Commission members present: Senator Dan Clodfelter, Senator Vincent Sheheen, Mr. Mark Hollis, Ms. Susie Hamrick Jones, Mr. Tim Mead, Mr. Jimmy Bagley, Mr. Barry Gullet, Senator Wes Hayes. Mr. Gary Faulkenberry, Mr. Rick Lee, Senator Austin Allran

1. Call Meeting to Order
   Senator Allran called the meeting to order at 10:36.

2. Approval of minutes from last meeting
   Senator Hayes motioned that the minutes from the last meeting be approved. The motion was seconded by Senator Sheheen and approved unanimously by the Commission.

3. Presentation on Proposed Reservoir in Lancaster County, SC
   - The purpose of this specially-called meeting was to discuss the proposed expanded water storage reservoir project by the Catawba River Water Supply Project (CRSP), a joint venture between Lancaster County, SC and Union County, NC.
   - Todd Brigman of Black and Veatch gave a powerpoint presentation outlining the proposed reservoir expansion project. Highlights of the presentation follow.
   - The CRSP supplies 80% of the drinking water in Union County and all of the water for Lancaster County. The project’s intake is between Lake Wylie and Fishing Creek Reservoir on the Catawba River.
   - The CRSP currently has a small, on-site reservoir with 1 million gallons of usable storage, a 3-7 day supply.
   - CRSP currently has an agreement with Duke to ask for releases from Lake Wylie. The new FERC relicensing agreement requires a continuous release from Lake Wylie, meaning that releases will no longer be guaranteed during times of drought. The CRSP therefore needs additional off-stream storage to deal with low flows.
   - Water conservation and efficiency measures are not enough to provide adequate water supplies during period of drought. Both counties are already required to implement conservation measures per their low inflow protocol. An alternatives analysis, including alternative reservoir locations, groundwater recharge and interconnection with other systems, revealed that no alternatives were reliable. Upon questions from the Commission, it was clarified that interconnections were cost-prohibitive and limited by other system’s treatment plant capacity.
   - The proposed off-river reservoir would provide 1.09 billion gallons of total storage and 950 million gallons of usable storage, which would provide water for 49 days, the need based on historical drought records. The CRSP would expand its river intake to the full permitting capacity and install a new pump station to pump water from the Catawba into the reservoir.
   - The reservoir would not be visible from the Catawba River due to a 500 foot buffer.
   - Ms. Hamrick- Jones asked if the reservoir would augment the ability of the CRSP to use more water in the future. Mr. Brigman responded that the treatment capacity, permitted withdrawal amount and interbasin transfer amount would not change.
   - Senator Allran clarified that additional storage would provide an ameliorative effect on the River because the CRSP would not rely on the River as much during periods of drought. This statement was confirmed by Mr. Mark Hollis of Duke Energy.
   - Mr. David Baize also commented that drought contingency and storage are required for new users in new surface water regulations.
Mr. Brigman explained that the environmental assessment revealed that the project will impact two existing streams and a half of an acre of wetlands. The CRSP will purchase all remaining mitigation credits in the basin and implement a permittee responsible project that will include stream and wetland restoration work.

Gerrit Jobsis of American Rivers asked how much smaller the reservoir could be if more conservation efforts were implemented. Mr. Brigman indicated that similar impacts would be incurred even if a smaller reservoir was constructed.

Senator Clodfelter asked that Commission members receive a copy of the presentation via e-mail.

