

FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
ROCKWOOD CAMPGROUND AND MARINA
Roane County, Tennessee

The Tennessee Valley Authority (TVA) is evaluating a request from the City of Rockwood for the development of a full service, commercial marina and campground in Rockwood, Roane County, Tennessee, on Watts Bar Reservoir. The proposed facilities would be constructed and operated by Blue Ridge Development LLC (BRDLLC) and would be sited on approximately 32.91 acres of upland area and approximately 10.30 acres of harbor limit area, collectively referred to here as the Project Area. The Project Area consists of 9.34 acres of former TVA property transferred to the City of Rockwood for public recreation, 23.57 acres of TVA land between the 750-foot and the 741-foot contour elevations, and 10.30 acres of harbor limits located on TVA land below the 741-foot contour elevation. Construction activities would occur throughout the 43.21-acre Project Area.

Under the Action Alternative, TVA would take the following actions:

- Issue a deed modification for 9.34 acres of transfer tract XTWBR-100 (the City Tract) to the City of Rockwood to allow for commercial recreation. This land was transferred to the City of Rockwood in 1951 with a deed restriction that the property may only be used for public recreation.
- Issue a thirty-year commercial recreation easement to BRDLLC for the construction and operation of a commercial marina and campground on 23.57 land-based acres of Watts Bar Parcel 219 (the Easement Tract).
- Issue a Section 26a (of the TVA Act of 1933) permit for all facilities constructed below the 750-foot contour elevation and the 10.30-acre harbor limit area below the Easement Tract (collectively, the Section 26a Permit Area), consisting of 204 fixed covered boat slips, boat ramp, fuel platform, swim beach, fishing piers, parking spaces, water intakes, riprap and campsites.

The proposed action would add new recreation amenities for the surrounding community. By converting part of the City of Rockwood's tract to commercial recreation, BRDLLC would be allowed to apply for (and finance) a marina and campground on the City of Rockwood's land and potentially use the adjoining TVA parcel (Watts Bar Parcel 219) of waterfront property. The amenities being proposed as part of the Action Alternative, a marina and campground, have always been available for the City of Rockwood to pursue on the City Tract as currently deeded for public recreation if they owned, financed, and managed the development with revenues returning to the City of Rockwood. In considering the request, TVA seeks the appropriate management of its reservoir lands in a manner that maintains the quality of life and other important values. TVA's interest in considering this proposal also arises from its commitment to improve the area's economic base, support sustainable economic growth, and to provide for commercial recreational opportunities.

The proposed action is also consistent with TVA's land use plan for the area. The 2009 Watts Bar Reservoir Land Management Plan (RLMP) allocated the property to developed recreation. Additionally, the proposed action meets TVA's objective to provide the public with quality, affordable outdoor recreation opportunities. TVA would protect and conserve natural resources while providing recreational opportunities.

