

UNRBA Board Meeting March 20, 2013

Location: Butner Town
Hall

Agenda

Introductions and Announcements

New Wake County Appointment: Caroline Sullivan, Commissioner

Approval of the February 20, 2013 Meeting Summary

Existing Development Rule Implementation Initiative

Strategy Group Report:

- o DENR Contact/Discussions
- o Administrative Option—Review of Rule Requirements
- o Future Board Actions

Model Local Program Development Process—Presentation by DWQ, John Huisman

Agenda (Continued)

Path Forward Committee Activities—Michelle Woolfolk

- o **Cardno ENTRIX Status—Report**
- o **Meetings**
- o **Future Monitoring Request for Qualification—Kenny Waldrop**

Budget Recommendation

Treasurer's Report—Jimmy Clayton

Executive Director Report

Delegation of Lobbyist Reporting Documents

Next Scheduled Board Meeting May 15, 2013

Closing Comments

Introductions and Announcements

New Wake County
Appointment: Caroline
Sullivan, Commissioner

Approval of February 20, 2013 Meeting Summary

- Review of Draft Summary
- Comments and Corrections
- Board Vote

UNRBA Board of Directors: February 20, 2013 Draft Meeting Summary

The Board of Directors of the Upper Neuse River Basin Association (UNRBA) met at 9:30 A.M. on Wednesday, February 20, 2013 at the Town of Butner's Town Hall. Meeting attendees are listed below (* denotes member Director to the Board; ** denotes alternate).

Name	Affiliation
Melissa Hodges	Town of Butner
Nancy Alford *	Town of Stem
Cora Cole-McFadden * (V-chair)	City of Durham
Barry Baker **	Granville County
Mike Gering *	Town of Hillsborough
Pam Hemminger (Chair)*	Orange County
Jimmy Clayton (Treasurer)*	Person County
Lindsay Mize *	South Granville Water and Sewer Authority
Scott Miles *	Town of Wake Forest
Randy Cahoon	City of Creedmoor
Don O'Toole	City of Durham Attorney's Office
Michelle Woolfolk	City of Durham Stormwater
Ed Mims *	Granville County
Tom Davis**	Orange Co. Dept. of Environment, Agriculture, and Parks and Rec.
Dan McLawhorn	City of Raleigh Attorney's Office
Paula Murphy **	Person County
Jim Wrenn	Attorney Rep. Granville Co., Person Co., Butner, Creedmoor & SGWASA
Bill McKellar *	Town of Butner
Ellen Reckhow *	Durham County
Terry Hackett **	Town of Hillsborough
Bo Ferguson	City of Durham
Joseph Threadcraft	Wake County
Jimmy Minor *	City of Creedmoor
Forrest Westall	UNRBA Executive Director
Melinda Clark **	Wake County
Bob Jordan	Durham County Environmental Health
Reginald Hicks **	City of Durham
Renee Green **	Town of Stem
Tommy Marrow **	Town of Butner
Nancy Wood	Durham County Environmental Health
Will Brooks	Person County
Steve Bristow	Wake County
Tom Jones	NCEA & Soil & Water Conservation
John Huisman	NCDENR DWQ
Lauren Elmore	Cardno Entrix
Alix Matos	Cardno Entrix
Haywood Phthisic	LNBA/NRCA/UNRBA

Welcome and Recognition -

Chair Pam Hemminger called the meeting to order and asked attendees to introduce themselves and share relevant information with the group. The meeting summary from January 20, 2013 was presented for approval. Cora Cole-McFadden made the motion to approve the meeting summary, seconded by Bill McKellar, and the summary was approved by the Board.

Treasurer's Report - Jimmy Clayton presented the Treasurer's Report and the current balance in the checking account is \$262,415.25 and \$113,079.55 in the savings account as of Jan. 28, 2013. Invoices processed since the statement closing totaled \$30,222.56 leaving a checking account balance of \$232,192.69. A projected account balance report indicated there will be a balance of \$118,409.68 in the checking account on June 30, 2013 (based on current contractual commitments).

Jimmy also reported he (and others) met with the new Assistant Secretary Mitch Gillespie earlier in the week and discussed briefly the current rules in the Falls Watershed and the level of work that jurisdictions will have to do deal with the Falls Rules including the cost of monitoring. Jimmy noted to the Assistant Secretary the issue of funding this work and asked the State to help.

Existing Development Rule Implementation Initiative – Forrest reported the strategy group (Dan McLawhorn, Jim Wrenn, Don O'Toole, and Forrest) met several times since the January Board meeting to discuss the current time table for implementation of the current rules. The committee recommended the following for consideration:

Schedule considerations -

- Inventory of potential reduction opportunities within their jurisdictions, January, 2013.
- DWQ Develop Jurisdictional Loads (JLs) for each affected local government within the Falls Lake Watershed for EMC approval, July 2013
- DWQ must develop a "Model Program" (MP) as a framework for meeting these JLs and submit the MP to the EMC for approval, July 2013
- Governments are required submit to DWQ for review and preliminary approval nutrient reduction programs, January 2014 (six months following EMC approval of the MP—if the EMC acts in July 2013)
- Implementation of the programs must begin at the time of submittal and prior to preliminary or final approval
- Implementation of the Existing Development requirements for Stage I is scheduled to occur over the period between 2014 and 2021.
- The "deadline" for meeting the Stage I Existing Development JLs is 2021, seven years following the implementation start date.

Technical Consideration –

- The ability of DWQ to develop acceptable JDs for the jurisdictions in the established timeframe,
- The lack of a comprehensive list of nutrient reduction practices that would provide realistic and acceptable nutrient credits for the development of a flexible and effective MP for use by the local governments,
- DWQ's limited resources (including the Nutrient Scientific Advisory Board) to provide a comprehensive package of nutrient reduction practices,
- The lack of alternatives stemming from items 1 and 2 for the development of local programs required in January 2014, and
- The inconsistent local program approval schedules.

