

AGENDA

Lower Neuse Basin Association, Inc.[®] Neuse River Compliance Association, Inc.[®]

**January 25, 2018
City of Goldsboro, Goldsboro, N.C.
10:00 a.m.**

- **Welcome, Roll Call, and Introduction of Guests**
 - **Approval of Minutes for November 2, 2017 (AI) –**
 - **LNBA/NRCA Financials –**
 - * **December 2017 and January 2018 Treasurer’s Reports (AI) – Donald (p 4 – 5)**
 - * **FY 2018-19 Proposed Budget & Membership Fees (AI) – Fin. Com. & Haywood (p 6-7)**
 - * **Executive Director Services Contract -**
 - **LNBA Sampling Report, November and December, 2017 (AI) – Haywood (p 8)**
 - **NRCA Finance Committee Draft Lease Policy (AI) – Finance Committee (p 9)**
 - **Johnston County Request to Lease Nitrogen from NRCA (AI) – Finance Committee**
 - **2018 NRCA NPDES Permit Renewal - Haywood**
 - **Rules Review Update and Comments (AI) – Dan & Haywood (handout)**
 - * **02B Draft Rules (before EMC WQC for revision)**
 - * **Buffer draft rules (Before EMC in March)**
 - **EPA Public Comment Request on Water Quality Standards in Missouri (AI) – Dan, Haywood**
 - **Member Reports -**
 - **Next Meeting and Adjourn – Location/Date: Contentnea MSD, Town of Grifton, May 3, 2018**
- (AI) – Action Item**

Lower Neuse Basin Association®/Neuse River Compliance Association®
November 2, 2017, Meeting Minutes
Johnston County, Smithfield, N.C.

Attending:

Donald Smith	Town of Cary	Dan McLawhorn	City of Raleigh
Tony Hawkins	City of New Bern	Jeff White	Dow Dupont-Kinston
Barry Parks	City of Wilson	Emily Elmore	City of Kinston
Paul Allen	Town of Benson	Jimmy Pridgen	City of Wilson
John Cratch	Town of Apex	Chandra Farmer	Johnston County
T. J. Lynch	City of Raleigh	Danny Lassiter	CWS, Inc.
James Warren	Town of Clayton	Chuck Smithwick	Contentnea MSD
Dan Wall	Johnston County	Tim Broome	Johnston County
Kenny Stevens	City of Kinston	Kim Rineer	Johnston County
Glenn Dunn	Poyner & Spruill	Matthew Stillwell	DEQ DWR
Jay Sauber	Sauber Consulting	Mike Wagner	City of Goldsboro
Peter Rabbe	American Rivers	Mark Vander Borgh	DEQ DWR Water Science
Rusty Hayes	Craven County	Elliot Thomas	Craven County
Haywood Phthisic	LNBA/NRCA		

The Chair, Dan McLawhorn, called the meeting to order and welcomed everyone. The roll was called and there were 12 of 18 members present representing the LNBA and 14 of 22 members present representing the NRCA. There was a quorum present for both association. Guests were introduced and recognized.

Board Minutes – The Board Minutes from the September 7, 2017 meeting were presented and approved by the Boards.

Treasurer’s Report - The Treasurer’s Reports for October and November, were presented by Donald Smith, Treasurer. As of October 24th the LNBA account balances were \$193,283.93 and NRCA account balances are \$203,988.52. Rusty Hayes made a motion to approve the reports as presented, seconded by T. J. Lynch, and approved by the Boards. Haywood presented the FY 2018-19 draft budget for the LNBA/NRCA with no proposed increases. He noted the finance committee has not reviewed the budget.

LNBA Sampling Committee Report – Work on the Lower Neuse River Monitoring Service Contract No. 5 with Environment I continues. All sampling was completed by Environment 1 in September and October, 2017. Data sets have been received through August, 2017 and uploaded to the website. All invoices through September, 2017 have been processed and paid. The September lab results are in data review.

September, 2017 –

J2230000 (Smith Creek at Burlington Mill Road) was inaccessible due to road construction. Full sample collection was completed on 9/25/17.

J5410000 (Mill Creek at Richardson Bridge Road) Unable to access due to bridge replacement construction. J542000 (Mill Creek at Williford Road near Cox Mill) was established as an alternative site and was sampled on 9/21/17.

October, 2017 - All samples were collected and analyzed per the MOA requirements. Analysis of these samples are in progress.

LNBA/NRCA Board Meeting Dates for 2018 – The Board meeting dates for 2018 are: January 25th, May 3rd, September 6th, and November 1st.

