

## AGENDA

### **Lower Neuse Basin Association, Inc.<sup>®</sup> Neuse River Compliance Association, Inc.<sup>®</sup>**

**February 3, 2022  
Webinar/Conference Meeting Due to Covid-19  
10:00 a.m.**

- **Welcome, Roll Call, and Introduction of Guests**
- **Approval of Minutes for November 4, 2021 (AI) - Barry (pages 2, 3, 4)**
- **LNBA/NRCA Financials –**
  - \* **November, December, 2021 & January, 2022 Treasurer’s Reports (AI) – Donald (page 5)**
  - \* **FY 2021-22 Year to Date Expenditures – Donald & Haywood (page 6)**
  - \* **FY 2022-23 Budget and Membership Fees (AI) – Finance Committee (pages 7, 8, 9)**
  - \* **Legal Consultation Agreement for the Boards’ Consideration (AI) - Haywood**
- **NRCA Updates -**
  - \* **Executive Committee Meeting with DWR in November – Executive Committee**
  - \* **DWR Watershed RFP Update - Haywood**
- **LNBA Updates -**
  - \* **Sampling Report – November, December, 2021 and January, 2022 – Haywood (page 10)**
  - \* **Authorization to Negotiate Environment I Sampling/Laboratory Agreement (AI) - Haywood**
  - \* **Draft 303(d) Listing and Integrated Report – Jay Sauber**
  - \* **Authorization for Executive Committee to Submit Comments on 303 (d) Draft Listing -**
- **LNBA/NRCA Training Program - Haywood**
- **Member Reports -**
- **Next Meeting and Adjourn – Location/Date: To Be Determined – May 5th, 2022**

**Action Items (AI)**

**Lower Neuse Basin Association®/Neuse River Compliance Association®**  
**November 4, 2021 Meeting Minutes**  
**Webinar Meeting (Virtual due to Covid-19)**

**Attending:**

Barry Parks (Chair)	City of Wilson	John Kiviniemi (V-Chair)	Raleigh Water
Donald Smith (Treas)	Town of Cary	Tony Hawkins	City of New Bern
Dan McLawhorn	Raleigh Water	David Hardin	Town of Apex
T. J. Lynch	Raleigh Water	Reginald Hicks	City of Durham
Jimmy Pridgen	City of Wilson	Bobby Edwards	City of Goldsboro
Kenny Stevens	City of Kinston	Kathy Cooper	City of Raleigh
Mike Wagner	Town of Fuquay-Varina	Brian Leavitt	Tow of Benson
Timothy Lawrence	MCAS Cherry Point	Gary Perlmutter	DWR Permitting
Chuck Smithwick (Sec)	Contentnea MSD	Katie Dickens	Aqua, N. C.
Mark Vander Borgh	DWR Ecosystem	Trish D'Arconte	DWR Planning
Laura Pruitt	City of Wilson	Larry Durgin	Town of Apex
Martin Lebo	CEA	Barrett Jenkins	Restoration Systems
Jeff White	Dupont	Dan Wall	Johnston County
Bill Simpson	Town of Clayton	Jay Sauber	Sauber Water Quality Consulting
John Huisman	DWR Planning	Joey Hester	DWR Planning
Adam Stephson	Town of Fuquay-Varina	Steve Tedder	Tedder Farm Consulting
Barrett Jenkins	Restoration Systems	Zachary Thomas	NC DEQ
Haywood Phthisic	LNBA/NRCA	Marquis Crews	N. C. Pandemic Recovery Office

The Chair, Barry Parks, called the meeting to order and welcomed everyone. The roll was called and there were 13 of 18 members present representing the LNBA and 16 of 24 members present representing the NRCA. There was a quorum present for both associations. Guests were introduced and recognized.

**Board Minutes** – The Board Minutes from the September 2, 2021 meeting were presented. Being no revisions, the minutes were approved as submitted.

**Financials** – *Treasurer's Report* – Donald Smith presented the Treasurer's Reports, August, September, and October, 2021 were presented to the Board. As of October 31<sup>st</sup>, the LNBA account balance was \$285,802.77 and NRCA account balance was \$323,469.29. T. J. Lynch made the motion to approve the reports as presented, seconded by Kenny Stevens, and approved by the Boards, respectively.