Potential Provisions of a UNRBA Initiative –

- Through administrative action or legislative change seek modification to the implementation schedule that delays implementation of the Stage I Existing Development Rule by at least 18 months. No change is proposed to the final compliance date for Stage I.

UNRBA Board of Directors — February 20, 2013 Draft Meeting Summary

- Work with DENR/Legislature to achieve this schedule revision and to identify specific resources and funding to secure the development of a more complete list of approved nutrient reduction practices and credits for use in the development of local programs.
- Seek State funding for the credits development process but provide funding within the FY 2014 budget to support the development of an expanded nutrient reduction practices and credits framework.

The discussion then turned to an update and review of the Cardno-Entrix project. Forrest briefed the Board on each task of the project and explained the summary matrix of the task option and the cost associated with each task or sum of several task. Option 1C and 2C were recommended as a minimum (\$300,000 to \$400,000 range). Following discussion there was a motion by Ellen Rickhow to allow the strategy committee to work to extend the current deadline, seconded by Ed Mims, and approved by the Board. A second motion was made to allow the strategy committee to meet with DWQ regarding the nutrient credit tool development. The motion was made by Bill McKellar, seconded by Lindsay Mize, and approved by the Board. The Board took no action concerning UNRBA funds in the FY 2014 FY to support a nutrient credit package. The discussion indicated that the Board wanted to push the State to fund this effort since it the responsibility of DENR to provide this information in its Stage I Existing Development Model Program. Forrest indicated he would report on this in March.

Path Forward Committee Update – Michelle Woolfolk presented the committee report noting the group reviewed the Task 4 Technical memorandum on Jan 24th, the RFQ subcommittee met on Jan 31st, the PFC met on Feb 4th to discuss monitoring goals and cost, and again on Feb 18th (monitoring goals and cost). Michelle presented recommendations from the committee as steps forward:

- Monitoring should begin for a minimum of 48 continuous months. A 12 month contingency should be considered in case of poor weather conditions.
- Objectives listed in order -
 1. Lake Response Model.
 2. Support of Regulatory Options.
 3. Source/Jurisdictional Loading.
- Budget for all studies listed under the top two priorities, Lake Response Modeling and Support of Regulatory Options.

Forrest noted following Michelle's presentation that the PFC in its meeting on February 18 recommended a full year monitoring funding level of \$800,000. Cardno ENTRIX's Task 4 Technical Memorandum projected a monitoring cost to perform a full range of data development at over \$ 1,000,000. The PFC recommended that the final monitoring program be designed to cover the three objectives listed above (in order of priority) and to use the recommended \$800,000 to accomplish all three to the extent possible. Due to the likelihood that actual monitoring would not begin until the last half of FY 2014, the PFC recommended the FY 2014 monitoring funding level should be \$500,000. He also noted that the PFC workgroup on developing a Request for Qualifications (RFQ) to hire a general contractor for the monitoring effort has been at work and an RFQ should be available in March for release. Once a contractor is approved and hired by the Board, the actual monitoring program and all quality assurance aspects of the program would have to be approved by DWQ before sampling could begin.

FY 2013–14 Funding Discussion – Forrest presented a general budget proposal for contributions that would address the recommendations from the following UNRBA Sub-committees:

- Base Dues and UNRBA Management: Personnel Committee
- Existing Development/Nutrient Credit Toolbox: Strategy Group (presented earlier in the meeting).
- Monitoring Program to Support Stage II Reexamination Process: Path Forward Committee (presented earlier in the meeting).

Personnel Committee – Don O’Toole reported for the committee and noted how much progress has been made over the past year with the UNRBA moving forward. The committee wanted to note how well Forrest has taken difficult issues and carefully explained to all on the Board. Don noted that an adjustment is needed to the McGill contract because of the time required. The Personnel Committee is recommending an increase in the contract from \$120,000 to \$140,000. Following discussion, a motion was made by Ed Mims, seconded by Jimmy Minor, and a roll call vote was taken with all present voting to approve (Raleigh and Franklin County not present).

The discussion continued on how the nutrient credit toolbox would be developed. While the general indication from contact with DENR is that state funding will not likely not be available, the Board again indicated a reluctance to provide Association funds and that every effort should be made to seek State funding. Because of this concern, no specific funding for the toolbox was included in the recommended FY 2014 budget.

It was emphasized several times that actual allocation of funds secured for FY 2014 would be done so by specific Board action. The Board approved the funding level for management services to support Board activities, but specific allocation of monitoring funds would come first for the general contractor and then following that approval, allocation of funds for actual sampling under an approved monitoring plan. Both of these activities will require the development of a contract or contract amendments that will have to be approved by the Board. Forrest pointed out that funding for any project would require specific Board action.

To implement a monitoring program to support the Stage II relook, the proposed budget allocation for FY 2014, as noted, is \$500,000. The total new contributions recommended for FY 2013-14 include \$143,500 for the management services and \$500,000 for monitoring work, for a total of \$643,500. A contribution schedule was presented reflecting the above costs showing the portion of the total contribution allocated to management services and costs for monitoring activities. Forrest recommended that the expected balances in the Checking Account (projected to be \$118,409.68) be retained as Contingency and that the Savings Account balance (\$113,079.55 currently) be retained as an Emergency Fund.

The Chair called for open discussion by the Board on the information presented noting action was not requested at this meeting. The discussion resulted in a request for additional information to support the requested funding and to provide more detail on the reasons for Contingency funds and Emergency fund. Forrest committed to providing the Board with a specific budget proposal.

