



Drought conditions continue to impact North Carolina; Alcoa-Yadkin asks FERC for permission to send less water downstream

With North Carolina suffering from severe and extreme drought conditions across most of the state, Alcoa-Yadkin has asked the Federal Energy Regulatory Commission (FERC) for permission to reduce the amount of water it sends downstream.



The Yadkin-Pee Dee watershed is currently experiencing severe drought conditions. Alcoa-Yadkin officials have been closely monitoring the drought's impact and are working closely with members of the bi-state Drought Management Team to keep as much water as possible in the Yadkin Lakes. The group, which includes the N.C. Department of Environment and Natural Resources, the S.C. Department of Natural Resources, U.S. Fish and Wildlife, Progress Energy, Duke Energy and representatives from local recreation and homeowner organizations, was put in place after the drought of 2002 to manage drought-related issues.

In May, Alcoa-Yadkin began voluntarily reducing its power generation to release only the minimum amount of water required downstream. Now, it has asked for permission to reduce its discharges by 35 percent (from 1400 CFS to 900 CFS).

"We believe it is prudent to take these steps early in the process in order to preserve water levels in our lakes for as long as possible," said Marshall Olson, Alcoa-Yadkin Environmental and Natural Resources Manager. "But we need everyone in the watershed to help with that effort and do their part to conserve water."

If drought conditions continue, water levels at High Rock and Badin Lakes are expected to be between 5 to 7 feet below full pool by September 15.

Alcoa's goal during the drought period is to maintain water levels for as long as possible, while continuing to provide an adequate flow of water to those located downstream. Water levels at High Rock Lake dropped below their historical averages on Saturday, August 11.

During drought periods, the Drought Management Team strongly encourages residents to conserve water and follow any local water use restrictions.

Water Conservation Tips

- Eliminate non-essential water usage
- Water lawns no more than two days per week
- Use a hose instead of a sprinkler to water lawns
- Spend less time in the shower

Relicensing Update

FERC expected to issue draft Environmental Assessment in September

The next major milestone in the relicensing process will come in September 2007, when FERC is expected to release a draft "Environmental Assessment." The document is expected to address many of the issues that have been raised during the opportunities for public comment.

"The Environmental Assessment will provide some insight into how FERC intends to address our relicensing issues," said Gene Ellis, relicensing and property manager for APGI.

The Redevelopment of Badin Works

Alcoa hires economic development consultant to study future uses for smelter site

When most people drive past the Badin Works aluminum smelter, they see a reminder of the past. But for Robin Spinks, all she can think about is the future.

Spinks is a partner with Greenfield, an economic development consultant hired by Alcoa to help create a plan for bringing new life to the Badin Works site. She has spent the past several months getting familiar with the site and pondering what the future might hold.



- Use water-saving shower heads
- Re-use household water for watering plants
- Do not leave faucets running when brushing teeth or washing dishes
- Repair leaky faucets
- Use a broom instead of water to clean driveways
- Use commercial car washes that recycle water
- Limit the use of the dishwasher and washing machine by running full loads

In the Community

Salisbury teacher returns inspired from environmental workshop in Colorado

Karen Bostic, a 7th grade science teacher at West Rowan Middle School in Salisbury, recently attended a week-long teacher training workshop on environmental issues at the Keystone Center for Education in Colorado. When she returned, she was bursting with energy.

"It was a wonderful experience. I gained a lot of knowledge that will benefit me and my students for years to come," Bostic said. "It really opened up my thoughts on how to teach and spark interest in my classroom. I'm really excited about starting the school year."

Bostic was one of 55 teachers from around the nation participating in the workshop. Her trip was sponsored by the Alcoa Foundation, which traditionally sends a science teacher from central North Carolina to the Keystone Center each summer.

For a week, Bostic and the other teachers played the role of students, soaking up new teaching techniques. One hands-on learning experience required Bostic to investigate the source of an illness spreading through town. She tested local water sources, collected soil samples and conducted other experiments to identify what was causing the illness.

