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## MINUTES ENVIRONMENTAL REVIEW COMMISSION 13 December 2006

The Environmental Review Commission (ERC) met on Wednesday 13 December 2006 at 9:30 a.m. in Room 1228 of the Legislative Building. Senators Clodfelter and Albertson presided.

The following members were present: Senators Albertson, Bingham, Clodfelter, Kinnaird and Weinstein; and Representatives Gibson, Hackney, Harrell, Harrison, Justice and Warren. Mr. George Givens, Commission Counsel; Jeffrey Hudson, Assistant Commission Counsel; Jennifer McGinnis, Assistant Commission Counsel; Susan Iddings, Assistant Commission Counsel; Jennifer Mundt, Commission Analyst; and Dot Waugaman, Commission Clerk, were also present.

On 28 November 2006, notice was sent to members and interested parties via e-mail and regular mail. A copy of the notice is included in the attachments to these minutes as **Exhibit A**. Copies of the agenda for the meeting and visitor registration sheets are included in the attachments as **Exhibits B** and **C**.

Senator Clodfelter called the meeting to order and recognized Mr. Phil Land, a staff counsel to Senator Wes Hayes of the South Carolina General Assembly. He has been the leading proponent of getting North and South Carolina into closer cooperation in managing our shared resources, particularly the Yadkin-Pee Dee River and the Catawba River. Senator Clodfelter then asked George Givens to present his report and explain the agenda items. Mr. Givens pointed out that a packet of Read Only reports with an explanation memorandum from Ms. Jennifer Mundt was at their desks (see **Exhibit D**). The reports consists of the Title V Air Quality Permit Program Accountability Report, dated November 2006 (see **Exhibit D-1**); the Annual Mining Permit Fee Use Report memorandum, dated 5 December 2006 (see **Exhibit D-2**); the Annual Report of the Fish Kill Events dated December 2006 (see **Exhibit D-3**); the 2006 Report to the Joint Legislative Education Oversight Committee on "*Strengthening Littering Laws*", dated 15 December 2006 (see **Exhibit D-4**); and a document entitled, "Status of Reports to the ERC Required by Law", dated 12 December 2006 (see **Exhibit D-5**).

Mr. Givens noted that the public-staff planning meeting for this meeting was held at 10:00 a.m. on 1 December 2006. He then reviewed the agenda for Commission members (see **Exhibit B**). He brought up the Request for Proposals (RFP) to be issued jointly by the ERC and the Joint Legislative Transportation Oversight Committee on the possible merger of the Ecosystem Enhancement Program and the Clean Water Management Trust Fund. The RFP was issued on 21 November 2006; proposals are due on 22 December 2006; and it is anticipated that the contract will be awarded on 10 January 2007. A copy of the final RFP is included as **Exhibit E**. Also handed out was a list of questions and answers concerning the RFP provided by the Fiscal Research Division (see **Exhibit F**).

Mr. Givens next drew attention to the draft RFP for a report on costs associated with providing nutrient controls that are adequate to offset point source and nonpoint source discharges of nitrogen and other nutrients (see **Exhibit G**). The RFP is to be issued this week; proposals will be due on 5 January 2007; the contract is to be awarded on 19 January 2007; and a final report is expected by 1 May 2007, in time to impact the decision expected to be made during the 2007 session. The current legislation sunsets on 1 September 2007. Representative Gibson moved that the draft Request for Proposals captioned: "Report on Costs Associated with Providing Nutrient Controls that are Adequate to Offset Point Source and Nonpoint Source Discharges of Nitrogen and Other Nutrients" be approved for distribution subject to any necessary technical, clarifying, conforming, and scheduling changes by the Commission Counsel, and that the Commission Counsel be authorized, with the approval of the Cochairs, to select a vendor to conduct the study. Representative Gibson further moved that the Commission Counsel and the Cochairs, with the approval of the Legislative Services Commission, be authorized to enter into a contract with the vendor in accordance with the Request for Proposals on behalf of the Commission. Mr. Givens reported he had two meetings with interested parties during the development of the RFP which led to an increase in the scope of the study. The contract will provide for consultation with stakeholders to make any mid-course corrections needed. The motion carried.

