donor communities perplexing and disappointing.
- NYPA has refused to even meet with our Blenheim LTRC Committee to discuss our plans for the community’s recovery, or even to respond to our request that they simply share with us any existing hydrological studies they may have done that could be used as a basis for further such research as we develop plans for stream hazard mitigation strategies.
- It is highly probable that inadequacies in both design and operation at NYPA/BG contributed to the unprecedented damages by creating a tremendous surge of water that occurred when their gated were finally opened on August 28, 2011. Those lapses affected the destruction of our Old Blenheim Bridge, as well as other property damages. NYPA’s role in the severe damages to our town is the subject of litigation currently pending against NYPA.

We also experienced a horrific manmade disaster in 1990 when a liquid gas propane pipeline which slices through Blenheim exploded, resulting in loss of two human lives, severe injuries and massive property destruction. More than twenty structures, some historic buildings, were lost in the historic district of the hamlet of North Blenheim. Once again, the trauma of human losses and their personal impacts on many families and neighbors were compounded by further erosion of the tax base, and declining property values, further exacerbating the burden on remaining taxpayers in this poorest town of Schoharie County.

Resilience: Our Vision for the Future

While Blenheim, as a small community with limited resources, has endured many tragedies, like much of rural America we are resilient and determined to go forward. In the wake of the Hurricane Irene disaster, we have adopted our motto “Tiny but Sturdy”. In that spirit, our volunteer recovery committee has, in partnership with FEMA, developed a Long Term Community Recovery (LTCR) Plan, outlining several projects to enhance the economic potential and the quality of life in our community. We are seeking grants and other sources of funding to implement these much needed projects.

The Euphemism of “Host” Communities to describe our “Donor” Communities

While it is common to refer to the local communities where NYPA’s facilities are located as “host” communities, a more apt terminology would be that of “donor” communities. The commonly used rubric of “host” community seems inappropriate, implying a voluntary hospitality, welcoming a guest within its cordial embrace. In our case, the NYPA was a very unwelcome intruder, insinuating itself into the community using stealth and duplicity, trampling on the rights of property owners, taking (in Blenheim’s case) a third of our tax base with no compensation to our community for this significant loss, and since that ominous beginning, setting a course as a bad neighbor, not only indifferent to the needs of the community, but --- with rare exceptions through the years - -- arrogant and contemptuous. We are a “donor” community, donating --- not willingly, but through the force of eminent domain --- a huge chunk of our tax base to provide

power, permanently, to the “recipients” who benefit from this resource, without any compensation ever having been provided to the community for this substantial sacrifice, benefiting citizens in other areas of NYS and beyond, who receive this power through the grid at times of peak demand.

As stated herein, the genesis of the Blenheim-Gilboa project was, unfortunately, before the reforms that later required extensive public hearings: before the SEQRA Act which would later require extensive environmental impact analysis, before citizens had rights of participation in the process, before the agricultural district laws were enacted to protect prime farmlands. The manner in which NYPA swept into this valley made us a poster-child case for why these later governmental reforms were so needed in our democracy. Property owners really had no rights, and received only minimal compensation for their losses of property and livelihood.

A History of Broken Promises, large and small

FERC should be concerned about NYPA’s history of representations made to its host communities at BG. The one thing consistent about NYPA as a neighbor has been its pattern of broken promises. Even the small “trinkets” that NYPA initially held out to try to build some local support among the “natives” for the BG project never materialized. If NYPA does not live up to its promises to small communities, can FERC be confident that they will adhere to their promises regarding safety, design adequacy, environmental stewardship obligations or other representations? NYPA should be held account table for not fulfilling obligations that they pledged to fulfill, to the host communities, to the creek ecology, to safety of the valley, to professional and ethical standards generally.

Noting that our small towns have no swimming pool, NYPA told us in public meetings at the outset that residents of Blenheim and Gilboa would have free admission to the beautiful new state park and swimming pool they were going to build. Nearly five decades later, that has never happened.