The Board also asked Forrest and Haywood to review potential grants or public funding to support the UNRBA’s efforts. This was in specific reference to the nutrient credits toolbox development and special monitoring evaluations. Forrest indicated he would provide a report on this in March.

Following this discussion the Chair asked the members to be prepared to take a formal position on the FY 2014 budget and membership contributions at the March meeting.

Executive Director Report – Time being limited, Forrest briefly noted the following activities for February and into March:

- * NCWQA Meeting, February 21, 2013.
- * NSAB Meeting, March 1, 2013.
- * Continued PFC activities (March 6 meeting of full PFC and activities related to the RFQ development).
- * Continued Nutrient Credit/trading discussions with DENR and DWQ.
- * Watershed Oversight Committee meetings and EMC presentation in March.

Following this summary, it was noted the next Board meeting will be March 20, 2013 in Butner and the meeting was adjourned.

Stage I Existing Development Rule Implementation Initiative

Strategy Group Report:

- UNRBA Approach: Implementation Need—Nutrient Credit Development
- DENR Contact
- Administrative Options
- Cardno ENTRIX Report on Cost/Timeline for Nutrient Credit Toolbox
- Budget Considerations
- Resolution Development

Proposed Resolution Provisions

- Acknowledge Rule Requirements
- Describe the Importance of Additional Reduction Credits
- Note Cooperative/Collaborative Process
- Extend Schedule for the Development of a Final Model Local Program
- Establish a Process and Schedule for Developing a More Complete Nutrient Credit "Toolbox"
- Retain the 2020 Final Compliance Milestone in the Rules



Draft Resolution for Review

A Resolution of the Board of the Upper Neuse River Basin Association (UNRBA)

WHEREAS, the Falls Lake Nutrient Management Strategy adopted by North Carolina and described in Administrative Code 15A NCAC 02B .0275 *et seq* (the "Falls Lake Rules"), applies to the local government jurisdictions in the Falls Lake Watershed, including those local governments that are UNRBA members, and requires local governments to submit Stage I load reduction programs in accordance with 15A NCAC 02B .0278 (7); and

WHEREAS, in order to implement the most cost effective load reducing measures and to document nutrient load reductions from the implementation of any nutrient load reducing measures affected parties must be able to rely on accounting methods and tools approved by the Division of Water Quality (the "DWQ") and the Environmental Management Commission (the "EMC") pursuant to the Falls Lake Rules; and

WHEREAS, pursuant to 15A NCAC .0278(7)(a), the Department of Environment and Natural Resources (the "DENR"), DWQ is required to submit to the EMC by July 2013 a Model Local Program for implementing the Falls Lake Rules, which includes in addition to the development of model local ordinances, (i) "methods to quantify load reduction requirements and resulting load reduction assignments for individual local governments"; (ii) "methods to account for discharging sand filters, malfunctioning septic systems, and leaking collection systems"; and (iii) "methods to account for load reduction credits from various activities" ((i) through (iii) are collectively referred to as, the "Accounting Tool"); and

WHEREAS, the Falls Lake Rules do not prescribe a time by which the EMC must act to approve DWQ's Model Local Program; and

WHEREAS, upon information and belief, DWQ has made some progress toward the development of a Model Local Program, however, the UNRBA further understands that any Model Local Program submitted to the EMC in July 2013 will not include load reduction credits for many measures that are potentially available to UNRBA members; and

WHEREAS, nutrient reduction credits for these practices are essential to affected jurisdictions for the development of flexible and effective local programs which are directed at achieving compliance with the nutrient reduction goals in the Falls Lake Rules under Stage I Existing Development; and

WHEREAS, the Falls Lake Rules require that DWQ work cooperatively with local governments in developing the Model Local Program, and UNRBA desires to cooperate with DWQ in developing a Model Local Program in a reasonable timeframe; and

WHEREAS, representatives of the UNRBA have met with officials of DENR and DWQ to discuss the issues related to the implementation of Stage I Existing Development, and DENR and

DWQ have indicated a desire to work cooperatively to effect a formal implementation schedule that allows for adequate time to develop nutrient reduction credits and the development of a more complete Model Local Program prior to the submission of the required local programs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE UNRBA, THAT:

- 1) The UNRBA desires that DENR and DWQ develop a Model Local Program that incorporates into the Nutrient Accounting Tool nutrient reduction credits for measures potentially available to UNRBA members.
- 2) The UNRBA will work cooperatively with the DENR and DWQ to identify the resources necessary to develop nutrient reduction credits and the establishment of a timely and specific schedule for accomplishing this objective.
- 3) Based on the schedule developed for the completion of the nutrient reduction credits, the UNRBA and DWQ will establish a mutually acceptable date for DWQ to present a final Model Local Program to the EMC for approval, which will trigger the submission of the local programs under the Existing Development Rule. This timeline will be established to provide local jurisdictions with the nutrient reduction tools necessary to achieve compliance with Stage 1 Existing Development nutrient reduction goals by 2020 as required by 15A NCAC .0278(3)(a).
- 4) In furtherance of this objective, the Board will work cooperatively with DENR and DWQ in this effort, including but not limited to entering into a memorandum of agreement or understanding outlining the process that DWQ will follow and the cooperative efforts UNRBA will undertake to ensure that all appropriate load reduction activities and credits are included in the final Model Local Program.
- 5) Because there are jurisdictions in the watershed that are proceeding with nutrient reduction efforts aimed at meeting the anticipated reduction requirements for Stage I Existing Development, the Board will work with its members and DWQ to develop a mutually acceptable means for reporting accomplishments on reduction of nutrient load from existing development during the intervening period that the comprehensive Model Local Program is being developed. As provided for in the Falls Rules any reductions shall be eligible for early implementation credits.

