

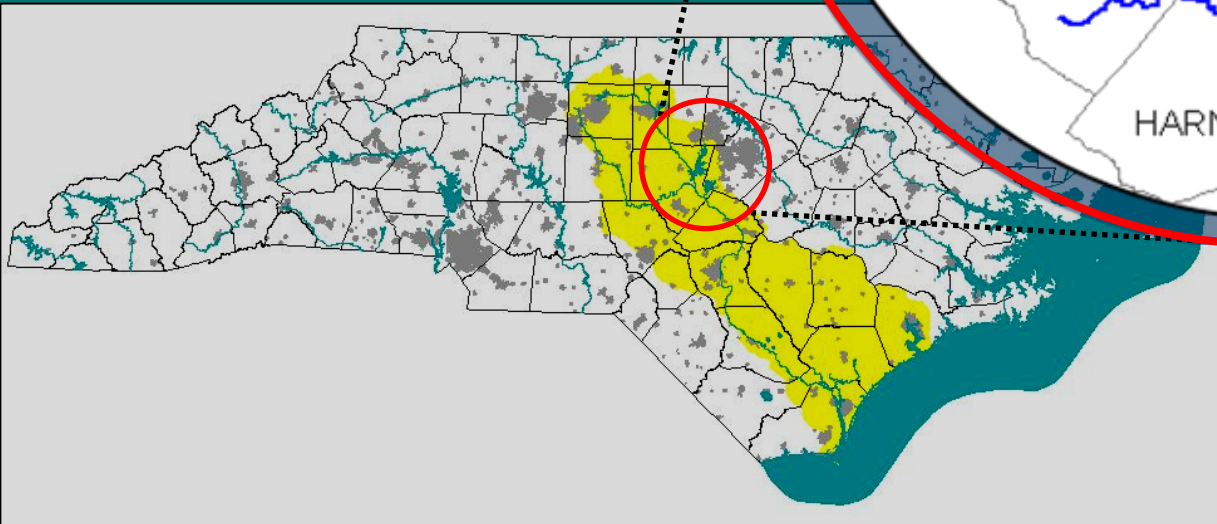
Jordan Lake Water Supply Allocation Process Round 4

