

FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
EXPANSION OF HOLIDAY LANDING AND RESORT,
TIMS FORD RESERVOIR, FRANKLIN COUNTY, TENNESSEE

Holiday Landing and Resort submitted a joint application to the Tennessee Valley Authority (TVA) and the U.S. Army Corps of Engineers (USACE) in April 2007 requesting approval to construct additional facilities at an existing marina. The proposed facilities consist of 28 new boat slips, a floating pedestrian bridge, and a summer-use-only boat launch ramp. Holiday Landing also proposes to remove two old boat docks, reconfigure existing floating docks, and dredge 11,500 cubic yards of material to increase boating access. All activities would be located within the established harbor limits. These actions require approval from TVA under Section 26a of the TVA Act, from the USACE under Section 10 of the Rivers and Harbor Act and under Section 404 of the Clean Water Act (CWA) and an Aquatic Resource Alternation Permit (ARAP) from the state of Tennessee.

Holiday Landing, located at Mile 1.2 on the left bank of the Fall Lick Creek embayment of Tims Ford Reservoir, includes 170 boat slips and docks, a boat launch ramp, a restaurant, lakeside cabins, and a motel. The land on which the resort is situated is part of Tims Ford State Park and Holiday Landing has a 20-year lease from the Tennessee Department of Environment and Conservation (TDEC) for its operation. TVA owns a marginal strip of land below elevation 895 msl at the resort site. The Holiday Landing site is zoned for Developed Recreation in the 2000 TVA/TDEC Tims Ford Land Management and Disposition Plan and as Development Zone in the 2002 Tims Ford State Park Strategic Management Plan. These two zoning designations are fully compatible with the current land use and the applicant does not need additional land rights or a zoning change for the proposed marina expansion.

The USACE issued an environmental assessment (EA) of the proposed marina expansion on October 29, 2007. TVA was a cooperating agency in the preparation of this EA, which is incorporated by reference. TVA issued a Final Environmental Impact Statement (FEIS) on the Tims Ford Reservoir Land Management and Disposition Plan in June 2000. The FEIS addresses environmental issues pertinent to this proposed action and is also incorporated by reference.

Alternatives

The USACE EA assesses the environmental impacts of the following three alternatives: No Action, under which the permit applications would be denied; Proposed Action, consisting of the marina expansion activities summarized above; and Proposed Action with Special Conditions. This alternative would consist of the applicant's plan modified by special conditions to minimize unavoidable adverse impacts. The Proposed Action with Special Conditions is the USACE preferred alternative. The Special Conditions are mostly best management practices that are routine conditions for TVA Section 26a permits. They also include the construction of 32 fish spawning benches to mitigate for the loss of shallow water habitat resulting from the proposed excavation.

Holiday Landing and Resort is currently at capacity, *i.e.*, all 170 existing boat slips are leased and a waiting list exists. The proposal would allow more customers to store and moor their boats at the marina. Consequently, this alternative would likely increase the number of boats used in this portion of the reservoir, resulting in an increase in boat traffic and noise in the

vicinity of the marina. Dredging would reduce shallow water habitat. Temporary impacts from construction would include noise, visual discord, and minor effects on water quality and wildlife. Since the shoreline has already been riprapped, the marina's no wake zone extends to its harbor limits, and the new docks will form barriers to wave action, additional erosion is not expected. The construction of additional commercial covered floating boat slips would likely increase the property tax base in Franklin Co. The proposed action is compatible with both the Tims Ford Land Management and Disposition Plan and the Tims Ford State Park Strategic Management Plan.

Impacts Assessment

The USACE evaluated the physical/chemical, biological and human use characteristics and the anticipated impacts of the proposed marina expansion.

The proposed action would result in the removal and replacement of 11,500 cubic yards of clay and silt bottom substrate to a previously used, upland soil disposal site. All dredging would be in areas that are dry during the winter drawdown and would be conducted using land based equipment. Increased turbidity would be expected during and immediately after dredging, but would dissipate quickly. With use of best management practices (BMPs), impacts to water quality would be minor and temporary. Erosion is not expected to increase as a result of increased boating in the vicinity because the marina is a no-wake zone, the shoreline has already been riprapped, and the additional docks will further reduce wave action. No fuel would be sold nor would sewage pump-out occur on the new commercial covered floating slips.

Tims Ford Reservoir is classified by TDEC for domestic and industrial water supply, fish and aquatic life, recreation, irrigation, and livestock watering and wildlife and meets all applicable TDEC water quality criteria. Despite this fact, the overall ecological condition of the reservoir has rated poor in TVA monitoring for ecological conditions conducted since 1994. This is largely due to low dissolved oxygen concentrations during the summer and early fall caused by the reservoir depth, long hydraulic residence times, and summer stratification. High nutrient levels in streams flowing into the reservoir also contribute to low oxygen concentrations. TVA has monitored reservoir ecological conditions in the forebay area immediately above the dam at Elk River Mile 135 and at a mid-reservoir site at mile 150. The benthic (reservoir bottom) community has consequently rated very poor at both of these sites. Reservoir fish assemblage monitoring which samples the fish species composition, number of fish collected and fish health, has, in contrast, rated fair to good since 2000 at both sample sites. Neither the benthic community nor reservoir fish assemblage ratings show any consistent long-term trends.

