

**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, Jun 10, 2008, at 10:00 AM at the Lee Dukes Water Treatment Plant in Huntersville, NC.

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

Member	Member Representative	Alternate
City of Belmont, NC.....		Chuck Flowers
City of Camden, SC		
Catawba River Water Treatment Plant		
City of Charlotte, NC.....	Barry Gullet.....	Maeneen Klein
Chester Metropolitan District.....		Fred Castles
Duke Energy Carolinas, LLC.....	Jeff Lineberger.....	Ed Bruce
City of Gastonia, NC.....	Flip Bombardier	
Town of Granite Falls, NC.....	Shuford Wise	
City of Hickory, NC		
City of Lenoir, NC.....	Mack Edmisten	
Lincoln County, NC.....	Steve Gilbert	
Lugoff-Elgin Water Authority.....	Mike Hancock	
City of Morganton, NC.....	Don Danford	
City of Mount Holly, NC.....		James Friday
City of Rock Hill, SC.....	Nick Stegall	
Town of Valdese, NC.....		Chris Graybeal

Meeting guests included: Jerry Byerly (Statesville), Joe Hall (Duke), Wade Harmon (Duke), Joe Hudson (Statesville), Ken Kearns (Kearns & West, Inc.), Kirsten Lackstrom (USC), Andy Lovingood (McGill), Mary Tiger (CMU), Wesley Wightman (McGill), and Joel Whitford (McGill).

Call to Order – Barry Gullet (Chair) called the meeting to order at 10:05 AM.

Roll Call – Jeff Lineberger (Secretary/Treasurer) called the roll and confirmed that a quorum was present.

April 8, 2008 Meeting Minutes – Mike Hancock moved and Flip Bombardier seconded that the April 8, 2008 meeting minutes be approved. The motion carried.

Financial Report and Update on Tax Status and Charitable Solicitation Licenses – Lineberger provided a summary of the income and expenses to date and handed out the check register. Responding to an earlier request from the Group, he also handed out a document showing the financial commitments outstanding for the Group’s ongoing projects. Lineberger reported that the WMG had received IRS approval of its federal 501(c)(3) designation and had been recognized by North Carolina as a tax exempt organization. South Carolina’s tax exempt recognition is still in progress. The WMG has received its charitable solicitation licenses from both states. The licenses are good for one year and expire on May 15, 2009.

Contracting an Accountant – Lineberger reminded the Group that it had advised him to seek the services of an accountant to help in the preparation of IRS Form 990 that was due on May 15, 2008. Lineberger reported that, on recommendation of the WMG attorney, he used the services of C. DeWitt Foard & Company and had filed the form on time. The cost of these services is estimated to be less than or equal to \$500. On a motion by Mike Hancock, seconded by Mack Edmisten, the Group unanimously approved the following resolution.

VOTED that all the lawful actions of the Secretary/Treasurer of the Catawba-Wateree Water Management Group on its behalf to obtain the services of C. DeWitt Foard & Company to complete IRS Form 990 for the 2007 tax year in time for the subject form to be mailed to the IRS on or before May 15, 2008 be, and hereby are, ratified by members of the Group.

Directors and Officers Insurance – Gullet reported that, in a conversation with an insurance broker who is part of Wachovia, the following insurance coverage was recommended for the WMG:

Directors and officers insurance

General liability

A small umbrella coverage policy, and

An “if any” workers compensation policy to cover potential risk from WMG volunteers.

On clarifying that WMG members are organizations and people who volunteered for the WMG and are serving their employers, the conclusion was that the workers comp insurance was not needed. The Group asked Gullet to complete the applications which would then get estimates from several insurance providers.

Legislative Update / Drought Bill – Gullet noted that Governor Easley’s drought recommendations have now been introduced as legislation. The Group discussed various aspects of the bills noting that on the initial read through, there appears to be no problems with most of the principles but there are significant problems with some of the implementation details.

