

TENNESSEE VALLEY AUTHORITY

Rarity Pointe Commercial Recreation and Residential Development on Tellico Reservoir, Loudon and Monroe Counties, Tennessee

AGENCY: Tennessee Valley Authority

ACTION: Amended Record of Decision

SUMMARY: The Tennessee Valley Authority (TVA) is amending its September 10, 2003, Record of Decision (ROD) for the *Rarity Pointe Commercial Recreation and Residential Development on Tellico Reservoir, Loudon and Monroe Counties, Tennessee Final Environmental Impact Statement (2003 Rarity Pointe FEIS)*. In 2012, WindRiver Management LLC (WindRiver) purchased the Rarity Pointe development and requested that TVA consider modifications to the original development plan. In July 2017, TVA completed a supplemental environmental assessment analyzing the potential impacts of the proposed modifications. This amended ROD incorporates TVA's decisions relating to the modifications.

FOR FURTHER INFORMATION CONTACT: Amy Henry, NEPA Program and Valley Projects, Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902; Telephone: 865-632-4045 or E-mail: abhenry@tva.gov.

SUPPLEMENTARY INFORMATION: This notice is provided in accordance with the Council on Environmental Quality's regulations and the TVA procedures for implementing the National Environmental Policy Act (NEPA). On September 10, 2003, TVA published in the *Federal Register* (68 FR 53421) its Record of Decision (ROD) for the *Rarity Pointe Commercial Recreation and Residential Development on Tellico Reservoir, Loudon and Monroe Counties, Tennessee Final Environmental Impact*

Statement. In the ROD, TVA selected Alternative E of the FEIS, approving construction of a marina facility and par 3 golf course, changes to land use allocations in the Tellico Reservoir Land Management Plan, and acceptance of a transfer of properties for recreation and natural resources conservation use.

In 2012, WindRiver Management LLC (WindRiver) purchased the Rarity Pointe development and requested approval under Section 26a of the TVA Act to install riprap shoreline stabilization, two irrigation water intakes, a stormwater outfall, and a park in replacement of the previously planned par 3 golf course. In July 2017, TVA completed the *Brightwater Park at WindRiver Final Supplemental Environmental Assessment (Final SEA)* analyzing the potential impacts of the proposed actions that modify the original development plan. TVA now amends the September 2003 ROD to incorporate the revised proposal. By this notice, TVA is providing notification of its decision and agency reasoning.

To construct Brightwater Park and install rip-rap stabilization at locations around the WindRiver development, TVA approval is needed within TVA's Section 26a jurisdiction. U.S. Army Corps of Engineers (USACE) approval is also needed under Section 10 of the Rivers and Harbors Act and Section 404 of the Clean Water Act for the proposed stabilization and pier. Section 26a of the TVA Act of 1933, as amended, requires that TVA approval be obtained prior to the construction, operation, or maintenance of an obstruction affecting navigation, flood control, or public lands. Therefore, TVA's action would be to make a decision on the Section 26a approval request for the proposed park, shoreline stabilization, water intakes and stormwater outfall. The USACE and TVA have a Memorandum of Understanding that designates

TVA as the Lead Federal Agency for conducting environmental reviews under NEPA and other applicable federal laws and regulations for proposed work that may occur on property which is under TVA custody or control.

The Final SEA analyzes two alternatives: Alternative A - the No Action Alternative, and Alternative B - Section 26a Permit Approval. Under Alternative A, TVA would not issue approval under Section 26a. The applicant would not be permitted to take any actions on TVA land below the 820 foot contour elevation except those previously authorized by TVA under the 2003 ROD. Under Alternative B, TVA would issue a Section 26a permit approval to install riprap shoreline stabilization, a park, two irrigation water intakes, and a stormwater outfall.

The Final SEA identified Alternative B – Section 26a Permit Approval as the preferred alternative. Riprap stabilization under Alternative B includes approximately 6,360 linear feet of rip-rap along steeper portions of the shoreline of Tellico Reservoir which are actively eroding resulting in undermining of banks and loss of riparian vegetation. The proposed Brightwater Park includes a gravel and asphalt parking area, two fire pits, a retaining wall, an irrigation water intake and pump installed under one canoe/kayak floating dock (attached to a fixed pier), lighting, electrical service, a community garden, a shuffleboard court, two pavilions, a fenced play area, a dog park, a picnic shelter, sidewalk and walkways, picnic tables, playground structures, and signage. The majority of the park would be located on TVA property below the 820 foot contour elevation.

Environmental Consequences

In the Final SEA, TVA adopted the analysis in the 2003 Rarity Pointe FEIS and provided supplemental analysis of the potential impacts of both Alternative A and B on aesthetics, recreation, floodplains, wetlands, aquatic ecology, terrestrial ecology, water quality, noise, and historic and archaeological resources. The potential environmental impacts of each alternative are summarized for comparison in Section 2.2 of the Final SEA.

The proposed Alternative B would have no additional impact on most environmental resources evaluated in the 2003 Rarity Pointe FEIS. There would be no impacts to wetlands and historic and archaeological resources under Alternative B. Minor and temporary impacts associated with Alternative B were identified to aquatic ecology, water quality, and noise primarily in association with short-term construction activities. These impacts would be similar to the short-term construction impacts for those same resources in the 2003 Rarity Pointe FEIS. Additionally, TVA has determined that there would be new minor impacts to aesthetics, floodplains, and terrestrial ecology as a result of the permanent changes resulting from implementation of Alternative B beyond those previously evaluated in the 2003 Rarity Pointe FEIS. Alternative B would result in minor beneficial impacts to recreation due to the increased recreation opportunities in the area.