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Senator Clodfelter recognized Dr. David H. Moreau, Chair, Environmental Management Commission (EMC), Department of Environmental and Natural Resources (DENR), to discuss the recommendation of the hearing officer concerning the petition by the cities of Concord and Kannapolis to the EMC for a certificate for an interbasin transfer (IBT) from the Catawba River Basin and the Yadkin River Basin to the Rocky River Basin (see **Exhibit H** for a copy of his PowerPoint presentation). Senator Clodfelter commented that the ERC's role is not to be involved in the decision to grant a permit, but to look at issues that might require legislation.

Dr. Moreau thanked the staff of the Division of Water Resources, members of the EMC, and to the hearing officers and public who have been involved in the discussion of the issue for two years. He stated the basis for the request, discussed the recommendation that the hearing officers have made to the EMC for action in January, and provided some of the evidence on which the recommendation was based.

Dr. Moreau noted the following about the maps in his presentation. First, a large part of the Catawba Basin in North Carolina drains into Lake Wylie below the Mountain Island Reservoir, so that portion of the basin is not generally available for public water supply upstream. In the Yadkin-Pee Dee Basin, the South Yadkin comes in above High Rock Lake. The Rocky River Basin is described as a separate basin in statute, requiring any transfer to be subject to the Interbasin Transfer Act. The area concerned with the transfer is a contiguous urban area with high population densities, including Kannapolis, Salisbury, Charlotte, Gastonia and Kings Mountain. It is bisected by interbasin lines. The water demand patterns do not follow the boundaries of the river basins. A large portion of Charlotte is in the Rocky River Basin. The demand center from Mountain Island and High Rock Lake are roughly equidistant, so the demand center is roughly equidistant from the two supplies. The existing supplies for Kannapolis and Concord are restricted to the relatively small watersheds upstream of the cities.

The impacts on the basins were measured in various ways. One was by the use of a computer simulation model that ran various scenarios from 0 to 22 million gallons a day under the 79 years of historical stream flow records. The model simulates how the system would perform in the future given a repeat of the historical stream flows in the area. The credibility of the model was determined by looking at how much the reservoirs would be drawn down if the interbasin transfer was skimmed off for six months without any inflow to the reservoir.

The systems were built for and dominated by hydroelectric power production; therefore separating out the effect of the IBT is difficult. Referring to Slide 11, Dr. Moreau said that if there was a significant impact, there would be differences in the lines for each one of the interbasin transfer scenarios. However, all four of the lines plot on top of one other. From looking at the 79 year summary, no difference can be detected. There is a similar situation for the outflows of Lake Norman (see Slide 12). The EMC then looked at the worst drought in the 79-year period, 2000-2002. The bottom line (see Slides 13 and 14) is the 0 transfer and the 10 million gallon per day transfer. The lines also plot right on top of each other. The model gives some counter-intuitive results with larger transfers such as the 22 million gallons a day transfer. The explanation is that with the larger transfer, the conservation program to reduce power generation is triggered sooner. A simple check of the model showed just inches of elevation lost with the IBT skimmed off for six months without any inflow to the reservoir.

Dr. Moreau told ERC members that the full report is available on the Division of Water Resources website.

Senator Albertson asked for an explanation of the conservation of power and water. Dr. Moreau replied that the conservation strategy for the systems was developed as part of the licensing of the power project. All the reservoirs on the Catawba River are owned by Duke Energy. They periodically come up for re-licensing. As part of the re-licensing process, they have developed a low in-flow protocol. It is a complex set of rules about how the system will be operated when a drought is declared. The dominant use of the reservoir system is for power generation, although there are environmental constraints. The permits are for 25-30 years. Senator Clodfelter asked what would be done if changes in growth occur. Dr. Moreau replied that the language allows for reopening the permit decision if there are significant changes.

