FINDING OF NO SIGNIFICANT IMPACT

TENNESSEE VALLEY AUTHORITY

STATE ROUTE 29 (U.S. 27) FROM STATE ROUTE 61 EAST OF HARRIMAN TO STATE ROUTE 328/ BELFOUR DRIVE SECTION 26A APPROVAL, EASEMENT, AND DEED MODIFICATION

In November 2011, the Tennessee Department of Transportation (TDOT) submitted a land use application (land use application) to the Tennessee Valley Authority[1] (TVA) requesting the grant of a permanent easement and modification of a deed to abandon certain flowage easement rights on private property in order to allow for the expansion of State Route 29 (SR 29) over the Little Emory River on Watts Bar Reservoir in Roane County, Tennessee. The request is associated with TDOT's proposal to widen SR 29 from a two-lane highway to a divided, four-lane highway for public use along a 12.3-mile stretch in Roane and Morgan Counties, between the towns of Harriman and Wartburg.

In the land use application, TDOT requested the land rights to widen the existing roadway and right-of-way and to replace the existing bridge over the Little Emory River at river mile 3.91 with a wider bridge. In order to replace the bridge, TDOT is requesting a 0.48-acre permanent easement on fee land owned by the United States of America for the use and benefit of TVA (tract XTWBR-150H)) and that the United States of America through its agent, TVA, modify a deed by abandoning certain flowage easement rights affecting 1.27 acres of TVA flowage easement (tract WBR-1177F, S.1X).

In addition to the land use application, TDOT submitted a joint TVA/Department of the Army, Corps of Engineers (USACE) permit application (permit application) in May 2013, requesting TVA's approval under Section 26a of the TVA Act for construction at the crossings at the Little Emory River, Bitter Creek, and numerous tributaries along a 4.9-mile section of SR 29. In April 2014, TDOT modified the application to request approval of improvements to two contiguous stretches of SR 29 approximately 5.7 miles in length.

TDOT collaborated with the Federal Highway Administration (FHWA) to prepare a joint environmental assessment (2003 EA) to evaluate the improvement of a 12.3-mile stretch of SR 29, from the intersection with SR 61 in the city of Harriman to SR 62 near Wartburg. On May 18, 2004, FHWA completed a finding of no significant impact (FONSI) statement for the entire SR 29 improvement project. In November 2013, FHWA reevaluated the 2003 EA and found that it remains valid.

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[1] TVA is as an executive branch corporate agency and instrumentality of the United States of America organized and existing pursuant to the Tennessee Valley Authority Act of 1933, and title to all real property is held in the name of the United States of America for the benefit and use of TVA.

TVA has independently reviewed the 2003 EA and, upon receipt of TDOT's April 2014 land use and permit applications, decided to adopt the EA and to supplement it (Supplemental EA). The Supplemental EA includes additional environmental information made available since 2004; describes the ongoing coordination efforts; and identifies specific mitigation measures to address impacts to wetlands and streams. TVA adopts the FHWA's 2003 EA and incorporates it herein by reference.

TVA has completed a Supplemental EA to consider the improvements to SR 29. Though TDOT's current request pertains to two stretches of SR 29, TVA considered the improvements to the two stretches of SR 29 as one action. The decisions to be made by TVA are whether:

(a) To grant the 0.48-acre permanent easement,
(b) To modify the TVA deed by abandoning the right to remove buildings and structures, except fences, and the right to do work for malaria control, over 1.27 acres of TVA flowage easement land, and
(c) To grant Section 26a approval to TDOT to allow for the improvements along the 5.7-mile stretch of SR 29.

TVA's interest in this project arises from its commitment to support sustainable economic growth and to provide for public infrastructure needs within the Tennessee Valley. These decisions would improve the area's economic base and public safety and are consistent with TVA's policies and goals for regional economic development and with TVA's 2009 Watts Bar Reservoir Land Management Plan.

