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In drought, Easley's club got water

The Governor's Office was involved in the 2002 decision to tap a tributary of Jordan Lake.

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As a four-year drought parched North Carolina into the middle of 2002, then-Gov. Mike Easley and his administration called it a major disaster. The governor urged people everywhere to save water, and he imposed stiff restrictions.

Except at Easley's exclusive private golf club in northeastern Chatham County.

New records and interviews show that Old Chatham Golf Club pumped millions of gallons from a creek leading to Jordan Lake, diverting water from one of the region's major sources to keep greens alive.

The records show that a state water resources chief questioned the pumping but that higher-level officials — including at the Governor's Office — got involved.

It all took place a year after golf club leaders provided Easley with a major benefit: Club directors had voted in 2001 to waive the governor's monthly membership dues. That saved Easley about \$50,000 while he was in office, a break he did

not reveal on financial disclosure forms.

The pumping for the golf club has not been previously



Easley

disclosed, officials acknowledged in interviews, and records from the time reflect concern and discussion about what would

happen if the public found out.

"This is just a total shock to me that they would give up that water then," said Lynn Featherstone, a board member of the Haw River Assembly, an

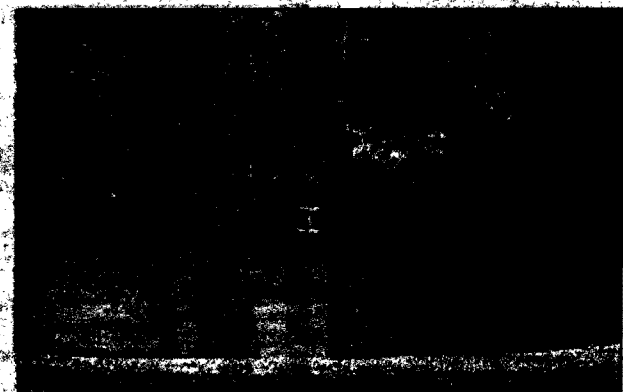
advocacy group that monitors Jordan Lake issues. "That was a very bad year. ... This is the first we've heard of it."

Easley, a Democrat, finished his second term in January. He is now the subject of state and federal criminal investigations into a range of activities that include his family's use of vehicles, free flights, a job he helped create for his wife at N.C. State University and a deep discount he took on a coastal land purchase.

Easley has denied wrongdoing. He did not respond to interview requests.

In spring 2002, the drought

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Leaders of the Old Chatham Golf Club waived Gov. Mike Easley's dues, a \$50,000 benefit. The club got help finding water from Easley's office, even as the governor told citizens the state was in a drought crisis.

STAFF PHOTO BY COREY LOWENSTEIN

EASLEY

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deepened, generating headlines and worries about water use across broad areas of the state, including the Triangle. By March, the drought was labeled the worst in half a century. By early June, towns began hunting for water scofflaws. Easley advised residents to turn off the faucet when brushing their teeth.

On June 3, the golf club's president, Stuart Frantz of Raleigh, made a written request to pump water from Northeast Creek.

Frantz lived a few doors from Easley's house on East Lake Drive in Raleigh.

A powerful club

Their club boasts many prominent businessmen among its 300 members, including Charles Sanders, the former Glaxo chief and state lottery chairman; state Sen. Tony Rand, the majority leader in the Senate; former Department of Transportation secretary Lyndo Tippet; and Frank Daniels Jr., former publisher of *The News & Observer*.

The club's request for water eventually was considered by local, state and federal agencies that had different oversight roles.

The state owns the water in Jordan Lake. But through a lengthy process, the water is allocated to local governments, such as Cary and Chatham County, which pay for the water and have infrastructure to tap it.

Moreover, the lake is managed by the U.S. Army Corps of Engineers. And the golf club wanted permission to pump from a spot on federal property about a mile from the course.

Frantz, who did not return numerous phone messages, routed the request to the Chatham County commissioners, who unanimously agreed June 3 to let the club pump as much as 450,000 gallons a day for irrigation for up to three months. The water would be counted against the county's daily allocation from Jordan Lake. State law considers pumping more than 100,000 gallons a day to be a major withdrawal.

The county was not drawing all the 4 million gallons per day it was allowed; there was no debate among commissioners about the request, according to minutes of the commissioners' meeting. County Manager Charlie Horne.

Horne, who brought the item up at the meeting while giving regular updates, and other county officials say they have no correspondence or other detailed records on the golf club's pumping request. Horne said he can barely recall anything about the deal.

In exchange for the water, the golf club paid the county \$10,000.

The state's say-so

When the club contacted the Army Corps for approval, the federal agency immediately wanted guidance from the state, records show.

On June 6, the golf club's engineering consultant contacted the state's river basin management chief, Tom Fransen, saying the Army Corps indicated that you would need to be involved with the authorization to proceed.

Fransen, now deputy director of the state's Division of Water Resources, called the Chatham County manager the same day, according to the records. He also called the golf club's contact.

Fransen expressed concerns and discouraged both from proceeding, according to the records, Fransen

From Page One



Gov. Mike Easley, examining drought-stricken corn, told water systems and businesses to cut water use by 20 percent. His golf club got a pass. It took 6 million gallons that would have gone to Jordan Lake.

STAFF FILE PHOTO BY ROBERT WILLETT

Easley fights the 2002 drought

July 12: Gov. Mike Easley becomes the first Southern governor to seek federal disaster aid because of the lengthy drought. He urges most of the state's counties to penalize residents who don't follow restrictions on watering lawns and washing cars and other measures.

July 13: Easley's press secretary says, "The governor believes it's critical that we begin conserving water now, even in areas where there hasn't been a problem. The governor is going to do whatever he needs to do to ensure that there is an adequate water supply."

