

FINDING OF NO SIGNIFICANT IMPACT TENNESSEE VALLEY AUTHORITY

TELLICO RESERVOIR LAND MANAGEMENT PLAN BLOUNT, LOUDON, & MONROE COUNTIES, TENNESSEE

The Tennessee Valley Authority (TVA) proposes to revise the 2000 Tellico Reservoir Land Management Plan (RLMP) based on its review of all existing land allocations to assess and respond to new issues and changes in conditions and circumstances. TVA proposes to revise the RLMP by changing the allocation of up to approximately 2,110.3 acres (16.5%) of the 12,787.6 acres of public lands managed by TVA on Tellico Reservoir in Blount, Loudon, and Monroe counties in East Tennessee. TVA prepared an Environmental Assessment (EA), incorporated herein by reference, to review the potential environmental impacts of the proposed RLMP revisions.

RLMPs guide land use approvals, private water use facility permitting, and resource management decisions on TVA-managed public land. The proposed RLMP revision would be consistent with the TVA Land Policy, Natural Resource Plan (NRP) and Comprehensive Valleywide Land Plan (CVLP), and TVA's goals for proper management of the natural resources on Tellico Reservoir public lands.

The purpose of TVA's RLMP planning process is to apply a systematic method of evaluating and identifying the most suitable uses of TVA-managed public lands in furtherance of TVA's responsibilities under the TVA Act. The RLMP planning process also supports compliance with applicable state and federal regulations and executive orders, and helps ensure the protection of significant resources, including threatened and endangered species, cultural resources, wetlands, unique habitats, natural areas, water quality, and the visual character of the reservoirs. Updates to the Tellico RLMP are needed to reflect changing land use needs and circumstances and to incorporate TVA's business needs and goals for managing natural resources on public lands.

RLMP Alternatives

In the EA, TVA considered two alternatives that would modify the 2000 RLMP, in addition to the No Action Alternative. Each alternative would be consistent with TVA's CVLP, as described in Section 2.6.2 of the EA.

The No Action Alternative (Alternative A)

Under the No Action Alternative, TVA would not take any action to amend the 2000 Tellico RLMP for TVA managed lands on the Tellico Reservoir. All parcels would continue to be managed by TVA according to the allocations of the 2000 RLMP. Consideration of the No Action Alternative is required under the Council on Environmental Quality's NEPA-implementing regulations; the analysis of this alternative serves as a baseline for comparing the other action alternatives.

TVA's Proposed RLMP Alternative (Alternative B)

Under the RLMP alternative preferred by TVA (Alternative B), TVA would amend the 2000 Tellico RLMP by reallocating land use zones on 102 parcels affecting approximately 2,110.3 acres (16.5%) of the 12,787.6 acres of TVA-managed public lands on Tellico Reservoir. Under Alternative B, the proposed lands plan would be updated to become consistent with current land planning practices and would consider proposals previously provided to TVA that are supported by Tellico Reservoir Development Authority (TRDA) and/or local stakeholders. Consistent with TVA RLMP planning methodology, the public lands managed by TVA on Tellico Reservoir would be reviewed by the planning team and placed into one of the seven land use zones consistent with existing land use and staff recommendations.

The major categories of allocation changes proposed by TVA included under Alternative B include the following:

- **Private Recreation Easements:**

- TVA would allocate property currently under private recreation easements as Zone 7 (Shoreline Access). This would affect approximately 9.6 acres. Currently, many private recreation easements are located on other zone allocations.
- TVA properties eligible for private recreation easements allocated for Zone 7 (Residential Development) in the 2000 Tellico RLMP but not currently encumbered by a private recreation easement would be reallocated to Zone 3 (Sensitive Resource Management) or Zone 4 (Natural Resource Conservation). This would affect approximately 100.7 acres. Upon execution of an approved recreation easement, the parcel allocation in the RLMP would be updated to reflect the change to Zone 7 (Shoreline Access).

