

**MINUTES OF THE REGULAR MEETING
OF THE
CATAWBA-WATEREE WATER MANAGEMENT GROUP**

A regular meeting of the Catawba-Wateree Water Management Group ("WMG") was held on Tuesday, April 08, 2008, at 10:00 AM, at the Lee Dukes Water Treatment Plant in Huntersville, NC.

Present at the Meeting – The WMG Member Representative and/or Alternate of the following WMG members were present:

Member	Member Representative	Alternate
City of Belmont, NC.....		
City of Camden, SC.....	Tom Couch	
Catawba River Water Treatment Plant.....		Eric Robertson
City of Charlotte, NC.....	Barry Gullet	
Chester Metropolitan District.....	Mike Medlin	
Duke Energy Carolinas, LLC.....	Jeff Lineberger.....	Ed Bruce
City of Gastonia, NC.....	Flip Bombardier	
Town of Granite Falls, NC.....		Kim Prestwood
City of Hickory, NC.....	Kevin Greer	
City of Lenoir, NC.....	Mack Edmisten	
Lincoln County, NC.....	Steve Gilbert	
Lugoff-Elgin Water Authority.....		
City of Morganton, NC.....	Don Danford	
City of Mount Holly, NC.....		James Friday
City of Rock Hill, SC.....		
Town of Valdese, NC.....		

Meeting guests included: Mike Boyd (Charlotte-Mecklenburg Utilities) and Ken Kearns (Kearns & West, Inc.).

Call to Order – Barry Gullet (Chair) called the meeting to order at 10:20 AM.

Roll Call – Gullet called the roll and confirmed that a quorum was present.

Dec 6, 2007 Meeting Minutes – Kevin Greer moved and Flip Bombardier seconded that the meeting minutes be approved. The motion carried.

Feb 12, 2008 Meeting Minutes – Kevin Greer moved and Flip Bombardier seconded that the meeting minutes be approved as corrected. The motion carried.

Feb 22, 2008 Special Meeting Minutes – Kevin Greer moved and Steve Gilbert seconded that the meeting minutes be approved as corrected. The motion carried.

Financial Report – Jeff Lineberger provided a summary of the income and expenses to date and noted that, in addition to dues, the Group had received interest on its bank account and had paid the WMG attorney's first invoice. The Group agreed it would be helpful for future financial reports to show the amount of the WMG's bank account that

has been encumbered (e.g., committed to projects) and spent-to-date amounts for approved projects.

Update on Incorporation and Tax Status – Gullet reported that a number of filings were still being reviewed by the appropriate agencies. Lineberger reported that the Group's attorney had updated the filings to request the WMG be exempt from filing the federal form 990, but WMG would have to file the form this year by May 15. He also reported that the Group should not expect to receive the IRS determination of a 501(c)(3) status prior to January 2009. He suggested that the Group would need to find an accountant for the May 15 filing.

Directors & Officers Insurance – After a brief overview from Gullet, the Group discussed the need for directors and officers' insurance and possible other insurance for the Group. The Group concluded it should have insurance and asked Gullet and Lineberger to investigate possible needs and provide the group with recommendations and cost estimates at its June 10 meeting.

Committee Reports

Demand-Side Norms, Trends and Opportunities – Jeff Lineberger (committee chairman) reported that the Group's Five-Year Projects Strategic Plan does not call for significant expenditures in this area prior to 2010. He recommended that the Group consider inviting Bruce Adams, an expert in water conservation, to make a presentation to the Group. The Group asked Lineberger to make arrangements for Adams to talk with the Group at its June 10 meeting. Lineberger also noted that Duke Energy would be willing to pay Adams to attend the meeting.

Supply-Side Opportunities – Barry Gullet (committee chairman) noted that the mapping project was underway and would be reported on later in the meeting.

System-Wide Drought Preparation and Management – Kevin Greer (committee chairman) reported that there were a lot of appropriate individual actions underway, but they had not yet been pulled together by the committee. He also noted that the DMAG has been regularly coordinating water use restrictions during the current drought.

Projects

GIS Mapping Project – Gullet relayed Tricia Byrd's status report. Centralina COG has hired an intern – Chris Sharp – to work on the project. Chris will be contacting WMG members for GIS data layers.

USGS Ground-Water Network Project – Gullet relayed Tricia Byrd's status report. This year, USGS is looking for a new well location in the Lake Wateree area and will expand up the basin in 2009 and 2010. USGS has spoken with SC DHEC and SC DNR, has drafted drilling specifications, and is asking members for suggested locations. Kearns distributed and described USGS location criteria. After some discussion, Bruce and Kearns were asked to get more detailed information about the characteristics needed for a location. Greer and Bombardier noted that both had locations at their treatment plants. Lineberger suggested talking with Jen Huff about querying the land GIS database developed during the Catawba-Wateree Project Relicensing for possible locations. Gullet suggested a working session in the future to review the collected potential sites.