NYPA also assured my father, the late Robert Shaffer, then Town Supervisor, that they would help us maintain our small fourth-class post office by using the North Blenheim post office for most of their mail, to help us maintain enough volume to avoid a threatened elimination. That did not happen: in fact, we have been through three cycles of threats to close our post office, and twice NYPA said they would help out, twice breaking the promise. This third time, in 2012, they did not even bother to pretend a promise again: they simply refused to even meet with us to discuss it. They indicated that their annual postage account amounts to approximately \$ 6,000 to \$ 7,000. This amount, had it been posted in our North Blenheim post office, would have been sufficient to boost us beyond the target threshold below which the U.S. Postal Service is targeting over 2,000 rural post offices for elimination; yet it is small enough that it would not have any consequence of jeopardizing Gilboa's post office, as they are a larger population with more volume in their post office.

At the outset of the BG project, NYPA also, of course, held out the perennial shiny object that such projects always use: the promise of jobs, and economic development, for an area in great economic distress. While there were some jobs created in the construction phase for local residents, many of the jobs were crews brought in from large contractors from far away areas. While some retail and hospitality businesses, and even some other small suppliers of materials, benefited from a temporary boost during construction, this was an ephemeral boost, not lasting for the long term. As for post-construction, permanent jobs, while there have through the years been some local jobs, much of the hiring brought people in from elsewhere to work at the project, with local people typically getting a few of the lower level jobs, and in some cases moving up through promotional opportunities.

Local residents have always had the impression that the goal was to minimize the number of actual local residents hired, as they might know too much and share inside information adverse to NYPA's public relations image with the community. In short, while there were some jobs created, they never approached the inflated projections held forth by NYPA at the outset. We reiterate our request that NYPA disclose the specific data

relating to its employee demographics (towns of residence in particular), and that they provide any further details to back up their claims of positive economic impact to the local area.

NYPA's Thwarted Plans to Further Inundate Schoharie Valley

Most significantly in their long trail of deceit, they kept carefully under wraps their plans to subsequently target an enormous area downstream from the Blenheim-Gilboa project, to build a second pumped storage "Blenheim-Breakabeen" project. This again, was developed in secrecy and unveiled abruptly with the same arrogant, heavy-handed approach toward landowners that had characterized their interaction with the community in the first project.

This time, however, the context had changed. The State Environmental Quality Review Act had been enacted, and both at the federal and state levels there were new requirements to allow for citizen participation in the licensing process. Knowing from bitter experience at Blenheim-Gilboa of the outright prevarication of NYPA and the adverse effects of this project on the community, we as local citizens organized to prevent that second project from happening, to protect our rights and our valley and our precious farmland from the total devastation of another environmental disaster being forced upon us.

The Blenheim-Breakabeen project would have eliminated many more productive prime farmlands in the valley. Thanks to the pioneering new Agricultural District Act signed by Governor Rockefeller, we created the very first Agricultural District in the entire USA, which helped preserve this prime farmland. Using the new rights under reform legislation, through several years of public hearings and litigation, we prevailed and saved this valley from the total destruction which the NYPA envisioned for our future. In addition to defeating the application for the Blenheim/Breakabeen project, we also defeated an environmentally deleterious project proposed at Dog Hill in nearby Prattsville, yet another part of NYPA's plan to exploit this entire area and destroy its natural resources, and seize yet more of our school district's tax base.

The list could go on and on. What is important for FERC to understand is the legacy of disrespect, mistreatment, deceit and distrust which the NYPA has accumulated. They could have chosen to be a good neighbor; instead they chose to treat the host/donor communities as serfs in a feudal system, unworthy of respect and undeserving of any extended hand of partnership as joint stewards of these precious natural resources.

Yes, there have been some minor crumbs thrown our way through the years: they have given us occasionally a small donation for our volunteer fire department, and an old worn-out vehicle for our town highway department, in such bad condition that the repeated repairs needed make that acquisition far from cost-effective. They did donate some tables and chairs to our Town Hall. And they did make a contribution to building our new Municipal Building in the wake of the pipeline disaster in 1990. However, those were minimal gestures from a behemoth agency with enormous resources, which has shown far more generosity to other host communities in more populated areas of greater political consequence.

