

July 17, 2006

Ms. Sharon F. Haggett, Project Manager
US Army Corps of Engineers
Wilmington District
Post Office Box 1890
Wilmington, North Carolina 28402-1890

Dear Ms. Haggett:

I would like to take this opportunity to provide to the US Army Corps of Engineers, Wilmington District, a copy of the Lower Cape Fear Water & Sewer Authority's Resolution Opposing the US Army Corps of Engineers Proposed Alternative for Removal of all Locks and Dams in Bladen County on the Cape Fear River as a Mitigation Measure in the General Re-evaluation Report and the Environmental Impact Statement for the Wilmington Harbor Deep Draft Navigation Project.

The Authority will be providing a copy of this resolution to the North Carolina Congressional Delegation and seek similar Resolutions from its members Governments, customers and other appropriate agencies.

The National Marine Fisheries Service, US Fish and Wildlife Service, NC Wildlife Resources Commission and the NC Division of Marine Fisheries continue to provide news releases for a public relations campaign in support of the US Army Corps of Engineers' proposal to remove the Locks and Dams.

The Authority will continue to emphasize the Public Health and Safety issues for preserving the Dams to protect the existing and future water supply intakes. The quality and quantity of the region's surface water supply is enhanced by the present of the dams.

Cordially,



Don Betz
Executive Director

Enclosure

Lower Cape Fear Water & Sewer Authority

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Water is our business

Resolution Opposing the US Army Corps of Engineers Proposed Alternative for Removal of all Locks and Dams in Bladen County on the Cape Fear River as a Mitigation Measure in the General Re-evaluation Report and the Environmental Impact Statement for the Wilmington Harbor Deep Draft Navigation Project

Whereas, the US Army Corps of Engineers (the "Corps") has undertaken a General Reevaluation Report to include an Environmental Impact Statement for extension of the Wilmington Harbor Deep Draft Navigation Project which provides for Mitigation Measures that include an alternative that recommends removal of all Lock and Dams on the Cape Fear River in Bladen County as referenced in a report dated January 31, 2006; and

Whereas, a primary focus of the Corps project team has been the proposed removal of Lock and Dam No. 1, which is located immediately downstream of the raw water supply intakes for the Lower Cape Fear Water & Sewer Authority (the "Authority") and the City of Wilmington, ("City"). As this would enhance the environmental mitigation measure required for the Wilmington Harbor Deep Draft Navigation Project to improve the passage of anadromous fish past the dam; and

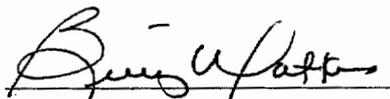
Whereas, the Corps is seeking to eliminate the annual cost for the operation and maintenance expense of the locks and dams as these structures no longer perform the Congressional authorization of providing navigation for commercial traffic, but are operated for the annual passage of anadromous fish; and

Whereas, the raw water intakes behind Lock & Dam No. 1 provide a saltwater free pool of water for a significant population in Southeastern North Carolina. This water supply pool elevation behind the Dam is necessary to protect the existing and future supply intakes for the Authority and the City. Lock and Dam No. 1 performs a vital mission in insuring the quality and quantity of the raw water supply requirements, as an alternative to groundwater sources in the region; and

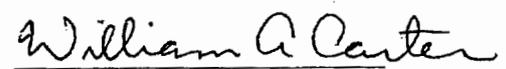
Furthermore, the Authority has a proposed additional raw water intake supply project in a planning stage behind Lock and Dam No. 2.

Now Therefore Be It Resolved, that the Chairman and Board of Directors for the Authority by virtual of adoption of this Resolution opposes the removal of all Lock and Dams in Bladen County on the Cape Fear River by the US Army Corps of Engineers.

Adopted this 8th day of May 2006


Betty Watkins

Finance Officer/Executive Assistant


William Caster, Chairman