

State Water Infrastructure Authority
North Carolina Department of Environment and Natural Resources
August 8, 2014
Special Meeting via Conference Call – Meeting Minutes

State Water Infrastructure Authority Members Attending Meeting

- Kim Colson, Chair; Director, Division of Water Infrastructure
- Vance Holloman, Deputy Treasurer, Local Government Commission (LGC) (via conference call)
- Maria Hunnicutt, Manager, Broad River Water Authority (via conference call)
- Dr. Patricia Mitchell, Assistant Secretary, Rural Development Division, Department of Commerce (via conference call)
- JD Solomon, Vice President, CH2MHill (via conference call)
- Cal Stiles, Cherokee County Commissioner (via conference call)
- Charles Vines, Mitchell County Manager (via conference call)

Division of Water Infrastructure Staff Attending Meeting

- Julie Haigler Cubeta, Supervisor, Community Block Development Grant – Infrastructure Unit
- Francine Durso, Review Engineer, Design Management Unit
- Jennifer Haynie, Supervisor, Facilities Evaluation unit
- Seth Robertson, Supervisor, Clean Water State Revolving Fund Unit
- Sharon Davis, Supervisor, Administrative Services Unit

Department of Justice Staff Attending Meeting

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

Item A. Call to Order

Mr. Colson opened the session and reminded the members of the State Water Infrastructure Authority (SWIA) of General Statute 138A-15 which requires 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 today is required to identify the conflict or appearance of a conflict at the time the conflict becomes apparent.

Item B. 2014 NC Budget Provisions Pertaining to Division of Water Infrastructure and State Water Infrastructure Authority

With agreement by the NC Senate and House on the 2014 budget bill, there were several changes made that impact the funding programs. CDBG-I funds can be used for the cost of water and sewer line connections on private property to individual residences. Projects in Tier 1 counties with EPA administrative orders have been made a priority. Any funded applicant is prohibited from transferring funds out of its water and sewer enterprise fund into its general fund, with some qualifications, and must certify to this in the application.

Item C. Proposed Changes to Loan & Grant Priority Criteria and Related Issues

Section 14.16 of the budget bill contains a provision that affects the priority criteria for the Clean Water SRF (CWSRF), Drinking Water SRF (DWSRF), Community Development Block Grant-Infrastructure (CDBG-I), State Wastewater Reserve (SWWR) and State Drinking Water Reserve (SDWR) funding programs as follows: “The Department of Environment and Natural Resources, Division of Water Infrastructure, and

the State Water Infrastructure Authority shall give priority to loan and grant applications received from any local government meeting all of the following criteria:

- (1) The local government is located in a development tier one area.
- (2) The application seeks funding for a project that is required to be completed due to an EPA administrative order.
- (3) The application is deemed complete by the Division and meets the minimum requirements for the program from which it is seeking funding.

This provides for priority points to be assigned if a local government located in a Tier 1 county applies for funding for a project that is required to be completed due to an EPA administrative order. The priority rating systems for the CWSRF and SWWR programs already contain priority points (5 points) for projects that address Special Orders by Consent (SOC), and the Division proposed to assign the same number of priority points for the new EPA administrative order item in the CWSRF, SWWR, DWSRF, and SDWR programs as for the SOC (5 points). The priority rating system for the CDBG-I program already contains priority points (25 points) for projects that address SOC, and the Division proposed to assign the same number of priority points for the new EPA administrative order item as for the SOC (25 points). The Authority reviewed the draft modifications to the priority criteria for each of the five programs, as prepared by the Division.

Action Item C:

- Dr. Mitchell made a motion to approve that the Division can provide the public notice of the proposed priority criteria changes to the CWSRF, DWSRF, CDBG-I, the State Wastewater Reserve, and the State Drinking Water Reserve funding programs as listed above. Mr. Vines seconded the motion. The vote was taken by roll call and passed unanimously.

Chair Colson stated that Ms. Baker had provided an email concurring with the staff recommendation which was reflected in the motion.

The Division will begin the required 30-day public notice period on August 11 and end the public notice period on September 10, 2014. At the September 18, 2014 Authority meeting, staff will provide the Authority with a summary of public comments received and request the Authority's approval of the criteria changes to be applied to the fall 2014 funding application round.

As a result of the timing, the fall application deadline will be extended to October 2, 2014. The November 6, 2014 SWIA meeting is no longer needed because the applications will not be reviewed by that time. Via email prior to the meeting, the members had agreed that the application approval meeting would be held on December 11, 2014 to review and approve the funding for the fall round.

Item D. Concluding Remarks by Authority Members, Chair, and Counsel

Chair Colson stated that regarding the public notice specific to the CDBG-I program, the notice will include the provision for funding the new line connections and will result in a modification of the CDBG-I Annual Action Plan. He also confirmed that a conference call would likely be needed in October for final approval of proposed changes in the general statutes and the November 1 report due from SWIA.

Next Meetings: The following dates were confirmed for the next meetings of SWIA:

- Thursday, September 18, 2014, 9:00 AM to 3:00 PM, NC Rural Economic Development Center
- Thursday, December 11, 2014, 9:00 AM to 4:00 PM, NC Rural Economic Development Center

Item E. Adjourn – The meeting was adjourned.