February 24, 2010

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Division of Water Resources



Jordan Lake Overview



Jordan Lake Regulations

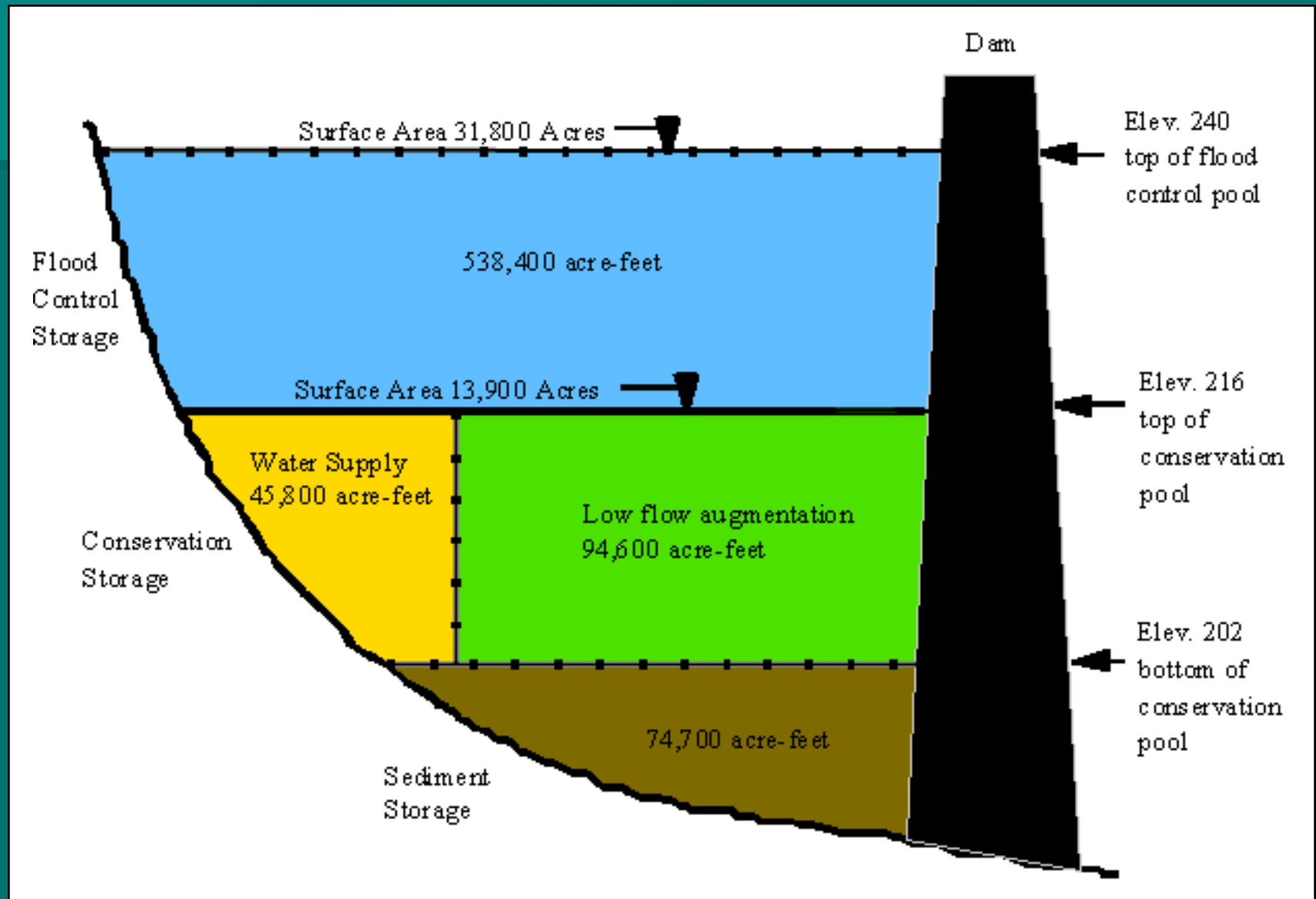
- North Carolina has a contract with the federal government for “water storage space” in B. Everett Jordan Lake.
- The NC General Statutes (G.S. 143-354(a)(11)) give the EMC responsibility to allocate this storage to units of local government having a need for water supply storage.
- The NC Administrative Code (15A NCAC 2G.0500) outlines the specific procedures to be used by the EMC in allocating the Jordan Lake water supply storage.