It is time, entering the next half-century, to right these wrongs and provide some justice to this tiny, struggling, resource-challenged community that has sacrificed so much in the name of “public benefits” provided to the rest of New York State.

Compensatory Investments in Our Host / Donor Communities

Throughout this process, of course, we know that NYPA will continue to resist the notion that they have a moral responsibility, having taken so much from our host/donor communities, to help those same communities in return.

Whenever the precedents of compensatory investment agreements in the re-licensing agreements for the Niagara Project in 2007 and the St. Lawrence Project in 2003, NYPA will play their favorite record: they will claim that they do not generate revenue at Blenheim Gilboa, as they do at those other hydroelectric plants.

We all are well aware that a pumped storage project is a giant storage battery, and that there is a net loss of energy in using 3 kilowatts to pump water up the mountain in order to produce 2 kilowatts when releasing it down the mountain. Nevertheless, they continually boast of how essential Blenheim-Gilboa is to the reliability of the grid: they describe the invaluable niche which the Blenheim-Gilboa project, poised geographically between Montreal and New York City, and serving as a giant storage battery to the needs of their entire statewide system, uniquely fills in their ability to deliver instant power to the grid, when and where needed, at periods of peak demand. Surely, when they sell that power at peak demand they are commanding peak prices in the system. If the Blenheim-Gilboa project is indeed insignificant to their profits, perhaps we should not relicense it.

Furthermore, it is unfair that NYPA is not including the value of the transmission system along with the plant itself, in this re-licensing and in the methodology of their valuation of Blenheim-Gilboa as a whole.

FERC has the option to de-commission BG:

From our point of view, looking back over this past half-century of this project, certainly Blenheim would have been far better off had the Blenheim-Gilboa project never been built. It is not in the public interest to issue a certification to relicense a project that has been hostile and oppressive to the host/donor communities, and has had deleterious effects in environmental quality and safety and socioeconomic impacts; so, if it is, indeed, as low-value to NYPA as they claim it to be as a revenue-generating asset, it might as well be removed as a generating facility, and simply remain as a flood control structure --- or even entirely removed, as dams in Maine and Washington State have been removed to restore their streams to their original environmental quality.

***FERC has the option to transfer operation to an alternative entity,
either private sector or federal agency:***

It is also our understanding that it is within FERC's jurisdiction to exercise the option to transfer operation of the project to another entity, either a private energy corporation or even to a federal government entity. Perhaps, given the long history of NYPA as a bad

neighbor, unwilling to cooperate more with its host communities, these other options should be fully considered in the course of these licensing proceedings.

The Floods of Hurricane Irene: NYPA's Role as a Bad Neighbor

In the wake of the floods of Hurricane Irene, when this host/donor community was on its knees coping with the worst disaster ever, NYPA not only did little to offer any help; they have even refused to meet with us to discuss community needs, and, in response to our request for them to share any hydrologic studies of Schoharie Creek they may have done, they have refused to do so.

We now know --- only due to discovery proceedings in litigation brought in the wake of the floods --- that in the post-flood briefing to the County about their Emergency Response actions during the floods, they were less than truthful in their presentation to the community. We believe that the complete record of their emergency action response reveals potential multiple violations of their FERC license.

The host/donor community of the Town of Blenheim is currently in litigation against NYPA for potential liability connected to their actions and / or lapses that may have contributed to the severity of the surge that created unprecedented flood levels in Schoharie Valley, wiping out the Blenheim Bridge and many other properties both residential and commercial. The timing of the eventual opening, manually, of the gates, after all other systems had failed, coincides with the moment the historic covered bridge was swept downstream.

All of which brings us to the very salient issue of dam safety, and related environmental issues as well, which we as citizens ask FERC to seriously integrate into this relicensing process.

