

**State Water Infrastructure Authority**  
**North Carolina Department of Environmental Quality**  
**September 21, 2016 in Asheville, North Carolina**  
**Meeting Minutes**

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**State Water Infrastructure Authority Members Attending Meeting**

- Kim Colson, Chair; Director, Division of Water Infrastructure
- Johnnie Carswell, Burke County Commissioner
- Leila Goodwin, Water Resources Engineer
- Maria Hunnicutt, Manager, Broad River Water Authority
- Dr. Patricia Mitchell, Assistant Secretary, Rural Development Division, Department of Commerce
- JD Solomon, Vice President, CH2M
- Cal Stiles, Cherokee County Commissioner
- Charles Vines, Mayor of Bakersville

**Division of Water Infrastructure Staff Attending Meeting**

- Julie Haigler Cubeta, Community Block Development Grant – Infrastructure Unit Supervisor
- Francine Durso, Special/Technical Issues Senior Program Manager
- Seth Robertson, State Revolving Fund Section Chief
- Jennifer Haynie, Environmental and Special Projects Unit Supervisor
- Amy Simes, Senior Program Manager
- Jessica Leggett, Project Manager, Environmental and Special Projects Unit
- Cathy Akroyd, Public Information Officer

**Department of Justice Staff Attending Meeting**

- Mary Lucasse, NC Department of Justice; Special Deputy Attorney General, Environmental Division

**Item A. Call to Order**

Mr. Colson opened the meeting and reminded the members of the State Water Infrastructure Authority (SWIA) of General Statute 138A-15 which states that any member who is aware of a known conflict of interest or an appearance of a conflict of interest with respect to matters before the Authority that day is required to identify the conflict or appearance of a conflict at the time the conflict becomes apparent.

**Item B. Approval of Meeting Minutes**

Mr. Colson presented the draft meeting minutes from the July 2016 Authority meeting for approval.

**Action Item B:**

- Dr. Mitchell made a motion to approve the July 20, 2016 Authority meeting minutes. Mr. Vines seconded the motion. The motion passed unanimously.

**Item C. Attorney General's Office Report**

Ms. Mary Lucasse substituted for Phillip Reynolds today. She had no items to report.

#### **Item D. Chair's Remarks**

The next funding application deadline is Sept. 30, 2016. Staff held application training at eight locations around the state during the first two weeks of August; over 150 people attended these training sessions. The restructured application that allows an application to be scored for more than one program was covered as part of the training. There were not many questions about the Connect NC bond funds. The Division had been asked to present information to the Blue Ribbon Commission to Study the Building and Infrastructure Needs of the State, on Sept. 12, 2016, but the meeting was cancelled. When polled, the Authority members stated that they would like to receive materials for the January 2017 meeting after the first of the year.

The Water Resources Reform and Development Act (WRRDA) was passed by the U.S. Senate. It is mostly related to navigation improvements but there are also water infrastructure provisions with a focus on drinking water issues, particularly as related to the Flint, Michigan issues. If passed by the House there will be changes to the SRF program priorities. However, the items prioritized by the Authority would cover the changes that are proposed.

#### **Item E. Legislative Update**

Session Law 2016-95, Coal Ash Management Act Modifications, appropriated up to \$450,000 to the Authority to fund grants to local governments operating public water supplies in areas surrounding coal combustion residuals impoundments. These grants would provide funds for additional staff for permitting and construction activities to facilitate establishment of permanent water supplies to households eligible for connection to public water supplies pursuant to NCGS 130A-309.211(c1). These funds cannot be used to create new water systems. Staff will present additional information as it becomes known.

#### **Item F. CDBG-I Funds for Public Schools**

The fiscal year 2016-2017 budget transferred about \$4.5 million in de-obligated CDBG funds from the Department of Commerce to the Department of Environmental Quality specifically for water and sewer infrastructure for public schools. Division staff are investigating NOVs and SOCs to identify public schools that may have the most significant issues. In December, staff will present proposed criteria for fund distribution and will need to schedule a public hearing about the criteria.