Jordan Lake Regulations

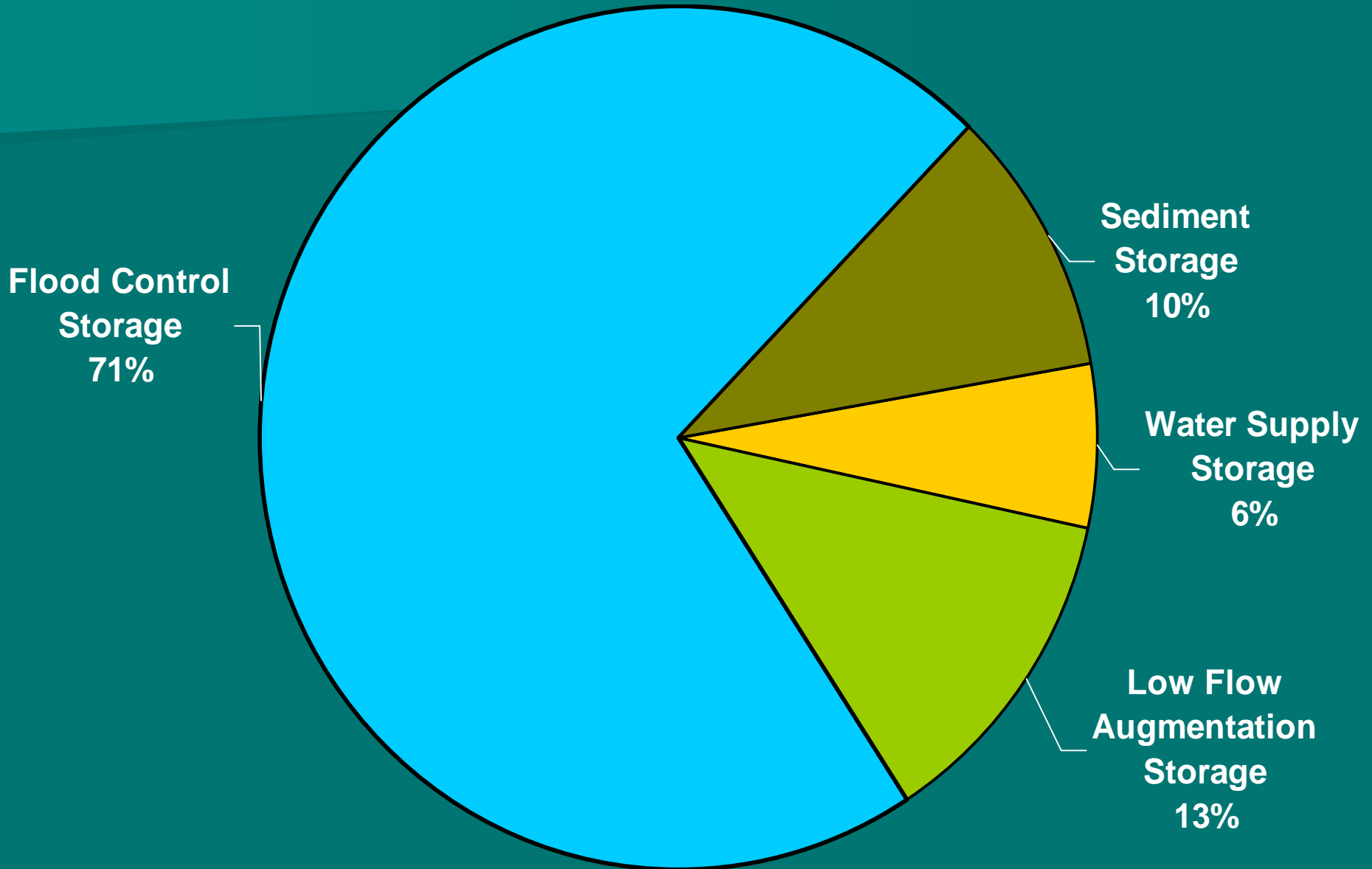
Watershed Diversions

15A NCAC 02G .0504 (h) To protect the yield of Jordan Lake for water supply and water quality purposes, the Commission will limit water supply allocations that will result in diversions out of the lake's watershed to 50 percent of the total water supply yield. The Commission may review and revise this limit based on experience in managing the lake and on the effects of changes in the lake's watershed that will affect its yield.