Dam Safety and Climate Changes : Major Socioeconomic Impacts

Dam Concerned Citizens (DCC), a not-for-profit 501 (c) (3) grassroots organization whose mission is to advocate for dam safety and for disaster preparedness in the event of

dam failure. DCC has presented detailed and specific study and modification recommendations relating to dam safety issues, which we in Blenheim strongly support.

We feel strongly that this dam, designed nearly 50 years ago, does not necessarily meet the Factor Of Safety (FOS) standards needed now. A half-century later, the changes in our climate indicate a marked increase in average annual precipitation, and in the frequency and severity of high water events. The data presented by Dr. Bartholomew show that, comparing the precipitation records for seven decades (1900-1968) prior to the NYPA/ BG project to the records for the past four and a half decades (1969-2014) since, nature has changed course and increased our average annual precipitation by 6.7 inches, from 33" to 39.7"; and the average streamflow at Prattsville, upstream of NYPA B-G, has increased in the same period by 85 CFS, from 445CFS to 530 CFS.

Climate change is all too real, and we ignore its consequences at our peril. Design improvements need to be required by FERC to accommodate these new factors, and perhaps a 30-year license is more appropriate than another half-century to re-examine the adequacy of design standards based on changing trends.

In addition to the demonstrable increases in precipitation, there is also a significant increase in the winter snowpack upstream due to snowmaking at several ski centers, as well as increased run-off from golf courses and other increased development in the Catskills, including far more paved surfaces associated with that development. All this manmade development adds even further to the water in this watershed that Schoharie Creek and its tributaries must absorb.

We still do not have the complete picture of all that evolved leading up to, during and following Hurricane Irene. But we do know that all systems at Blenheim-Gilboa failed. Every redundant system failed sequentially, and but for the heroic performance of several employees at the project who were able, finally, to operate the Tainter gates there manually, the disaster and loss of life would have been even worse than what occurred on that horrific day. Had their efforts failed, and the dam overtopped, the earthen dam

would have collapsed, creating a tsunami-like wall of water sweeping away entire communities downstream.

Increased Seismic Activity: another potentially disastrous socioeconomic consideration

In addition, it is important that FERC consider that, the day prior to Hurricane Irene, there was also seismic activity occurring in the area, which was a concern at Blenheim-Gilboa during the governor's visit there that very day. The increasing frequency of seismic activity should also be required by FERC to be factored into design enhancements and instrumentation improvements at Blenheim-Gilboa.

Flood Mitigation: a Compelling Concern for our Socioeconomic Needs

Given the pattern of increasing frequency and severity of extraordinary weather events that pose severe risk to the communities and to the environmental resources of Schoharie Valley, it is imperative that a study be undertaken of the flooding cycles, the new quantitative and qualitative measures of probable maximum flood, and appropriate strategies for flood mitigation, including better instrumentation, and better predictive models integrating new technologies.

Socioeconomic Need for NYPA's Partnership in Effective Emergency Response

There is also a glaring need for better cooperation of NYPA with Schoharie County and local town Emergency Management entities in a cooperative network, and joint protocols for releases. It is heartening to note that in the Niagara project settlement, the NYPA did indeed acknowledge their responsibility to participate in local EMO plans, training, and also committed to helping with resources such as equipment.

NYPA needs to also provide financial resources to the host communities and to the County for enhanced capacity for emergency response, both in equipment and training. The Town of Blenheim, with our severe loss of tax base from Blenheim-Gilboa project, is certainly an example of a community in dire need of updated equipment for our volunteer fire department, Blenheim Hose Company. Since we are a first responder for the NYPA project itself, an investment in equipment for our underfinanced fire department would be

an obvious win-win for the community and for NYPA. Our town also contracts with Middleburgh Emergency Volunteer Ambulance Corps (MEVAC) for coverage in Blenheim, which includes our coverage of the facilities at NYPA. In addition, the Conesville Fire and Rescue Squad is another first responder deserving of NYPA assistance. Furthermore, the communication challenges we face as an area without cell phone service is a major threat to life and property in emergencies; NYPA has resources which could easily help resolve these issues, to their own benefit as well as the rest of the community.