Ms. Pam Hemminger, Chair

Upper Neuse River Basin Association

Approved by the Board, _____, 2013



**Model Local Program
Development Process—
Presentation by DWQ, John
Huisman**

UPDATE ON FALLS LAKE EXISTING DEVELOPMENT DRAFT MODEL PROGRAM DEVELOPMENT

Upper Neuse River Basin Association – BOD Meeting
March 20, 2013

John Huisman – NC DWQ

N.C. Division of Water Quality

A decorative footer graphic featuring stylized icons of a fish, aquatic plants, and a bird, along with circular patterns, set against a teal background.

Falls Existing Development Rule

(Topics of Discussion)

- ◆ Model Program: What Does the Rule Require?
- ◆ Overview of Draft Model Program Elements
- ◆ Proposed Timeline of Activities (March -> July)

What the Rule Calls for From DWQ

- ◆ July 2013 -Submit a Stage I model program to EMC
 - ◆ Includes criteria described in Items (3)(a) & (4)
 - ◆ Model local ordinances
 - ◆ Methods to quantify load reduction requirements
 - ◆ Methods to account for discharging sand filters, malfunctioning septic systems, and leaking collection systems
 - ◆ **Methods to account for load reduction credits from various activities**

Draft Model Program

(Organized into Three Sections)

- ◆ Required Elements of LG's Local Program
 - ◆ Described in Items (3)(a) & (4) of Rule
- ◆ Supporting Guidance Information
 - ◆ Information to clarify rule requirements / terms / concepts
 - ◆ Methodology for load and credit calculations
- ◆ Appendix
 - ◆ Reference material: Rule / Session Law / Example Forms

Required Program Elements

- ◆ Extent of LG's Load Reduction Proposed from:
 - ◆ Stormwater Measures
 - ◆ Ecosystem Measures
 - ◆ Wastewater Measures
 - ◆ Programmatic Measures
 - ◆ Other Nutrient Reducing Measures
 - ◆ Use of Nutrient Offset Banks & Trading Programs

Required Program Elements

- ◆ Implementation Schedule
- ◆ Types of development affected
- ◆ Prioritization of Practices
- ◆ Extent of opportunities - Landowner Accept.
- ◆ Magnitude of reductions expected/activity
- ◆ Cost effectiveness of activities
- ◆ Duration of load reductions
- ◆ Funding Mechanisms

Supporting Program Elements

- ◆ Terms & Concepts
- ◆ Methods
 - ◆ Quantify Load Reduction Requirements
 - ◆ Quantify Nutrient Reduction Credits
- ◆ Process for Adjusting Allocations & Load Reductions
 - ◆ Annexation Issues
- ◆ Trading Frame Work & Who get credit for what
- ◆ Annual Reporting Requirements

Next Steps

- ◆ Continue Drafting Model Program Elements
 - ◆ Meetings with UNRBA, SAB, & All Affected Parties
- ◆ Collaboratively work on plan to increase “toolbox”
 - ◆ Develop Timeline & Explore funding possibilities
- ◆ Information Item Update to May 2013 EMC
- ◆ Bring Model Program & Plan to July 2013 EMC
 - ◆ Provide what we have & the plan/process to increase toolbox
 - ◆ Return at later date (will specify) with Final Model Program for Approval

Draft Timeline to Bring Falls Existing Development Model Program & Plan to July EMC

Activities	Early March	Late March	Early April	Late April	Early May	Late May	Early June	Late June	July
Additional Measures Activities									
205J Project to add measures (ongoing)									
DWQ continues to seek funding options									
UNRBA BOD receives resolution - MOA, support delay, assist w/BMP toolbox development									
UNRBA Acts on BMP Toolbox MOA Resolution									
Model Program & Plan Activities/Process									
Provide Draft timeline to UNRBA BOD for Review/Feedback		UNRBA 3/20							
Provide Draft timeline to SAB Review/Feedback			SAB 4/12						
Present Updated Timeline & Draft Model Program Elements Text to UNRBA Path Forward			TBD						
Meet w/ All affected - Overview of timeline & Draft Model Program Elements Text				TBD					
Submit Model Program info item update Material for May EMC				4/19					
Information Item Update to May EMC					EMC				
Update SAB & UNRBA on Feedback from EMC, Revised Model Program Text & Possible Toolbox Funding Options					SAB 5/3 UNRBA 5/15				
Meet w/ All affected parties to present revised Model Program & Plan to be presented to July EMC						TBD			
Steps to prepare submittal for July EMC									
Final Review of Program & Plan by All Affected Parties									
DWQ Finalizes EMC Submittal Materials									
DWQ Submits Model Program & Plan to EMC								6/20	
Present to EMC (July 2013)									EMC
Jordan Model Program									
Development Ongoing (for Nov 2013 EMC)									

EMC - EMC Presentation (Information Item in May followed by presentation of Program & Plan in July)

All Affected Parties - Includes Local Governments, State & Federal Entities, and Environmental Groups



QUESTIONS?