Reservoir Operations



Reservoir Operations

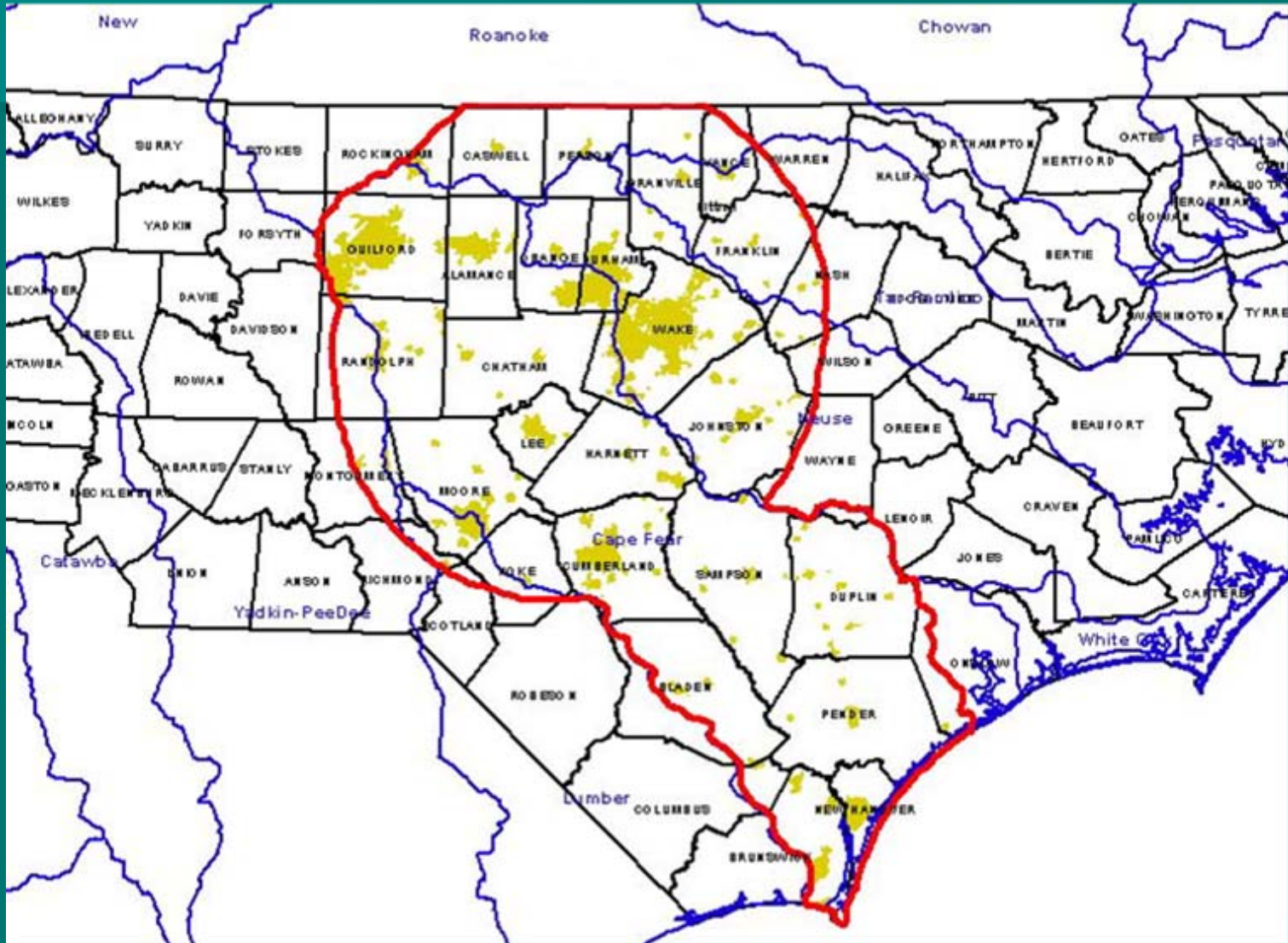


Jordan Allocation History

- 1967 – Jordan Lake construction begins
- 1982 – Lake filled to normal water level
 - Water supply allocation rule making is started.
 - 1st round of water supply allocations is started.
 - 1988 – EMC approves 1st round of water supply allocations.
- 1996 – 2nd round of allocations are started.
 - 1997 – EMC approves 2nd round of allocations that did not need an IBT certification.
 - 2000 – EMC approves 2nd round of allocations that needed an IBT certification.
- 2000 – 3rd round of allocations started.
 - 2002 – EMC approves 3rd round of allocations.
- 11/20/2009 – Received request to start 4th round of allocations.