The proposal is the subject of an Environmental Assessment (EA) prepared by TVA, which is incorporated herein by reference. In the EA, TVA evaluated potential impacts of the Proposed Action (i.e., the Action Alternative) as well as the alternative of not implementing the action (i.e., the No Action Alternative). Under the No Action Alternative, TVA would not issue the City of Rockwood a deed modification to allow for commercial recreation and the City of Rockwood's 9.34 acres (the City Tract) would remain deeded for public recreation. TVA would not issue BRD LLC a thirty-year commercial recreation easement for construction and operation of a commercial marina and campground on 23.57 acres of TVA property (the Easement Tract). TVA would not issue the Section 26a permit required for all facilities below the 750-foot contour, which includes the proposed commercial marina and campground on the Easement Tract and 10.3 acres of harbor limit area below the Easement Tract (collectively, the Section 26a Permit Area). Under the No Action Alternative, the City of Rockwood would have the opportunity to pursue development of similar amenities to those proposed as part of the Action Alternative on the City Tract. The Easement Tract would remain available to the public for dispersed recreation. The City of Rockwood would retain appurtenant rights over the Easement Tract and could pursue development on the Easement Tract or the Section 26a Permit Area but this would require advance, written approval by TVA. If the City of Rockwood were to pursue development of similar amenities to those proposed in the Action Alternative on the City Tract, the environmental consequences would be similar to those expected from implementing the Action Alternative with respect to the 9.34 acres of City property. If the City of Rockwood did not develop the City Tract for similar amenities, no environmental consequences would be anticipated, as environmental conditions on the property would remain essentially unchanged from the current conditions for the foreseeable future. While this alternative would be limited to the 9.34 acres of the City Tract, it provides a benchmark for comparing the environmental impacts of the implementation of the Action Alternative. Under the Action Alternative, TVA would issue a deed modification to allow for commercial recreation on 9.34 acres (the City Tract) originally transferred to the City of Rockwood for public recreation. TVA would issue BRD LLC a thirty-year term commercial recreation easement for the construction and operation of a commercial marina and campground on 23.57 land-based acres (the Easement Tract). Finally, TVA would issue a Section 26a permit for all facilities built below the 750-foot contour elevation and the 10.30 harbor acres (collectively, the Section 26a Permit Area).

Implementation of the Action Alternative would result in disturbance of the Project Area for construction of the commercial marina and campground. BRD LLC or its contractors are expected to implement appropriate measures, such as standard operating procedures, best management practices (BMPs) and mitigation measures, to minimize or reduce negative potential environmental impacts of the Action Alternative to insignificant levels. These practices include, but are not limited to: complying with all applicable local, state, and federal regulations; obtaining and adhering to the requirements of all applicable local, state, and federal permits; implementation of applicable BMPs including installation of sediment and erosion controls (silt fences, sediment traps, etc.); management of fugitive dust; adhering to specific avoidance and

conservation measures to reduce effects to federally-listed bat species, and adhering to specific measures to ensure the project would be consistent with the requirements of Executive Order (EO) 11988, Floodplain Management.

TVA has determined that the Proposed Action, subsequent to TVA's selection of the Action Alternative, would have no impact on archaeology and historic structures and sites. Implementing the Action Alternative would result in potential minor impacts to air quality and climate change, groundwater and geology, floodplains, surface water, wetlands, botany, aquatic ecology, terrestrial zoology, land use and prime farmland, recreation, and managed and natural areas. Implementing the Action Alternative could create potential minor impacts to the human environment, including noise and visual effects; socioeconomics and environmental justice, transportation, and navigation issues; and the creation of solid and hazardous waste.

A January 2020 environmental survey conducted by TVA identified the King Creek embayment of the Watts Bar Reservoir, two wet weather conveyances (E001 and E002), and two wetlands (W001-palustrine forested and W002-palustrine scrub-shrub) within the Project Area. Both E001 and E002 are ephemeral in nature. When water is present, these features flow to the King Creek embayment of Watts Bar Reservoir along the southeast boundary of the Project Area. It is anticipated that the United States Army Corps of Engineers (USACE) and Tennessee Department of Environment and Conservation (TDEC) would make the final jurisdictional waters of the United States (WOTUS) and Waters of the State of Tennessee (WOST) determinations for these water features. Construction activities for the Proposed Action would affect Watts Bar Reservoir and WWCs E001 and E002 via direct disturbance and potential stormwater runoff. The Proposed Action would also include a culvert crossing of Watts Bar Reservoir with a retaining that would entail the placement of a culvert with the installation of the retaining wall along the roadway. Wetlands W001 and W002 are situated adjacent to the King Creek embayment of Watts Bar Reservoir within the Project Area. The project has been designed to avoid wetland areas and would not result in temporary disturbance, removal or fill of these wetlands. Coordination with the USACE and TDEC would be necessary to confirm the jurisdictional status of surface water and wetland resources within the Project Area. Unavoidable impacts to WOTUS and WOST would be conducted and mitigated in accordance with a Section 404 Clean Water Act (CWA) and Section 10 Rivers and Harbors Act (RHA) permit from the USACE and a CWA Section 401 Water Quality Certification (WQC) from the TDEC.

