



**Kerr Lake Regional Water System
P. O. Box 1434, Henderson, North Carolina 27536**

Mr. Stephen Smith, Chairman
NC Environmental Management Commission
c/o EMC Recording Clerk
Directors Office – Division of Water Quality
1617 Mail Service Center
Raleigh, NC 27699-1617

Subject: Kerr Lake Regional Water System Resubmittal of Notice of Intent to Request an Interbasin Transfer Certificate

Dear Mr. Smith:

The Kerr Lake Regional Water System (KLRWS) is respectfully submitting this Letter of Intent to notify the Environmental Management Commission (EMC) of its plans to request an Interbasin Transfer (IBT) Certificate. This notice supersedes the notice of intent submitted on January 2, 2009 and provides some additional information.

The KLRWS wishes to increase its authorized transfer from the Roanoke River Basin (Kerr Lake) to the Tar and Fishing Creek River Basins from 10 million gallons per day (MGD) (the grandfathered amount) to approximately 24 MGD. In addition, we are requesting a transfer from the Roanoke to the Neuse River of 2.4 MGD. Of the transfer to the Tar River Basin, 1.6 MGD is a requested transfer to the Fishing Creek subbasin. These transfer amounts are based on water use projections to 2040.

The City of Henderson, City of Oxford, and Warren County are making this request as partners in the KLRWS and as the primary applicants. In addition, the KLRWS partners are submitting this notice on behalf of all the communities that are obtaining water through our system that require an IBT approval. The attached map (Exhibit 1) shows the KLRWS partners and other communities that are provided water from our system. Exhibits 2 and 3 depict present (2007) and future (2040) water use information and estimated IBT amounts by basin. The water use and IBT projections are based on population projections and the 2007 Local Water Supply Plans submitted by water purveyors. Exhibits 4 and 5 depict the timelines for water use information and IBTs.

The grandfathered IBT of 10 MGD was approved by NC Division of Water Resources (DWR) for KLRWS on April 22, 1998. This transfer is from the Roanoke River Basin to a combination of the Tar River and Fishing Creek basins. The KLRWS serves as a regional

provider, with each of the Partners making water sales to nearby communities. Local sewer systems provide treatment but most do not discharge back to the Roanoke River basin. Some wastewater is returned to the Roanoke River Basin via the City of Henderson's wastewater treatment plant, but much of the water uses are transfers out of the basin (Exhibit 1).

The KLRWS has undertaken future water supply planning efforts and cooperated with the U.S. Army Corps of Engineers (USACE) to assess an increase in water withdrawal from Kerr Lake. The USACE determined in 2005 (Reallocation Report – John H. Kerr Reservoir Water Supply Storage Reallocation Request of the City of Henderson, North Carolina), that demand was warranted and that Kerr Lake could support a future increased withdrawal of 20 MGD without adversely affecting the other uses of Kerr Lake or its water quality.

The KLRWS is aware of the IBT Certificate process outlined in GS 143-215.22 as amended in 2007 with House Bill 820 and intends to comply with the components of the process outlined therein. The three partners of KLRWS are submitting this notice as the primary applicants with the support of the communities they provide water. These communities will be co-applicants during the petition process. The KLRWS will actively engage the public interests during this process and will work closely with the NC DWR to ensure compliance with the various steps of the process, including public notice, public scoping meetings, an alternatives analysis, and preparing an environmental document through the State Environmental Policy Act (SEPA) process.

Please direct any correspondence regarding this Letter of Intent and subsequent process to James "Pete" O'Geary, Mayor of the City of Henderson. Questions may also be directed to Bill Kreutzberger with CH2M HILL at 704-543-3269.

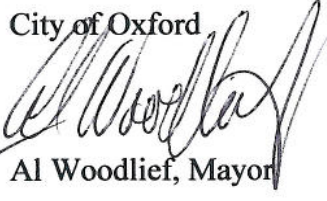
Sincerely,

City of Henderson




James D. O'Geary, Mayor

City of Oxford



Al Woodlief, Mayor

Warren County



Linda Worth, Manager

c: Mr. Tom Reeder, Director, NC DENR Division of Water Resources
Mr. Tom Fransen, Deputy Director, NC DENR Division of Water Resources
CH2M HILL