

State Water Infrastructure Authority
North Carolina Department of Environmental Quality
September 19, 2018
Meeting Minutes

State Water Infrastructure Authority Members Attending Meeting via Conference Call

- Kim Colson, Chair; Director, Division of Water Infrastructure
- Melody Adams, Director, Rural Grants/Programs, Rural Development Division, NC Dept. of Commerce
- Greg Gaskins, Deputy Treasurer, State & Local Finance Division; Secretary, Local Government Commission
- Maria Hunnicutt, Manager, Broad River Water Authority
- Dr. Bernadette Pelissier
- Cal Stiles, Cherokee County Commissioner
- Charles Vines, Mayor of Bakersville
- Juhann Waller, Principal, JC Waller & Associates, PC

Division of Water Infrastructure Staff Attending Meeting

- 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

- Jill Weese, NC Department of Justice; Assistant 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 163A 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 today is required to identify the conflict or appearance of a conflict at the time the conflict becomes apparent.

Item B. Fiscal Year 2017-2018 Annual Report

Ms. Durso addressed the comments that were received from the Authority on the State Water Infrastructure Authority's Fiscal Year 2017-2018 Annual Report. Two comments were received and addressed as follows:

1. Added information about the "Study of Rates and Transfers/ Public Enterprises" in the "Next Steps" section of the Annual Report, on Page 15
2. Revised Figure 2 on Page 3 of the Annual Report (Funding Awarded by Program). The graphic was revised to show the amounts awarded by the Authority for SRF Principal Forgiveness, state grants, and loans.

Action Item B:

Mr. Vines made a motion to approve the State Water Infrastructure Authority's Fiscal Year 2017-2018 Annual Report. Dr. Pelissier seconded the motion. The motion passed unanimously.

Item C. Ensuring Viable Utilities

Chair Colson described the work of the Legislative Research Commission (LRC) of the NC General Assembly. The LRC has powers and duties that include: Pursuant to the direction of the General Assembly or either house thereof, or of the chairmen, to make or cause to be made such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner.

In November 2017, the General Assembly authorized a “Committee to Study Rates and Transfers/Public Enterprises” under the auspices of the LRC. The Co-Chairs of the Committee are Senator Newton and Representative McGrady. The Committee has been consulting with the Local Government Commission, the UNC School of Government, the Department of Environmental Quality (DEQ), the NC League of Municipalities, and the NC Association of County Commissioners.

Chair Colson and Mr. Gaskins have met with and presented to the Committee several times on the work of the Authority and the work of the Department of State Treasurer concerning the long-term viability of water and sewer utilities in North Carolina. The Committee Co-Chairs have requested potential triggers and approaches to address non-viable utilities, from both DEQ and the Department of State Treasurer.

DEQ is drafting language to support potential grant funding specifically to ensure the establishment of viable utilities. The Department of State Treasurer is drafting similar language. At the October 17, 2018 Authority meeting, these topics will be fully discussed, and the Division will be seeking the Authority’s input and guidance.

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

Authority members stated they look forward to the discussion about ensuring viable utilities at the October 17, 2018 Authority meeting, as well as receiving an update on the Fair Bluff and Fairmont Initiative.

Ms. Weese stated if Authority members are aware of Hurricane Florence-related price gouging, they should contact the Department of Justice. The law in NC protects against businesses charging unreasonably excessive prices and the Attorney General is taking a proactive stance on such activities.

Chair Colson stated that DEQ has the statutory authority to make emergency loans from the state loan program and the Division is currently working on one related to Hurricane Florence. However, there are limited funds in those state accounts. If a situation should arise such that it will be necessary to offer an emergency loan from one of the SRF programs, the Authority would need to award the funding; this could be handled by conference call which would be scheduled if needed.

The next Authority meeting will be held on October 17, 2018 in Raleigh.

Item E. Adjourn – The meeting was adjourned.