

Catawba-Wateree Relicensing Project

Agreement-in-Principle

Lake James Perspective

Background

Lake James is named for James B. Duke, one of the founders of Duke Power.

Built over a seven-year period beginning in 1916, Lake James required the construction of three dams: Linville, Paddy Creek and Catawba. Linville Dam is 160 feet high and 1,325 feet long. Paddy Creek Dam is 165 feet high and 1,610 feet long. Catawba Dam is 150 feet high and 3,155 feet long. The lake straddles the McDowell-Burke county line. Lake James has a surface area of approximately 6,812 acres, with 144 miles of shoreline. Full pond elevation is 1,200 feet above mean sea level.

Lake James provides 25 percent of the total usable storage in the eleven-lake system. Lake James (along with Lake Norman) serves as a vital "shock absorber" to the lake system to lessen the impacts of drought and high water events on other reservoirs.

Duke Power provides four public boat access areas on the lake and one fishing and canoe access point below the hydroelectric station. Lake James State Park also provides public recreation opportunities. Two boat access points are leased to the State Park and the other two, as well as the tailrace fishing and canoe access point, are provided in cooperation with the North Carolina Wildlife Resources Commission.

Stakeholders representing the reservoir and river in hydro relicensing

In addition to federal and state resource agencies, Duke Power and national special interest groups – many representatives of local entities and public citizens around Lake James have participated in the 3-year relicensing process. These include:

Burke County
 McDowell County
 Area II Soil and Water
 Conservation Districts
 Western Piedmont Council of
 Governments
 Western NC Alliance

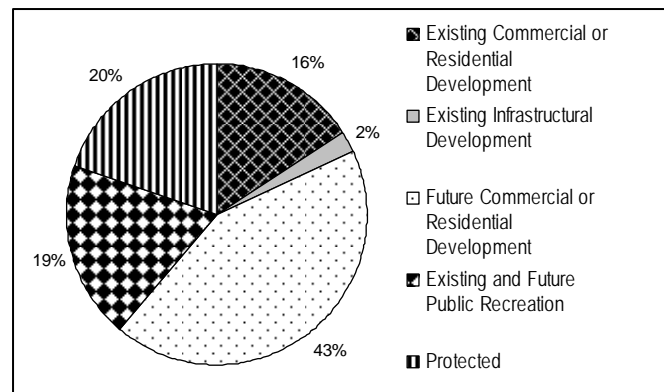
Lake James Environmental Groups
 Foothills Conservancy
 Carolina Canoe Club
 Catawba Valley Heritage Alliance
 Table Rock Anglers
 Trout Unlimited
 City of Morganton

Lake James Homeowners
 North Carolina Wildlife Federation
 Catawba Riverkeeper Foundation
 Catawba Wateree Relicensing
 Coalition

Interests addressed in the Agreement-in-Principle

- Lake Level Ranges – Lake level ranges (located in the adjacent chart) have been established to protect fish habitat, municipal, industrial and power generation water intakes, recreation access and aesthetics. Ranges are bounded by normal minimum and normal maximum elevations with a normal target elevation in between. For Lake James the normal target lake level is seasonal and ranges from 94 feet to 98 feet.
- Drought Management – As part of the relicensing process, a Low Inflow Protocol has been established to "trigger" water use restrictions by large water users. These water use restrictions apply to hydroelectric generation, public water system withdrawals and flows for recreation and aquatic life.
- Shoreline Management – Duke Power operates a comprehensive shoreline management program on all 11 lakes along the Catawba River. Duke Power's program depends on the Shoreline Management Plan (SMP) and Shoreline Management Guidelines (SMG) to balance private and public access with protecting the environmental, public recreational, cultural and scenic values. As part of the relicensing process, both the SMP and SMG have been updated and these updates will begin to be used in September 2006. The SMG provide rules on what facilities are allowed and how they can be built/constructed/maintained. Overall, the update to the SMP has resulted in more refined shoreline mapping and additional restrictions on construction activity within the project boundary of the reservoir. The SMP is a series of maps with

Lake James		Elevation on 1st Day of Month		
Month	Existing Guide Curve (ft.)	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
Jan	96	93	96	100
Feb	94	92	94	100
Mar	92	92	95	100
Apr	94	92	96	100
May	96	95	98	100
Jun	98	95	98	100
Jul	98	95	98	100
Aug	98	95	98	100
Sep	98	95	98	100
Oct	96	95	98	100
Nov	96	93	96	100
Dec	96	93	96	100
31-Dec	96	93	96	100



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shoreline classifications denoting locations where piers, marinas, excavations and shoreline stabilization within the project boundary either already exist or can take place. Each shoreline classification has a separate set of restrictions and allowed activities.

4. Public Information Systems for Lake and River Information -- Information including reservoir level ranges, water release times, generation schedules and maps to public access areas will be provided as a result of relicensing. River paddlers and anglers will have access to information on releases from dams to paddle and fish. Information posted on signs will be provided in English and/or international symbols with signage in Spanish also available immediately downstream of the dams.
5. Public Drinking Water Supply and Water Conservation Programs -- Water is vital to life and drives our region's economy and way of life. However, Catawba-Wateree relicensing process studies indicate demands for water will more than double over the next 50 years. A group of approximately 20 water supply experts, including Duke Power, have outlined water management objectives, identified tangible projects to protect our water supply and proposed a voluntary water conservation fund to finance these projects. The money will come from contributions paid by Duke Power and large water users. Contributors to the voluntary fund will determine the timing and priority of projects.

