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June 14, 2010

Mr. Tom Fransen, Deputy Director
Division of Water Resources
NC DENR
1611 Mail Service Center
Raleigh, North Carolina 27699-1611

Dear Mr. Fransen:

I would like to take this opportunity on behalf of the Lower Cape Fear Water and Sewer Authority, (the Authority), to provide NC DENR with a copy of the Authority's Resolution entitled, **Resolution in Support of the Cape Fear River Basin Hydrologic Model Update**, adopted April 12, 2010.

Please note in the **Now Therefore Be It Resolved** portion of the resolution it addresses three factors:

- 1) The cost of this up date should be borne by the State of North Carolina
- 2) That the current total allocations from Jordan Lake not be changed, and
- 3) If any withdrawals from Jordan Lake are to be made, that such withdrawal not be subject to interbasin transfer requirements.

During the March 17th web cast conference of the Jordan Lake Water Supply/Allocation, you made reference to Brunswick County needing to make a significant contribution to this update due to the fact the County has previously filed an IBT application. You also indicated that you would be contacting the Lower Cape Fear Water and Sewer Authority concerning funding requests. The Authority has not been contacted by you concerning funding.

Lower Cape Fear Water & Sewer Authority

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Water is Our Business

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During the recent web cast conference, June 10, 2010, regarding the funding for the Cape Fear River Basin Model Update it was indicated that a budget of \$150,000.00 was being identified as the initial cost of this model update and that the Lower Cape Fear Water and Sewer Authority representing its customers (Brunswick County and the Cape Fear Public Utility Authority) would be asked to share in 22% of the cost or approximately \$33,000.00.

On June 14, 2010 the Authority reiterated its position that this is a financial responsibility of the State of North Carolina and respectfully declines this cost sharing proposal.

Cordially,



Don Betz
Executive Director

Cc: Chairman Bill Saffo
Board of Directors

Resolution in Support of the Cape Fear River Basin Hydrologic Model Update

Whereas, the Lower Cape Fear Water & Sewer Authority (the Authority), a non-profit public agency organized under the provisions of the North Carolina Water and Sewer Authorities Act and located within the Cape Fear Basin, is responsible for evaluating the needs of and for providing reliable, raw water surface supply services to regional local governments and industry within its five-county service area comprised of Bladen, Brunswick, Columbus, New Hanover, and Pender Counties; and

Whereas, approximately one quarter of North Carolina's population plus all or part of 114 municipalities in 27 counties, including six of the ten fastest growing counties depend on the Cape Fear River Basin for water supply; and

Whereas, due to the forecasted needs of the Authority's customers and to reduce detrimental impacts to ground water resources, the Authority is currently constructing two, river intake, main stem projects with one being the addition of 60 inch pipeline and three intake screens at the Kings Bluff Raw Water Pump Station increasing the capacity from 45 MGD to 96 MGD, and the second is the Bladen Bluffs Regional Surface System, a 30 MGD raw water intake in the Cape Fear River including a pump station, transmission main, and a 4 MGD treated water plant; and

Whereas, the Jordan Lake Partnership, created in 2009 by jurisdictions and water systems in the Triangle region, with the primary purpose of jointly planning for the expanded use of available water supply in Jordan Lake has facilitated discussions with the North Carolina Department of Environment and Natural Resources (NCDENR), Environmental Management Commission regarding a request for a portion of the unallocated drinking water supply in Jordan Lake thus prompting a response from the NCDENR of the need for updating of the Cape Fear River Basin Hydrologic Model as an analysis tool to develop a probabilistic forecast of the Jordan Lake evaluation and water quality pool; and

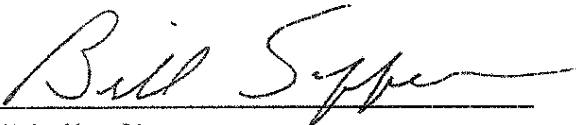
Whereas, according to the NCDENR Division of Water Resources NC Water Supply Plan-Cape Fear River Basin Summary, the available supply from intakes below Jordan Lake will be re-evaluated during the fourth round of Jordan allocations with the planned update of the Cape Fear River Basin Hydrologic Model; and

Whereas, in 2004, the Authority, the County of Brunswick and the City of Wilmington contributed financially to the model's then update for Round 3, with the understanding that the maintenance and future updating of the model would be financed by the State of North Carolina.

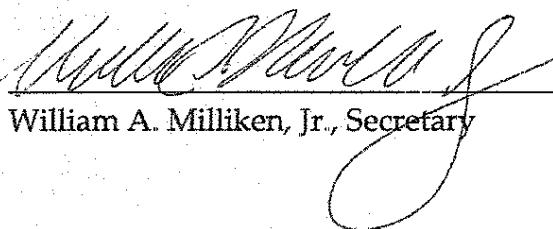
Now Therefore Be It Resolved, that the Chairman and Board of Directors for the Lower Cape Fear Water & Sewer Authority in recognition of the need for collaborative planning of the state's water supply resources, and in recognition of Jordan Lake as a valuable water resources asset for the entire Cape Fear River Basin and as a downstream user do hereby support the Cape Fear River Basin Hydrologic Model update. **Furthermore:**

- a. The cost of this up date should be borne by the State of North Carolina.
- b. That the current total allocations from Jordan Lake not be changed, and
- c. If any withdrawals from Jordan Lake are to be made, that such withdrawal not be subject to interbasin transfer requirements.

Adopted this 12th day of April, 2010.



Bill Saffo, Chairman



William A. Milliken, Jr., Secretary