As our Blenheim town officials have pointed out, while NYPA has had some limited cooperation with the County Emergency Management Office, it has refused to work directly with Blenheim, which is the most vulnerable community, immediately downstream from the project, to improve notification in cases of releases and in cases of natural disaster emergencies. This cannot be allowed to continue, as it directly affects lives and property.

As far as flood disasters are considered, the dams on our Schoharie Creek are part of the problem; they need to be part of the solution, by partnering with us to mitigate future flood situations to the extent possible, as good neighbors who share this resource, with a partnership relationship producing better results for all, and for the natural resources whose stewardship we share.

This narrative background information has been presented as a preface to, and integral part of, the ILP study request, presented hereinbelow according to the ILP Study Criteria format, to provide context for Commissioners and staff to understand the compelling need for a Socioeconomic Study of breadth and depth.

Proposal for Socioeconomic Impact Study
Integrated Licensing Process

All of the above has been presented as background information, for FERC Commissioners and staff to understand the history of this past century of NYPA / BG, and its complicated, adversarial, and disappointing relationship with its host communities, in an area already facing severe economic challenges as highlighted herein.

FERC should require a comprehensive study of these socioeconomic issues caused by the project.

As important as the flora and fauna are, and deserving of intense scrutiny in any environmental studies undertaken, it is also imperative to consider impacts on the critical species of *Homo sapiens*, and as ample testimony has indicated, these impacts have been severe and largely negative. Furthermore, many of the deleterious effects on our communities, our tax base, our agriculture, our recreation and tourism industry, and our economy in general, could be ameliorated by the kinds of compensatory investments that NYPA has extended to other host communities in the state.

Section 5.9 (b) (1)
Goals and Objectives

Goals of a Socioeconomic Impact Study

- The primary goal is to illuminate the socioeconomic factors that affect the host communities of Blenheim and Gilboa as well as Schoharie County, and to specifically identify any positive or negative impacts that have been associated with the imposition on Schoharie Creek of the pumped storage project

Objectives

- A full and comprehensive study of the impact on host communities of the loss, over the five decades of the project, of real property tax revenue. In the Town of Blenheim, fully a third of its tax base was lost with the construction of both the pumped storage project at GG and the Mine Kill State Park; this is in a town that already has large state forest lands that are also tax exempt. The Town of Gilboa and the Gilboa-Conesville School district also lost substantial tax base. Furthermore, there was a loss of tax base to Schoharie County. The enormous burden this tax loss has transferred to host communities that are already burdened with low population, and daunting poverty statistics, has created great hardships for our resident property taxpayers, and for the ability of our local governments to meet the most basic service needs.
- In addition, a thorough study of the additional burdens created by local communities' obligation to provide emergency response, highway maintenance and repair, and other services to the BG project, with no significant contribution, should be thoroughly examined.
- The study should also include full disclosure by NYPA of its data presenting economic impacts which they characterize as positive benefits, e.g. job creation for "local" employees, claims of tourism and other economic benefits to the local economy, contributions over the years to emergency responders (especially in the direct host communities), and other relevant data.

Section 5.9 (b) (2) : NOT APPLICABLE
(Requester is neither a resource agency, nor an Indian tribe.)

Section 5.9 (b) (3)**Relevant Resource Management Goals and Public Interest Considerations**

The public interest in quantifying the enormous loss of tax base to a host community already challenged for resources and with a limited population to support services, is the most significant impact for the Town of Blenheim. The contextual information contained in this submission catalogues many other events that have even further exacerbated our town's financial challenges and eroded its tax base. If our town is to have a future, somehow we must be able to offset the tremendous losses which NYPA / BG has meant for our community. Hopefully, part of that solution will be for NYPA to make a commitment to compensatory investments for the host communities here, as they have in other parts of New York State, often in communities with greater resources than ours.

These impacts also need to encompass the many transmission lines also associated with the project. The study should also consider the loss of resale property value to the remaining property owners due to the intrusion of the project and transmission network, with its deleterious scenic impacts, dam safety concerns, and other related Issues.