4. **Further Discussion on Proposed Reservoir in Lancaster County, SC**

   - David Merryman, the Catawba Riverkeeper, gave a powerpoint presentation outlining objections to the proposed reservoir expansion. Highlights of the presentation follow.
   - The public was not aware of this project. A public notice was issued but no public hearing was held.
   - The CRSP currently has interconnections inside and outside of the Catawba basin that could meet current water supply needs. Existing reservoirs such as Fishing Creek and Lake Wylie were also not fully considered.
   - American Rivers and the Catawba Riverkeeper Foundation requested that a full environmental impact study be conducted and a public hearing be held.
   - The Riverkeeper suggested that the least damaging alternative, conservation, be studied more in depth.
   - Drought resilience could be increased through securing emergency municipal supplies rather than building a reservoir that is meant to handle a rare case of drought.
   - The proposed mitigation is not adequate, as the CRSP is still looking for restoration opportunities and it is unclear how mitigation would actually be done.
   - A handout was distributed containing EPA recommendations of measures to consider before new reservoirs are built. Mr. Lee asked if utilities have the authority to implement measures in people’s homes as suggested by the handout.
   - Senator Sheheen asked about the difference between pulling water out of Lake Wylie as opposed to an onsite reservoir. The Riverkeeper explained that the issue was impounding two streams in order to construct the reservoir. The Riverkeeper also advocated drawing water from both the Yadkin and Catawba basins since the CRSP provides water for both basins yet places the burden only on the Catawba.
   - Senator Clodfelter stated that it would be unfair to apply non-regulatory standards to this project, as suggested by the Riverkeeper.
   - CRSP representatives explained that current plans to expand existing interconnections will meet current daily operations needs, not water supply needs in times of drought. Those expansions were considered in designing the new reservoir.
   - It was noted that Union County implements conservation measures above and beyond low inflow protocol requirements such as progressive pricing, irrigation metering and education. Union County’s measures reflect its unique needs and are not necessarily appropriate for Lancaster County to implement.

5. **Catawba River Water Supply Master Plan**

   - Kevin Mosteller of HDR have a powerpoint presentation outlining the recent research conducted by the Catawba Wateree Water Management Group (WMG)
   - The WMG and the Water Research Foundation conducted a Safe Yield Research Project.
   - The project evaluated how safe yield was determined in streams worldwide. The study showed that shared water supplies require excellent communication and coordination and that
demand-side management is the focus of extending available water supply. Yield analysis for Catawba is among the best studied.

- For the upper Catawba, through Lake Wylie, moderate climate change would put low inflow protocol in place quicker, thereby extending the available water supply. Other measures that would increase water yield include lowering existing intakes, raising target operating levels and re-routing existing effluent flows upstream.
- The next step for the project is to determine the feasibility of the strategies evaluated.
- The WMG is also in the second phase of its Water Supply Master Plan
- Total costs for project will be $1.3 million, including modeling. The WMG has committed $400,000 so far and is looking for private funding assistance.
- Next steps include refining water demand projections, developing future modeling scenarios, identifying opportunities for conservation, developing a plan and seeking public input. Modeling results will be updated to account for the 2007 drought.
- The Safe Yield project will be completed by next year and the Master Plan will be completed in 2013, depending on funding.

6. Issues for Next Meeting

- Yadkin-PeeDee modeling discussions will be postponed until the next meeting.
- Mr. Lee and Senator Sheheen both requested that permit notifications from the Corps and other State agencies about future Catawba issues be sent to the Commission.
- Ms. Hamrick-Jones requested more information, such as what would be provided in an environmental impact statement, in order to be able to make a decision about the reservoir project.
- Senator Sheheen commented that the Commission is not in a position to comment on the reservoir project and should allow the regulatory process to proceed.
- Senator Hayes and Senator Clodfelter both agreed with the proposed project. Senator Clodfelter was not able to comment on specific details. Mr. Mead also broadly supported the project but has reservations about the details.
- Mr. Falkenberry suggested that the Commission determine a process for how to handle these types of issues in the future.
- At Senator Clodfelter’s suggestion, Senator Sheheen requested that, before the next meeting, a letter from the Commission be drafted to the appropriate authorities to encourage the appointment of members to the Yadkin-PeeDee River Basin Advisory Commission
- American Rivers will present on water conservation measures
- The Army Corps of Engineers will discuss the process for Federal 401 permits
- Both states will discuss the approval process for State 401 certification

7. Adjourn- 1:56p.m.