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Senator Clodfelter asked why the EMC is granting today an allocation that will not be needed for 29 years. Dr. Moreau replied that it was done so the water systems can adjust their plans, perhaps by building connecting lines. If there is not enough lead time, the users will have to look at other alternatives that are also considered in the report. He added that the 10 million gallons a day, reduced from the request of 26 million gallons a day, should be sufficient for a reasonable time in the future. Senator Clodfelter asked why the water that was needed would not be taken out of the Yadkin in the near term as there is more in that basin, and have the EMC make a master plan for the whole area for the long term. Dr. Moreau replied the EMC is in part bounded by what was asked for. He added that the EMC would like people to look at off-stream storage, taking water from periods of high flow and storing it for use in dry periods. There is more water than can possibly be used from January to May.

Senator Albertson commented the policies made by the General Assembly need to be the best for all the people of the state, and that should be the guide by which decisions on issues are made.

Representative Harrison asked for a review of the Interbasin Transfer law, and asked if it needs some modification. Dr. Moreau said he believes the statute is well constructed. He said changing the time limits on the permit might be considered. He is concerned with the implicit assumption in the statute that the water will be taken when it is needed (during drought periods), not when it is available. There are also some process issues. The petition, but not the recommendation, must be taken to public hearing. He suggested the ERC look at a two-stage process to include notice when the petition is received (including receiving comments), and then holding a public hearing when the recommended decision comes forward.

Mr. Givens asked about shifting the burden of proof on the petitioner. Dr. Moreau said there is a question about the weight of evidence and the benefits and adverse effects. The EMC is obligated to evaluate the beneficial and adverse effects on both the donor and the receiving basins, but the statute is neutral on how the effects are to be weighted. Dr. Moreau said that IBTs will be a reality in order to continue the economic growth of the state. At the same time, the interests of the donor basins need to be protected, and that is what the EMC has tried to do.

Senator Clodfelter commented on some policy issues that he sees need to be considered. The first is that the IBT program is not linked to a larger surface water use program. There are no presumptions about priority of use for available water supplies, because there is no way to link the IBT statute to a more comprehensive water utilization plan. He added that South Carolina is working on an integrated water utilization plan for all surface water withdrawals, not just basin transfers. In North Carolina there are no policies to guide EMC about how to prioritize different classes of users in the basin as opposed to those outside of the basin. The second is that there is a low-inflow protocol that when triggered, will produce measures to conserve water within the basin. The policy question is what is the purpose of the water conservation measures—to free up water to be transferred out of the basin, or to make sure sufficient water is available for use within the basin. In densely populated areas of the state, urbanization could be driven further and further away because it would be permissible to force water conservation measures within the basin to feed new development further outside the basin. That would lead to dispersion of population instead of concentration. He added a suggestion that the ERC take a look at the South Carolina legislation to see if it would be appropriate for North Carolina. He added that North Carolina should have regional water supply plans to manage all surface water withdrawals in each part of the state.

Dr. Moreau said that as part of the analysis a 50-year projection of water needs within the basin was incorporated into the model, so basin needs were considered as part of the simulation. Senator Clodfelter commented that every one of the growth projections rely on local estimates, and most estimates have proved unreliable over the last 25 years.

Representative Gibson said he believes the starting point of the analysis is availability. He asked Dr. Moreau how to work with the partners so that the alternative water supplies do not create their own ecosystem. He asked to hear from the regulators whether these innovative and very expensive alternatives would guarantee that every area would have water. He said that the rules would need to stay the same over an extended period of time. He added that a regional water supply plan is needed so all will know what water will be going where. Representative Gibson said North Carolina is blessed with water, but we are also

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blessed with people coming to use it. Solving the availability of water will be painful and will require long-term investments. Senator Clodfelter commented that shorter-term permits would allow more flexibility.