*Continued Support for the Modmon Program* – Haywood reported to the Board that future of the Modmon program is questionable. Hans Pearl, who runs the program, has reported the program is funded in the State's budget but the budget has yet to be adopted. The NRCA has been funding the program in the amount of \$5,000 annual for the past several years. Haywood reported the Finance Committee will be reviewing continued support of the program in January and will report to the Board their recommendation at the February meeting.

*2020 LNBA/NRCA 990 Tax Returns* – Haywood reported the 990 tax returns are prepared and ready for submittal to the IRS. If anyone has any questions please let me know. The returns are due to be filed by November 15, 2021.

*Internal Revenue Issue with 2019 Tax Return* – Haywood reported that notice had been received from the IRS that the issues surrounding the submittals of the 2019 990 tax returns has been resolved.

**NRCA Updates** – Haywood reminded those who may need to lease nitrogen in 2021 should be preparing their leases for 2021.

*Siler City Speculative Limits* – Haywood reported to the Board that Siler City received speculative limits for a proposed expansion and noted an organic nitrogen limit of 3.0 mg/L. Gary Perlmutter, permit writer with DWR, commented on the circumstances regarding the speculative limits. The concerns expressed with the organic nitrogen limit revolved around the fact that it was not clear if the 3.0 mg/L total nitrogen limit included the 3.0 mg/L organic limit or was in addition to the total limit. Haywood noted this is of concern and the NRCA may want to comment should a permit go to notice.

*NRCA Executive Committee Discussion on Nitrogen Allocations* – Haywood discussed issues surrounding the member nitrogen allocations and what direction the NRCA may consider in the future. The NRCA Executive Committee's discussed these issues following the September Board meeting. Barry Parks noted some members are leasing nitrogen without progress to improve their facilities to reduce end of pipe nitrogen discharges. It was suggested all members review their current operations and to keep Haywood updated on projects that will improve (reduce) the end of pipe nitrogen discharge.

*NRCA Executive Committee Upcoming Meeting with DWR regarding the Neuse Watershed RFP* – The executive committee has scheduled a meeting with DWR to discuss the RFP for the watershed model (from recent legislation). Of concern is the documents used in the RFP showing the Phase II proposed transport factor. The meeting is scheduled for November 19<sup>th</sup>. The information omitted from the RFP was the “hold harmless” portion in nitrogen loading allocations in the Phase II calculations.

*CHPP Comments* – Jay Sauber reviewed the comments on the Coastal Habitat Protection Plan that were submitted in October. To review the comments please click on this link: [CHPP Comments](#)

**LNBA/NRCA Board Meeting Dates for 2022** – The meeting dates proposed for 2022 are:

February 3<sup>rd</sup>; May 5<sup>th</sup>, September 1<sup>st</sup>, and November 3<sup>rd</sup>.

**LNBA Sampling Report** - Work continues on the Lower Neuse River Monitoring Service Contract No. 5 with Environment I. All sampling was completed by Environment 1 in September and October, 2021. Data sets have been received through August, 2021. July sampling results are in data review. All invoices through September, 2021 have been processed and paid.

All samples were collected and analyzed per the Memorandum of Agreement (MOA) requirements in September with the following expect exceptions:

*September - J4080000 (Poplar Creek at Bethlehem Road (SR 2049) near Knightdale)* – unable to collect the field parameters (2<sup>nd</sup> set) due to the low water level. Full sample collection was accomplished on September 21<sup>st</sup>. September data is in final review.

All samples were collected and analyzed per the Memorandum of Agreement (MOA) requirements in October. Laboratory analysis is on this data is ongoing at this time

**N. C Pandemic Recovery Office Presentation** – Marquis Crews with the N. C. Pandemic Recovery Office made a presentation on available funds through this office. To review the presentation please click on this link: [N. C. Pandemic Recovery Presentation](#)

**Member Reports** – Haywood noted Dan McLawhorn and T. J. Lynch of the City of Raleigh are retiring in December and Michelle Daw with the City of Goldsboro has retired.

The next meeting is scheduled for February 3, 2022 at 10:00. With no further business, the meeting was adjourned.

