

**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, June 9, 2009, 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 .....	Barry Webb	
City of Camden, SC .....		Jo Ellen Trueblood
Catawba River Water Treatment Plant.....	Mike Bailes	
City of Charlotte, NC.....	Barry Gullet .....	Maeneen Klein
Chester Metropolitan District.....		
Duke Energy Carolinas, LLC.....	Jeff Lineberger .....	Ed Bruce
City of Gastonia, NC.....	Ed Cross	
Town of Granite Falls, NC.....		Kim Prestwood
City of Hickory, NC .....	Kevin Greer	
City of Lenoir, NC .....	Mack Edmisten	
Lincoln County, NC.....	Barry McKinnon	
Town of Long View, NC .....		Rani Holland
Lugoff-Elgin Water Authority .....	Mike Hancock	
City of Morganton, NC .....	Don Danford	
City of Mount Holly, NC.....		James Friday
City of Rock Hill, SC .....		Bill Yetman
City of Statesville, NC .....		Jerry Byerly
Town of Valdese, NC.....		

Meeting guests included: Lane Bailey (City of Lenoir, NC); David Baize (South Carolina Department of Health and Environmental Control (SCDHEC)); Bill Holman (Nicholas Institute at Duke University); Pabel Karabanov (Duke University); Ken Kearns (Kearns & West, Inc.); Mark Oakley (Duke Energy); Carrie Ruhlman (North Carolina Division of Water Quality (NCDWQ)); Joe Stowe (McKim & Creed); Mira Zabec (City of Charlotte, NC).

Call to Order – Barry Gullet (Chair) called the meeting to order at 10:02 AM.

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

April 14, 2009 Meeting Minutes Approved – Mike Hancock moved and Ed Cross seconded that the April 14, 2009 meeting minutes be approved. The motion carried unanimously.

May 22, 2009 Meeting Minutes Approved – Mike Hancock moved and Kevin Greer seconded that the May 22, 2009 meeting minutes be approved. The motion carried unanimously.

## **Secretary/Treasurer Report**

Financial Report – Lineberger distributed a copy of “WMG Project Funding and Banking Summary for the Current Calendar Year”. He noted that nine checks totaling \$52,341 had been written since the April WMG meeting and that financially, the WMG is in very good shape with \$504,169 in its bank account, \$403,184 of which is currently uncommitted to projects.

Action Register – Lineberger distributed the “Catawba-Wateree Water Management Group Action Register”. He noted that the annual SC charitable solicitation license renewal was submitted on-time in May and that the NC charitable solicitation license renewal is due July 15. He also noted that invoices for the GIS Mapping Project are still being held until the Supply-side Committee verifies that the project has been completed and that the Demand-side Management Benchmarking Project Request for Proposals would be acted on at today’s meeting.

## **Chair Report**

Board Meeting – Gullet reported on the regularly scheduled May 14, 2009 WMG Board meeting at which all the topics on today’s meeting agenda were discussed.

## **Administrative and Educational Topics**

McKim & Creed Contract – Gullet briefly discussed the previously distributed proposed contract to hire McKim & Creed to provide project management, administrative and outreach support. Ed Cross moved and Mike Hancock seconded that the proposed contract be approved. The motion carried unanimously.

Process and Schedule for 5-Year Projects Strategic Plan Review - Gullet briefly reviewed the process used last year to gather input from interested organizations on the WMG’s 5-Year Projects Strategic Plan (5-Yr Plan). The process resulted in several organizations submitting suggested revisions, but the input was received too late to thoroughly consider it prior to the December 2008 meeting where the revised 5-Yr Plan was approved. As a result, an additional revision of the 5-Yr Plan was required in February 2009. The basic conclusion is that the process that was used last year is fine, but the schedule needs to be accelerated in order to receive comments, allow the committees to consider the comments and make recommendations to the WMG Board and provide the Board time to distribute a recommended revised 5-Yr Plan prior to the December meeting.

- Action Item – By July 31, 2009, Gullet will send out the current 5-Yr Plan (dated February 10, 2009) along with a cover letter to solicit comments from interested organizations, with comments to be sent to McKim & Creed (Joe Stowe) by October 1, 2009. Stowe will then handle distribution to the Committees.