The construction and operation of the proposed facilities would have little impact on water quality. The area to be dredged is dry during the winter drawdown and Holiday Marina would be required to conduct the dredging during the winter and dispose of the spoil above the maximum summer pool elevation. Holiday Marina would be required to implement best management practices during the dredging, spoil disposal, and all other phases of the proposed action. The shoreline has already been riprapped, the marina's no wake zone extends to its harbor limits, and the new docks will provide some protection from wave action. Consequently, no increase in shoreline erosion and associated sedimentation of the reservoir is expected. The resulting impacts to water quality would be insignificant and TDEC issued an Aquatic Resources Alteration Permit which constitutes the Section 401 Water Quality Certification for the project on December 13, 2007.

Holiday Landing and Resort is a certified Tennessee Valley Clean Marina. As part of this program, it carries out numerous practices to minimize the effects of its operations on water quality. Holiday Landing has stated that it plans to continue its involvement in the Clean Marina

program and its expanded marina operations are not expected to significantly impact water quality.

The proposed dredge area does not provide high quality habitat for benthic organisms. It does provide shallow water fish habitat used for spawning and foraging which would be impacted by the dredging. All dredging would be conducted in the dry during the winter drawdown, and impacts from direct disturbance and sediment suspension would be minimal. The dredge area does not provide unique or important aquatic habitat, and the loss of shallow water habitat would have insignificant impacts on fish and other aquatic life due to the abundance of this habitat elsewhere in the reservoir. At the request of the Tennessee Wildlife Resources Agency (TWRA) and U.S. Fish and Wildlife Service (USFWS), Holiday Marina has agreed to mitigate the loss of shallow water habitat by installing 32 fish spawning benches. The construction activities would result in some minor short-term negative impacts on aquatic life. Following construction, the new facilities would result in some habitat enhancement by providing shade and cover for fish and aquatic invertebrates. Overall impacts to fish and other aquatic organisms would be minor and would not alter the results of the various aquatic monitoring programs in Tims Ford Reservoir.

The proposed action would have little impact on both upland and reservoir-based wildlife populations and habitats. No federally listed endangered or threatened species or critical habitats occur within the area of the project and none would be affected. By letter dated August 17, 2007, the USFWS concurred with this determination. Although four state-listed species of conservation concern and one federal candidate species for listing occur within ten miles of the project site, none are in the immediate project area and none would be affected.

No wetlands would be affected. Most of the proposed actions occur within the 100-year floodplain. TVA considers the marina expansion to be a repetitive action with minimal impacts to floodplains. The proposed action is consistent with Executive Order 11988 on floodplain management.

As described above, Holiday Marina is on land that is part of Tims Ford State Park. The current operation of the marina and the proposed marina expansion are compatible with the park's Strategic Management Plan. In a letter dated January 4, 2007, TDEC stated that the marina expansion would not adversely impact state-owned properties and TDEC did not object to the proposal. No other parks or managed areas would be affected.

The proposed project would not affect historic or cultural resources at the marina site or at the dredge disposal site. The Tennessee Historical Commission (THC) concurred with this determination in a letter dated July 31, 2007.

The proposed action would enhance current water-based activities supported by Holiday Landing and Resort. Excavation would be conducted during winter drawdown and construction would not impact navigation. Adverse visual and noise effects from construction would be minor and temporary. Longer term effects might be noticeable to near neighbors, but since all changes are within the developed area, would likely be unnoticed by most reservoir users.

The project would result in the net increase of 42 boat slips and up to 82 boats at Holiday Landing. Recreational boating traffic in this portion of Tims Ford Reservoir is likely to increase during summer months, especially on weekends and holidays. As described in the 2000 FEIS, TVA assumes that only about 25 percent of boats stored at marinas and at individual lakefront residences would likely be in use during a typical summer weekend day. Therefore the proposed marina expansion would typically result in up to 20 additional boats on the reservoir

on a summer weekend day. In 2000, TVA assumed there would be a maximum of 1,364 boats on the reservoir on a summer weekend day. Since then, TVA has approved the construction of an additional 540 boat slips with the capacity to dock about 700 boats on Tims Ford. Based on these increases, the current maximum number of boats on the reservoir on a summer weekend day is approximately 1540. The additional 20 boats on the reservoir resulting from the marina expansion would increase the number of boats on the reservoir by less than 2 percent and would not adversely affect the recreational experience of boaters or their safety. The increase is also within the bounds of the analysis in the 2000 FEIS for the reservoir land management plan alternative that TVA selected in its 2000 Record of Decision as confirmed by the 2006 Verification of Environmental Review Findings. Under the Water Recreation Opportunity Spectrum (WROS) classification, the Boating Capacity Coefficients for the Suburban-Urban Classification are 5 to 10 surface acres per boat. The projected increase to 1540 boats would result in approximately 6.9 surface acres per boat, within the applicable WROS capacity classification.