Project Management – After an introduction by Gullet and discussion by the Group, the Group confirmed that each of its projects being completed by consultants should have two Group members (one as the lead) as project managers. The project managers will be the Group’s principal contract overseers and will provide project status reports to the Group at each meeting or as appropriate. Consultant invoices should be copied to the project managers for review as well as to the Secretary/Treasurer for payment. The following assignments were made:

Centralina COG Mapping Project: Flip Bombardier (lead) and Barry Gullet

USGS Groundwater Well Project: Ed Bruce (lead) and Tom Couch

Water Resources Plan – Ken Keams reviewed the Group’s 2007 discussions and provided some context about the plan and how it relates to the Five-Year Projects Strategic Plan and the Water Supply Study. After a discussion by the Group, Gullet suggested that this plan may be helpful in getting grant money to supplement the Group’s own resources. At Gullet’s suggestion, the Group concluded to make the development of a grant application a formal Group project, which would be completed by the existing Supply-Side Opportunities Committee lead by Gullet. Gullet will call a Committee meeting within the next month. Group members suggested several possible Grant organizations.

Five-Year Projects Strategic Plan Updates – Keams distributed the April 8, 2008 revision to the Strategic Plan and noted that the actual costs for the groundwater and mapping projects had replaced the estimates in the Dec 6, 2007 version. Gullet noted that the Group was required to update the Strategic Plan each year. After a brief discussion about timing, the Group concluded that the main discussion on the updated Plan would be in its October regular meeting, and the updated Plan would be approved in its December regular meeting.

2008 Projects – Keams noted that, in addition to the mapping and groundwater well projects, another significant project slated for 2008 was a CHEOPS™ “evaluation of safe-yield improvements related to potential increases in reservoir volumes” (Supply-Side Opportunities item 3 in Five-Year Projects Strategic Plan). Lineberger noted that, in response to a FERC Additional Information Request (AIR), Duke would be making some CHEOPS™ runs, and there would likely be some opportunities to coordinate with the safe-yield runs. After a discussion, the Group concluded that 1) it needs to have results from the previous two items in the spreadsheet prior the CHEOPS™ runs, 2) the safe-yield runs will be done in the second half of 2008 and will be coordinated with the AIR runs, and 3) some high-level screening should be done to focus the runs. Bruce and Keams were asked to compile the “physical factors limiting usable storage in each reservoir” (item 2) and develop an action list to guide the Supply-Side Committee in recommending CHEOPS™ scenarios.

Other Business

Governor Easley’s Water Conservation Plan – Gullet noted that, as a newly formed organization, the WMG was establishing its manner of operating and approaches for dealing with various topics. As an example of such a topic, he opened a discussion of Easley’s Conservation Plan (announced in a March 11, 2008 press release), which will likely lead to legislative proposals. The Group discussed the plan and concluded that, in

general, the WMG could serve as a useful discussion forum on topics of this nature, but would not take positions.

Duke Energy Carolinas' Approach to Future Water Intake Permitting – Jeff Lineberger reported on Duke's approach considering future applications for new or expanded intakes within the Project boundary. The planning horizon for the maximum instantaneous withdrawal determination will be up to 50 years. The planning horizon for the maximum annual average withdrawal will be the lesser of 30 years or the time projected by Duke's last basin-wide study for the lake to reach its safe yield. If an application or group of applications would exceed a lake's calculated safe yield, Duke will revisit its approach.

Good of the Order – Gullet suggested the Group consider how the WMG might relate to other groups with similar interests. The Group concluded it would be important to be aware of other group's activities and coordinate as appropriate. Several example groups were mentioned. The Group asked Ken Kearns to contact Members and to compile a list of groups and contacts for further consideration.

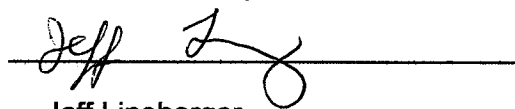
Jeff Lineberger reported on the status of legal actions related to the Mooresville intake expansion.

Kevin Greer reported that, this week, he would meet with David Epley (Town of Long View) and would discuss the Town's application for WMG membership.

Lineberger noted that the next Catawba River Basin Bi-State Advisory Commission meeting was tentatively scheduled for May 2, 2008. Gullet noted that the WMG had previously had a regular slot on the agenda to report on the WMG's activities, but he was not sure this was still the case since the Commission has a new chairman – SC State Senator Vincent Sheheen.

Gullet reminded the Group that its next meeting was on June 10, 2008 at the same time and place.

Adjournment – Gullet adjourned the meeting at 1:25 PM.

A handwritten signature in cursive script, appearing to read "Jeff Lineberger", is written over a horizontal line.

Jeff Lineberger
Secretary/Treasurer