The impact of the potential loss of the North Blenheim post office should also be examined. With the loss of so many businesses over the past few decades, partly to disasters, there is no community gathering place left for residents to congregate on a day to day basis and engage in the kind of ongoing social interaction that provides cohesion and community identity. Hence, the potential loss of our post office, which is the only public venue where such interaction occurs at all (and now, at reduced hours of only 9 am to 11 am for service on a daily basis), threatens that last remaining opportunity. NYPA has been in a position to help us save our post office, and they have dropped their commitments to do so several times in the past, and even refused to help in our last round of threats from the USPS.

The public interest in jobs for the community is also strong. It would be beneficial if the study's examination of past history would lead to some preferential consideration of residents of host communities, and of Schoharie County, for future hiring opportunities.

Another major public interest is the improvement of communications, and of our emergency preparedness and response capabilities. These are issues of life and death consequences, as we have unfortunately experienced in multiple disasters. NYPA could be a cooperative partner in improving this situation, both by helping us overcome the challenges presented by lack of cell phone service and broadband in the Schoharie Valley, and also by becoming an active partner in a comprehensive, coordinated emergency response network, and particularly by cooperating with Blenheim, which as

the first community downstream from NYPA / BG, is at the “tip of the spear” in a disaster.

In the Appendix to this submission, attached hereto, is a list of several proposed projects which our community has identified as significant for the revitalization of Blenheim, as outlined in the Blenheim Long Term Community recovery Plan. These are all geared toward improving the socioeconomic profile of our Town: enhancing economic development, especially relating to tourism, recreation and agriculture; Main Street improvement; historic preservation; infrastructure improvements, including relocation (above the floodplain level) and enhancement of public facilities for governance and emergency response capacity. All these socioeconomic needs present opportunities for NYPA to work with the Town to improve our community and the quality of services.

Section 5.9 (b) (4)

Existing Information / Need for Additional Information

Current demographic information is limited and outdated, which only serves to highlight a socioeconomic study as a compelling need. Furthermore, there is no indication that NYPA ever did any study of this nature when the original FERC license was issued; this is further reason to engage in such a comprehensive study now, with fifty years of experience to examine, and with the hope that some of the deleterious impacts of the first half century might be ameliorated by more thoughtful approaches to a new half century of licensure.

The latest demographic statistics available from the Southern Tier East Regional Planning Board (www.steny.org), which is the regional affiliate of the Appalachian regional Commission and also integral to other state and federal programs, were compiled in 2007, and therefore do not even encompass the most recent census.

As for the quantification of tax base impacts, the offices of local, school and county governments are a resource for information.

There are also undoubtedly other resources to tap, e.g. the State department of Agriculture and markets for agricultural data; NY State Commerce department for economic statistics; and similar resources at state and federal levels of government.

Section 5.9 (b) (5)
Project Nexus (Potential Effect on Resources, due to Project Operation)

If impacts on fish and wildlife can be thoroughly studied in relation to the project's operation, surely it is quite possible to gather similar information regarding impacts on humans. The nexus is obvious, and the narrative preamble hereinabove, as well as the Appendix hereinbelow, provide a plethora of examples of the impacts of the project on human beings and the communities that are their human habitat.

The property tax base impacts are part of that socioeconomic impact. In addition, the questions of dam safety, and of the need for releases downstream to improve the economic as well as the environmental quality of the valley, both of which are detailed in separate study requests submitted by Dam Concerned Citizens (DCC) and also referenced herein, have a significant socioeconomic impact.

Section 5.9 (b) (6)
Proposed Methodology

Technical experts such as economists with specialized expertise, independent of NYPA, but funded by their resources, must be engaged to develop specific methodologies for pursuing a comprehensive socioeconomic study of this nature.

The geographic scope should consider first of all the host communities of Blenheim and Gilboa, as well as the Gilboa-Conesville School district, and the broader community of Schoharie County.

The timeframe should encompass any available records from the preconstruction period (mid-1960's) to present.