2017 Nitrogen Leases – Haywood reminded the NRCA members to review their total nitrogen discharge and if they are exceeding that allocation to consider leasing nitrogen from another member. Those leases must be executed by December 31, 2017 to be valid for 2017.

02B Rules Review Update and Comments – DWR held a stakeholder meeting on the Rules Re-adoption process as directed by the EMC WQC. Following that stakeholder meeting additional comments have been drafted for the Boards' consideration. Dan reviewed the comments of interest and the effect to the members. Haywood provided an example of the nitrogen offset required for a 10 mgd expansion for a facility in HUC 01, that value being \$117 million. Following discussion by the Board, T. J. made a motion to approve and submit the comments, seconded by Kenny Stevens, Jr., and approved by the Board.

Johnston County Nitrogen Lease Request – Chandra Farmer with Johnston County requested that the NRCA consider leasing 5,000 lbs. of estuary nitrogen to Johnston County. Johnston County is expanding the facility to 13.5 mgd and will need nitrogen to meet the permit requirements. Additional plans to meet the nitrogen requirements include expanding their reuse system and a lease from the Town of Benson. Haywood noted that the Board has not developed a policy on leasing the association's nitrogen allocation and suggested this request be referred to the Finance Committee. Following discussion, The Chair referred this request to the Finance Committee and requested that the Finance Committee bring a recommendation (nitrogen lease policy) back to the Board in January.

NACWA Request to Support Amicus Brief – The National Association of Clean Water Agencies is seeking support and requesting sister agencies like the NRCA to file a "Brief for Amicus Curiae" in a U.S Court of Appeals for the Second Circuit, Case No. 17-2426. The issue in this case involves the point at which sewer overflows into ground water (from a combined sewer system) in or near apartment buildings constitutes a violation of the Clean Water Act and should be permitted. Should the court overturn the lower court's decision then this precedent could potentially require a permit for any source that may release pollutants to groundwater. Following discussion by the NRCA Board, T. J. Lynch made a motion to support filing the amicus brief, seconded by Barry Parks, and approved by the NRCA Board.

Member Reports – All members were given the opportunity to share any items that may be of interest to the associations.

The next meeting is scheduled for January 25, 2018 at 10:00 to be hosted by the City of Goldsboro. With no further business, the meeting was adjourned.

Lower Neuse Basin Association, Inc. / Neuse River Compliance Association, Inc.

Treasurer's Report

12/6/2017

LNBA

Balance Forward: (checking per bank statement - 10/24/17)	Checking	\$	122,844.57
	Savings	\$	70,436.47
Debits:		\$	
Poyner & Spruill (Sept 17 Inv)			1,235.96
Phthisic Consulting, Inc. (October 17, Inv)			1,470.34
JMW Bookkeeping (990 prep)			600.00
Sauber Water Quality Consulting (Nov. 17 Inv)			420.00
Bank Charges (checks & maintenance fees)			1.00
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	Total Debits	\$	3,727.30
Credits:		\$	
Interest (checking)			16.87
Interest (savings)			16.40
Transfer to Savings			-
Checking Account Balance (per bank statement - 11/27/17)		\$	119,134.14
LGCU Share Account Balance (savings account)			70,452.87
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	Total LNBA Account Balance	\$	189,587.01
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NRCA

Balance Forward: (per bank statement - 10/24/17)	Checking	\$	92,100.96
	Savings		111,887.56
Debits:		\$	
Poyner & Spruill (October 17 Inv.)			885.23
Phthisic Consulting, Inc. (Oct 17, Inv)			2,733.00
JMW Bookkeeping (990 prep)			600.00
Sauber Water Quality Consulting (Nov 17 Inv)			420.00
NC DEQ (2018 NPDES Permit Renewal)			3,440.00
MFG Consulting (Oct 17 Inv)			125.00
Bank Charges (checks & maintenance fees)			1.00
			<hr/>
	Total:	\$	8,204.23
Credits:		\$	
Transfer to Savings			-
Interest (Savings)			26.06
Interest (Checking)			12.65
Membership Fees			-
Account Balance (per bank statement -11/27/17)	Checking	\$	83,909.38
LGCU Share Account Balance (savings account)	Savings		111,913.62
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	Total NRCA Account Balance	\$	195,823.00
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Lower Neuse Basin Association, Inc. / Neuse River Compliance Association, Inc.