TVA concurs with USACE's findings regarding the issues of recreational boating safety/traffic. The number of boating accidents on Tims Ford Reservoir, as reported in TWRA Boating Accident Reports from 2002 through 2006, ranges from a high of 12 in 2004 to a low of 3 in 2003 and 2005. In 2006, the last year for which data are available, 7 boating accidents were reported from Tims Ford.

Expansion of the marina is expected to have beneficial economic impacts by adding temporary new jobs during construction and in the future by increasing Holiday Landing and Resort revenue, and potentially enhancing nearby land values and therefore increasing property tax revenue.

Public and Intergovernmental Review

TVA and USACE issued joint Public Notice 07-64 for the proposed marina expansion on July 20, 2007. In response to the public notice, 24 comments were received, 10 for the marina expansion and 14 against. Comments were received from the Tennessee SHPO, USFWS, and TWRA. THC had no objection to the project. USFWS and TWRA requested mitigation for impacts to shallow water habitat which the applicant has agreed to implement. USFWS also requested land application of excavated material, which is part of the proposed action. Letters in favor of the marina expansion cited economic and recreational benefits. Opponents expressed concern about overcrowding of boats on the reservoir, water quality degradation, and land use. In accord with USACE practice, all letters and comments were forwarded to the applicant for response. The applicant responded by letter on August 23, 2007. USACE incorporated input from TVA, the applicant, TWRA, TDEC, USFWS, and THC to respond to public comments. On September 11, 2007, the USACE District Engineer issued a determination not to hold a public hearing, stating that a hearing would not provide any additional information or identify new issues.

Some commentors to Public Notice 07-64 referred to TVA land use designations, boating capacity issues, and a pending lawsuit filed by Friends of Tims Ford relating to the 2000 FEIS that they would like to see to proceed to final adjudication before additional boat docks and slips are allowed on Tims Ford Reservoir. TVA believes that the proposed action is in keeping with Parcel 30's Zone 6 designation and with the State Land Management Plan's designation of Zone D. Holiday Landing and Resort is proposing to expand to meet business needs within the bounds of established harbor limits and TVA regulations. The potential for impacts to water quality, boating safety, and other resources cited in these letters have been studied and no significant impacts were identified. To clarify TVA's zoning categories, there is no prohibition associated with residential development on private land adjacent to Zone 6 land. Developments in Zone 6 are intended to provide public recreational opportunities for local residents and visitors

alike. Zone 7 land provides reservoir access to private landowners with deeded rights. Further, TVA believes the 2000 FEIS continues to be adequate in its assessment of the impacts of the land use plan approved by TVA.

As a cooperating agency in the development of the USACE EA, TVA reviewed and commented on a draft of the EA. In the final EA and FONSI, issued October 29, 2007, USACE selected the Proposed Action with Special Conditions as the preferred alternative. The final EA states that the proposed discharge meets the criteria of Section 404 Nationwide Permit Number 36. USACE issued a permit under Section 10 of the Rivers and Harbor Act on November 6, 2007 (Permit Number 200200539).

TDEC issued a Public Notice for ARAP application NRS 07.366 regarding Holiday Landing and Resort on October 30, 2007. A permit was issued on December 13, 2007.

Mitigation and Special Permit Conditions

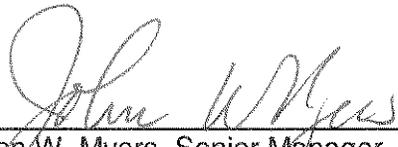
TVA requires use of its general and standard conditions for Section 26a approval. The special conditions listed in the state ARAP permit and in the USACE EA and incorporated into their Section 10 permit would be implemented as well. In addition to routine commitments, the special conditions require the applicant to:

- perform excavation during winter drawdown of Tims Ford Reservoir,
- maintain a 10-foot buffer between the dredge area and the existing shoreline,
- construct and install 32 spawning benches to mitigate for the loss of shallow water habitat due to excavation,
- properly seed and stabilize disturbed riparian areas, and
- place all excavated material on an off-site location above elevation 895.

TVA has not identified the need for other mitigation to further reduce potential impacts.

Conclusion and Findings

TVA served as a cooperating agency in the preparation of the USACE EA for the expansion of Holiday Landing Marina and Resort. In addition to providing input to the development of the EA and providing comments on a draft, TVA has independently reviewed the USACE EA and concluded that it adequately addresses anticipated impacts on the environment. TVA is therefore adopting the USACE EA. TVA has determined that the issuance of the Section 26a permit for the proposed Holiday Marina expansion project would not be a major federal action significantly affecting the quality of the environment. Accordingly, an environmental impact statement is not required. This FONSI is contingent upon adherence to the permit conditions and completion of the mitigation measures described above.



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Date Signed