6. Flows from Hydro Dams for Recreation – Interest in paddling and river fishing is growing and as a result of relicensing, water will be released from Lake James on approximately 85 scheduled days per year (see adjacent chart) to provide and promote canoe/kayaking and fishing in the river section downstream of Lake James. This flow release schedule was developed through technical study and working in partnership with paddling and fishing interests.

Bridgewater Development Recreational Flow Schedule				
Dates (inclusive)	Days / Description	Flow (at or above) (cfs)	Hour Start	Hour End
Apr 1-Apr 30	Last full weekend – Saturday and Sunday	900	10:00 am	3:00 pm
May 1-Jul 15	Each Friday, Saturday and Sunday plus Memorial and Independence Day	900	10:00 am	3:00 pm
Jul 16-Aug 31	Each Saturday, and Sunday	900	10:00 am	3:00 pm
Jun 1-Jul 31	Wednesdays and Thursdays	900	4:30 pm	6:30 pm
Sep 1-Sep 30	Each Friday, Saturday and Sunday plus Labor Day	900	10:00 am	3:00 pm
Oct 1-Oct 31	Each Saturday and Sunday	900	10:00 am	3:00 pm
	Ten discretionary hours in blocks of no less than one hour each	900		

7. New and Expanded Public Recreation Facilities/Access – Recreational enhancements planned for Lake James and the river section downstream include:
 - a. Black Bear Access Area – restrooms, additional shade trees, pier design assistance and a shoreline buffer. Market to a commercial business to provide trails, cabins, primitive camping, and picnicking.
 - b. Lake James State Park and Islands Management Zone – Lease a 300 ft wide lakebed zone and three islands to the North Carolina Division of Parks and Recreation (NCDPR).
 - c. Linville Canoe/Kayak Access Area – boat launch ramps at the existing Linville Access Area will convert to canoe/kayak use. The access will be leased by Burke County to develop and manage additional public recreation facilities such as a swimming beach, picnic area, shade trees and restrooms.
 - d. New Linville Access Area – two boat ramps, paved parking, one courtesy dock, lighting, access road, and vault toilet.
 - e. Lake James Loop Trail – construct the portion of the Lake James Loop Trail across the dams and provide funding to Burke County to construct additional portions of the planned Lake James Loop Trail not to exceed \$500,000 total cost.
 - f. Pocket Park at Dam for Lake James Loop Trail – ten-acre pocket park near the Linville Dam with parking, picnic facilities, photographic overlooks, and bank fishing opportunities.
 - g. North Bend Recreation Land – convey approximately 560 acres of property adjacent to the Catawba River at the second Powerhouse Road Bridge downstream of the Bridgewater Powerhouse to the NCDENR for public recreation and compatible permanent conservation. This property will also include an easement for approximately 3.5 miles of the Overmountain Victory National Historic Trail.

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- h. North Bend Access Area – provide up to \$225,000 to NCDENR to develop a trailered boat access, bank fishing, and parking area at the second Powerhouse Road Bridge downstream of Bridgewater Powerhouse.
 - i. Catawba-Linville River Confluence Recreation Land – convey approximately 420 acres of property adjacent to the Catawba River in the vicinity of the confluence of the Catawba River Bypassed Reach and the Bridgewater Regulated River Reach to the NCDENR for public recreation and compatible permanent conservation.
 - j. Paddy Creek Recreation Land – convey approximately 275 acres of property downstream of the Paddy Creek and Linville dams to the NCDENR for public recreation and compatible permanent conservation. This property will also include an easement for approximately 2.5 miles of the Overmountain Victory National Historic Trail.
 - k. Muddy Creek Access Area – acquire approximately 1-3 acres of property and develop and manage a canoe/kayak access facility with ten gravel parking spaces.
 - l. Morganton Weir Take-out Area – provide funding up to \$125,000 to the City of Morganton to develop a trailered boat ramp and ten gravel parking spaces upstream in the immediate vicinity of the Morganton Weir.
 - m. Bridgewater Access Area – restrooms, a ramp for trailered boats, additional parking, and picnic facilities.
 - n. Lake James-to-Morganton OVNHT Corridor – provide up to \$600,000 to the county to develop approximately six miles of the Overmountain Victory National Historic Trail (OVNHT).
 - o. Watermill Road Access Area – provide up to \$65,000 to the Town of Glen Alpine to modify the existing canoe/kayak access facility to better accommodate trailered boats in addition to canoes and kayaks.
8. Habitat, Water Quality and Land Conservation Enhancements – Duke Power will add a new flow valve with aerating capability at the Catawba Dam at Lake James. At the Linville Dam, Duke Power will add aerating capabilities in conjunction with either replacing the existing powerhouse or adding a flow valve system which will support fish habitat below Lake James. Continuous water releases at these points will also include improvements in dissolved oxygen to support water quality. Duke Power will also contribute \$1 million to the Habitat Enhancement Fund in each state to support, protect and enhance fish and wildlife habitat and contribute \$4 to \$5.5 million to each state dependent on the license term for additional land conservation.

The Agreement in Principle, which reflects almost three years of studies and negotiations by 160+ stakeholders was finalized and distributed to representatives of 80 organizations involved in the relicensing process. In mid-April 2006, stakeholders will be asked to sign the agreement – indicating their level of consensus. Those in agreement with the Agreement in Principle will then, in turn, construct the binding Final Agreement which will be included in the license application to the Federal Energy Regulatory Commission by August 31, 2006.