DRAFT

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

**Treasurer's Report**

**2/1/2022**

**LNBA**

<b>Balance Forward: (checking per bank statement - 10/31/2021)</b>	Checking	\$	135,175.03
	Savings		150,627.74
<b>Debits:</b>		\$	
Environment I, Inc. (LNBA, Invoices)			22,962.18
Environment I, Inc. (Raleigh, Invoices)			4,255.65
Jewell Wiggins (990 Tax Return Invoice)			630.00
MFG Consulting LLC (Invoices)			240.00
PCi (Invoices)			4,487.12
			<hr/>
<b>Total Debits</b>		\$	<b>32,574.95</b>
<b>Credits:</b>		\$	
Interest (checking)			46.88
Interest (savings)			285.02
Transfer from Checking to Savings Account			-
<b>Checking Account Balance (per bank statement - 1/31/2022)</b>		\$	102,646.96
			150,912.76
			<hr/>
<b>Total LNBA Account Balance</b>		\$	<b><u>253,559.72</u></b>

**NRCA**

<b>Balance Forward: (per bank statement -10/31/2021)</b>	Checking	\$	84,524.83
	Savings		238,943.45
<b>Debits:</b>		\$	
PCi (Invoices)			6,448.00
DEQ DWR (NPDES Permit Renewal)		\$	3,440.00
Sauber Water Quality Consulting			350.00
Jewell Wiggins (990 Tax Return Invoice)			630.00
MFG Consulting, LLC. (Invoice)			360.00
			<hr/>
<b>Total:</b>		\$	<b>11,228.00</b>
<b>Credits:</b>		\$	
Transfer from Checking to Savings Acc't			-
Interest (Savings)			452.12
Interest (Checking)			30.38
<b>Account Balance (per bank statement - 1/31/2022)</b>	Checking	\$	73,327.21
	Savings		239,396.58
			<hr/>
<b>Total NRCA Account Balance</b>		\$	<b><u>312,723.79</u></b>

**Year to Date Expenditures for FY 2021-22**

Date: 2/01/2022

<b>LNBA</b>	<b>Monitoring</b>	<b>ED Services</b>	<b>Training</b>	<b>Admin</b>	<b>Legal</b>	<b>Web Services</b>	<b>Consultant</b>	<b>Total</b>	<b>Raleigh</b>
July, 2021	\$ 7,654.06	\$ 1,487.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,141.30	\$ 1,418.55
August	7,654.06	1,428.72	-	-	-	-	-	9,082.78	1,418.55
September	7,654.06	1,870.00	-	-	-	120.00	-	9,644.06	1,418.55
October	7,654.06	1,807.20	-	-	-	180.00	175.00	9,816.26	1,418.55
November	7,654.06	1,520.72	-	630.00	-	-	-	9,804.78	1,418.55
December	7,654.06	1,606.88	-	-	-	-	385.00	9,645.94	1,418.55
January, 2022	7,654.00	1,359.52	570.00	-	-	240.00	-	9,823.52	1,418.55
February	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	180.00	-	180.00	-
<b>Total</b>	<b>\$ 53,578.36</b>	<b>\$ 11,080.28</b>	<b>\$ -</b>	<b>\$ 630.00</b>	<b>\$ -</b>	<b>\$ 720.00</b>	<b>\$ 560.00</b>	<b>\$ 66,568.64</b>	<b>\$ 9,929.85</b>
<b>Budget</b>	<b>\$ 95,900.00</b>	<b>\$ 21,500.00</b>	<b>\$ 5,000.00</b>	<b>\$ 1,000.00</b>	<b>\$ 10,000.00</b>	<b>\$ 2,500.00</b>	<b>\$ 3,500.00</b>	<b>\$ 156,423.00</b>	<b>\$ 17,023.00</b>

<b>NRCA</b>	<b>Permit/Grant</b>	<b>ED Services</b>	<b>Training</b>	<b>Admin</b>	<b>Legal</b>	<b>Web Services</b>	<b>Consultant</b>	<b>Total</b>	<b>ModMon</b>
July, 2020	\$ -	\$ 2,232.00	\$ -	\$ -	\$ -	\$ 180.00	\$ -	\$ 2,412.00	\$ -
August	-	2,652.00	-	-	-	180.00	-	2,832.00	-
September	-	2,806.00	-	-	-	-	-	2,806.00	5,000.00
October	-	2,712.00	-	-	-	-	175.00	2,887.00	-
November	-	2,000.00	-	630.00	-	180.00	-	2,810.00	-
December	3,440.00	2,410.00	-	-	-	180.00	350.00	6,380.00	-
January, 2021	-	2,038.00	570.00	-	-	-	-	2,608.00	-
February	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 3,440.00</b>	<b>\$ 16,850.00</b>	<b>\$ 570.00</b>	<b>\$ 630.00</b>	<b>\$ -</b>	<b>\$ 720.00</b>	<b>\$ 525.00</b>	<b>\$ 27,735.00</b>	<b>\$ 5,000.00</b>
<b>Budget</b>	<b>\$ 3,500.00</b>	<b>\$ 42,500.00</b>	<b>\$ 1,500.00</b>	<b>\$ 1,000.00</b>	<b>\$ 21,500.00</b>	<b>\$ 2,500.00</b>	<b>\$ 3,500.00</b>	<b>\$ 77,500.00</b>	<b>5,000.00</b>