City of Lenoir Intake Expansion – Mack Edmisten provided an overview of Lenoir’s water needs and intake capability and introduced Andy Lovingood of McGill Associates, the firm designing the new intake. Lovingood noted how the current demand projections differs from the demand assumed in the Water Supply Study and provided new withdrawal need estimates through 2038. He also showed design details for the proposed new intake, including a very helpful computer-based site simulation. Lineberger expressed Duke’s appreciation to Lenoir and McGill for pursuing a design that would allow the new intake to withdraw water with Lake Rhodhiss at water levels lower than the limiting water elevation for operation of Rhodhiss Hydro Station. Lineberger noted that, by taking advantage of opportunities like this, in the long run, we will free up additional water storage that could be utilized during extreme droughts and are thereby making the Catawba-Wateree Project more drought tolerant.

Demand-Side Committee Report – Lineberger reported that the Committee hadn’t met since the last WMG meeting and that there was no budget for the Committee’s projects prior to 2009. He added that the Committee needs to get together to begin planning for next year.

Supply-Side Committee Report – Gullet reported that the Committee hadn't met, but the mapping project, which is to provide a framework for the Committee's next step, is underway.

System Wide Drought Preparation Committee Report – The Committee chair was not in attendance.

Action Register – Lineberger handed out a WMG action register and discussed several of its listed actions. He asked Group members to provide any comments on the register to him.

Project Updates – Gullet reported that there had been little progress to date on the Water Resources Plan.

Ed Bruce noted that the Centralina Council of Governments (COG), the project contractor for the groundwater wells had sent a brief status report. He reported that the 2008 emphasis for the Groundwater Well Project was to find a site for a new well in the Lake Wateree area. He reported that Bruce Campbell (USGS) had investigated several sites, but none has the proper geology. The activities to refurbish two existing sites in North Carolina are underway.

Referring the Group to the Centralina COG status report, Flip Bombardier noted that Centralina had collected mapping data from some of the suppliers but was still trying to obtain mapping data from others.

Evaluation of Safe-Yield Improvements / Usable Storage – Bruce reported that he and Ken Kearns had prepared a table for each of the eleven reservoirs that provided a continuous relationship between elevation and volume. Bruce and Lineberger mentioned that Duke, in responding to a FERC additional information request (AIR), was using CHEOPS™ to show the effects of the LIP during the 2007 drought. Bruce noted that it now seems clear that the 2007 drought wasn't just a one-year drought since it's continued into 2008. This is complicating the input assumptions for the CHEOPS™ evaluation.


Bi-State Catawba River Advisory Commission May 2<sup>nd</sup> Meeting Summary – Gullet summarized the meeting and the Commission's interest in developing a group to negotiate water allocations for the two states as a way to possibly eliminate the need for the Supreme Court suit between NC and SC. He didn't think much progress had been made by the Commission since the meeting.

Summary of Meeting with Bruce Adams / NC Green Industry Council – Lineberger summarized the May 28 meeting that he, Ed Bruce, George Galleher, Mark Hollis, Maeneen Klein, and Barry Gullet had with Bruce Adams, EMC Engineers and a consultant to the NC Green Industry Council (NCGIC), Barbara Faire, NC State University staff who is forming a Sustainable Landscape Center at the University, and Buddy Murrow and Mark Chapman of the Council. Both Lineberger and Klein reported that the NC Green Industry Council seemed very interested in finding long-term solutions to the water use problems that exist during droughts and both Lineberger and Klein were very complimentary of the proactive partnering approach that Murrow and the NCGIC are taking toward water management issues. After some discussion, Maeneen Klein was appointed to be the WMG's liaison to the NCGIC. Gullet will write a letter to Buddy Murrow (NCGIC) to inform the NCGIC of the WMG's interest in working together and Klein being the WMG liaison.

Good of the Order – Bruce provided a quick update on the status of the drought. Kearns noted that several needs which were discussed by the Catawba-Wateree Drought Management Advisory Group (DMAG) were really WMG projects, for example, to work with the emergency planners in the jurisdictions to develop emergency plans for potential Low Inflow Protocol (LIP) Stage 4 actions. Kearns handed out a preliminary list of groups for potential liaison by the WMG and asked members to return the handout with their additions and corrections. Kearns also distributed a brief description of the WMG and its 2008 activities for use by WMG members.

Gullet noted that the next WMG meeting would be on August 12, 2008 and invited members to advise him of potential agenda topics.

Adjournment – Gullet adjourned the meeting at 11:50 AM.

  
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Jeff Lineberger  
Secretary/Treasurer