Treasurer's Report

1/4/2018

LNBA

Balance Forward: (checking per bank statement - 11/27/17)	Checking	\$	119,134.14
	Savings	\$	70,452.87
Debits:			
Environment I, Inc. (October 17, Inv)		\$	7,289.58
Environment I, Inc. (November 17, Inv)			7,289.58
Bank Charges (checks & maintenance fees)			<u>1.00</u>
	Total Debits	\$	14,580.16
Credits:			
Interest (checking)		\$	10.82
Interest (savings)			11.58
Transfer to Savings			-
Checking Account Balance (per bank statement - 12/21/17)		\$	104,564.80
LGCU Share Account Balance (savings account)			<u>70,464.45</u>
Total LNBA Account Balance		\$	<u><u>175,029.25</u></u>

NRCA

Balance Forward: (per bank statement - 11/27/17)	Checking	\$	83,909.38
	Savings		111,913.62
Debits:			
Poyner & Spruill (October 17 Inv.)		\$	1,556.78
Poyner & Spruill (November 17 Inv.)			305.25
MFG Consulting (November 17 Inv)			75.00
Bank Charges (checks & maintenance fees)			1.00
	Total:	\$	1,938.03
Credits:			
Transfer to Savings		\$	-
Interest (Savings)			18.39
Interest (Checking)			8.19
Nitrogen Lease (Craven County)			450.00
Account Balance (per bank statement -12/21/17)	Checking	\$	82,429.54
LGCU Share Account Balance (savings account)	Savings		<u>111,932.01</u>
Total NRCA Account Balance		\$	<u><u>194,361.55</u></u>

Proposed LNBA/NRCA FY 2018 -19 BUDGET

Date: 1/22/18

LNBA BUDGET			
Expenditures	FY 16-17 Budget	Current FY 17-18 Budget	Proposed FY 18-19
Water Sampling Contract	\$ 92,400.00	\$ 92,400.00	\$ 92,000.00
Consultant Services	34,900.00	34,900.00	34,900.00
Administrative Costs/Website	2,500.00	2,500.00	2,500.00
Educational Training	1,500.00	1,500.00	1,500.00
Metals Monitoring	3,500.00	3,500.00	3,900.00
USGS Stream Gage		-	-
Total	\$ 134,800.00	\$ 134,800.00	\$ 134,800.00
Revenues			
Membership Dues	\$ 134,800.00	\$ 134,800.00	\$ 134,800.00
Fund Balance	-	-	-
Total	\$ 134,800.00	\$ 134,800.00	\$ 134,800.00
NRCA BUDGET			
	FY 16-17 Budget	Current FY 17-18 Budget	Proposed FY 18-19 Budget
Consultant Services	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
Administrative Costs/Website	2,500.00	2,500.00	2,500.00
Educational Training	1,500.00	1,500.00	1,500.00
MODMON Research	-	5,000.00	5,000.00
DWQ Permit Fee	3,500.00	3,500.00	3,500.00
Total	\$ 72,500.00	\$ 77,500.00	\$ 77,500.00
Revenues			
Membership Dues	\$ 72,500.00	\$ 72,500.00	\$ 72,500.00
Fund Balance	70,000.00	-	5,000.00
Total	\$ 142,500.00	\$ 72,500.00	\$ 77,500.00
Total for LNBA/NRCA	\$ 207,300.00	\$ 207,300.00	\$ 212,300.00