John Huisman - NC Division of Water Quality
Nonpoint Source Planning Unit

John.Huisman@ncdenr.gov

919-807-6436

DWQ Falls Lake Website:

www.fallslake.org

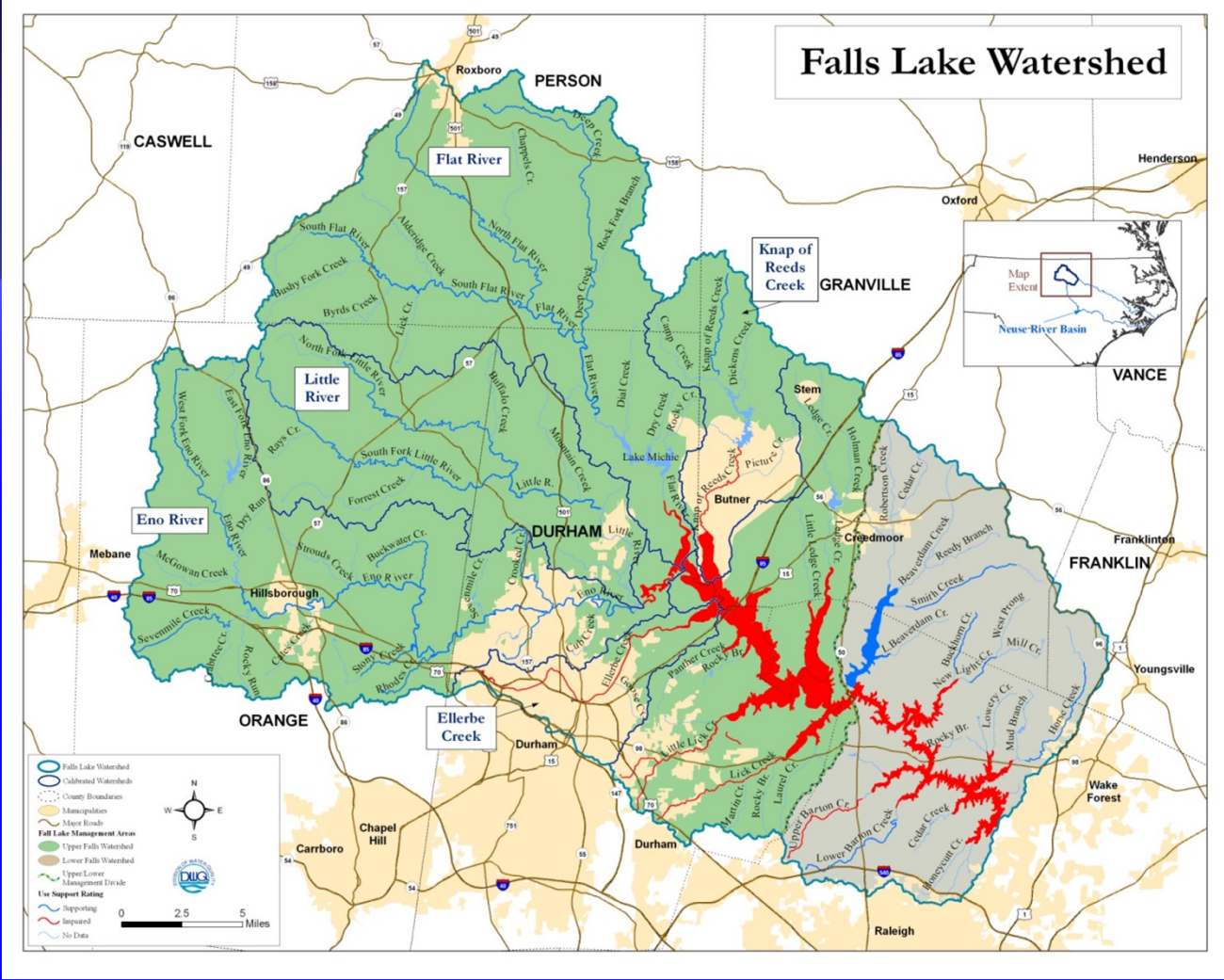
Falls Lake Local Governments

Municipalities

- Butner
- Creedmoor
- Durham
- Hillsborough
- Raleigh
- Roxboro
- Stem
- Wake Forest

Counties

- Durham
- Franklin
- Granville
- Orange
- Person
- Wake



- Includes 14 Jurisdictions
- Chl-a standard violations throughout the lake (shown in red)

Path Forward Committee Activities—Michelle Woolfolk

- Cardno ENTRIX Status—Report
- Meeting March 6th
- Future Monitoring Request for Qualification—Kenny Waldrop

Future Monitoring: Request for Qualification—Kenny Waldrop

- RFQ Issued March 15th
- Pre-Submittal Conference Call, March 27th
- Submittals Due, April 3rd
- Selection for Interviews April 10th
- Interviews, April 17th, 1 to 4, Butner Town Hall (alternate date, April 19)
- Board Members Invited to Participate In the Process
- Board Selection of General Contractor



Cardno ENTRIX Status— Report

UNRBA Status Update March 2013

Alix Matos
Lauren Elmore





Agenda

- Project status update
- Overview of Task 1
- Falls Lake Framework Tool
- Discuss path forward for the re-examination of Stage II
 - Monitoring
 - Modeling
 - Near-term regulatory actions
 - Four potential plans

Status Update



Task	Description	Percent Complete
1	Develop Framework for a Re-Examination of Stage II of the Falls Nutrient Strategy	85%
2	Review Existing Data and Reports to Summarize Knowledge of Falls Lake and the Falls Lake Watershed	100%
3	Review Methods for Delivered and Jurisdictional Nutrient Loads	100%
4	Recommendations for Future Monitoring and Modeling	100%
5	Compile Final Report	85%
New	Develop Approach for Development of Nutrient Accounting Tool	100%



Status Update

- **Task 1 - Stage II Re-examination Framework**
 - Spreadsheet tool links nutrient management to designated uses and costs
 - Deliver draft Task 1 TM to Path Forward Committee by end of March
 - Meet with NCDWQ to discuss monitoring and modeling needs and Stage II re-examination options in early April
 - Finalize Task 1 TM in mid to late April depending on timing of meeting and extent of comments
- **Task 2 - Summary of Existing Data and Reports**
 - Task 2 TM – Finalized