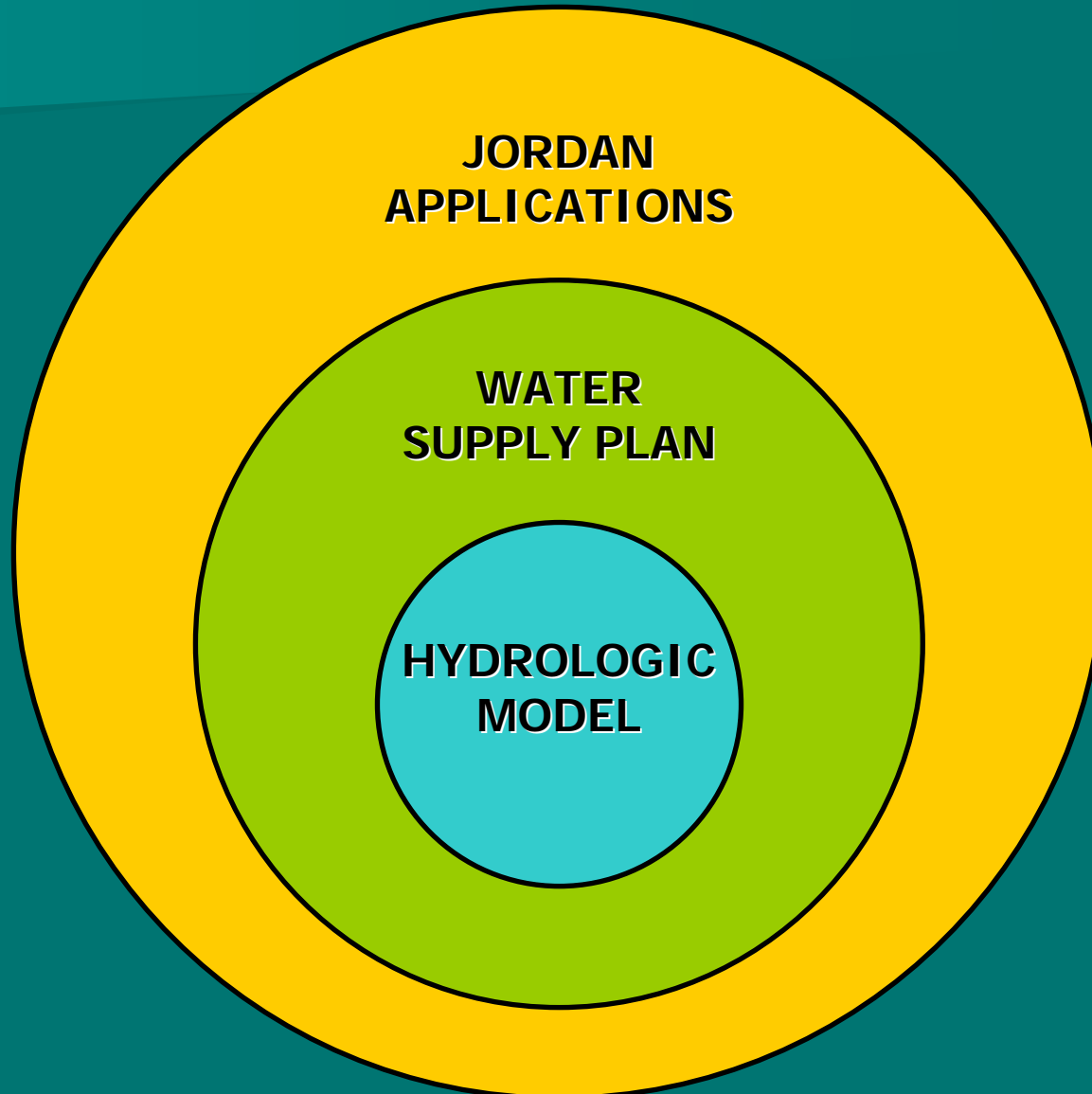
Round 4 Allocation Process

Regional Approach



Round 4 Allocation Process

Three Simultaneous Tracks



Round 4 Allocation Process

Relevant Planning Horizons

- Cape Fear Water Supply Plan is based on a 50-year planning horizon.
- Level I allocations are made based on 20-year projections *and* when withdrawals are planned to begin within five years of receiving the allocation.
- Level II allocations are made based on longer term needs of up to 30 years.

