



May 21, 2024

Dear Stakeholder,

We are reaching out to inform you about Charlotte Water's preliminary proposal to modify our existing 2002 Interbasin Transfer (IBT) Certificate. In alignment with our commitment to transparency and cooperation, we are pleased to invite you to participate in the upcoming public meetings designed to engage with stakeholders and gather valuable input on this preliminary proposal.

On April 5, we announced five meetings, three of which have already occurred in North Carolina. The two remaining South Carolina meeting locations and times have been confirmed, and an additional meeting in the Hickory/Morganton area for the Catawba River Basin northwest of Charlotte has been added.

The proposed modification to the IBT Certificate is a necessary and long-planned step to address the growing water needs of our region. It seeks to adjust the authorized amount of water transfer from the Catawba-Wateree Basin to the Rocky River Subbasin of the Yadkin-Pee Dee River Basin, ensuring a sustainable and reliable water supply in areas that are seeing increasing water demand. Many communities have interbasin transfers of water, sewer, and even stormwater. Charlotte is no different and needs to be able to direct allocated water resources to areas that require it.

Charlotte Water submitted a Notice of Intent for this modification to the North Carolina Environmental Management Commission (EMC) as of February 22, 2024. This step marks the beginning of a lengthy, comprehensive process involving environmental assessments and public consultations so that environmental regulators in both North and South Carolina can ascertain the best path forward.

The public meetings for stakeholder input are:

- MEETING #1: Hickory, NC - May 8
- MEETING #2: Charlotte, NC – May 9
- MEETING #3: Albemarle, NC – May 15
- **MEETING #4: Camden, SC – June 25 Liberty Hall, Revolutionary War Visitor Center**
- **MEETING #5: Florence, SC – June 27 Chapman Auditorium, Francis Marion University**
- **MEETING #6: Hickory/Morganton, NC Area – July 15 – CoMMA Performing Arts Center**

Each meeting will feature a 30-minute presentation on the IBT modification request, including presentations/remarks from state regulators, followed by a session for public comments. We encourage your participation in person or via the virtual option available for those who cannot attend on-site.

Your feedback is invaluable to us. Verbal comments at the meetings will be recorded, and written comments can be submitted through our dedicated IBT website, CharlotteWaterIBT.org, or mailed to:

Charlotte Water
Attn: Jennifer Frost/IBT Modification Comments
4222 Westmont Drive
Charlotte, NC 28217

Please submit your comments by August 30, 2024, to ensure they are fully considered in the environmental report.

Charlotte Water has only just begun the modification process. We are committed to a robust and transparent stakeholder engagement process. A fact sheet about the process is enclosed. More information can also be found online at <http://CharlotteWaterIBT.org>.

Charlotte Water provides water and sewer service to customers across Mecklenburg County. The greater Charlotte region, like most of North Carolina, has seen high growth over the past decade that is expected to continue. Charlotte Water is obligated to plan for reliable water supply now and into the future.

Drinking and wastewater services do not neatly follow jurisdictional or even State lines. Over time most communities find it necessary to move water and wastewater within and between watersheds. Charlotte Water is no different, especially given the area that we serve.

Charlotte Water is preliminarily proposing a modification to its current IBT certificate to increase the maximum amount of water it can move from the Catawba basin to the Yadkin basin. During 2023, Charlotte Water withdrew 116 million gallons per day (MGD) from the Catawba River Basin and returned all but 20 MGD of that water back to the Catawba River Basin – the other 20 MGD is returned to the Yadkin River Basin. The highest amount of water transferred last year was 26 MGD.

1. Why is Charlotte Water proposing to modify its current IBT certificate?

Charlotte Water has a duty to provide adequate and reliable drinking water to our customers. We have preliminarily identified the need to provide water to our service area in a way that up to an additional 30 million gallons per day over the next few decades that originates in the Catawba watershed will be returned to the Rocky River/Yadkin watershed. This likelihood has been on the books for well over a decade. The proposed increase in the amount of water transferred between basins is in line with year 2058 interbasin transfer projections made in an agreement between Catawba River Basin stakeholders in 2010, including Duke and both North and South Carolina.

2. Is Charlotte Water's decision to request a modification of its IBT certificate final?

No. We are only starting the evaluation process. No final decisions have been made. We are at the beginning of a lengthy study and evaluation process that will primarily be conducted by the NC Department of Environmental Quality (Environmental Impact Statement) and NC Environmental Management Commission (Ultimate approval authority of any final IBT modification proposal). The process will be comprehensive, transparent, and fully informed by input from the public, our neighboring communities, and other stakeholders.

Any final proposal – which could be the currently proposed interbasin transfer or something else altogether – will be based on the results of the public feedback, alternatives analysis, and corresponding environmental studies by NC DEQ and review by the NC EMC.

3. Will alternative ways to meet Charlotte Water's future water needs be evaluated?

Yes. Charlotte Water and the NC DEQ will evaluate a robust suite of alternatives. We have tentatively identified several alternatives to evaluate, but the list is not complete. Through the ongoing scoping process, we are asking for

public input to help us refine and expand the list of alternatives to be considered. We will carefully evaluate reasonable alternatives to explore opportunities to minimize any potential impacts on the environment and our surrounding communities.

4. Will the environmental and other impacts of the proposal be studied?

Yes. A comprehensive Environmental Impact Statement will be conducted by the NC DEQ. The review will include, among other things, a detailed modeling exercise to evaluate the effect of a proposed increase in interbasin transfer on the environment and other water users in the region. The study will evaluate a broad suite of alternatives and measures to minimize any impacts.

The public will have an opportunity to review the draft and submit comments to the NC Department of Environmental Quality (DEQ). DEQ will review the public comments and prepare the final draft of the Environmental Impact Statement, which will then be subject to a public hearing by the NC EMC to determine its adequacy.

5. Who decides if an IBT certificate modification request is granted?

The NC Environmental Management Commission (EMC), a 15-member commission appointed by the Governor and General Assembly. Only if the EMC determines that the Environmental Impact Statement is adequate (after public hearing), may Charlotte Water then submit an IBT modification request to the EMC.

The EMC may approve the request only if it determines that (1) any negative impacts of a proposed IBT have been minimized to the maximum extent practicable; (2) the IBT benefits clearly outweigh any downsides; (3) the IBT amount is no greater than necessary to remedy a projected shortfall in Charlotte Water's supply; and (4) there are no reasonable alternatives.

6. What is Charlotte Water's response to concerns expressed by neighboring areas about the proposal?

Our rivers are a shared public resource. State law provides that State waters be used in a fair and beneficial manner for all our residents, and our neighboring communities – including our neighbors in South Carolina. We have a long way to go before any final decisions are made about the appropriateness of an increase in water transfer from the Catawba to the Yadkin River Basins. We ask that interested parties work with us as we evaluate all options before jumping to any conclusions. We ask anyone who has concerns at this stage to fully engage in the process going forward. Your participation will help Charlotte Water provide comprehensive information to both the DEQ, and the EMC so they can make well-informed decisions.

Charlotte Water is committed to fully evaluating all potential impacts and alternatives to avoid or mitigate those impacts. Moreover, we are committed to fully evaluating and addressing the interests of our neighboring communities and other stakeholders.

7. Where can I find more information or submit comments on the proposal?

More information can be found at Charlotte Water's website <http://CharlotteWaterIBT.org>.

Preliminary comments can be submitted to IBTProject@charlottenc.gov through August 30, 2024.