- **Recreation Requests:**

- TVA would reallocate a portion of Parcel 3 to Zone 6 (Developed Recreation) in response to a request by a group of stakeholders (Lenoir City Committee of 100). The reallocation would allow the local community leaders to pursue potential commercial recreation opportunities for the area, likely to be developed by the TRDA.
- TVA would reallocate all of Parcel 2 and portions of Parcels 44 and 74, to Zone 6 (Developed Recreation) in response to a request from the TRDA, in order to provide for additional recreational development opportunities. TVA would also reallocate a portion of Parcel 44 to Zone 4 (Natural Resource Conservation) as part of TRDA's request.
- TVA would reallocate a portion of parcel 56 from Zone 5 (Industrial) to Zone 6 (Developed Recreation) due to a deed modification on the backlying property allowing for public recreation purposes.

- **Reallocation of Recreation Lands:**

- TVA would reallocate Parcel 10 from Zone 6 (Developed Recreation) to Zone 4 (Natural Resource Conservation) so that the parcel allocation is consistent with the other reservoir parcels with major trailheads and parking areas associated with the East Lakeshore Trail. This reallocation would implement the recommendation from the 2006 TVA Recreation Assessment (conducted after the release of the TVA Land Policy).
- TVA would reallocate Parcel 91 from Zone 6 (Developed Recreation) to Zone 4 (Natural Resource Conservation) due to the lack of suitability for recreational development on the

tract. The 2006 TVA Recreation Assessment recommended that this parcel be reallocated.

- TVA would reallocate Parcel 136 from Zone 6 (Developed Recreation) to Zone 3 (Sensitive Resource Management) due to the lack of suitability for recreational development.
- **Disposal of TVA interests:** Parcel 60 would be removed from the RLMP in its entirety as TVA has disposed of remaining interests in the property.
- **Residential Lands:** TVA would reallocate a small portion of Parcel 77 from Zone 4 (Natural Resource Conservation) to Zone 7 (Shoreline Access) where docks have been historically permitted to every backlying property and where the land is immediately adjacent to an existing Zone 7 parcel.

Table 2.1 of the EA details the major parcel allocation changes noted above that are proposed under this alternative using the current parcel numbers.

TVA is also proposing numerous minor allocation changes. Minor allocation changes include those that are administrative in nature or those lands which are being reallocated based on current guidelines or information, but the use of the property remains unchanged. The following minor allocation changes are proposed:

- **Road Right-of-Ways:** On parcels where road rights-of-way (ROW) occur, these ROWs would be rezoned from various allocations to Zone 2 (Project Operations), consistent with TVA's current lands planning practices. This would affect approximately 309.45 acres.
- **Safety Landings:** Four Safety Landings would be rezoned from various allocations to Zone 2 (Project Operations), consistent with TVA's current lands planning practices.
- **Sensitive Resource Management and Natural Resource Conservation Lands:**
 - Four parcels (Parcels 16, 26, 31, and 117) would be reallocated from Zone 3 (Sensitive Resource Management) to Zone 4 (Natural Resource Conservation) and merged with adjacent parcels due to the lack of sensitive resources located on the parcels.
 - Parcels 37 and 132 would be changed from Zone 4 (Natural Resource Conservation) to Zone 3 (Sensitive Resource Management) and merged with adjacent parcels due to the presence of sensitive resources on the tracts.
 - Six parcels (Parcels 85, 87, 97, 106, 116, and 134) would be changed from Zone 4 (Natural Resource Conservation) to Zone 3 (Sensitive Resource Management) due to the presence of sensitive resources on the tracts.
 - Islands previously grouped as one parcel (Parcel 5) in the 2000 Tellico RLMP would be incorporated in the nearest parcels or would be grouped into individual parcels in order to be consistent with TVA's current lands planning practices. Some islands would also be reallocated to Zone 3 (Sensitive Resource Management) where sensitive resources are present.
- **Administrative Errors:** Correct administrative errors from 2000 Tellico RLMP. This would affect approximately 60.86 acres.
- **Public Works:** A portion of Parcel 61 encumbered by easements associated with a road and water treatment plant would change from Zone 5 (Industrial) to Zone 2 (Project Operations), consistent with current lands planning practices.

Table 2.2 of the EA provides additional information about the minor parcel allocation changes that are proposed under Alternative B.