Stream Water Quality Monitoring Program – Carrie Ruhlman, Discharge Monitoring Coalition Coordinator for the NC Division of Water Quality (NCDWQ), provided a very informative presentation on NCDWQ’s Discharge Monitoring Coalition Program (DMCP). This program allows holders of National Pollution Discharge Elimination System (NPDES) permits in a given river basin to pool their resources and implement a coordinated approach to water quality sampling in the river basin. To implement the DMCP in a river basin, multiple NPDES permit holders enter into a Memorandum of Agreement (MOA) with NCDWQ that among other things specifies a water quality sampling program that would replace the individual in-stream monitoring requirements included in the NPDES permits. Coalitions are typically incorporated, members pay dues and the MOA must be renewed every five years. Potential coalition benefits include cost savings for coalition members, increased sampling efficiency, sampling program flexibility, improved decision-making, proactive monitoring, liability relief, eligibility for supporting grants and member networking. Currently, there are six coalitions located in four river basins in

NC, with the Yadkin-Pee Dee Coalition being the largest. Some members of the WMG are also members of the Yadkin-Pee Dee Coalition. Ruhlman noted that there is a good potential for forming a coalition in the Catawba Basin, with 78 existing NPDES permits and 156 current NPDES sampling locations in the North Carolina portion of the basin. She also pointed out that all NPDES permit holders in a basin do not have to become members of the coalition and that others besides just NPDES permit holders could join the coalition if the coalition chose to allow additional members. Ruhlman also advised that although NCDWQ would like for every river basin to have a discharge monitoring coalition, the agency has no current plans to require them.

Mack Edmisten noted that some of the NPDES permit holders in the upper Catawba area considered forming a coalition previously, but were unsure of the cost. Kevin Greer noted that from the City of Hickory's perspective during the previous consideration, the cost savings were not apparent, although they did recognize that data availability and quality would likely be improved. Ed Bruce asked about coordination with NPDES permitting requirements and Ruhlman responded that the NPDES permit would be written such that as long as the NPDES permit holder was a member of the coalition, they would not have to do the individual in-stream sampling. David Baize stated that currently South Carolina does not have individual in-stream monitoring requirements in its NPDES permits, but it has more ambient monitoring stations than does North Carolina. Baize noted that it may take time to bring South Carolina entities into a coalition in the Catawba-Wateree Basin and that he does not believe that South Carolina NPDES permit holders in the Pee Dee Basin have joined the Yadkin-Pee Dee Coalition.

Gullet described a potential vision for the WMG to become a full river basin planning organization that included at least the responsibilities described in the recently drafted water allocation legislation being considered by the North Carolina legislature, as well as a discharge monitoring coalition. He also noted that he thought water quality sampling costs could be reduced by consolidating sampling locations and that such a coalition in the Catawba-Wateree Basin could bring an organized voice to tackling major issues (e.g., establishing total maximum daily loads).

The WMG thanked Ruhlman for her informative presentation. Should the WMG or its member organizations have further questions, Ruhlman can be reached at 919-743-8411 or [carrie.ruhlman@ncdenr.gov](mailto:carrie.ruhlman@ncdenr.gov).

Surface Water Withdrawal Permitting Legislation in South Carolina – David Baize, Assistant Chief of the Bureau of Water for the South Carolina Department of Health and Environmental Control (SCDHEC) provided the group with a presentation and update on the progress and direction of proposed legislation in South Carolina to require permits from the State to withdraw surface water. South Carolina established a capacity use program governing groundwater withdrawals in the coastal plain in the 1960s. SCDHEC requires registration and reporting for surface water withdrawals exceeding three million gallons per month, but currently, except for interbasin transfers, SCDHEC has no permitting authority over surface water withdrawals. Senate Bill 428 was introduced in 2008 following lengthy discussions among numerous stakeholders and it included proposed requirements to establish a surface water withdrawal permitting and allocation system covering all surface water withdrawals exceeding three million gallons per month. SB 428 stalled in committee primarily due to a lack of consensus concerning the minimum river flows in unregulated river reaches below which permitted withdrawals would be required to rely entirely on alternative water sources. In 2009, Senate Bill 452 was introduced with a minimum river flow / alternative sources procedure that appeared acceptable to most involved stakeholders; however, thus far SCDHEC and the South Carolina Department of Natural Resources (SCDNR) have not been able to reach formal agreement on the defined

roles for the two agencies in the permitting process. The General Assembly is expected to take up this issue again in its next session.