July 17: Easley highlights his effort to impose restrictions on local water systems. "We desperately need the rain," he says while visiting a dry farm in Knightdale.

July 18: Old Chatham Golf Club begins drawing water from a tributary to Jordan Lake.

July 31: Pumping ends with 5.98 million gallons reported removed.

Aug. 15: Easley orders state agencies to stop nonessential water use.

Sept. 16: Remnants of Tropical Storm Hanna douse the state, effectively ending the drought.



Tom Fransen argued against the club's plan.

would send a follow-up e-mail message to the Chatham County manager with charts and graphs showing depleting lake levels and record-low stream flows and warning that the "severe extended drought" meant all users of water should be "making the best use of the resource."

"Is using water from Jordan Lake to water a golf course a good use of the water?" Fransen asked. "When we are looking at reducing water quality releases, it does not look good to be supplying a special request for golf course watering."

"There was other activity that day regarding Chatham's water, but the timing and specifics aren't clear because the people involved said they can't remember everything."

After Fransen questioned the golf club's request, he was contacted by higher-ups, according to a memo in the state's files. Jim Mead, a state environmental engineer, wrote the memo June 26 and said that the Governor's Office had contacted Dempsey Benton, the No. 2 person at the state en-



Governor's Office contacted Dempsey Benton.

vironmental agency, about the situation three weeks earlier.

Benton, who is now director of the state Office of Economic Recovery and Investment, was appointed by Easley to the environmental post in January 2001.

Benton heard from someone in the Governor's Office and then called Fransen, according to the memo.

"Dempsey Benton talked with Tom about this in response to a call from the governor's office," Mead wrote. "It was left that the ultimate decision was up to Chatham County since it was their water allocation. You should speak with Tom for more details on this."

Fransen said in an interview that he can't remember those details but that someone on behalf of the club

with an interest in the development contacted Tom Fransen... The assistant for the development contacted Tom Fransen about this about 3 weeks ago and he tried to discourage them from the idea because of the drought. Tom also spoke to the county to express concerns. Shortly thereafter, Dempsey Benton talked with Tom about this in response to a call from the governor's office. It was left that the ultimate decision was up to Chatham County since it was their water allocation. You should speak with Tom for more details on this.

The developers of this golf course have connections in high places, but it is also likely that other users of Jordan Lake and those downstream on the Cape Fear River will be very interested in how water is being

Levels will rise... huses and create accurate schedules
 PUNISHING NOT PLAY... This husband's teasing, excessive pinching is form of abuse and should be stopped

office Governor adamant on saving water

Spokeswoman says Easley can enforce conservation

Some people have voluntary curbs in place, but those may become mandatory... A spokeswoman for Gov. Mike Easley says the governor can force water restrictions on businesses... Easley has not set a deadline for what curbs should be...

probably appealed directly to the governor or his office and Benton was asked to check on it. He said he talked to Benton frequently then.

"I don't remember any pressure," Fransen said. "There was a lot going on at that time."

Benton said nothing about the memo rings a bell.

"As the saying goes, there's a lot of water gone under the bridge since then," Benton said. "What was going on in 2002? Was that the drought?"

Mead said he doesn't remember the specifics, either. He also wrote in the memo that the golf club's developers "have connections in high places" but that other users of the water would "be very interested in how water is being managed in the Jordan Lake watershed in light of the severe drought."

Mead wrote that the request did not involve public health or safety.

Both Mead and Fransen said in interviews that the golf club had made it clear that the purpose of the pumping was to save the club members' investment in grass.

All of the officials involved agreed that the state could have taken a policy position at that moment to prevent the club from pumping in a drought. Some said a denial could have given the golf club grounds for a legal fight because state laws are generally limited in regulating withdrawals.

Fransen and others said legislation passed after the 2007 drought has given the state greater powers in a drought, and such a request likely would not be approved in a similar circumstance now. The golf club has also added a 10-million-gallon pond to expand its on-site capacity.

John Morris was then head of the state Division of Water Resources. He said he doesn't recall the memo that was sent to him detailing the interest from higher-ups in state government, or getting pressure to help the golf course.

"You could certainly contest whether that was a good use of water at that point in history," said Morris, who is now retired. "But basically, it was their water that was allocated to them."

On July 10, Morris wrote to the Army Corps official at Jordan Lake, Michael Hosey, that the state had "no objection" to the golf club's use as long as Chatham County approved.

Hosey said in an interview the state agreement cleared the way.

A major disaster

Two days later, Easley issued a controversial directive that local water systems and businesses, including in Chatham County, take quick steps to reduce their water use by 20 percent. Easley spent the next week urging people to save water, including during a visit to a farm in Knightdale on July 17 where he called the drought a major disaster and sought federal aid.

But Old Chatham Golf Club's water was not affected by Easley's water-saving directive.

"The Old Chatham water usage is because of the drought; and would not have occurred if the drought had not occurred," wrote John Sutherland, another state water supervisor at the time after considering whether the club should obey the 20 percent restriction. "It is a separate category of use."

The club also got help from another part of Easley's administration: The state Department of Transportation agreed to let Old Chatham run a pipeline along the state's right-of-way to an irrigation pond on the golf course's property.

6 million gallons flow

The pumping at Old Chatham began July 18. Over the next two weeks, the club took about 6 million gallons that otherwise would have gone into Jordan Lake, according to pumping logs the club submitted to state and federal officials.

It rained in that same period, and the lake level barely dropped while the golf course pumped, records show.

The state remained concerned. On Aug. 15, Easley directed all agencies to stop "nonessential" water use, including grass watering, saying the state should "lead by example."

A tropical storm swept up from the gulf coast in September and then more rains came, replenishing lakes and rivers and breaking the drought.