Under Alternative B, TVA would not change the land use allocation for approximately 10,677.3 acres on 39 parcels. The allocation for these parcels would be incorporated into the updated Tellico RLMP, as proposed under Alternative B.

TVA would continue to apply guidelines developed for the 2000 RLMP to preserve the natural riverine settings of the Tellico River Corridor (Tellico River Miles 13.3-20.7). TVA would apply these guidelines when reviewing applications for water-use facilities in the corridor.

Modified Proposed RLMP Alternative (Alternative C)

Alternative C would be the same as Alternative B except fewer parcels would be identified for potential new development. TVA would not revise the allocations of parcels 2, 3, and 74 and a portion of parcel 44, as it proposes to do under Alternative B. These parcels would remain in the allocation identified and approved in the 2000 Tellico RLMP. This alternative would revise 101 parcel allocations affecting approximately 1,974.0 acres (15.4%) of the 12,787.6 acres of TVA-managed public lands on Tellico Reservoir.

Under Alternative C, parcels 2, 3, and 74 (proposed under Alternative B for reallocation to Zone 6 (Developed Recreation)) would continue to be allocated to various zones according to the 2000 Tellico RLMP. As shown in Table 2.3 of the EA, parcel 2 would continue to be allocated to Zone 7 (Shoreline Access) and parcels 3 and 74 would continue to be allocated to Zone 4 (Natural Resource Conservation).

Due to an existing safety harbor, parcel 44 is proposed for reallocation to Zone 2 under both Alternatives B and C. Additionally, a portion of the parcel that is currently allocated Zone 5 (Industrial) is proposed to remain as such under both Alternatives B and C. However, two sections of the parcel, 64.06 acres in total, are proposed for reallocation to Zone 4 (Natural Resource Conservation) and Zone 6 (Developed Recreation) under Alternative B. Under Alternative C, these two sections would remain as currently allocated, Zone 5 (Industrial).

Environmental Assessment

TVA's EA is a programmatic document that addresses the proposed changes to the Tellico RLMP and the potential impacts associated with the various types of uses permitted under each zone. In its analyses of direct, indirect and cumulative environmental impacts in Chapter 3 of the EA, TVA assumed that any activity allowed under a particular land use zone could occur during the life of the plan and the entire parcel may be impacted. Generally, TVA assumes that the potential for adverse impacts to environmental or cultural resources would be greater when parcels are allocated to Zone 2 (Project Operations), Zone 5 (Industrial), or Zone 6 (Developed Recreation), where more development and intensive land uses are permitted to occur. Activities allowed in Zone 7 (Shoreline Access) also have the potential to impact environmental or cultural resources, but development in Zone 7 is typically at a smaller scale (i.e., residential) and impacts are generally minor and localized. Allocating parcels to Zone 3 (Sensitive Resource Management) and Zone 4 (Natural Resource Conservation) have the least potential to result in impacts to environmental or cultural resources because development or intensive land uses are

not permitted in these zones. See Table 1 below for a comparison of land use allocations by RLMP alternative.

Table 1. Comparison of Zone Allocations by Alternative

| Zone | Alternative A ^a | | Alternative B | | | Alternative C | | |
|------|----------------------------|------------|--------------------|---------------------|------------------|---------------------|---------------------|------------------|
| | Acres | Percentage | Acres | Acreage Change | Percentage | Acres | Acreage Change | Percentage |
| 2 | 635.1 | 5 | 982.7 | +347.6 | 7.7 | 982.7 | +347.6 | 7.7 |
| 3 | 2,184.5 | 17.1 | 2,242.08 | +57.58 | 17.5 | 2,242.08 | +57.58 | 17.5 |
| 4 | 7,191.62 | 56.2 | 6,945.5 | -246.1 | 54.3 | 7,019.48 | -172.14 | 54.9 |
| 5 | 330.4 | 2.6 | 224.39 | -106.01 | 1.8 | 288.44 | -41.96 | 2.3 |
| 6 | 1,892.7 | 14.8 | 1,904.69 | +11.99 | 14.9 | 1,763.61 | -129.09 | 13.8 |
| 7 | 553.08 | 4.3 | 488.3 ^b | -64.78 ^b | 3.8 ^b | 491.36 ^b | -61.72 ^b | 3.8 ^b |

^a Includes approved allocation changes.

