This matter came before the North Carolina Environmental Management Commission ("Commission") on 9 March 2017 on recommendation of the Department of Environmental Quality, Division of Water Resources ("DWR") for a decision to allocate the State’s water supply storage space in the B. Everett Jordan Dam and Lake Project on the Haw River and the New Hope River ("Project"), which is managed by the U.S. Army Corps of Engineers ("USACE"). DWR’s recommendation was made in response to a request by the Jordan Lake Regional Water Supply Partnership ("Partnership") and the Commission’s ensuing January 2010 authorization for DWR to initiate a fourth round of water allocations from Jordan Lake.

The North Carolina General Assembly, in N.C. Gen. Stat. § 143-354, has authorized the Commission
to assign or transfer to any county or municipality or other local government having a need for water supply storage in federal projects any interest held by the State in such storage, upon the assumption of repayment obligation therefor, or compensation to the State, by such local government. The Commission shall also have the authority to reassign or transfer interests in such storage held by local governments, if indicated by the investigation of needs made pursuant to subdivision (1) of subsection (a) of this section, subject to equitable adjustment of financial responsibility.

N.C. Gen. Stat. 143-354(a)(11). In response to this legislative authorization the Commission has adopted rules governing such allocations at 15A NCAC 02G Subchapter .0500.

Ten local government entities submitted final applications for an allocation in November 2014. DWR issued the Draft Round 4 Jordan Lake Water Supply Allocation Recommendations in December 2015. Two public meetings on the draft recommendations were held during March
2016. In December 2016, DWR issued Round 4 Jordan Lake Allocation Recommendations and the Cape Fear River Surface Water Supply Evaluation. DWR’s Round 4 Jordan Lake Water Supply Allocation Recommendations were presented to the Commission during its March 9, 2017 meeting. Prior to the Commission’s March 2017 meeting, both the Fayetteville Public Works Commission ("PWC") and the Partnership sent letters to the Commission in which they continued to advocate their positions for and against certain allocation requests.

All of the aforementioned documents and information were considered by the Commission in making its final decision on the allocation applications.

Based upon the documents and information referenced above, the Commission decided upon duly made motion and unanimous vote

- To adopt the following allocations put forward by DWR as “draft” recommended allocations:

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Current Allocation</th>
<th>Requested Allocation</th>
<th>Draft Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cary Apex Morrisville RTP</td>
<td>39</td>
<td>46.2</td>
<td>46.2</td>
</tr>
<tr>
<td>Chatham County-North*</td>
<td>6</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Durham*</td>
<td>10</td>
<td>16.5</td>
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<tr>
<td>Fayetteville PWC</td>
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<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Hillsborough</td>
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<td>1</td>
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</tr>
<tr>
<td>Holly Springs</td>
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<td>2</td>
</tr>
<tr>
<td>Orange County</td>
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<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Orange Water&amp;Sewer Authority*</td>
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</tr>
<tr>
<td>Pittsboro*</td>
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<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Raleigh</td>
<td>0</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td><strong>Total Percent</strong></td>
<td><strong>63</strong></td>
<td><strong>105.9</strong></td>
<td><strong>95.9</strong></td>
</tr>
</tbody>
</table>

* Western Intake Partners

Table 13 of the DWR document entitled “Round 4 Jordan Lake Water Supply Allocation Recommendations (December 2016).”
• To deny the request from the City of Fayetteville for an allocation from Jordan Lake;

• To insert at page 39 of the DWR document entitled “Round 4 Jordan Lake Water Supply Allocation Recommendations,” the information contained in DWR’s “Cape Fear River Surface Water Supply Evaluation” on page 108 through page 114, which information is entitled “Appendix B Water Availability Behind Lock and Dam #3,” for the purpose of more readily explaining why PWC’s request for an allocation was denied.

The effective date of the allocations is the date approved by the Commission, i.e., March 9, 2017. 15A NCAC 02G .0502(5). The allocations granted on this date are to be implemented through contracts whereby the local government allocation holder agrees to compensate the State pursuant to the terms of the Contract and to other terms of use contained in the Contract and, in exchange, the local government allocation holder shall be allowed to utilize the aforesaid storage space in the Project for municipal and industrial water supply purposes.

This the 4th day of April, 2017.

ENVIRONMENTAL MANAGEMENT COMMISSION

J.D. Solomon, Chairman
CERTIFICATE OF SERVICE

This is to certify that I have this day served the foregoing Final Decision upon the
Applicant and the Division of Water Resources in the manner described below as follows:

Jordan Lake Regional Water Supply Partnership
c/o Water Management
Donald F. Greeley, PE, Chairman
101 City Hall Plaza
Durham, NC 27701

Certified Mail/ Return Receipt Requested and Electronically:
info@jordanlakepartnership.org

Chatham County
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Certified Mail Return Receipt Requested

Donald F. Greeley, PE
Dept. of Water Management
101 City Hall Plaza
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Division of Water Resources  
Raleigh NC 27699-1650  

E-mail: don.rayno@ncdenr.gov

This is the 4th day of April, 2017.

JOSH STEIN  
Attorney General

Jennie Wilhelm Hauser  
Special Deputy Attorney General  
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Raleigh, N. C. 27602