It's a learning experience she hopes to duplicate with students this year in a class that focuses on the atmosphere. She's considering a project that examines air quality issues. A kit provided by the Keystone Center allows her to create a situation specific to Salisbury and provides the necessary tools for students to conduct experiments.

"I learned so many new ways to make learning more interactive and keep students attention. They showed me how to bring real-life experiences into the classroom," Bostic said. "When I take this kit into the classroom, I'll know exactly how to use it."

Bostic says she is looking forward to sharing what she learned with other teachers at West Rowan Middle School.

"You can take these same techniques and integrate it into other subjects," she says.



Alcoa is taking an aggressive approach toward the redevelopment of the smelter site. Greenfield is currently conducting a "highest and best use" study to help determine how the site can be redeveloped in a way that will bring high-paying jobs and a large tax base back to the community.

The work involves evaluating the features of the existing plant site and comparing those attributes with the criteria used by major industries to select new plant locations. This process helps identify which industries may be interested in the site based on its unique characteristics, including its massive electrical capabilities, access to two rail lines, etc.

Spinks says the Badin Works site is unique in North Carolina and nationally due to its size, location, infrastructure and zoning. The consultants will consider every feasible use for the property, but they say it offers many attractive features for another industrial user.

An initial evaluation indicates the site might attract industries with significant electrical needs and a reliance on rail, while it is less suited for industries that rely heavily on highway transportation. The closest interstate is approximately 30 miles away.

Some of the potential prospects identified by Greenfield include a power plant, recycling center, biodiesel plant, boat manufacturer, tile manufacturer, paper mill or data storage facility. For the time being, however, Alcoa remains open to all possibilities. Its main desire is to find a partner that can bring quality jobs and an increased tax base to the region.

Greenfield is working closely with Robert Van Geons, Stanly County's Economic Development Director, and other economic development officials across the state to market the Badin

Historic Hardaway artifacts planned to be featured at "Best of Badin" Festival

A collection of artifacts from the Historic Hardaway Site in Stanly County is planned to be among the attractions featured at the "Best of Badin" festival in September. The Hardaway site is one of the most significant archaeology sites in North America, with artifacts dating back 10,000 years.



Alcoa donated more than 1 million artifacts from the site to the University of North Carolina at Chapel Hill in 2005. The gift included a grant from the Alcoa Foundation to raise public awareness about the historic Stanly County site.

UNC is currently developing an exhibit about the Hardaway site that will travel across the state. Stanly County will be first stop on the statewide tour.

Alcoa Foundation considers grant requests

The Alcoa Foundation received 55 grant applications from North Carolina, requesting more than \$1 million in support. Those requests are currently being reviewed. Grant awards will be announced in October 2007.

Since 1985, Alcoa has donated more than \$2.5 million to support community organizations across North Carolina.



Alcoa employees spent a day volunteering for the American Red Cross in April 2007.

Alcoa ACTION grants benefit United Way of Stanly County, American Red Cross

Alcoa is proud to provide non-profit organizations with the two things they need most – time and money.

The United Way of Stanly County and the American Red Cross have recently benefited from a day of service by Alcoa employees and will receive a \$3,000 Alcoa ACTION grant in recognition of the volunteer effort.

Alcoa created the ACTION (Alcoans Coming Together In Our Neighborhoods) program as a way to financially support worthy causes that inspire employees to volunteer their time.



Works site.

Interest appears to be strong. Several companies have already inquired about the site, and Greenfield has contacted several dozen companies that are currently searching for a new location.

Did You Know?



An aluminum teapot (left) was the first item cast from Alcoa aluminum in 1895, as a means to showcase a new use for the metal. Over 100 years later, industrial designer Joey Roth chose Alcoa aluminum for his unique new Sorapot (right) because its flow rate and light weight were perfect for the teapot's challenging shape.

This electronic newsletter is designed to keep the community informed about important issues related to the relicensing of the Yadkin Project.

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