^b These acreage figures are expected to increase over time as additional private recreation easements are granted per the terms of the Contract.

Under any of the alternatives reviewed by TVA in the EA, all proposed future projects on TVA lands would be subject to additional site-specific environmental review; potential impacts to sensitive resources would be identified and avoided or minimized, as appropriate, in a manner consistent with applicable laws and regulations. Whenever such individual projects are proposed in the future, TVA will determine the need for permits, coordination with other agencies, and the appropriate level of NEPA review and documentation.

As discussed in the EA, there would be negligible to minor effects to terrestrial ecological resources, including threatened or endangered species, under the two alternatives that would revise the 2000 RLMP (Alternatives B and C) because the alternatives would allocate parcels to zones with greater potential for development. Allocations with this potential are limited, however, and the protection of terrestrial ecological resources would continue and site-specific NEPA reviews would ensure impacts are addressed in the future. In addition, if the parcel allocations proposed under Alternatives B and C ultimately result in development that would impact habitat, large tracts of similar habitat would still exist on Tellico Reservoir lands and elsewhere in the region. Generally, sensitive wildlife habitats would for the most part continue to be allocated in either Zone 3 (Sensitive Resource Management) or Zone 4 (Natural Resource Conservation) under Alternatives B and C, thereby reducing the potential for adverse impacts from approved activities to sensitive habitats. Impacts to terrestrial habitat would be similar under Alternatives B and C, although there would be slightly less potential for adverse impacts under Alternative C (compared to Alternative B) because fewer lands would be eligible for intensive use or development.

Impacts to water quality and aquatic life would also be negligible under Alternatives B and C, when compared to Alternative A. The major source of potential adverse impacts to water quality and aquatic life are ground disturbance and associated erosion and storm water runoff.

Allocations to Zones 2 (Project Operations), 5 (Industrial), 6 (Developed Recreation) and 7 (Shoreline Access) have the greatest potential for impacting water quality because of the greater potential for ground-disturbing activities to occur. Alternative B would result in about 150 more acres of TVA lands being allocated to one of those four zones, although a large portion of the acreage changes can be attributed to more accurately reflecting current conditions (including existing roadways). Alternative C would be similar, with an increase of about 75 acres of TVA lands allocated to one of the four zones. Consequently, the potential for impacts to water quality and aquatic life is greater under Alternatives B and C. Under each alternative, any proposed land use would be required to protect water quality through either restricted development or the commitment to use best management practices. The selection of any of the alternatives would result in insignificant impacts to water quality and aquatic life.

Recreational opportunities would be impacted by TVA's proposed revision of the 2000 RLMP. Under the current plan, approximately 88% of TVA lands are allocated to support public recreational opportunities (Zones 3, 4 or 6). Under Alternative B, there would be a negligible decrease in allocations providing recreation; the decrease would primarily be due to allocations of existing road infrastructure from Zone 4 (Natural Resource Conservation) to Zone 2 (Project Operations). Generally, there would be minor beneficial impacts on dispersed recreation and moderate beneficial impacts on developed recreation under Alternative B. Under Alternative C, the effects would generally be like those under Alternative B, except that there would be less developed recreation opportunities compared to Alternative B.

Under the current plan (Alternative A), approximately 26.2% of prime farmlands on TVA parcels are unavailable for agricultural use. Changes to the RLMP under Alternatives B and C would result in minor effects, with a slight increase in lands that would be unavailable for agricultural use: 27.1% under Alternative B and 26.8% under Alternative C. Impacts to geology could occur should there be development on TVA lands (e.g., as building foundations or other structures extend into bedrock); however, these impacts would be local and negligible. With the low number of groundwater wells in use throughout the Tellico Reservoir parcels, the abundance of water resources in the area, and the application of BMPs to control accidental spills and releases of materials which could infiltrate groundwater, impacts to groundwater would not be anticipated under any alternative.

