

Catawba-Wateree Relicensing Project

Agreement-in-Principle

Lake Wateree Perspective

Background

Lake Wateree was created in 1920 for the operation of Wateree Hydroelectric Station. Lake Wateree has 13,864 surface acres and 181 miles of shoreline and is the second largest of the eleven-lake system on the Catawba and Wateree rivers. The lake also provides a dependable water supply for Lugoff and Camden, South Carolina. Full pond elevation is 225.5 feet above mean sea level.

As the most downstream reservoir and considering that much of the shoreline is gently sloping, Lake Wateree typically experiences more frequent shoreline flooding and for longer durations than do the other reservoirs.

Duke Power provides seven boat access areas on the lake and one below the dam in cooperation with the South Carolina Department of Natural Resources (SCDNR).

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 Wateree have participated in the 3-year relicensing process. These include:

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| South Carolina Wildlife Federation
Catawba Indian Nation
Wateree Homeowners Association
– Kershaw
Wateree Homeowners Association
– Fairfield
Kershaw County Conservation
District | Town of Great Falls
Great Falls Hometown Association
Clean Water SC
Lake Wateree Covekeepers
Catawba Riverkeeper Foundation
City of Camden
Kershaw County
South Carolina Electric and Gas | Lugoff-Elgin Water Authority
International Paper
Catawba Wateree Relicensing
Coalition
Carolina Canoe Club |
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Interests addressed in the Agreement-in-Principle

1. **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 Wateree the normal target lake level is seasonal and ranges from 94.5 feet to 97 feet.
2. **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.
3. **Habitat, Water Quality and Land Conservation** – Duke Power will replace one of the existing hydro units at Wateree Hydro Station with a new aerating runner and will operate the hydro units to provide continuous flows to support fish habitat in the river section downstream. These water releases 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. Finally, Duke Power will contribute \$1 million to SCDNR for additional fish and wildlife enhancement programs.
4. **Flood Management Improvements** - Dam structure modifications valued at approximately \$6 million to improve high water management have been identified for Lake Wateree. Provided that the new license term is 50 years, the detailed engineering designs and subsequent agency approvals are supportive and the modifications will resolve the high water issue with the lake homeowners associations for at least the first 28 years of the new license term, Duke Power would replace several vertical feet of concrete over approximately one fourth of the dam length with an inflatable bladder dam. The net effect would be a 50% increase in the ability of Wateree Dam and powerhouse to pass water, which should

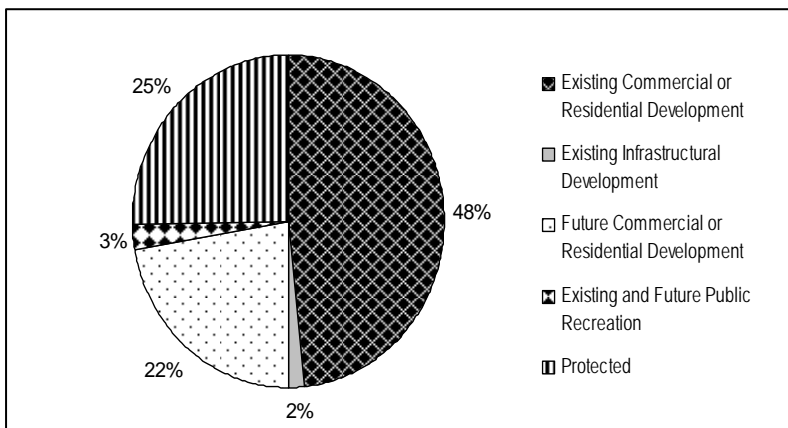
Month	Lake Wateree			
	Existing Guide Curve (ft.)	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
Jan	94.5	93	94.5	100
Feb	95.5	93	95	100
Mar	97	94	97	100
Apr	97	94	97	100
May	97	94	97	100
Jun	97	94	97	100
Jul	97	94	97	100
Aug	97	94	97	100
Sep	97	94	97	100
Oct	97	94	97	100
Nov	97	93	97	100
Dec	95.5	93	95	100
31-Dec	94.5	93	94.5	100

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significantly reduce the frequency of flooding events that would have produced lake levels in the 100 ft to 103 ft range. The dam modifications will not however have a substantial effect on larger flooding events.

5. 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.

6. 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 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.



7. 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 Wateree Hydro Station on approximately 47 scheduled days per year (see adjacent chart) to provide and promote canoe/kayaking and fishing in the river section downstream of Lake Wateree. This flow release schedule was developed through technical study and working in partnership with paddling and fishing interests.

Dates (inclusive)	Days / Description	Flow (at or above) (cfs)	Hour Start	Hour End
Apr 1-Apr 30	Last full weekend – Saturday and Sunday	2,760	10:00 am	3:00 pm
May 1-Jul 31	Each Saturday and Sunday plus Memorial and Independence Days	2,760	10:00 am	3:00 pm
Sep 1-Sep 30	Each Saturday and Sunday plus Labor Day	2,760	10:00 am	3:00 pm
Oct 1-Oct 31	Each Saturday and Sunday	2,760	10:00 am	3:00 pm
	Ten discretionary hours in blocks of no less than one hour each	2,760		

8. New and Expanded Public Recreation Facilities/Access – Recreational enhancements planned for Lake Wateree and the river section downstream include:
 - a. Wateree Creek Access Area – public fishing pier, a 5-10 table picnic area, restrooms and a ten-space gravel parking area.
 - b. Molly Creek Park –100 acres will be marketed to commercial operators for development of a multi-use recreation area including facilities such as swimming, camping, bathhouse, dump station, paved parking, restrooms, marine pump-out, trails, bank and pier fishing, picnic areas and boat access.
 - c. Lake Wateree State Park Management Zone – A Lake Wateree State Park lake management zone will be leased to the state park.
 - d. East Wateree Access Improvements – Provide funding to Kershaw County (up to \$900,000 total) for the county to construct two motorized boat ramps with a courtesy dock, paved and lighted parking, and a swimming area with bath house and paved parking on county-acquired property to improve public access to the east side of Lake Wateree.
 - e. Lake Wateree Recreation Lands – Convey approximately 800 acres of land adjoining the Heritage Project, Cedar Creek Access Area and Lake Wateree to the State of South Carolina for public recreation and compatible permanent conservation.
 - f. Colonels Creek Access Area – Provide a courtesy dock, swimming area, restrooms, a picnic shelter and additional paved parking through a lease to Fairfield County.
 - g. Taylors Creek Access Area – Acquire approximately 3 acres of shoreline property on the southwest side of Taylors Creek Bridge to provide parking to support bank fishing and develop a ten-space gravel parking area.

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- h. Lugoff Access Area – Provide restrooms and improved gravel parking.

- 9. 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.

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.