

HRLA Signs Agreement in Principal with Alcoa

A major decision on Relicensing Terms was made by the High Rock Lake Association Inc.'s Board of Directors at the July 11, 2006 meeting. After a lengthy and detailed meeting discussing all aspects of the final Agreement in Principal (AIP) our Board voted to sign the AIP. This was a very difficult decision, because we still think High Rock should be operated with even less fluctuation in water levels than proposed by Alcoa, and we strongly believe the benefits to the region justify the position we have taken throughout this process. However, in the final analysis, our Directors were not willing to chance losing gains made during the negotiation process, and they felt that was a distinct possibility if we were not involved with the remainder of the Negotiations.

Our Board decided the AIP represents a significant improvement in the operation of High Rock Lake, and we are excited about the multiple benefits of relatively stable water levels in High Rock as compared to historic fluctuations. The AIP provides that in time of drought, water to satisfy downstream needs will be supplied proportionally by High Rock, Badin, and Tillery; insuring High Rock should never again experience the extreme draw-down that happened in 2002. We are also pleased that Alcoa recognized the need for significant changes to the Shoreline Management Plan.

Our NC State Agencies refused to support our position on higher water levels, and their support could have made a huge difference to our results. That said, given the Agencies position, and the fact that that Alcoa was not willing to negotiate further having gained Agency support, caused our Directors to decide the HRLA needed to say involved.

Under terms of the AIP, Alcoa will ask FERC to allow the AIP terms to supersede the terms of the March 30, 2006 License Application already filed.

The High Rock Lake Association Inc. has been an advocate for improved conditions on High Rock Lake since 1954, and the decision to continue negotiations in no way indicates any change in our concerns for the lake. The HRLA remains deeply committed to obtaining the best possible conditions on the lake and surrounding shoreline for our membership. We decided that can be best accomplished in the immediate future by remaining engaged with the Relicensing Negotiations. We will all see an improved lake/river system in the future as a result of this process.