Hancock asked if this proposed legislation would override the minimum flow recommendations for the Catawba-Wateree Project that were agreed upon by 70 parties in the Comprehensive Relicensing Agreement (CRA). Baize responded that if passed, this proposed legislation would not impact minimum flow releases from the Catawba-Wateree Project as required by the Federal Energy Regulatory Commission (FERC). Baize also noted that for proposed water intakes located within the FERC project boundaries, the proposed legislation would largely defer the SCDHEC permit to the FERC-required lake use permitting process.

Gullet asked why the proposed legislation did not address river basin planning requirements. Baize responded that the proposed legislation was aimed at providing the key tool (i.e., a permit requirement) to manage the water resources and that he expected river basin planning requirements would follow later. Gullet also asked if and when WMG Member organizations should be planning to implement the new permitting program described in the proposed legislation. Baize noted that July 2010 would be the earliest that the proposed legislation would pass the General Assembly. It would then take at least two years to develop the necessary regulations (including fee structures) and that it would be at least 2012 before SCDHEC could be issuing permits. Baize also noted there would be opportunities in the regulation development process for WMG Member organizations to have input into the process. Baize shared his belief that over time, each subsequent permit applicant would have a little harder burden to justify their permit request. Baize also commented that any requirements in SCDHEC permits to return a certain portion of the water withdrawn to the source stream would be worked out in the regulation development.

Lineberger pointed out a concern that there may be a "communications blind spot" in discussions to-date about the construction of drought contingency ponds. He noted that there have been many references to the construction of "side stream" or "off stream" drought contingency ponds as alternative water sources for use when unregulated stream flows are insufficient to support a proposed water intake and that his expectation is permitting agencies would allow the construction of such drought contingency ponds on tributaries to major rivers. However, discussions with some agency personnel indicate that construction of any drought contingency ponds on flowing streams of any size in South Carolina will be resisted by those agencies. Lineberger reiterated that the laws and regulations needed to be written in such a way to allow for realistic construction of alternative water storage.

The WMG thanked Baize for his informative presentation and open discussion. Should the WMG or its Member organizations have further questions, Baize can be reached at 803-898-4272 or [baizedg@dhec.sc.gov](mailto:baizedg@dhec.sc.gov).

North Carolina Water Resources Policy Act of 2009 – Bill Holman, Director of State Policy for the Nicholas Institute at Duke University provided the group with a presentation and update on the progress and direction of proposed legislation in North Carolina to require river basin planning and water withdrawal permits from the State to withdraw surface and groundwater. As with South Carolina, the North Carolina legislature is considering proposed legislation that would basically change the State from a riparian rights system (i.e., reasonable use of water (as determined by the courts) that flows through an individual's property is the controlling principle) to a regulated riparian system (i.e., the State would basically determine what is reasonable use through a permitting and allocation system). Holman noted that while water demand grew by 2% nationwide in 1990-2000, it grew by 15% in the Southeastern United States during that

same period. Holman also pointed out that the population of North Carolina is expected to exceed 12 million by 2030 and that today, North Carolina, South Carolina and Alabama are the only three states that don't have a surface water withdrawal permitting program.

Holman provided an overview of the Water Allocation Study that he and Richard Whisnant (Professor at the Institute of Government, UNC-Chapel Hill) led in 2008 and discussed the key recommendations of that study that were provided to the North Carolina Environmental Review Commission. These recommendations were also addressed in the proposed Water Resources Policy Act (Senate Bill 907 and House Bill 1101) introduced in 2009. Like South Carolina, this proposed legislation would create a State-level water withdrawal permitting requirement to allocate the limited water resources. However, there are some key differences of the North Carolina legislation including:

- The State would lead the development of water quantity models for each river basin.
- Only the river basins with the most stressed water supplies would be required to establish stakeholder teams to do river basin planning and implement water withdrawal permitting programs.