Senator Clodfelter recognized Mr. Jim Kerr, a member of the North Carolina Utilities Commission, to discuss the study of a renewable energy portfolio standard (REPS) for North Carolina. Mr. Kerr recognized Mr. Jimmy Ervin of the Commission and Mr. Robert Gruber, Chair of the Public Staff of the Commission. He introduced the report on the costs and benefits of a renewable portfolio standard. The Utilities Commission committed to work with a nationally known consultant to create a study as a tool for the General Assembly to use to develop policy on a REPS.

Mr. Kerr also recognized an advisory group of stakeholders on the subject of REPS that worked with the consultants through the entire study. They included Mitch Williams of Progress Energy, David Beam of the North Carolina Electric Membership Corporation, Ivan Urlaub of the Sustainable Energy Association, Kris Coracini of the Environmental Defense Fund, Sue Gouchoe of the North Carolina Solar Center, Preston Howard of the Manufacturers and Chemical Industry Council of North Carolina, Dr. Ed Erickson, Professor of Economics at North Carolina State University, James McLawhorn of the Public Staff of the Utilities Commission, and Len Green of the Attorney General's Office. He also thanked the State Energy Office, the North Carolina Solar Center, and others for support of the consultant in providing the most current underlying data available for North Carolina. The report will be posted on the Utilities Commission website later in the day. With the posting, comments are being solicited (see **Exhibit I**). He said the comments would be summarized and given to the ERC by the middle of January in time for consideration during the next session.

Mr. Kerr introduced Mr. Jonathan Winer, La Capra Associates, to present information from the REPS study report (see **Exhibit J** for a copy of Mr. Winer's PowerPoint presentation). Mr. Winer thanked the Utilities Commission for their assistance during the study, the advisory group for their help, and for other members of the team that put the report together. (See **Exhibit K** and **Exhibit L** for the two study reports.)

Senator Kinnaird asked if increasing hydroelectricity involved the use of current plants or the development of new ones. Ms. Mon-Fen Hong of La Capra Associates replied that hydro potential came from an Idaho National Lab study where hydro potential was looked at in existing impoundments and in potential expansion of existing hydroelectric facilities. Most of the hydroelectric they looked at for actual potential possibilities was from impoundment without any current generation. No new building of dams is expected.

Representative Gibson asked what the cost would be per kilowatt. He asked how comfortable Mr. Winer is with the findings of the report and how comfortable the stakeholders will be with them. Mr. Winer replied that the cost would vary by site for most projects. He added that he is comfortable with the installed cost figures on page 40 of the Technical Report (**Exhibit L**). He went on to say that the numbers in the study were drawn from their knowledge of real projects in the United States in comparable situations. Mr. Kerr added that the advisory group was particularly helpful in testing the foundational information. He said further that the period for comment on the reports would be helpful in further testing the information.

Representative Harrison asked if externalities such as impacts on public health and the environment were considered when developing the cost figures. Ms. Hong replied they did not give a monetary value to the externality costs. In response to a further question, Mr. Winer said that each state has a different portfolio based on their previous renewable resources and their potential. He said he believes a 10% increase in North Carolina would be a big challenge unless energy efficiency is counted toward the 10%. There are four states that currently include energy efficiency as one of the resources that can be applied against the REPS (Connecticut, Pennsylvania, Nevada and Hawaii). La Capra did not study energy efficiency as a resource available to North Carolina in the next 10 years. Other states are adopting policies to encourage certain kinds of renewable energy resources, and suggestions for North Carolina to encourage solar resources are made in the report. Mr. Winer said the report included a certain amount of interconnection costs, but it did not model extensive system upgrades. He gave the example that if the wind resource were in a location with no transmission lines nearby, they modeled the substation and up to 10 miles of transmission lines to connect to the existing grid. The adoption of an REPS is usually accompanied

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by a major review of all associated issues that would need to be considered in order for the REPS to be effectively implemented.

