

**REQUEST FOR SECTION 26A APPROVAL TO LAUREL MARINA
AND YACHT CLUB – PROPOSED COMMERCIAL MARINA FACILITY ADDITIONS
AND EXCAVATION AND FILL FOR PARKING AREA, SOUTH FORK
HOLSTON RIVER MILE 56.5, RIGHT BANK. SOUTH HOLSTON RESERVOIR,
SULLIVAN COUNTY, TENNESSEE**

Laurel Marina and Yacht Club proposes to expand its existing operations on South Holston Reservoir by constructing 181 double boat slips, 30 houseboat slips, expanding its harbor limits, and constructing a 1.74 acre parking area by filling part of a small cove with material dredged from the bottom of the reservoir. Laurel Marina has requested TVA approval of these facilities under Section 26a of the TVA Act. The proposed facilities also require approval by the U.S. Army Corps of Engineers (USACE) under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbor Act. The USACE and TVA have jointly prepared an Environmental Assessment (EA) of the proposed action. This EA is incorporated by reference.

The EA evaluates three alternatives: 1) No Action, under which the permit requests and approvals would be denied; 2) Applicant's Final Proposed Action; and 3) Applicant's Final Proposed Action with Special Conditions. Alternatives 2 and 3 include measures to mitigate the loss of aquatic habitat resulting from the dredge and fill operation.

The EA concludes that impacts to air quality, water quality, wildlife habitat, noise, traffic patterns, navigation, and environmental justice would be minor and insignificant. With implementation of the mitigation measures for aquatic habitat, impacts on aquatic life would be insignificant. There would be no effect on endangered and threatened species or on cultural resources. The U.S. Fish and Wildlife Service and Tennessee State Historic Preservation Officer, by letters dated October 18, 2005, and March 22, 2005, respectively, have concurred with these determinations. No wetlands would be affected and there would be no change in land use. Because the fill for the parking area would be dredged from the reservoir bottom, there would be no reduction in the reservoir flood storage capacity and no impact on flood control. The proposed facilities would be constructed within the 100-year floodplain. TVA has determined that this is a repetitive action that complies with Executive Order 11988 on Floodplain Management.

While the proposed marina expansion would provide additional boating recreational opportunities on South Holston Reservoir, it would also result in an increase in the density of boats on the reservoir. The EA contains a detailed evaluation of the impacts on water-related recreation and concludes that any negative impacts on area users' recreational experience and on boating safety would be insignificant. The proposed marina expansion would have insignificant impacts on the visual resources of the area.

The proposed marina expansion has been under consideration by TVA and the USACE since 2002, when Laurel Marina submitted its first application. Since then it has been the subject of three public notices jointly issued by TVA and the USACE. The major issues in comments on the public notices from the public and state and federal agencies were on overcrowding and boating safety, the use of public lands for private development, aesthetics, water quality, aquatic habitat, recreation, and traffic. The applicant has modified its proposal in response to these comments and has reduced the

size of the proposed marina expansion, dropped a request for the use of adjacent U.S. Forest Service land, and committed to implementing a plan to mitigate the loss of aquatic habitat. TVA and the USACE also circulated a draft of the EA for public review in late 2006. One federal agency, three state agencies, and 71 individuals commented on the draft EA. Many of the comments addressed issues raised in previous public comments and all of these issues are discussed in the final EA.

Mitigation and Special Permit Conditions

USACE and the Tennessee Department of Environment and Conservation, through its issuance of its Water Quality Certification, have made their approvals contingent on several permit conditions addressing the use of best management practices, implementation of the mitigation plan, and other issues as listed in Section 5.5, Recommended Special Conditions, of the associated EA. TVA would also require adherence to general and standard conditions as well as the following mitigation measures:

- The work would be performed during winter pool elevation (September through April) of South Holston Reservoir when the fill material could be placed in the dry and the shoreline could be excavated in the dry.
- Excavation of Areas 1, 2, and 3 to obtain fill material for the parking lot construction would occur down to within 5 feet of the bedrock layer. If it is not feasible to stop excavation within 5 feet of bedrock, unweathered bedrock in the excavation areas would be core drilled and tested to insure it does not contain acid-producing material.
- Mitigation and monitoring work to offset shallow water (fish) habitat loss would be conducted in accordance with the plans included in the EA, Appendix F.
- Laurel Marina would adhere to EA commitments to reduce visual effects.
- The harbor limits would not extend farther than Structure 4, as delineated in the King's Cove II drawing in the application.
- The maximum lakeward extent of Structure 4 would be no more 444 feet from the access walkway, as delineated in the King's Cove II drawing in the application.

Conclusion and Findings

Based on the findings listed above and the analyses in the associated EA, we conclude that issuance of the Section 26a permit for the proposed marina expansion would not be a major federal action significantly affecting the environment. Accordingly, preparation of an environmental impact statement is not required. This Finding of No Significant Impact is contingent upon adherence to the permit conditions and mitigation measures described above.

Charles P. Nicholson for

December 21, 2006

Jon M. Loney
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Date