Under any RLMP alternative, adverse effects to wetlands from any ground disturbing activities that may occur on TVA public lands would be mitigated under Executive Order (EO) 11990 (Protection of Wetlands). Most allocation changes proposed by TVA under both Alternatives B and C would have neutral to beneficial impacts to wetlands because allocation changes would reflect current conditions (e.g., existing roadway infrastructure) or additional parcels containing wetlands would be allocated to Zones 3 (Sensitive Resource Management) or 4 (Natural Resource Conservation) for conservation purposes. Generally, the overall wetland impacts under Alternatives B or C would be of greater benefit to wetland resources than the 2000 RLMP.

Similarly, under any RLMP alternative, any development proposed in the 100-year floodplain would be subject to the requirements of EO 11988 (Floodplain Management). Under Alternative B, there would be minor impacts relative to floodplains and their natural and beneficial values because there would be a slight increase (about 1.5%) in TVA-managed lands allocated for

more intensive uses. Under Alternative C, there would be neutral to slightly beneficial impacts compared to Alternative A and more beneficial impacts than under Alternative B.

Under any RLMP alternative, there would be very low potential for impacts to air quality. Under Alternative B, because TVA's proposed changes to current allocations would result in a slight decrease in lands allocated for Zones 3 and 4 (Sensitive Resource Management and Natural Resource Conservation, respectively), slightly fewer lands would be available for potential carbon sequestration. TVA's proposed changes would increase areas allocated to Zone 2, Zone 5 and Zone 6 (Project Operations, Industrial and Developed Recreation, respectively), but would decrease areas allocated to Zone 5 (Industrial), when compared to Alternative A, thereby decreasing the potential for greenhouse gas emissions for those parcels. Such negligible changes would result in negligible effects to air quality or greenhouse gas emissions, when comparing Alternative B to Alternative A. The effects to air quality of Alternative C would be similar to Alternative B. An appropriate level of environmental review would be required to document the extent of expected air quality impacts from projects proposed in the future. Future projects would be subject to federal, state, and local air quality regulations.

Under any RLMP alternative, TVA would continue to protect known cultural resources. Most allocation changes under Alternative B would result in management that is similar or more protective of these cultural sites when compared to the 2000 RLMP (Alternative A), while about a third of allocation changes would increase the potential for disturbance or development of parcels with cultural sites (although some of these changes were made to reflect existing right-of-way and infrastructure, thereby resulting in no change). However, TVA proposes to increase the amount of land allocated to Zone 3 (Sensitive Resource Management) to protect additional resources under Alternatives B and C. Alternative C would be substantially the same as Alternative B except that there is less potential for impacts to cultural resources because fewer parcels would be identified for potential new development. Prior to implementing any future projects on Tellico Reservoir lands, TVA would comply with established procedures for identifying, evaluating, and avoiding or mitigating impacts to archaeological resources and historic structures. Specific procedures for addressing these cultural resources are described in a Programmatic Agreement (PA) between TVA, the Tennessee State Historic Preservation Officer, and the Advisory Council on Historic Preservation. For any proposed undertaking, TVA would take necessary steps to ensure compliance with the regulatory requirements under the National Historic Preservation Act.

Existing managed areas such as natural areas and ecologically significant sites were also considered during TVA's planning and review process. Under Alternative B, proposed allocation changes that are most likely to affect Natural Areas (i.e., those that intersect or are adjacent to reallocated TVA parcels) could potentially result in negligible to minor effects to Natural Areas on Tellico Reservoir lands if more intensive use or development takes place. Proposed changes to parcel allocations intersecting or adjacent to Natural Areas would affect a very small number of areas. Almost three-quarters of TVA lands would remain under protective or conservation management, therefore ensuring that the majority of TVA parcels on Tellico Reservoir would remain natural and managed in a way that preserves Natural Areas. The potential effects to Natural Areas under Alternative C would be substantially the same as Alternative B, except that fewer parcels would be identified for potential new development. Like under Alternative B, there would be no additional adverse effects to Natural Areas under

Alternative C. Under each alternative, the preservation of Natural Areas on TVA-managed lands would beneficially contribute to the cumulative regional efforts to conserve natural habitats for the long term.