Status Update, Continued

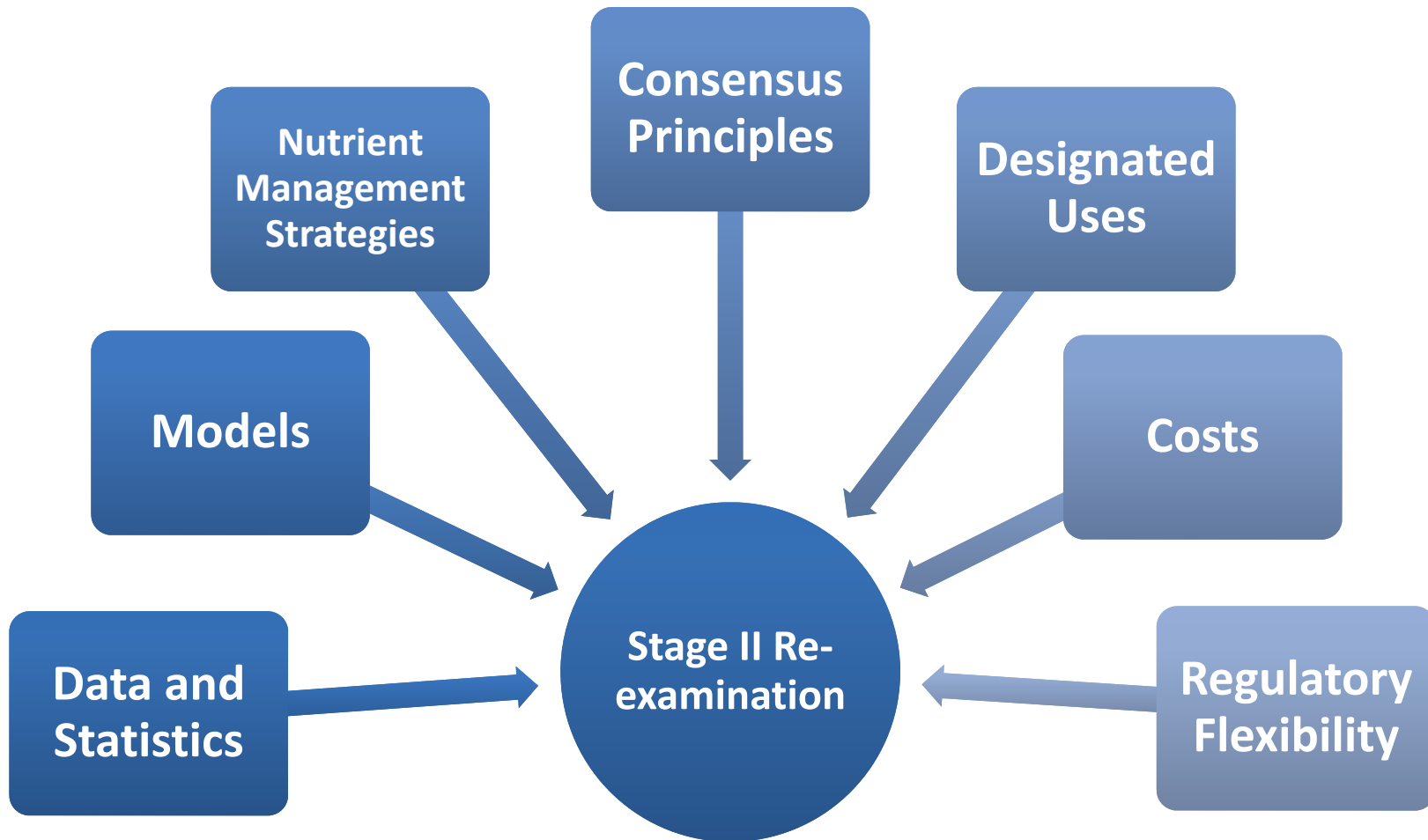
- Task 3 -Tributary and Jurisdictional Load Estimation Methods
 - Task 3 TM – Finalized
- Task 4 (Future Monitoring and Modeling)
 - Submitted Final Task 4 TM to PFC
 - PFC submitted a copy to NCDWQ
- Additional Task
 - Finalized the report to the PFC describing options for developing a nutrient credit accounting tool for the Falls Lake Watershed

Overview of Task 1



Objectives for Task 1

- Integrate the findings from Tasks 2, 3, and 4
- Summarize the physical, chemical, and biological conditions of Falls Lake
- Review the State's fiscal analysis of the Rules
- Develop a spreadsheet tool to link nutrient loading to designated uses
- Describe the regulatory options for Falls Lake
- Recommend a path forward for the re-examination



Review of the NCDWQ Fiscal Analysis



Review of Cost Estimate Developed by NCDWQ

- NCDWQ (2010) estimates implementation costs for all sectors
 - Stage I - \$604 million
 - Stage II - \$945 million
- Existing development
 - Stage II nitrogen reduction goals are **ONLY** feasible if **EVERY** acre of existing development is treated
 - Stage II phosphorus reduction goals **EXCEED** the limits of technology