Environmentally Preferable Alternative

TVA has concluded that Alternative A, the No Action Alternative, is the environmentally preferred alternative, as it would result in fewer environmental impacts than Alternative B. The No Action Alternative would result in no additional or different environmental impacts beyond those previously evaluated in the 2003 Rarity Pointe FEIS. These additional impacts would be primarily associated with the installation of the

riprap stabilization. Although Alternative B would have slightly greater impacts than the No Action Alternative, most of those impacts would be minor. The predominant adverse impact associated with Alternative B would be a minor change in the visual appearance of the shoreline from various viewpoints around the reservoir. This change would be consistent, however, with the shoreline appearance in other locations and therefore would not be significant. Alternative B would, however, provide some environmental benefits. These benefits include reducing shoreline erosion at locations where the riprap stabilization measures are placed and completion of Brightwater Park providing accessible public land and recreation resources as was originally intended with the 2003 decision.

Amended Decision

TVA has decided to amend the September 2003 ROD to incorporate the approval of Alternative B – Section 26a Permit Approval. The rationale for approving Alternative B is consistent with the rationale provided in the September 2003 ROD. The changes to the original proposal described in Alternative B achieves both WindRiver’s objectives for development of the residential and recreational community and TVA’s overall goals for providing recreational opportunities in the Tennessee Valley. Environmental impacts associated with Alternative B would be minor and slightly greater than impacts associated with Alternative A.

Mitigation Measures

The September 2003 ROD lists mitigation measures associated with the 2003 Rarity Pointe FEIS. These mitigation measures remain in effect across the development.

TVA has identified the following 2003 mitigation measures to be specifically applicable to the current proposed actions related to the stabilization measures and Brightwater Park:

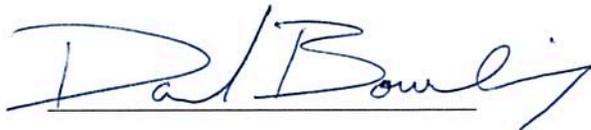
- Fully shielded light fixtures or those with internal low-glare optics (so no light is emitted from the fixture at angles above the horizon) will be used in the development. This commitment would also apply to the actions at Brightwater Park.
- Any future facilities or equipment subject to flood damage will be located at or above elevation of 820 feet.
- Any future development proposed within the limits of the 100-year floodplain, elevation 816.7 feet MSL, will be consistent with the requirements of EO 11988.
- All future development will be consistent with the requirements of TVA's Flood Control Storage Loss Guideline.
- WindRiver will continue to mitigate impacts to wetlands (W4 and W5) in the vicinity of Brightwater Park by implementing the wetland mitigation plan in Appendix C of the 2003 Rarity Pointe FEIS.

TVA has identified the following new mitigation measures associated with the implementation of the Brightwater Park SEA Alternative B – Section 26a Permit Approval.

- No flood-damageable facilities or equipment would be located within the Brightwater Park grand lawn. The lawn would be kept as a grassy area which would not be expected to incur damage during a flood.
- The switch on the irrigation pump would be located at or above an elevation of 820 feet.

- The minimum amount of rip-rap would be used while still meeting project objectives.
- The Brightwater Park sun shelter will remain open to the elements and may never be enclosed in the future. Any flood-damageable equipment stored in the sun shelter will be elevated to or above elevation 820 feet.
- For purposes of shoreline bank stabilization, all portions will be constructed or placed, on average, no more than two feet from the existing shoreline at normal summer pool elevation.
- For all electrical services permitted, including the electrical plug, a disconnect must be located at or above elevation 818.1 that is accessible during flooding.
- The floor elevation of the fixed courtesy pier will be a minimum of 2.0 feet above the normal summer pool elevation 813.0.
- The applicant should contact the local government official(s) to ensure that this facility complies with all applicable local floodplain regulations.
- Any excess excavated material not needed to grade Edgewater Road and the parking lot will be disposed of and contained on land lying and being above the 816.7-foot contour. Every precaution will be taken to prevent the reentry of the spoil material into the reservoir.
- In the stabilization areas, the only trees that would be removed are those already undermined and actively falling into the adjacent water. No trees greater than 3 inches in diameter at breast height would be removed.

- A vegetated buffer zone of at least 50 feet will be retained by TVA and maintained along the shoreline from the summer pool level in order to maintain continuity on the site, and reduce possible impacts to water quality and wetlands.
- If the reservoir falls below the elevation of the intake, the applicant will be responsible for finding another source of raw water.
- Cultural resource site 40LD29 would be avoided for all construction activities. TVA would place a commitment within the permit that states that in the vicinity of cultural resource site 40LD346, rip-rap would be placed from the beach with no equipment allowed on top of the site and no bank shaping would be done. In addition, TVA would require that an archaeological monitor be present while work is being conducted in that area.

A handwritten signature in cursive script, appearing to read "David Bowling". The signature is written in black ink and is positioned above the printed name.

David Bowling

Vice President, Land and Resource Management.