Holman shared his opinion that water intake owners in the Catawba Basin did a much better job of collaborating to manage through the recent drought than was the case in other areas of the State. Holman also noted that the collaboration efforts in the Catawba Basin were the genesis of the regional concepts promoted in the Water Allocation Study Report.

Gullet asked what authority/responsibility the river basin planning organizations would have. Holman responded that he expected these organizations would function similarly to planning units already established in Georgia and that they would anticipate problems and develop solutions.

Additional discussion occurred concerning how to fit together the water quantity and quality management information that the group had just heard from Ruhlman, Baize and Holman. Barry McKinnon moved and Ed Cross seconded the following motion:

MOVED that the WMG Board further consider and then propose to the WMG a project, for addition to the 5-Year Projects Strategic Plan, that would formulate the WMG as a basin-wide planning organization for comprehensive water management, including both water quantity and water quality.

The motion carried unanimously.

The WMG thanked Holman for his informative presentation and open discussion. Should the WMG or its member organizations have further questions, Holman can be reached at 919-613-8737 or bill.holman@duke.edu.

Annual Report – Gullet reminded the group of the Draft Annual Report previously distributed by Gullet via email. Mike Hancock moved and Ed Cross seconded that the Draft Annual Report be approved. The motion carried unanimously.

### **Committee Reports**

Supply-Side Opportunities – Gullet reported that the GIS Mapping Project workshop held on April 29, 2009 was very well-attended and the discussions that took place were helpful. Gullet also advised of his recent receipt of a letter from the Centralina Council of Governments

(CCOG) in which the CCOG stated its belief that the contracted services are now complete for this project.

- o Action Item – Gullet and the Committee will review the CCOG contract and have further discussions with the CCOG if there is disagreement concerning completion of the contract scope. If the contract scope is complete, Gullet will advise Lineberger of how to resolve the outstanding invoices from CCOG for this project.

Gullet also reported that although we don't have a contract in place yet with HDR Engineering to perform the Safe Yield Improvements Evaluation, HDR is conducting some pro bono work to gather ideas for potential funding support.

Demand-Side Norms, Trends and Opportunities – Lineberger reported that the Committee developed the request for proposals (RFP) for the Demand-side Management Benchmarking Project he distributed to WMG Members via email on June 4, 2009. He provided brief highlights of the RFP. Mike Hancock moved and Ed Cross seconded a motion to approve the Demand-side Management Benchmarking Project RFP. The motion carried unanimously.

Lineberger also provided a brief update on the status of the Lakeside Irrigation Smart Controllers Project. Outreach meetings have been held at Lake Wylie, Lake Norman and Lake Hickory to discuss plans for Phase II of the study (i.e., monitoring of irrigation water use at 12 lots on each of these three lakes) with interested adjoining property owners. The 36 lot owners that will participate in Phase II of the study have been selected and most have signed their waiver forms. A number of meters have been installed and a weather station has been installed at Cowans Ford Hydro Station. The study schedule is a little behind at present, but efforts are underway to expedite getting the remaining waivers in place and necessary equipment installed. Maeneen Klein asked if there would be adequate consistency between characteristics at each lot to allow comparison of the irrigation use data. Lineberger acknowledged in the affirmative and noted that site visits to each lot before selection as a Phase II participant allowed selection of lots that were reasonably similar and that met certain criteria.


System-Wide Drought Preparation and Management – Kevin Greer reported the new web site will be available June 12, 2009 and will be located at [www.saveyourwater.org](http://www.saveyourwater.org). Greer also reported that the combined application by the CCOG and the Western Piedmont Council of Governments for \$28,600 in grant funding for water use education was sent to the NC Department of Environment and Natural Resources on May 8, 2009. If the COGs get the grant funding, they will work with the WMG to prepare public educational materials and the WMG will use its budgeted funds to distribute the materials.

### **New Business**

There was no new business.

### **Adjournment**

Gullet adjourned the meeting at 1:33 PM.



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Jeff Lineberger  
Secretary/Treasurer