Representative Harrell asked what period of time it would take to implement the options. Mr. Winer replied it is doable within 10 years. La Capra modeled a 10-year period. They would strongly recommend a several year lead-in if North Carolina decides to go forward and adopt an REPS policy to allow for the development of required resources. He said the model assumed the development of the REPS would be 1/2 % in year 1, 1% in year 2, to reach an increase of 5% over a 10-year period. The 10% model assumed a 1% a year increase, which might also be doable. However, he stressed that it is important to have a lead-in time before you expect to reach the first 1% increase.

Mr. Kerr told the Commission that the consultants were available to them to answer further questions if needed.

Mr. Givens recognized Mr. Sam Watson, another member of the Utilities Commission, and thanked him for his attendance at the meeting.

Senator Clodfelter recognized Ms. Jeryl Covington, Director of Environmental Services, City of Greensboro, to speak about local government perspectives on the future availability of landfill capability (see **Exhibit M** and **Exhibit N** for an outline of issues being studied). She spoke about concerns for local government described by Mr. Paul Chrisman at the last meeting, namely, the loss of landfill capacity within the state, and the import/export of solid waste. She reported that Greensboro has recently closed their landfill and is competing with others for space in out-of-county landfills. It is a daunting task for State regulators to work with the communities to prove that facilities are safe and have been operated fairly. With their Subtitle D facility, Greensboro has been able to identify the differences in operations and in construction and monitoring. They do not want to get caught up in a quagmire of looking at isolated issues that are not broad enough to affect the whole solid waste community, but may have implications due to geographic locations or waste generations of particular regions. She requests that the State look at the regulation of solid waste landfills and asks that the rules be communicated swiftly.

Senator Clodfelter recognized Ms. Charlotte Jesneck, Branch Head, Inactive Hazardous Sites Branch, Superfund Section, Division of Waste Management (DWM), DENR, to speak about the inventory of closed and unregulated landfills and dumps (see **Exhibit O** for a copy of her PowerPoint presentation). She showed pictures of the Buxton dump site in Dare County and another in Wilson County that are now trailer parks. The area around the trailers has been checked for methane gas, and wells within 500 feet have been tested. No problems were found. She spoke about the benefits of a state-wide surcharge to provide a revenue stream to convert old unlined landfills to a safe use.

Senator Kinnaird asked what the tip fees are in other states. Ms. McGinnis said she would find the information and make it available to Commission members.

Representative Harrison asked how often the unlined landfills are inspected. Ms. Jesneck replied they are using one-time money to locate them and determine what the areas are currently being used for. They have looked into 40 counties over a three-year period. They hope to have the survey completed in another three years.

Senator Albertson took the chair and recognized Mr. Steve Wall, Policy Analyst, Office of the Secretary, DENR, to discuss liabilities and consequences associated with closed and unregulated landfills and dumps (see **Exhibit P**). He said the problem has been decades in the making, and it will take long-term solutions to solve it. The longer the state waits to clean up the sites, the greater the liability and the expense will be.

Senator Albertson recognized Mr. Peter Anderson, Executive Director, Center for Competitive Waste Industry, on behalf of the International Brotherhood of Teamsters, to discuss liabilities associated with existing and proposed landfills (see **Exhibit Q** for a copy of his PowerPoint presentation and **Exhibit R** for a report on the landfill crisis in California). He had participated in a study of California in 2004 concerning the

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adequacy of landfill financial assurance and brought a few copies of the report. He offered to provide copies for each member of the Commission by mail.

