



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Anchorage Fish and Wildlife Field Office
605 West 4th Avenue, Room G-61
Anchorage, Alaska 99501-2249



in reply refer to
AFWFO

RE: [redacted]

June 19, 2007

JUL 5 2007
Jennifer Gastrock
HDR Alaska, Inc.
2525 C Street, Suite 305
Anchorage, AK 99503

Re: Water and Sewer Improvements in Atka, Alaska (*consultation number 2007-I-0149*)

Dear Ms. Gastrock,

On May 10, 2007, we received your letter informing us of the proposed improvements to water and sewer infrastructure in Atka, Alaska. This project, which is funded in part through the Environmental Protection Agency's (EPA) Village Safe Water Program and implemented through Alaska Department of Environmental Conservation's (ADEC) Division of Water, proposes to:

1. Replace water supply impoundment;
2. Build a new water treatment facility and replace water treatment equipment;
3. Replace water distribution lines in old Atka village;
4. Design two new community potable water storage tanks;
5. Design and construct a dedicated water service line for the fish processing facility;
6. Replace existing broken ocean outfall lines;
7. Extend the wastewater collection to the water treatment plant;
8. Design connections for the proposed health clinic and school.

The population of the City of Atka is currently 90 individuals. This proposed project anticipates more than 50% growth over the 20 year life of the project (provides water and sewer capabilities to handle up to 139 individuals; Susan Randlett, ADEC, personal communication).

Our records indicate that northern sea otters (*Enhydra lutris kenyoni*) of the southwest Distinct Population Segment (DPS), listed as threatened under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq., as amended; Act) in 2005, inhabit the near-shore environment of Nazan Bay. Prior to the recent and severe population decline, sea otters were observed in relatively large numbers around Atka Island. But since 1992, the

number of sea otters observed there has declined by more than 70% (Marine Mammals Management, US Fish and Wildlife Service, Anchorage, Alaska, Unpublished Data). The North American breeding population of Steller's eiders (*Polysticta stelleri*), listed as threatened under the Act in 1997, may winter in the near-shore environment of Atka, but only one observation of Steller's eiders has ever been reported from there (Vernon Byrd, Alaska Maritime National Wildlife Refuge, personal communication). The Aleutian shield-fern (*Polystichum aleuticum*), listed as endangered under the Act in 1988, historically occurred on Atka Island, but has not been seen there since it was reported in 1932. Further, short-tailed albatross (*Phoebastria albatrus*), listed as endangered under the Act in 2000, occur off-shore along the Aleutian chain, but would not be expected in the vicinity of the City of Atka.

In our telephone conversation on June 18, 2007, you determined that this proposed project is not likely to adversely affect species or critical habitat protected under the Act. As we have discussed, the Service's concern regarding this project is related to the indirect effects of improvements to Atka Pride's seafood processor (i.e., Design and construct a dedicated water service line for the fish processing facility). The Atka Pride seafood processor discharged seafood processing waste into Nazan Bay, Alaska, from 1998 through 2004, without the required National Pollutant Discharge Elimination System permit. The plant, which operates seasonally from May through October, was in violation of the Clean Water Act, but in 2006 Atka Pride was permitted by EPA to discharge seafood into the near-shore waters of Nazan Bay (EPA General Permit for Discharging Seafood Waste AK-G52-0337). During 77 days of operation in 2006, Atka Pride discharged 83,013 pounds of fish waste into Nazan Bay. Currently, fish waste is filtered with a ½ inch screen at all exit points. Septic effluent is discharged from the same outfall as the seafood waste (Atka Pride Seafoods, Inc. 2006).

The Service is concerned about the direct and indirect impacts of seafood discharge on sea otters and Steller's eiders. In 1995, a large sea otter die-off occurred in Orca Inlet near Cordova, Alaska. Sea otters had been observed feeding on offal discharged from a seafood processing plant in Cordova. Upon necropsy, it was discovered that the sea otter carcasses had very heavy parasite loads, possibly due to consumption of fish parts at the outfall (Ballachey and others 2002). Moreover, we are concerned about adverse impacts to sea ducks, such as Steller's eiders, that may be attracted to the offal discharged at seafood waste outfalls and exposed to harmful contaminants such as bacteria from human sewage.