Section 5.9 (b) (7)
Level of Effort Required & Cost of Study

There are a plethora of academic institutions with specialized expertise to offer, as well as private consultant firms which could be engaged for such a comprehensive study.

This would require developing an RFP that could be broadly disseminated. Presumably economists, and specialists in property tax issues, as well as in other socioeconomic specialties, would be suitable for a team to conduct such a study.

The budget would have to be determined by resources with more familiarity with this area of expertise. As indicated herein, our small town lacks the resources to specify the costs which such a study would entail. We have made some inquiries, and will forward further information if possible. Whatever such a study might cost, it would certainly pale beside some of the other studies being considered. And, given the resources of NYPA, it should not be a daunting amount. Perhaps we could examine similar studies done for other license applications to ascertain an estimated cost.

APPENDIX

<p style="text-align: center;">Specific Socioeconomic Needs for Investments To Improve Blenheim (Blenheim Long-term Community Recovery Plan Projects)</p>
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Infrastructure Investments are a Critical Socioeconomic Factor

Blenheim has many pressing infrastructure needs identified within our community's Long-Term Community Recovery Plan (LTCRP) referenced above. One priority is to build a new municipal complex, relocated to higher ground (outside the floodplain) so that we would avoid future damages to government operations and equipment, as well as critical archives, should flood events occur. We need to relocate the town hall and highway facilities to a more secure location, and upgrade the quality of facilities. This is a need that the NYPA could assist us with by a commitment of resources.

The LTCRP also proposes Engineering and Hydrological studies to address reducing our vulnerability to erosion and to flood events. This, too, would be a critical investment in which NYPA could participate.

In addition, Blenheim is tremendously disadvantaged, not only economically but also in regard to public safety, by our lack of access to cell phone service as well as broadband. During the flood aftermath, we were without any communication with the outside world, with these gaps posing a life and death threat. The LTCRP identifies the necessity of these technologies being available to our area as a critical priority. NYPA could help fund this, and it would be a win/win for them, as their own facility at Blenheim-Gilboa is itself impacted by lack of cell phone coverage.

Socioeconomic Needs: Blenheim Community Cultural Center

Blenheim, having lost so many of its public facilities, as well as commercial venues, through the years, is in need of a community gathering place. As indicated in the LTCRP, we have acquired the historic nineteenth century Presbyterian Church building, with plans to undertake a historic renovation for multi-purpose adaptive use as a Blenheim Community Cultural Center. Plans include performance and exhibit space for the arts and crafts, a café, a food co-op, classes, an informal lending library, and potential small business incubator programs.

NYPA could be a helpful partner in implementing this project, to the benefit of the community.

Historic Preservation

We are in the initial phase of rebuilding an authentic replica of the Old Blenheim Bridge, which was lost in the flood. This icon symbolized our community's very identity. The bridge restoration is the centerpiece of our community recovery and revitalization. Built in 1855, this was the longest single-span wooden covered bridge in the world, designated by the U.S. Department of Interior as a National Historic Landmark. The initial

engineering phase is being funded by FEMA, and we are hopeful that FEMA funds will be available for construction. If not, alternate sources of funding will be explored. This would be another opportunity for the NYPA to invest in the host/donor community which has given so much to NYPA.

Our Schoolhouse Museum is also in need of funds for restoration, having had flood damage, and for other improvements, as outlined in the LTCRP. This, too, is a project that could benefit from assistance from NYPA.

We also have an Historic District, designated by OPRHP / SHPO, in North Blenheim, and we are exploring ways to maximize that as an asset for Main Street beautification and for tourism. Assistance from NYPA could be helpful to this goal as well.

Tourism and Recreation as Key Industries in our Economic Development Strategies

We also envision developing a regional Scenic Route 30 Corridor, from the Old Stone Fort in Schoharie to Lansing Manor and the Gilboa Museum. NYPA could be very helpful in this endeavor, with marketing resources and other expertise and investment.