In its review of the 2003 EA, TVA found that the analysis of impacts of the following issues remains valid: air quality, farmlands, sensitive areas (including state parks, scenic rivers, and wildlife management areas), wildlife, cultural resources, and economics. TVA's Supplemental EA addresses new information about the presence of threatened and endangered species and potential impacts of the project to wetlands and streams, and describes the coordination activities.

Since 2004, the applicant has continued to consult with the U.S. Fish and Wildlife Service (USFWS) on the project. As described in the Supplemental EA, USFWS has confirmed on several occasions since 2004 its previous findings about the project's potential effects on the federally listed as threatened Cumberland rosemary, spotfin chub, and Virginia spiraea, and the federally listed as endangered Cumberland elktoe and purple bean. Continued consultation has also addressed information about additional species of concern, including the Alabama lampmussel, the Indiana bat, and the northern long-eared bat. The new information and additional consultation has not changed the initial determination by USFWS that the project would not adversely affect or jeopardize sensitive aquatic or terrestrial species within the project area. TVA concurs with these findings.

During the review of TDOT's current permit application, TVA found that the description of wetlands affected by the improvements to the 5.7-mile stretch of SR 29 differed from

those described in the FHWA's 2003 EA. Surveys conducted by TDOT since 2004 identified 13 wetlands along the 5.7-mile stretch that would be impacted permanently and/or temporarily by the project. The 2.39 acres of wetlands permanently impacted would be mitigated by TDOT through debit payment to the Walls mitigation site and to the Tennessee Mitigation Fund. The 0.10-acre area temporarily impacted would be restored to preconstruction contour and stockpiled topsoil from the area would be reapplied. TVA concurs that these measures sufficiently offset the wetland impacts.

TDOT identified 19 stream crossings along the 5.7-mile section of SR 29, 8 of which occur at perennial streams that fall under TVA's jurisdiction under Section 26a of the TVA Act. TDOT would mitigate the relocation of streams with in-kind, on-site replacement of streams and would mitigate impacts to perennial, ephemeral, and intermittent streams by purchasing credits from the Tennessee In-Lieu-Fee Stream Mitigation Program. TVA concurs that these measures would sufficiently mitigate impacts to streams in the project area.

In the project area, TDOT also identified locations with acid-producing rock that may affect the acidity levels of streams when excavated. As described in the Supplemental EA, TDOT proposes to mitigate potential impacts to streams through adaptive management and monitoring prior to, during, and after construction activities, including disposal of pyritic material in the Rhea County Landfill. With the implementation of these plans, potential impacts to streams from acid producing rock would be insignificant.

Mitigation and Special Permit Conditions

The applicant will adhere to the routine environmental measures listed in the applications and the 2003 EA including standard conditions requiring the use of best management practices, and other measures to avoid potential environmental impacts. As described above, TDOT has committed to mitigate impacts to wetlands and streams in the project area, as follows:

- TDOT will debit the area of permanent wetland fills at the Walls Mitigation Site, and make a fee payment to the Tennessee Mitigation Fund for an equivalent amount of wetland credits.
- TDOT will mitigate impacts to streams from encapsulation, length losses, and rip rap by purchasing an appropriate number of credits from the Tennessee In-Lieu-Fee Stream Mitigation Program and will also implement on-site in-kind replacements of streams.

TDOT must also adhere to the requirements identified in the monitoring and adaptive management plans addressing acid-producing rock.

Conclusion and Findings

Based on the findings listed above and the analyses in the Supplemental EA, we conclude that these actions by TVA, as agent of the United States of America, to (a) grant the 0.48-acre permanent easement, (b) abandon certain flowage easement rights over 1.27 acres, and (c) grant Section 26a approval to TDOT to allow for the improvements along the 5.7-mile stretch of SR 29 are not major federal actions that would significantly affect the environment. Accordingly, an environmental impact statement is not required. This finding of no significant impact is contingent upon adherence to the conditions and mitigation measures described above.

11/12/14

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Date Signed