The Atka Pride seafood outfall line is about 300 feet long and terminates at -33.5 feet MLLW (Magone 2006). According to a dive survey report of the Atka Pride outfall debris pile, the total area of deposition is about 3 acres. The sea floor is flat in the deposition zone and outfall debris included up to 1-inch deep, white ground bone (Magone 2006). The area around the outfall appeared to be healthy and active with fish, and high numbers of sea urchins (a preferred forage species for sea otters) were attached to the pipeline.

The Service believes this project will have no effect on Aleutian shield fern, short-tailed albatross or Steller's eider for the following reasons:

1. Aleutian shield fern has not been documented on Atka Island in recent times, and improvements will occur within the footprint of the city;
2. Short-tailed albatross do not inhabit on-shore or near-shore habitats along the Aleutian chain;
3. Although the near shore environment of Atka Island is potential wintering habitat for Steller's eiders, limited observational data suggest it is not a concentration area. Furthermore, because Atka Pride Seafoods operates during the summer months, there is no temporal overlap between seafood waste discharge and winter distribution for Steller's eiders.

Only four sea otters were observed in Nazan Bay in 2000 compared to more than 40 individual sea otters observed in the same location during a 1992 survey (Marine Mammals Management, US Fish and Wildlife Service, Anchorage, Alaska, Unpublished Data). The sea otter die-off that was documented in Orca Inlet in 1995 was likely associated with high sea otter populations; intestinal parasite infestations became pathogenic because the otters were physically compromised due to starvation (Ballachey and others 2002). Circumstances lack similarities in Nazan Bay at this time, because otter numbers are so low. Therefore we consider it improbable that discharge of fish waste in Nazan Bay will result in harm to the sea otters that occur there. Therefore, the Service concurs with your determination that the water and sewer improvements for the City of Atka is not likely to adversely affect species protected under the Act.

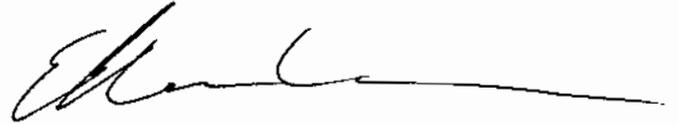
In view of this, requirements of section 7 of the Act have been satisfied. However, obligations under section 7 of the Act must be reconsidered if new information reveals project impacts that may affect listed species or critical habitat in a manner not previously considered, if this action is subsequently modified in a manner which was not considered in this assessment, or if a new species is listed or critical habitat is determined that may be affected by the identified action.

This letter relates only to federally listed or proposed species and/or designated or proposed critical habitat under our jurisdiction. It does not address species under the jurisdiction of National Marine Fisheries Service, or other legislation or responsibilities under the Fish and Wildlife Coordination Act, Clean Water Act, National Environmental Policy Act, Migratory Bird Treaty Act, or the Bald and Golden Eagle Protection Act.

Jennifer Gastrock

This concludes section 7 consultation on Water and Sewer Improvements in Atka, Alaska. Thank you for your cooperation in meeting our joint responsibilities under section 7 of the Endangered Species Act. If you have any questions, please contact me at (907) 271-1467. In future correspondences regarding this consultation please refer to consultation number 2007-I-0149.

Sincerely,



Ellen Lance
Endangered Species Biologist

CC: Susan Randlett, ADEC
Tara Martich, EPA

Literature Cited

- Atka Pride Seafoods, Inc. 2006. Best Management Plan. Attachment to NPDES monitoring report, USEPA, Office of Water, Seattle, Washington.
- Ballachey B, Gorbics CS, Doroff AM. 2002. Sea otter mortality in Orca Inlet, Prince William Sound, Alaska, winter 1995-1996. Technical report MMM 02-1, US Fish and Wildlife Service, Marine Mammals Management, Anchorage, Alaska.
- Magone D. 2006. Letter to Alaska Pride Seafoods regarding plant outfall survey. Attachment to NPDES monitoring report, USEPA, Office of Water, Seattle, Washington.

T:\s7\2007 sec 7\2007-I-0149_atka_nltaa.doc