The environmental survey also identified 8.69 acres of summer roosting habitat for Indiana bat and northern long-eared bat. No winter bat habitat was observed within the Project Area. Foraging habitat for Indiana bat, northern long-eared bat, and gray bat occurs over, alongside, and through forest areas and the two wetlands within the Project Area. Additional foraging habitat and sources of drinking water for Indiana bat, northern long-eared bat, and gray bat exist in the King Creek embayment of Watts Bar Reservoir. A number of activities associated with the Action Alternative were addressed in TVA's programmatic consultation with the United States Fish and Wildlife Service (USFWS) on routine actions and federally listed bats in accordance with the federal Endangered Species Act Section 7(a)(2) and completed in April 2018. For those activities with potential to affect bats, TVA committed to implementing specific conservation measures. These activities and associated conservation measures are identified on page 5 of the TVA Bat Strategy Project Screening Form (Appendix B of the EA), which is incorporated herein by reference) and must be reviewed/implemented as part of the Action Alternative. With

the use of identified conservation measures, the Action Alternative is not expected to significantly impact the federally listed gray bat, Indiana bat, and northern long-eared bat.

A Phase I cultural resources investigation was performed in December 2020 that included both an assessment of standing structures as well as archaeological survey of the project area of potential effects (APE). No archaeological sites were identified within the Project Area and no architectural resources listed or eligible for listing on the National Register of Historic Places (NRHP) were located within the APE. No further cultural resources surveys are recommended in the Project Area. Therefore, the Action Alternative would have no impact on archaeological sites or historic properties.

Public and Intergovernmental Review

TVA issued a public notice in the Roane County News on May 12, 2021, announcing the 30-day public comment period of the Draft EA soliciting comments. Federal, state and local agencies, interested federally-recognized Native American Tribes, elected officials, and other stakeholders were sent notification announcing the draft EA's availability for review and comment for a 30-day period. An electronic version of the draft EA was posted on the TVA project website (<https://www.tva.com/environment/environmental-stewardship/environmental-reviews/nepa-detail/rockwood-campground-and-marina>) where comments could be submitted electronically. In response to public comments requesting additional time to prepare and submit comments on the Draft EA, TVA extended the public review period through July 9, 2021. At the end of the public review period TVA had received a total of 207 individual submittals, 206 from private citizens and one from the TDEC. Individual submittals included letters, e-mails, petition-style submissions, and submissions through the project Web site. The individual submittals included an additional 335 signatures for submissions consisting of text and a list of names of those who supported the comments.

Pursuant to Section 106 of the National Historic Preservation Act, TVA consulted with the Tennessee State Historic Preservation Office (SHPO) in a letter dated March 3, 2021 requesting concurrence that the proposed action would have no effect on cultural resources. The Tennessee SHPO concurred with this determination in a letter dated March 5, 2021. Pursuant to 36 CFR Part 800.3(f) (2), TVA also consulted with federally recognized Indian tribes. The Muscogee (Creek) Nation responded on March 15, 2021 and the Cherokee Nation responded on March 31, 2021, both concurring there should be no effects to any known historic properties, but requesting work to cease and to be notified (along with other appropriate agencies) if inadvertent discoveries occur during construction. No other responses from federally recognized Indian tribes were received.

Mitigation

To minimize or reduce the environmental effects associated with the Action Alternative, BRD LLC would utilize the following standard operating procedures, BMPs, and mitigation measures.

- Activities involving chemical or fuel storage or resupply and equipment and vehicle servicing are expected to be handled in such a manner as to prevent these items from reaching a watercourse. Earthen berms or other effective means are expected to be installed to protect nearby surface waters from direct surface runoff. Servicing of equipment and vehicles is expected to be done with care to avoid leakage, spillage, and

subsequent surface or groundwater contamination. Oil waste, filters, and other litter are expected to be collected and disposed of properly.