Recommended LNBA/NRCA FY 2022 -23 BUDGET			
			Date: 1/31/2022
<b>LNBA BUDGET</b>			
<b>Expenditures</b>	<b>Current FY 21-22 Budget</b>	<b>Draft FY 22-23 Budget</b>	
Water Sampling Contract	\$ 92,000.00	\$ 95,000.00	
Consultant Services	34,900.00	34,900.00	
Administrative Costs/Website	2,000.00	2,500.00	
Educational Training	5,000.00	2,000.00	
Metals Monitoring	3,900.00	-	
<b>Total</b>	<b>\$ 137,800.00</b>	<b>\$ 134,400.00</b>	
<b>Revenues</b>			
Membership Dues	\$ 134,800.00	\$ 134,400.00	
Member Assessment *	17,022.60	17,500.00	
Fund Balance	<u>3,000.00</u>	<u>-</u>	
<b>Total</b>	<b>\$ 154,822.60</b>	<b>\$ 151,900.00</b>	
** Additional fund balance funds for operator training program due to Covid-19 (FY 2021-22)			
<b>NRCA BUDGET</b>			
<b>Expenditures</b>	<b>Current FY 21-22 Budget</b>	<b>Draft FY 22-23 Budget</b>	
Consultant Services	\$ 65,000.00	\$ 65,000.00	
Administrative Costs/Website	2,000.00	2,500.00	
Educational Training	5,000.00	2,000.00	
MODMON Research	5,000.00	-	
DWQ Permit Fee	3,500.00	3,500.00	
<b>Total</b>	<b>\$ 80,500.00</b>	<b>\$ 73,000.00</b>	
<b>Revenues</b>			
Membership Dues	\$ 72,500.00	\$ 73,000.00	
Fund Balance	<u>8,000.00</u>	<u>-</u>	
<b>Total</b>	<b>\$ 80,500.00</b>	<b>\$ 73,000.00</b>	
<b>Total for LNBA/NRCA</b>	<b>\$ 235,322.60</b>	<b>\$ 224,900.00</b>	
* City of Raleigh assessment for sample collection & analysis of their sites.			
** Additional fund balance funds for operator training program due to Covid-19 (FY 2021-22)			

