

Allocations from the Contingency & Emergency Account

Report to the Joint Legislative Commission
On Governmental Operations

Office of State Budget and Management

March 15-16, 2010

Reporting Allocations from the Contingency & Emergency Account

A report on allotments from the Contingency and Emergency Account that have been approved since the January 19-20, 2010 meeting of the Joint Legislative Commission on Governmental Operations as required by G.S. § 143C-4-4.

1) Legal Services for South Carolina, v. North Carolina ---- \$147,708

South Carolina filed suit against North Carolina in the United States Supreme Court claiming that North Carolina is taking more than its equitable share of the water from the Catawba River. South Carolina's allegations extend to all uses of water in the Catawba River by North Carolina. A final judgment against North Carolina could require the State to provide a minimum volume of water to South Carolina, thus limiting North Carolina's share for municipal supply, recreation, and economic development. As provided under the advice of the Department of Justice, the services of several firms providing engineering and other expert witness services, legal discovery, imaging, record transcription, document management, paralegal and court reporting, and other services were retained to assist the State in the case of South Carolina, v. North Carolina. This is ongoing litigation initiated in 2007.

The Council of State had previously approved allotments from the C&E fund totaling \$812,204 for legal fees pertaining to this case. The Council of State approved a \$147,708 request at their March 2, 2010 meeting.

2) Legal Services for Alabama, et al. v. North Carolina. ---- \$55,798.

As provided under G.S. 147-17 and on the advice of the Department of Justice, the services of former Solicitor General Walter Dellinger of O'Melveny & Myers LLP were retained to represent the State in the case of Alabama, et al. v. North Carolina. These services supplemented extensive legal work provided by full time Department of Justice attorneys.

This lawsuit was filed as a result of North Carolina's decision to withdraw from membership in the Southeast Interstate Low-Level Radioactive Waste Management Compact. This is ongoing litigation initiated in 1999 related to the development and permitting of a North Carolina low level radioactive waste site that would support nuclear waste disposals from eight southeastern states. The US Supreme Court appointed a Special Master in 2004 to review legal claims and proceedings by the southeastern states.

The Council of State has approved allotments from the C&E fund totaling \$288,932 for legal fees pertaining to this case. The Council of State approved a \$55,798 request at their March 2, 2010 meeting.