It has also come to our attention that NYPA formerly maintained the lower reservoir's desirability as a site for recreational boating. Over the years they maintained the lake surface quality by utilizing boom for debris removal throughout the summer and autumn seasons; however, this has been discontinued, and the resultant debris accumulation has detracted from the Mine Kill State Park as a boating destination.

Greenway Fund

Our Blenheim LTCRP also outlines plans for a Greenway of parks and trails that, incorporating the restored historic bridge, would connect both banks of the Schoharie

Creek. It also includes a “wandering arboretum” threading the Main Street area, and a fitness equipment pathway.

Note that NYPA funded a much more robust Greenway program for Niagara. The Blenheim Greenway would be a far more modest investment, and would greatly enhance the aesthetics, the recreational opportunities, and the tourism economy of our little town, connecting the museum, the bridge, the parks and trails, and the arboretum with the creek.

An Opportunity for NYPA: Turning a New Leaf

This submission has highlighted the long history of our town’s experience with bad institutional neighbors.

When the City of New York built the Gilboa Dam in 1926, it seized massive properties through eminent domain, which severely impacted Schoharie Creek’s ecological vitality, and also destroyed the entire vibrant village of Gilboa, and severely eroded their tax base, as well as our GCCS school district tax base. Tragic as the obliteration of Gilboa village was, in that case, at least New York City has had to pay Payments In Lieu Of Taxes (Pilot’s) as compensation.

When the Texas Eastern (now Enterprise) Pipeline was built in the 1960’s, eminent domain again forced a bad neighbor on our community, a “sleeping giant” that, through corporate neglect and failure to heed safety standards, awoke to destroy lives and property.

When NYPA built the Blenheim-Gilboa Power Project in the 1960’s and 1970’s, it devastated our local tax base, for Blenheim, Gilboa and the Gilboa-Conesville School District, with some loss as well to Schoharie County. Not only was there no compensation for this loss, but there has been a history of unwillingness to be a good neighbor to the host/donor communities.

The enormous loss of tax base, for Blenheim, Gilboa and the GCCS school district, combined with the economic indices that show this to be one of the poorest counties in the state, with few resources and daunting challenges, reinforces the case that NYPA has a compelling moral obligation to invest resources here to compensate this community, not only for a half-century of unfair treatment, but also for a half-century of fair treatment as we move ahead.

We in Blenheim believe that NYPA should view this re-licensing process as an opportunity to turn over a new leaf, and try to be a good neighbor for the next 50 years. NYPA can become a true partner of our community, putting the feudal attitudes of the past behind them and committing NYPA to being a positive partner, helping to solve problems and improve the quality of life in our community.

For a very small investment on their part, they can see enormous returns that benefit this community, and also benefit their own public image. From the point of view of community perceptions, this can be their opportunity for a half-century makeover, joining hands to be part of the neighborhood they live in. They have done this for Niagara and St. Lawrence, they can, for a modest investment, surely be a positive partner here in this small community. Throughout this re-licensing process, that is the spirit we shall bring to the table on our part, and we hope for a mutually beneficial relationship with NYPA for the future.

NYPA's Stated Desire to Benefit the "greater public interest" of Host Communities

We are encouraged by NYPA's statement, in the text of the Settlement Agreement for the Niagara Project relicensure, the text of which states that it "reflects NYPA's desire, as a corporate municipal instrumentality and political subdivision of the State of New York, to support the communities within which the project is located." It further states its desire to be part of a "comprehensive agreement...[advancing] the greater public interest."

Conclusion

The first half century at BG has been characterized by NYPA's attitude toward the community ranging from indifference to contempt to hostility. Perhaps it derives from the ethos established by Robert Moses, who headed the NYPA at the outset. The arrogance of power was the legendary hallmark of Moses in every office he held, and it seems that in the case of NYPA the institutional culture that Moses, quite notoriously, fostered, it has remained and permeated the agency, metastasizing to its current pervasive internal management culture.

The next century, if the license is renewed, can be one of greater cooperation, and sensitivity to the community's needs. An active partnership with hoist communities can result in better results for all, and for the natural resources whose stewardship we share.

Document Content(s)

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