Allocations that would permit more intensive uses of lands or development are also more likely to result in long-term negative impacts to visual resources and scenic integrity, which include gradual losses of visual resources, scenic attractiveness, and undeveloped natural areas. Because Alternative B would result in slightly increased development potential compared to Alternatives A and C, there is potential for minor effects on visual resources under Alternative B, although localized effects may be moderate. The effects of Alternative C to visual resources would be similar to Alternative B; there would be slightly fewer impacts to visual resources under Alternative C than Alternative B because fewer areas would be allocated for potential intensive development or use.

The proposed RLMP alternatives also have potential to have socioeconomic effects. Compared to Alternative A, proposed allocations under Alternative B would result in a slight decrease of parcels allocated for shoreline access or industrial use, representing a minor effect. However, the alternative is likely to result in recreation development, which has potential for minor socioeconomic benefits. There is less potential for developed recreation benefits under Alternatives A and C. Similar to TVA's conclusion in 2000, when issuing the previous Tellico RLMP, there would be no important difference among the alternatives regarding impacts on minority and low-income populations.

TVA's analysis found that revising the 2000 RLMP would not result in significant cumulative impacts. A decision on the proposed alternatives in this planning document would not in itself result in unavoidable adverse effects. Potential effects may occur later when specific future projects are proposed and implemented. Project-specific NEPA reviews will be conducted for these future proposed projects and unavoidable adverse effects would be determined at that time. The potential to negatively affect long-term productivity of the land, as well as potential irreversible and irretrievable commitments of resources, would be slightly greater under Alternative B than under the other alternatives.

Public Involvement

In January 2021, TVA initiated a public scoping process for the Tellico RLMP planning process to gather the public's recommendations on plan revisions and to gather input on relevant issues to be addressed during the planning process. During the scoping period, TVA received a total of 46 submissions from members of the public and intergovernmental entities. TVA reviewed the public's scoping input when developing the draft planning alternatives and EA.

On November 15, 2021, TVA issued the draft EA and RLMP for public review and comment. During the 60-day review period, TVA received 62 comment letters, including submittals from members of the public, local officials and organizations, and the State of Tennessee Department of Environment and Conservation. Several comment letters were received after the close of the review period. Numerous commenters expressed support for TVA's proposal to revise the RLMP, while numerous other commenters urged TVA to continue implementing the 2000 RLMP and to make no changes. Some commenters provided comments or questions relating to how specific parcels were managed or would be allocated under a revised plan. TVA

carefully reviewed the input and incorporated it into the final EA and RLMP. TVA's responses to the public comments are included in Appendix D of the final EA.

Permits, Consultation and Environmental Commitments

No federal permits are required to develop an RLMP. Information on reservoir resources were characterized in the EA, and potential impacts on these resources were considered in making land use allocation recommendations. As previously noted, when specific actions are proposed on TVA parcels addressed in the RLMP, additional environmental reviews for these actions would be undertaken as necessary to address potential project specific impacts. When considering future development of reservoir lands, TVA would also comply with applicable environmental requirements, including the Endangered Species Act, Clean Water Act, Clean Air Act, and applicable Executive Orders, and ensure that proper agency coordination and permitting requirements are met.

When specific land use actions are proposed on TVA reservoir lands on Tellico Reservoir, TVA will comply with the PA executed in January 2020 in consultation with the Advisory Council on Historic Preservation, seven State Historic Preservation Officers, including the Tennessee SHPO, and 21 federally recognized Indian Tribes, which addresses TVA's compliance with Section 106 of the National Historic Preservation Act. In August 2021, TVA consulted with the Tennessee SHPO and Tribes who have expressed an interest in Blount, Loudon, and Monroe counties. The Tennessee SHPO concurred that the reallocation of properties constituted an undertaking and that each individual future undertaking should be reviewed under the January 2020 PA.

Additionally, TVA will complete any necessary consultation with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act during environmental reviews of proposed site-specific activities on TVA reservoir lands.

Conclusion and Findings

Based on the findings of the EA, TVA concludes that revising the Tellico RLMP, as proposed under Alternative B or C, would not be a major federal action significantly affecting the environment. Accordingly, an environmental impact statement is not required.



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Date