

Allocations from the Contingency & Emergency Account

Report to the Joint Legislative Commission
On Governmental Operations

Office of State Budget and Management

December 11-12, 2007

Reporting an Allocations from the Contingency & Emergency Account

1) Legal Services for State of North Carolina v. Tennessee Valley Authority ---- \$249,551.47

As provided under G.S. 147-17 and on the advice of the Department of Justice, the firms of the Ayres Group and the Resolution Law Group, P.C., two firms with specialized expertise, have been engaged to assist the Attorney General's Office.

The Attorney General's Office has concluded that pollution released into the air by power plants controlled by the Tennessee Valley Authority (TVA) is causing significant negative impacts on air quality in North Carolina. Litigation against TVA is necessary to force a reduction of these emissions and protect the citizens of this State from the effects of this pollution. Because of the specialized nature of air quality litigation, TVA's resources, and the likelihood that multiple out-of-state lawsuits will be required, the Attorney General's Office has concluded that it is impracticable for their office to effectively represent the State in this litigation without the assistance of private legal consul.

This request for \$249,551.47 is to pay for legal services provided as follows.

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| Ayres Law Group (7/1/07 through 8/31/07) | \$ 43,055.00 |
| Resolution Law Group, P.C. (4/1/07 through 6/30/07) | 604,829.45 |
| Total Current Invoices: | \$647,884.45 |
| Paid from DENR Litigation Reserve Fund | 398,332.98 |
| Total Requested | \$249,551.47 |

The Council of State has previously approved allotments totaling \$484,337.75 for legal fees pertaining to this case. This request was approved by the Council of State at their meeting of November 6, 2007.

2) An allotment to the Department of Agriculture and Consumer Services for the NC Agriculture Cost Share Program---- up to \$250,000

The Department of Agriculture and Consumer Services has requested an allotment of up to \$250,000 to the NC Agriculture Cost Share Program administered by the NC Division of Soil and Water Conservation. The funds will be used for pasture renovation and to plant cover crops for the spring hay harvest. The ongoing drought has killed pasture vegetation to the point that pastures cannot recover without significant renovation. Further, there is a tremendous need for plant cover that can be harvested in the spring to serve as a bridge until traditional hay fields mature to the point they can be harvested.

These funds, along with a recent allocation of \$272,000 from NC Agriculture Cost Share Program, will address the needs of livestock farmers. The shortage of hay is having a significant impact on all livestock farmers.

This request was approved by the Council of State at their meeting of October 2, 2007.

3) State Reward Money Paid to One or More Confidential Informants - \$3,000

A request for an allotment from the Contingency and Emergency Account to the Office of the Governor to pay a reward to a person or persons for information leading to the arrest and conviction of the person or persons responsible for the murder of Shaheem Paylor ---- \$3,000

This request was approved by the Council of State on April 3, 2007

4) State Reward Money Paid to One or More Confidential Informants - \$5,000

A request for an allotment from the Contingency and Emergency Account to the Office of the Governor to pay a reward to a person or persons for information leading to the arrest and conviction of the person or persons responsible for the murder of Paul Dejuan Willoughby ---- \$5,000.

This request was approved by the Council of State on December 5, 2006