Jordan Allocation Timetable

DATE	APPLICATION DEVELOPMENT	WATER SUPPLY PLAN	HYDROLOGIC MODEL
February, 2010	PUBLIC INFORMATION MEETING (2/24/10)		
March, 2010			INITIAL MEETING (3/17/10)
April, 2010	"LETTER OF INTEREST" DUE 4/1/10	DEVELOP APPLICATION INSTRUCTIONS	
May, 2010			REVIEW MODEL SCHEMATIC
July, 2010			MODEL CONTRACT FINALIZED, BEGIN UPDATE
September, 2010	WATER USERS PROVIDE HISTORICAL WITHDRAWAL DATA AND OPERATIONAL POLICIES.		
January, 2011	WATER USERS PROVIDE PROJECTIONS THROUGH 2060 AND ALTERNATIVE WATER SOURCES.		DRAFT MODEL AVAILABLE FOR TESTING.
February, 2011			UPDATED MODEL COMPLETED.
May, 2011		WATER SUPPLY PLAN, FIRST DRAFT AVAILABLE FOR REVIEW.	
June, 2011	APPLICANTS SUBMIT DRAFT APPLICATIONS.	COMMENTS ON FIRST DRAFT DUE.	
August, 2011		WATER SUPPLY PLAN, SECOND DRAFT AVAILABLE FOR REVIEW.	
September, 2011	APPLICANTS SUBMIT FINAL APPLICATIONS.	COMMENTS ON SECOND DRAFT DUE.	
	DWR WILL PROVIDE UPDATE TO THE EMC (9/8/11)		
January, 2012	FINAL WATER SUPPLY PLAN AND DWR'S ALLOCATION RECOMMENDATIONS PRESENTED AT THE EMC'S JANUARY 2012 MEETING.		
November, 2012	EMC FINAL DETERMINATION (11/8/12)		

Round 4 Allocation Process

Differences

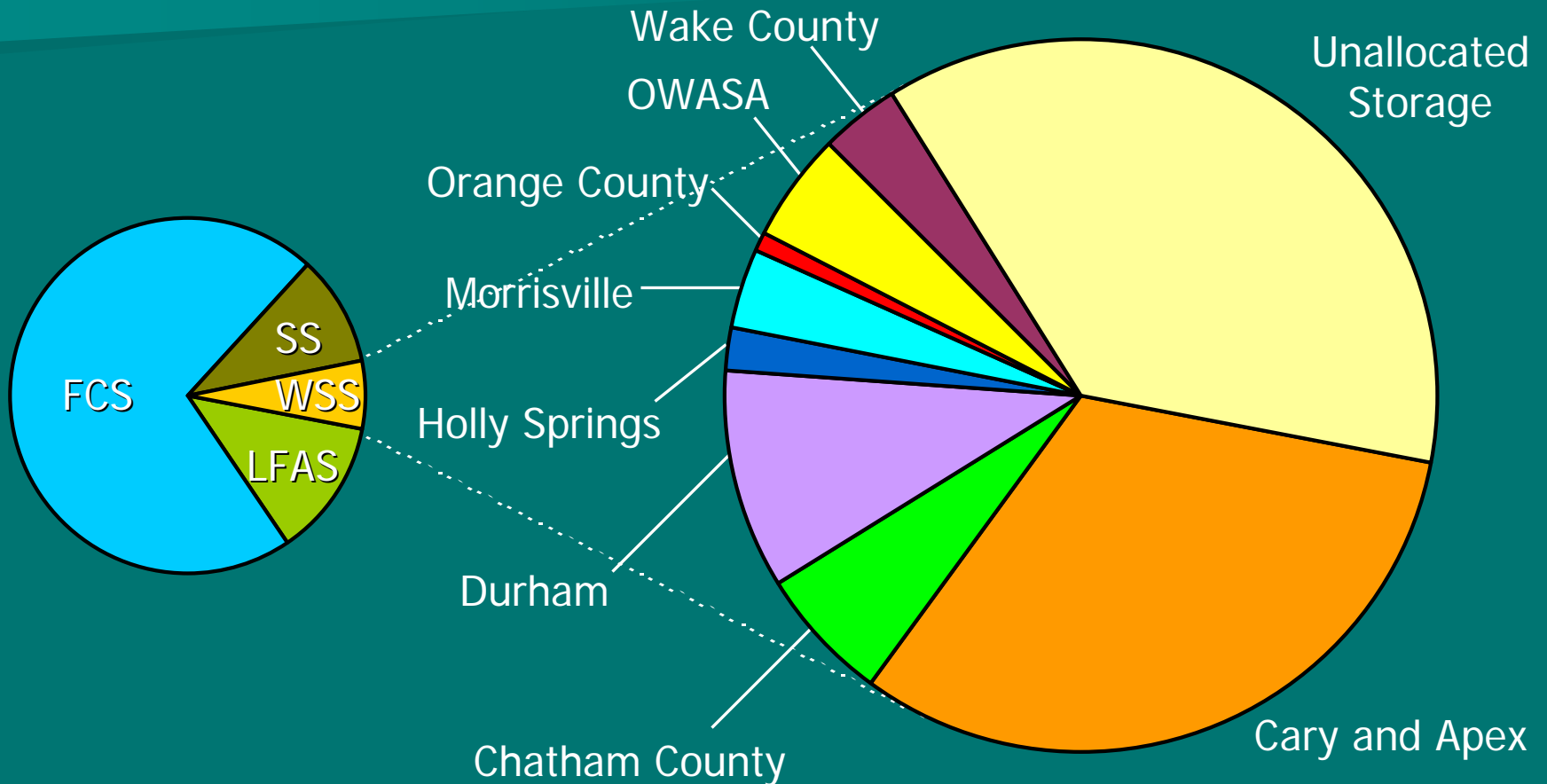
- The allocation requests will be based on the results of the long-range basin water supply evaluation.
- All existing allocation holders must submit an application justifying their existing allocation even if they do not plan on requesting a change.
- EMC has not yet determined how IBT vs non-IBT allocations will be handled.
- DWR staff will review the 50% diversion requirement and make a recommendation as to whether a rule change is warranted.

