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UTILITIES COMMISSIONC.L. "Butch" Otter, Governor
Toni Hardesty, Director

May 20, 2009

Idaho Public Utilities Commission P.O. Box 83720 Boise, Idaho 83720-0074

PRC-R-09-01

RE: Comments Docket No. AB-570 (Sub-No.3X), Palouse & Coulee City Railroad, Inc. – Abandonment Exemption – In Latah County, Idaho

Dear Sir/Madam:

The Lewiston Regional Office of the Department of Environmental Quality has received correspondence from Mr. Karl Morell of Ball Janik LLP, Attorneys for Palouse & Coulee City Railroad requesting assistance in identifying possible water quality issues that may be involved with the above mentioned project. We appreciate the opportunity to review this project, and offer the following comments regarding state water quality standards and state responsibility under the Clean Water Act as they apply. We are submitting these comments to you pursuant to Executive Order 94-01 that provides that the IPUC must approve all state agencies comments submitted to the Surface Transportation Board (STB) prior to transmittal. We would appreciate hearing from you regarding whether you feel these comments are appropriate and should be submitted to the STB.

Approximately 3 miles of the rail line located in Moscow, Idaho proposed to be abandoned is adjacent to Paradise Creek. Paradise Creek is listed in Idaho's 2008 Integrated Report as impaired with TMDL required pollutant load reductions for sediment, temperature, bacteria, and nutrients. We have identified the following specific water quality and environmental project requirements and concerns. This letter does not constitute a 401 certification and additional or different conditions may be specified in connection with the Department's review of specific activities. In addition, in this letter we have only identified water quality concerns. The abandonment must also comply with all other state environmental laws, including without limitation, the Idaho Hazardous Waste Management Act:

- 1. Railroad abandonment activities, which include placing fill below the high water mark in waters or wetlands of the State will require a §401 water quality certification, or will be pre-certified under a nationwide §404 permit for the project.
- 2. A pollution prevention plan for sediment and erosion control should be developed to identify and prevent landslides and erosion resulting from the rail bed abandonment.

- A Clean Water Act Section 402 NPDES Construction Storm Water Permit may be required by the US Environmental Protection Agency.
- 3. Method(s) need to be employed to prevent leaching of wood preservatives from newly exposed treated wood surfaces during dismantling of rail line structures.
- 4. The creek's riparian canopy cover and channel configuration should be restored to remediate pollutant loads where the rail line easement has affected these attributes causing temperature and sediment pollutant load contributions to Paradise Creek.
- 5. Railroad tie piles, debris dumps, and contaminated areas should be identified and cleaned up.
- 6. A hazardous material contingency plan, which includes DEQ notification, should be put in place to address hazardous material remediation if these substances are discovered during abandonment.

Thank you for the opportunity to provide comment on this project. If you would like to discuss these comments or have any questions please contact the DEQ Lewiston Regional Office at (208) 799-4370.

Sincerely,

John Cardwell,

Acting Regional Administrator

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cc: Douglas Conde, AG/Boise