Review of the NCDWQ Fiscal Analysis, continued

- **Agriculture**

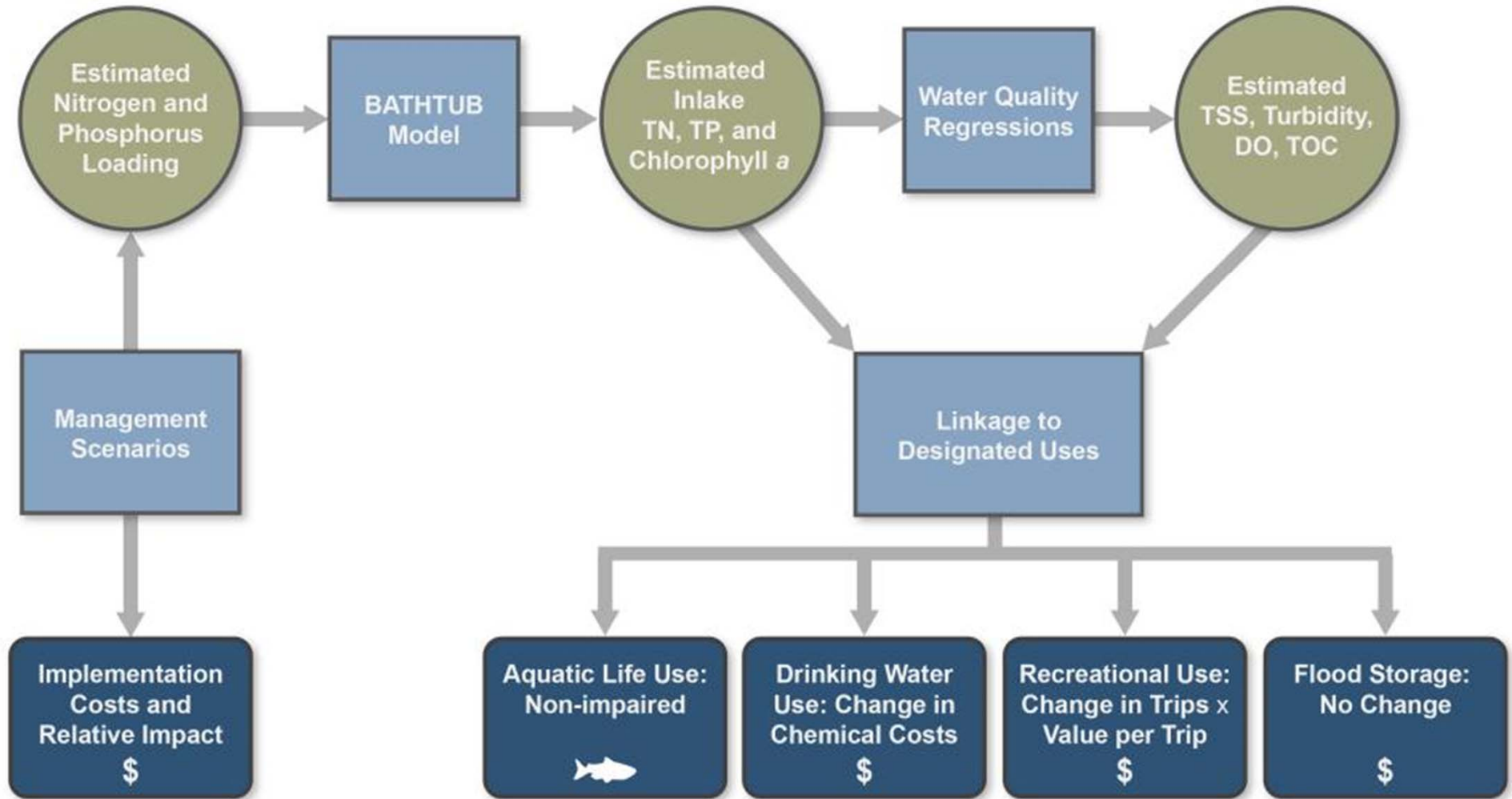
- Stage I and Stage II nitrogen reductions are not feasible
- Fiscal analysis does not address phosphorus
- Assumes the only agricultural BMP that will be used is Stream Protection Systems on pasture land
- Expanded toolbox for ag BMPs is needed



Falls Lake Framework Tool

- Spreadsheet-based Tool that integrates
 - Water quality data
 - Emperical models
 - Nutrient management strategies
- Predicts the impacts of nutrient management on
 - Lake water quality
 - Designated uses
 - Costs

Graphical Illustration of the Falls Lake Framework Tool



Regulatory Options Considered



Regulatory Options for Falls Lake

- Options considered
 - Use attainability analysis
 - Naturally occurring conditions or hydrologic modification
 - Significant and widespread social and economic impacts
 - Variance
 - Site specific criteria
- Information provided in Task 1 TM
 - Summary of applicable laws
 - Policy and legal considerations
 - Applicability to Falls Lake
 - Examples of use
- Supports development of recommended path forward

Recommendations for the Re-examination of Stage II

Near Term Actions



Recommended Path Forward: Near Term Actions

- **Conduct monitoring studies (through at least 2017) to**
 - Support revised lake nutrient response modeling
 - Link water quality to designated uses
 - Provide scientific basis for pursuing regulatory options
- **Seek immediate regulatory or administrative relief**
 - Delay implementation of the Strategy
 - Develop complete toolbox for BMPs
 - Allow time to move sequentially through four plans
 - Consider delivery factors in the estimation of nutrient loading and credits

Recommendations for the Re-examination of Stage II

Four Plans



Recommended Path Forward: Long Term Plans

- Plan A – revise lake modeling following collection of additional data
- Plan B – sub-classification use attainability analysis (SC-UAA) for the Upper Lake
- Plan C – variance for the Stage II Rules
- Plan D – site specific chlorophyll *a* criterion for the Upper Lake



Scheduling Constraints for the Re-examination

- Stage II implementation begins in January 2021
- A minimum of three years of monitoring is required under the Rules
- The PFC has recommended at least four years of monitoring to incorporate variations in weather and environmental conditions, with an optional fifth year
- Consider multiple plans simultaneously (if no delay)
- Early discussions with NCDWQ are needed to determine their position on alternative approaches
- Preliminary lake response modeling should be conducted after two years of monitoring
 - Provide planning level information
 - Estimate magnitude of expected change in nutrient allocations
 - Calculate financial implications of revised loading targets