He began by describing an experience in South Carolina in 1977 in which an old clay pit was converted into a kitty litter factory. Later, because it was clay bottomed, it became a de facto site for hazardous waste. Ownership of the site changed a few times, and by 1985, the South Carolina Department of Environmental Health Control realized they had an enormous liability. The landfill is on the shores of Lake Marion, a reservoir overlying two aquifers that provides the drinking water supply for the South Carolina coastal area. After nine years of regulatory and political process they called on the owner company, Laidlaw, to post a bond for \$133 million. Laidlaw spent \$200,000 lobbying the legislature, the members of the governing Board were changed, and the Board determined they could use anything Laidlaw decided as a reasonable way of providing the financial assurance. Laidlaw said they would use their own corporate IOU. In the year 2000, the company closed its office in Columbia, re-opened their office in Delaware, and from there declared bankruptcy. When South Carolina asked about the liability that by then had increased to \$1 billion, the company offered them an annuity valued at \$49 million, not even enough to maintain the site, to say nothing of addressing the consequences of a \$1 billion liability.

Mr. Anderson said there were two major considerations. He stated that what has been considered state of the art is not going to work in the age of mega landfills. The financial assurances that are supposed to protect the state from risks are limited to 30 years and they are very unsure funding mechanisms that assure only routine care. The consequences of accidents and corrective actions are not covered at all. After closure of a landfill, the cap will eventually degrade, causing a second wave of biological problems to solve without financial assurances because the responsible parties will no longer be involved. He said that the actual costs incurred to remediate failed sites have been about \$25 million per site. Those, however, are small sites, and today much larger sites are being proposed.

The Environmental Protection Agency has used containment (not remediation) criteria in their Superfund corrective actions. Ten to 20 years later, the problems will recur. It takes about a \$.5 million per acre to install a liner system, which encourages making higher landfills. With mega landfills, it is not just a failure mechanism in general that needs to be discussed, it is also the fact that when landfills do fail, particularly in urban areas, the problem cannot simply be contained. The landfill will have to be excavated, stabilized, and the waste re-interred at costs that could run from \$50 to \$100 a ton. The kind of cost being covered presently in landfill financial assurance in the 30 years might be \$5 million to replace the basic systems, but it might take \$40 million for remediation. Waste Management has \$12 billion in revenues a year. Even just replacing the caps on their 385 landfills every 40 years, the cost will exceed their cash flow. That does not include any corrective action.

Mr. Anderson's recommendation is that the people best able to manage the risk are not government officials, but the insurance industry. They are trained in risk management and know how to make risk assessments. The most important fact is that the risk management industry has to put their own money behind the assurance whether it be by letter of credit or other instrument. Their assets and their profits stand behind the premium. If they understate the risk because of political influence, it is their financial situation that will be affected. Any company has a fiduciary responsibility to off-load its risk onto the public, but it also is a fiduciary responsibility of legislators to not let the industry govern public policy.

Senator Kinnaird asked if this insurance exists. Mr. Anderson replied that currently it does not. He added that it will exist only if it is required by the states. There will have to be pools and reinsurance to assure the money will be available when needed.

Senator Albertson asked Steve Wall what the current State policy is in regard to landfills. Mr. Wall said they would fall under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), or the Resource Conservation and Recovery Act (RCRA). Mr. Anderson commented that there is a difference between assurance and liability. If a company cannot pay, liability has no value. The state needs assurance, not liability.

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Representative Harrison asked if bonding is an answer. Mr. Anderson replied that bonding would have to be even across the board and would be too expensive. The way to be fair to both parties is to use a probabilistic-based approach as insurance is. Bonding cannot work because the liabilities are so large and probabilistic in nature.

Representative Harrison asked for a report on the Emergency Drinking Water Fund from DENR at a future ERC meeting.

The Commission broke for lunch from 12:40 to 1:30 p.m.

Senator Albertson called the meeting back to order at 1:30 p.m. He recognized Mr. Givens who announced that Agenda Items 8-10 would be omitted from the meeting and heard at one of the January meetings.

Senator Albertson next recognized Mr. Jim Hickman, Local Government Assistance Team Leader, Division of Pollution Prevention and Environmental Assistance, DENR, to speak about the management of end-of-life manufactured homes (see **Exhibit S** for a copy of his PowerPoint presentation).