History of Jordan Lake Water Supply Allocations

	Round 3 Current 2002	Round 2b 2000	Round 2a 1997	Round 1 1988
	Total (percent)	Total (percent)	Total (percent)	Total (percent)
<i>Cary and Apex</i>	32.0	21.0	16.0	16.0
<i>Chatham County</i>	6.0	6.0	6.0	6.0
Durham	10.0	0.0	0.0	0.0
Holly Springs	2.0	2.0	2.0	0.0
<i>Morrisville</i>	3.5	2.5	0.0	0.0
Orange County	1.0	1.0	1.0	1.0
OWASA	5.0	10.0	10.0	10.0
<i>Wake County - RTP</i>	3.5	1.5	0.0	0.0
Hillsborough	0.0	0.0	0.0	5.5
Orange-Alamance	0.0	0.0	0.0	3.5
Total	63.0	44.0	35.0	42.0

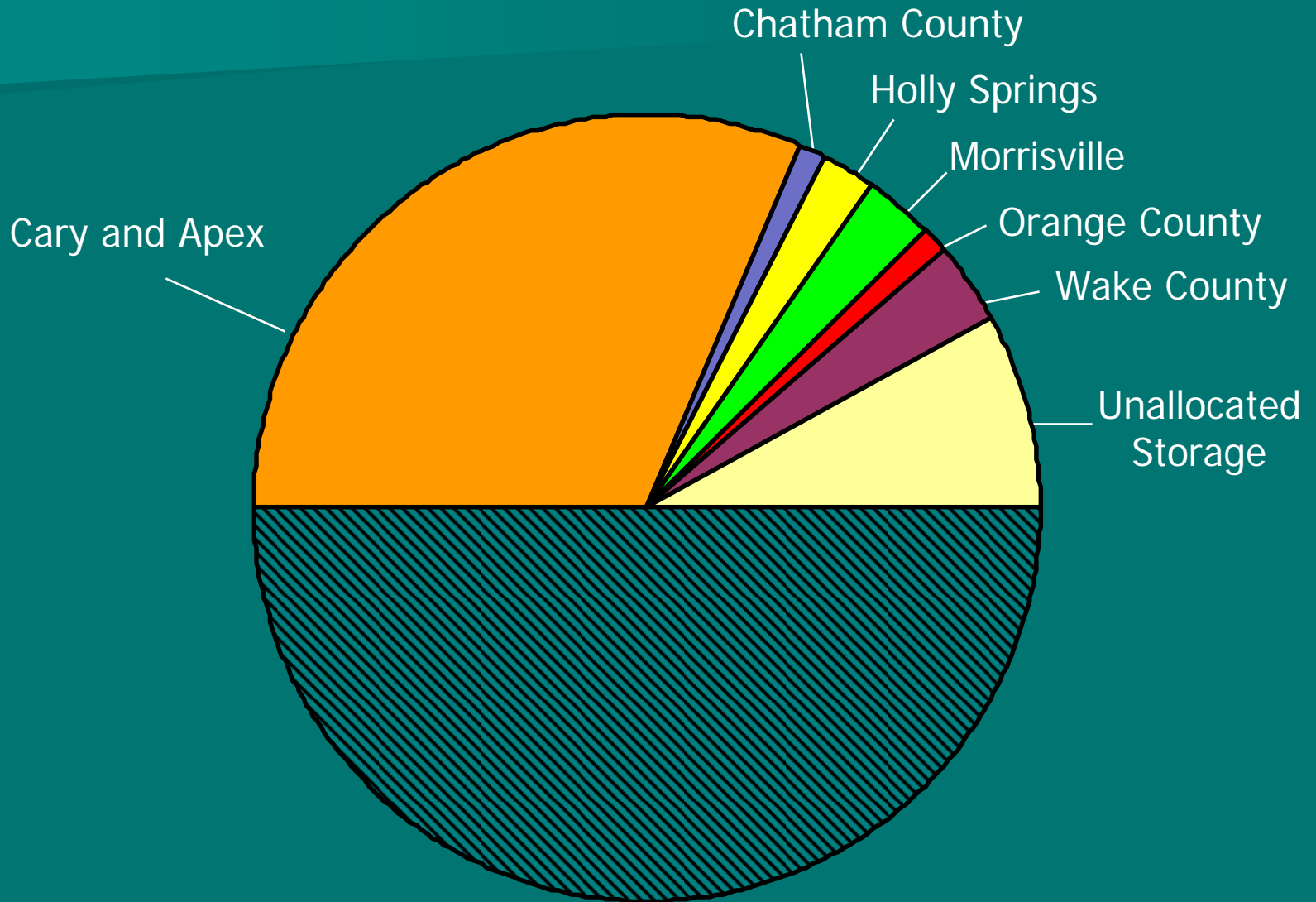
Current Allocations

Fraction of Total Lake Volume



Current Allocations

Diversions



Allocation Costs

- Jordan Lake was financed and constructed by the Federal government. G.S. 143-215.38 authorizes the State, acting through the EMC, to assume repayment responsibilities for these costs.
- Level I Allocations must pay a % of capital costs, interest, and O&M.
- Level II Allocations must pay interest and O&M.

Current estimated costs

All costs are for 1% of storage

- Capital costs are \$48,880.
- The USACoE charges 3.225% interest on the capital costs beginning when the lake was constructed (assume \$1,415.13).
- O&M costs vary each year (historical range from \$300-\$800)

Round 4 Allocation

Payment Requirements

15A NCAC 02G.0505(b) Recipients of Level I allocations are required to pay a proportional share of the state's total water supply storage capital and interest costs over a term suitable to the recipient and the Commission, but by 2012.... After 2012, the Commission may review and adjust repayment requirements to assure equitable and efficient allocation of the resource.

As it currently stands, any Level 1 allocation payments required after 2012 would be due as a lump sum.

Next Steps

- A kick-off meeting has been scheduled for those parties interested in the hydrologic model development.
 - When: Wednesday, March 17, 2010 10:00 am-12:30 pm
 - Where: Jordan Lake State Recreation Area Auditorium
- “Letter of interest” from those who may be requesting an allocation due 4/1/10

Questions