ID	Task Name	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	
1	Petition NCDWQ to delay implementation of Stage I rules	2013	No delay: follow schedule		Successful delay: reschedule							
2	Negotiate use of delivery factors in the estimation of nutrient loading to the lake	2013										
3	Implement Stage I Rules	2014 - 2020		[Red bar spanning 2014-2020]								
4	Conduct monitoring studies	2013 - 2017	[Blue bar spanning 2013-2017]									
5	Optional 5th year monitoring	2018						[Yellow bar]				
6	Preliminary revisions to revised lake nutrient response modeling	2016 - 2017			[Blue bar spanning 2016-2017]							
7	Final revisions to revised lake nutrient response modeling	2018 - 2019					[Blue bar spanning 2018-2019]					
8	Plan A - Recalculate loading targets using revised lake nutrient response modeling *	2019							[Green bar]			
9	Plan B - Pursue a SC-UAA for the Upper Lake	2019							[Purple bar]			
10	Plan C - Apply for a variance for the upper Lake **	2020								[Teal bar]		
11	Plan D - Pursue a site specific chlorophyll a criteria for the Upper Lake	2020								[Orange bar]		
12	Implement Stage II Rules	2021-2036									[Red arrow pointing right]	

*Begin Plan A. Consider Preliminary Revision to determine if Plan B is needed

** If Plans A/B are unsuccessful, begin Plan C and consider Plan D



Task 1 Conclusions

- Stage II poses technical and financial challenges
- Additional monitoring and modeling studies are needed
- The schedule for the re-examination process is <8 years
- A delay in the schedule would
 - Benefit the re-examination process and
 - Allow for development of nutrient credit accounting tools
- The re-examination process will cost \$5 to \$10 million
 - Monitoring, modeling, negotiation, legal support, litigation, etc.
- Implementation of Stage II will cost approximately \$1 billion





Treasurer's Report

Jimmy Clayton

**Upper Neuse River Basin Association, Inc.
Treasurer's Report**

Date: 3/18/2013

Balance Forward: (per bank statement - 1/28/13)		Checking	\$	262,415.25
		Savings		113,079.55
Debits:	McGill Associates (services thru January, 2013)		\$	14,685.06
	Cardno (January, 13 invoice)		\$	15,537.50
	Bank Charges (maintenance fees)			1.00
	Total Debits		\$	30,223.56
Credits:	Interest (checking)		\$	28.30
	Interest (savings)		\$	21.69
Account Balance (per bank statement -2/25/13)		Checking	\$	232,219.99
		Savings		113,101.24
Total UNRBA Account Balance :			\$	345,321.23
Outstanding invoices/deposits in process since the close of bank statement (2/25/13):				
Debits:	Cardno (February, 13 invoice)		\$	3,803.75
	McGill Asso. (February, 13 invoice)			11,618.06
	Current Account Balances:	Checking	\$	216,798.18
		Savings		113,101.24
Total UNRBA Account Balance :			\$	329,899.42

Anticipated UNRBA Expenditures for FY 2012 - 13

Date: 3/18/13

Cardno-Entrix Contract Amount -	\$ 205,240.00		***
Paid in FY 2011-12	\$ 36,578.75		
Paid in FY 2012-13	108,801.12		
	Balance on Contract:	\$	59,860.13
 McGill Asso. Contract Amount -	 \$ 120,000.00		
Paid in FY 2012-13	\$ 93,733.78		
	Balance on Contract:	\$	26,266.22
 Reimbursables and other expenses:		\$	3,500.00
Total Projected Expenditures to 6/30/13:		\$	89,626.35
Current Account Balance as of 3/18/13:	Checking	\$	216,798.18
Less projected expenditures for FY 2012-13:			<u>89,626.35</u>
Projected Checking Account Balance on 6/30/13:		\$	127,171.83
Current Saving Account Balance:		\$	113,101.24

*** Cardno's contract increased by \$8,000 (Board approved)



Budget Recommendation

Proposed Budget Provided to Board Members February 25th

- UNRBA Support/Executive Director Services (as approved by Board on February 20, 2013): \$ 140,000
 - Miscellaneous Expenses (Tax Preparation, special materials, etc.): \$ 3,500
 - Monitoring Budget, partial annual support (per PFC recommendation): \$ 500,000
 - Total New Funding for FY 2014: \$ 643,500
 - Operating Checking Account—Contingency Fund (projected carry forward): \$ 118,409
 - Savings Account—Emergency Fund: \$ 113,079
- (Note: the use of contingency or emergency funds require prior board approval)**

Budget Recommendations for UNRBA Member
Contributions for FY 2013-14

Date: 2/25/13

Member	Total Amount Due FY 2013-14
Town of Butner	\$ 9,213.27
City of Creedmoor	6,219.81
City of Durham	149,742.67
Durham County	57,296.11
Franklin County	7,361.73
Granville County	42,286.38
Town of Hillsborough	11,470.98
Orange County	68,341.06
Person County	47,070.70
City of Raleigh	179,267.41
SGWASA	18,243.46
Town of Stem	4,861.24
Wake County	37,123.18
Town of Wake Forest	5,002.01
Total	\$ 643,500.01

Executive Director Report

- NC Water Quality Association Meeting, 2-21-2013
- Monitoring RFQ Development Process
- League of Municipalities Regulatory Action Committee, 2-22-2013
- Stage I ED Meeting with DENR, 2-27-2013
- Discussions with DWQ/DENR on Stage I ED Implementation
- NSAB Meeting, 3-1-2013
- NSAB Credits Sub-Committee Meetings
- DWQ's Stakeholder Process for Sand Filter Discharge Systems-NPDES Permit
- EMC Meeting—WOC Report
- DWQ 2012 Monitoring Summary
- Finalization of Nutrient Credits Process Report



Closing Comments

Meeting Schedule

Next Scheduled Meeting, May 15, 2013

As Scheduled for the rest of 2013:

July 17, September 18, and November 20