- Since greater than one acre of land would be disturbed at a given time, coverage would be obtained under the 2016 NPDES General Permit for Discharges Associated with Construction Activity (TNR100000).
- Should hydrostatic test discharges occur, coverage would be obtained under the 2021 NPDES General Permit for Discharges of Hydrostatic Test Water (TN670000).
- BRD LLC would be required to develop the Project Area in accordance with state and federal wetland protection regulations and site-specific permit requirements. If impacts to WOTUS and WOST cannot be avoided, a Section 404 CWA and Section 10 RHA permit from the USACE and a Section 401 WQC from the TDEC would be obtained.
- To control fugitive dust during construction activities, BRD LLC would comply with the TDEC Air Pollution Control Rule 1200-3-8 and implement reasonable precautions and applicable BMPs.
- Applicable BMPs such as installation of sediment and erosion controls would be implemented.
- Specific avoidance and conservation measures would be implemented to reduce effects to federally-listed bat species. These measures are identified in the TVA Bat Strategy Project Screening Form (Appendix B of the EA).
- BRD LLC would implement applicable BMPs and limit construction to daytime work hours to minimize the duration of noise generated during construction activities.
- All wastes would be evaluated and managed in accordance with the Solid and Hazardous Wastes Rules and Regulations of the State of Tennessee (TDEC Division of Solid Waste Management Rule 0400 Chapters 11 and 12, respectively) in addition to other applicable waste management regulations and general BMPs.

To ensure that the Action Alternative would be consistent with the requirements of EO 11988, Floodplain Management, the following conditions would be included in the final TVA Section 26a permit and easement documents:

26a Conditions

- The fuel tanks would be housed within a containment building that would be flood proofed to at least the 747.3-foot contour elevation (500-year flood elevation).
- The lift stations and sewer lines would be flood proofed to the 747.3-foot contour elevation (500-year flood elevation).
- The campsites and roads would be elevated to at least the 746.5-foot contour elevation (100-year flood elevation), and only on-site soil would be used as fill for the campsites and roads.
- Any excess soil excavated would be stockpiled at a location lying at or above the 747.3-foot contour elevation (500-year flood elevation).
- The pavilions would remain open to the elements and never be enclosed in the future.

- No flood-damageable equipment or items would be stored in the pavilions.
- The decks of the fixed slips and fishing piers would be at or above the 743.0-foot contour elevation (June 1 Flood Guide plus two feet), with roofs high enough to prevent boats from being forced against them during the 100-year flood.
- Bank stabilization would be placed no more than 2 feet from the existing shoreline at June 1 Flood Guide.
- Should the lake level fall below the elevation of the water intake, the applicant would be responsible for obtaining another source of irrigation water.
- The culverts would be sized such that flood elevations upstream of the culvert crossing would not increase by more than 1.0 foot.

Easement Conditions

- The campground would be operated in accordance with the 2012 Length of Stay Guidelines for Campgrounds on TVA Land.
- Any future facilities or equipment subject to flood damage would be located at or above the 747.3-foot contour elevation (TVA Flood Risk Profile elevation plus 2 vertical feet).
- Any future development proposed within the limits of the 100-year floodplain, 746.5-foot contour elevation, would be consistent with the requirements of EO 11988.
- All future development would be consistent with the TVA Flood Storage Loss Guideline.
- The applicant would be advised that TVA retains the right to flood this area and that TVA would not be liable for damages resulting from flooding.

Conclusion and Findings

Based on the findings listed above and the analyses in the EA, we conclude that the Proposed Action of TVA approving the City of Rockwood's request to construct and operate a commercial marina and campground on Watts Bar Reservoir would not be a major federal action significantly affecting the environment. This finding is dependent on implementation of the mitigation measures described above. Accordingly, an environmental impact statement is not required.



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 Federally Mandated Environmental Compliance
 Tennessee Valley Authority

12/01/2021

Date Signed