#### **Item G. Communications Update**

Ms. Cathy Akroyd, the Division's Public Information Officer, presented an update about the Division's communications activities. Following the Authority's July 2016 funding decisions of \$127 million, nearly a dozen newspapers carried articles about the funding. A number of publications are in the works including an article in "Water Finance and Management" featuring an interview with Chair Colson.

#### **Item H. Proposed 2017 Authority Meeting Schedule**

At its July 2016 meeting the Authority reviewed the following proposed dates for its regular meetings in 2017: January 18, April 19, July 19, September 20, October 18, and December 13. The Authority stated that it would be helpful to know the general focus of each meeting date, such as funding decisions and learning sessions.

##### **Action Item H:**

Ms. Goodwin made a motion to approve the proposed regular meeting schedule for 2017. Mr. Stiles seconded the motion. The motion passed unanimously.

### **Item I. Presentations by Western NC Local Governments and Councils of Government**

Presentations were made by representatives of the five entities listed below. The presentations are posted on the Division's website at this location: <http://portal.ncdenr.org/web/wi/authority-meetings>

- Tuckaseegee Water & Sewer Authority – Dan Harbaugh, Executive Director
- Southwestern Commission – Sarah Thompson, Executive Director
- Land of Sky Council of Government – Karen Kiehna, Principal Planner for Economic and Community Development
- High Country Council of Government – Phillip Trew, Director of Planning & Development
- City of Hickory – Kevin Greer, Assistant Public Services Director, and Chuck Hansen, Public Services Director

Authority members expressed great appreciation for all of the speakers and were very interested in hearing about the entities' local issues and how they have approached solutions in different ways. The Authority thanked each speaker for traveling to and presenting at the meeting.

### **Item J. Master Plan Committee Report**

Division staff engaged with key stakeholders to receive comments about the draft plan, reviewed the comments with the Master Plan Committee, and is moving forward to finalize the draft document. Stakeholder input was positive and supportive. The Committee sought input from the Authority on two issues:

- Should the master plan define the term "public" utilities? After discussion, the Authority determined that this was not needed.
- How should "unmet needs" be described? In the master plan this term refers to those needs that cannot be met with funds provided through the Division's funding programs and the USDA Rural Development funding program. Also, a key point is that grants are available to fund only 6% of drinking water needs and 7% of wastewater needs in the next two years. After discussion, the Authority determined that these needs are not "unmet", but are needs that must be met by other funding sources such as revenue generated by a utility. Otherwise, these are needs that will be deferred.

Staff will solicit public comments on the draft master plan for approximately four weeks and plans to request approval of the master plan at the December Authority meeting.

### **Item K. Draft 2016 Annual Report**

Staff presented an overview of the Authority's draft Annual Report, which is due to the legislature by November 1. The four focus areas of the Authority's work and accomplishments during the year were discussed: distribute loan and grant funds; define water infrastructure needs and develop a master plan; evaluate emerging practices in utility management; and develop a troubled system protocol. Key activities for next year include monitoring and evaluating recent funding program changes, strengthening partnerships, and developing a troubled system protocol. The Authority pointed out that river basin-related management needs to be further addressed in the coming year. Staff requested that the Authority provide comments on the draft report by Oct. 5. Staff will make revisions and seek approval of the final report at the Authority's Oct. 19 meeting.

**Item L. Informal Comments from the Public**

Chair Colson stated that public comments could be made at this time with the reminder that in accordance with the Authority's Internal Operating Procedures, comments must be limited to the subject of business falling within the jurisdiction of the Authority and should not be project-specific. There were no informal comments from the public.

**Item M. Concluding Remarks by Authority Members, Chair, and Counsel**

Authority members expressed interest in hearing from entities in central and eastern North Carolina, as they did today from western entities.

Dr. Mitchell announced that she will be leaving the Department of Commerce on Dec. 31, 2016 to take a position at Appalachian State University. She will be teaching economic development in the Master of Public Administration program.

Mr. Solomon stated that the Institute of Asset Management has asked him to lead a subject specific guideline team on maintenance practices.

The next Authority meeting date is October 19, 2016, which could be held as a conference call. The primary agenda item will be the approval of the 2016 Annual Report. Authority members supported holding the October 19, 2016 meeting by conference call.

**Item N. Adjourn** – The meeting was adjourned.

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