Proposed LNBA/NRCA Membership Dues for Fiscal Year 2018 - 19

Date: 1/22/18

MEMBER	Permitted Flow (MGD)	2018-19 LNBA Base Fee	2018-19 LNBA (Q)	2018-19 Total LNBA Dues	2018-19 NRCA Base Fee	17 - MidYear EOP Pounds of TN	2018-19 NRCA (\$/lbs.)	2018-19 Total NRCA Dues	Total Dues FY 2018-19
Town of Fuquay-Varina*	1.117	\$ 250.00	\$ 850.63	\$ 1,100.63	\$ -	0	\$ -	\$ -	\$ 1,100.63
City of Havelock	1.900	250.00	1,446.91	1,696.91	250.00	11,367	808.29	1,058.29	2,755.20
Duke Energy Progress	2.056	250.00	1,565.70	1,815.70	250.00	29	2.06	252.06	2,067.77
Dupont-Kinston, Inc.	3.600	250.00	2,741.51	2,991.51	250.00	1,028	73.10	323.10	3,314.61
City of Kinston	11.850	250.00	9,024.13	9,274.13	250.00	37,216	2,646.38	2,896.38	12,170.50
Johnston County	9.500	250.00	7,234.53	7,484.53	250.00	50,894	3,619.00	3,869.00	11,353.53
City of Goldsboro	14.200	250.00	10,813.72	11,063.72	250.00	67,441	4,795.63	5,045.63	16,109.35
Town of LaGrange	0.750	250.00	571.15	821.15	250.00	6,630	471.45	721.45	1,542.60
Contentnea MSD	3.500	250.00	2,665.35	2,915.35	250.00	10,353	736.19	986.19	3,901.54
Town of Kenly	0.630	250.00	479.76	729.76	250.00	2,859	203.30	453.30	1,183.06
City of Wilson	14.000	250.00	10,661.41	10,911.41	250.00	66,301	4,714.57	4,964.57	15,875.98
Town of Benson	1.900	250.00	1,446.91	1,696.91	250.00	9,599	682.57	932.57	2,629.48
Town of Farmville	3.500	250.00	2,665.35	2,915.35	250.00	6,552	465.90	715.90	3,631.26
Town of Cary	24.800	250.00	18,885.93	19,135.93	250.00	77,010	5,476.07	5,726.07	24,862.01
City of Raleigh	65.200	250.00	49,651.73	49,901.73	250.00	456,476	32,459.36	32,709.36	82,611.09
City of New Bern	6.500	250.00	4,949.94	5,199.94	250.00	40,665	2,891.63	3,141.63	8,341.57
Town of Apex	3.600	250.00	2,741.51	2,991.51	250.00	11,482	816.47	1,066.47	4,057.98
Town of Clayton	2.500	250.00	1,903.82	2,153.82	250.00	23,192	1,649.15	1,899.15	4,052.97
SGWASA**						16,348	1,162.48	1,412.48	1,412.48
Aquaamerica**						6,241	443.79	693.79	693.79
MCAS Cherry Point**						26,661	1,895.83	2,145.83	2,145.83
Carolina Water Service						13,877	986.77	1,236.77	1,236.77
Craven County						0	0	250.00	250.00
Total Flow NRCA	169.986	\$ 4,500.00	\$ 130,300.00	\$ 134,800.00	\$ 5,500.00	942,221	\$ 67,000.00	\$ 72,500.00	\$ 207,300.00
Total Flow LNBA	171.103			\$ 134,800.00				\$ 72,500.00	\$ 207,300.00

* indicates LNBA member only

**indicates NRCA member only

Lower Neuse Basin Association®

TO: Board Members

FROM: Water Sampling Contract Coordinator

SUBJECT: Sampling/Monitoring Report for January 25, 2018 Board Meeting

DATE: January 23, 2018

Work on the Lower Neuse River Monitoring Service Contract No. 5 with Environment 1 continues. All sampling was completed by Environment 1 in November and December, 2017. Data sets have been received through October, 2017 and loaded on the website. November sampling data are in final review and should be distributed by the end of January. All invoices through December, 2017 have been processed and paid. Sampling exceptions for each period are listed below.

November, 2017 –

J6044500 (Bear Creek at Bear Creek Road (SR 1311) near Kinston due to bridge construction. This bridge is scheduled for replacement beginning in the spring of 2018.

December, 2017 -

All samples were collected and analyzed per MOA requirements. The December results are in the data review stage.

NRCA Finance Committee Report Recommendation

NRCA Nitrogen Lease Policy

1/22/18

Finance Committee Members - Barry Parks, City of Wilson; Chuck Smithwick, Contentnea MSD; and Donald Smith, Town of Cary; and Haywood Phthisic, Executive Director.

The committee (through email discussion and 3 conference calls: 12/18/17, 1/03/2018, & 1/16/2018) reviewed, discuss, and propose a draft policy for the Board to consider for long term nitrogen leases. The NRCA owns 24,440 estuary nitrogen pounds that could be available for lease. Historically, the NRCA has only leased to new members who could not acquire the initial nitrogen allocation needed or the need was short term.

Considerations for Leasing Policy:

- ✚ Should the policy be based on first request, first lease. Limit on pounds leased.
- ✚ Should the NRCA's allocation be leased based on a proportionate amount based on each member's individual allocation.
- ✚ Lease term (5, 10, 20 year) length.
- ✚ Lease rate in \$/pound. Higher rate for increased lease term.
- ✚ Competition between members leasing and NRCA leasing. Should NRCA lease at all?
- ✚ How funds are used from nitrogen leases by NRCA.

The committee discussed each of these items in detail and proposed the following policy for the Board's consideration:

** All members shall exhaust all efforts to lease nitrogen from other members before making a request to lease from the NRCA.*

** Leases between the NRCA and a member(s) will be limited to a 5 year term with an option to lease an additional 5 years provided the NRCA as the available nitrogen to lease.*