Recommended LNBA/NRCA Membership Dues for Fiscal Year 2022 -2023

Date: 1/31/2022

MEMBER	Permitted Flow (MGD)	2022-23 LNBA Base Fee	2022-32 LNBA (Q)	2022-23 Total LNBA Dues	2022-23 NRCA Base Fee	2021 - MidYear EOP Pounds of TN	2022-23 NRCA (\$/lbs.)	2022-23 Total NRCA Dues	Total Dues FY 2022-23
Town of Fuquay-Varina*	3.117	\$ 250.00	\$ 2,137.55	\$ 2,387.55	\$ -	0	\$ -	\$ -	\$ 2,387.55
City of Havelock	2.250	250.00	1,542.99	1,792.99	250.00	20,049	1,526.72	1,776.72	3,569.71
Duke Energy Progress	2.160	250.00	1,481.27	1,731.27	250.00	7	0.53	250.53	1,981.80
Dupont-Kinston, Inc.	3.600	250.00	2,468.78	2,718.78	250.00	1,657	126.18	376.18	3,094.96
City of Kinston	11.850	250.00	8,126.40	8,376.40	250.00	41,185	3,136.22	3,386.22	11,762.62
Johnston County	9.500	250.00	6,514.83	6,764.83	250.00	32,774	2,495.73	2,745.73	9,510.56
City of Goldsboro	14.200	250.00	9,737.96	9,987.96	250.00	59,339	4,518.64	4,768.64	14,756.60
Town of LaGrange	0.750	250.00	514.33	764.33	250.00	7,328	558.02	808.02	1,572.35
Contentnea MSD	3.500	250.00	2,400.20	2,650.20	250.00	9,015	686.49	936.49	3,586.69
Town of Kenly	0.630	250.00	432.04	682.04	250.00	8,249	628.16	878.16	1,560.19
City of Wilson	14.000	250.00	9,600.81	9,850.81	250.00	59,469	4,528.54	4,778.54	14,629.35
Town of Benson	1.900	250.00	1,302.97	1,552.97	250.00	11,949	909.91	1,159.91	2,712.88
Town of Farmville	3.500	250.00	2,400.20	2,650.20	250.00	4,468	340.24	590.24	3,240.44
Town of Cary	24.800	250.00	17,007.15	17,257.15	250.00	65,236	4,967.70	5,217.70	22,474.84
City of Raleigh	80.200	250.00	54,998.92	55,248.92	250.00	359,102	27,345.47	27,595.47	82,844.39
City of New Bern	6.500	250.00	4,457.52	4,707.52	250.00	37,696	2,870.54	3,120.54	7,828.05
Town of Apex	3.600	250.00	2,468.78	2,718.78	250.00	12,893	981.80	1,231.80	3,950.58
Town of Clayton	2.500	250.00	1,714.43	1,964.43	250.00	16,222	1,235.30	1,485.30	3,449.73
Town of Snow Hill	0.500	250.00	342.89	592.89	250.00	3,656	278.40	528.40	1,121.29
SGWASA**	5.500				250.00	10,509	800.26	1,050.26	1,050.26
City of Durham	20.000				250.00	63,038	4,800.32	5,050.32	5,050.32
Town of Hillsborough	3.000				250.00	4,271	325.23	575.23	575.23
Neuse Colony, Aqua, NC	0.350				250.00	10,343	787.62	1,037.62	1,037.62
MCAS Cherry Point**	3.500				250.00	21,213	1,615.36	1,865.36	1,865.36
Carolina Water Service	0.600				250.00	14,192	1,080.72	1,330.72	1,330.72
Craven County	0.860				250.00	2,704	\$ 205.91	455.91	455.91
Total Flow NRCA	219.750	\$ 4,750.00	\$ 129,650.00	\$ 134,400.00	\$ 6,250.00	876,564	\$ 66,750.00	\$ 73,000.00	\$ 207,400.00
Total Flow LNBA	189.057			\$ 134,400.00				\$ 73,000.00	\$ 207,400.00

\* indicates LNBA member only

\*\*indicates NRCA member only



# FY 2022–23 Budget and Finance Committee Recommendation

1/31/2022

**Finance Committee Members** - Donald Smith, Town of Cary John Kiviniemi, Raleigh Water; Chuck Smithwick, Contentnea MSD; and Haywood Phthisic, Executive Director.

The committee (through email discussion and conference call) reviewed the draft budget for FY 2022-23 for the LNBA and NRCA.

## **LNBA Budget:**

\* No increase in the proposed budget from FY 2022-23. Membership dues will change for the upcoming fiscal year because of a new member in 2021, the Town of Snow Hill.

## **NRCA Budget:**

\* No increase the proposed budget from FY 2022-23. Membership dues will vary from FY 2022-23 because of fluctuations in discharged nitrogen pounds. Budget does not include funding for the ModMon Program.

After review and discussion, the committee recommends the following for consideration by the Board:

**LNBA** - Recommends the approval of the proposed FY 2022-23 budget and membership fees as presented.

**NRCA** - Recommends the approval of the proposed FY 2022-23 budget and membership fees as presented.

**Lower Neuse Basin Association®**

**TO:** Board Members

**FROM:** Haywood Phthisic, Executive Director

**SUBJECT:** Sampling/Monitoring Report for November 4, 2021 Board Meeting

**DATE:** February 1, 2022

---

Work continues on the Lower Neuse River Monitoring Service Contract No. 5 with Environment I. All sampling was completed by Environment 1 in November, December, 2021, and January, 2022. Data sets have been received through November, 2021 (and posted on website). December sampling results are in data review. All invoices through December, 2021 have been processed and paid.

All samples were collected and analyzed per the Memorandum of Agreement (MOA) requirements in January, 2022. Laboratory analysis is on this data is ongoing at this time.

---

The LNBA is entering the 5<sup>th</sup> year of the 5 year agreement with Environment I for sampling the LNBA stations. The agreement is valid through December 31, 2022. I request authorization to enter into negotiations with Environment I to renew the agreement for another 5 years.

---

The 2022 Draft 303(d) Listing and Integrated Report has been sent out for public comment and those comments are due February 28, 2022. Jay Sauber with Sauber Water Quality Consulting has reviewed both documents and will present his findings.