Mr. Hickman described the three categories of manufactured homes. The first is modular. These homes are manufactured off-site and built to North Carolina building code. The second, manufactured homes, are homes that are built to a federal building code codified June 15, 1976. The third, mobile homes, are pre-Housing and Urban Development (HUD) homes that were built prior to June 15, 1976. Their life expectancy can vary; however 20 years is usually the figure given for their life expectancy. The newer HUD homes rival stick built homes in their quality of construction.

Only three counties have permanent clean-up programs: Brunswick, Scotland and Davidson counties. There are some pilot programs, one in Rockingham County. The Perquimans-Chowan-Gates Solid Waste Management Commission has been investigating how to dispose of their mobile homes but has struggled with the cost. The Association of County Commissioners, in conjunction with the Manufactured Housing Institute, has sponsored three or four pilot programs in the state.

Senator Albertson recognized Mr. Paul Meyer, Assistant General Counsel, North Carolina Association of County Commissioners, to speak about the county perspective on the clean-up of abandoned manufactured homes (see **Exhibit T** for a copy of his PowerPoint presentation). He said that one solution to financing the clean-up of abandoned mobile homes would be an advance disposal fee. The Association of County Commissioners is expected to propose a bill for an advance disposal fee on manufactured housing in the 2007 session.

Senator Albertson recognized Ms. Stephanie Lewis, Assistant Director of Operation Services in Brunswick County, to explain the Appearance and Code Enforcement program (ACE) and mobile home recycling in Brunswick County (see **Exhibit U** for a copy of her PowerPoint presentation and **Exhibit V** for a brochure on the ACE program). After describing the two options available for the disposal of mobile homes in Brunswick County, Ms. Lewis stated they will end the voluntary program because of its expense. It will be reassigned to their Code Enforcement Department.

The ACE program requires a resident to sign a waiver to release the County from any property damage while they are demolishing an abandoned mobile home. The Planning Department approves the item and makes sure it is appropriate for demolition. Once everything is approved, the work order is sent to the Solid Waste and Operations Services for actual demolition and disposal. The county has used 104,000 cubic yards of space in their landfill over the past five years for this program, about 13% of the space used each year in their landfill. To help with the backlog of requests for demolition, if someone wants to get rid of a mobile home and can make it road worthy, they can tow it to the landfill and the tip fee will be waived.

Senator Albertson recognized Mr. Jim Blackwell, County Engineer, Scotland County, to speak about the management of abandoned manufactured homes in his county (see **Exhibit W** for a copy of his PowerPoint presentation). Scotland County does not use any of their general funds for their program. Mr. J.

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R. Horne, Solid Waste Enforcement Officer, receives complaints from customers, meets with them, and takes necessary action to resolve the problem. He is part enforcement officer and part information officer. Other people involved are from the Sheriff's Department and the district attorney and judges.

For the last 25 years, the county has experienced an increase in the number of mobile homes. Recently over 50 percent of the homes permitted by the Inspection Department are mobile homes. Four years ago, the County Commissioners decided the county needed a financial feasible program to clean up abandoned structures and mobile homes. The direct benefits of the program include aesthetics, reduction of fire hazards, and protection of health and the environment.

The amount of financial resources available for the program limits the number of units they can dispose of. Mr. Blackwell said it costs \$800 to dispose of a single unit mobile home--\$500 for transportation and \$300 for the tipping fee. The same unit demolished on the site and then transported to the landfill costs approximately \$1500. Demolition and disposal of a double-wide on site costs approximately \$2200, including transportation to the landfill..

To put the legalities in place, the county amended their solid waste management ordinance to allow the inclusion of abandoned structures and mobile homes in the definition of construction and demolition waste. The ordinance is on their website. Landowners are identified as the responsible party because either the landowner owned the mobile home or had signed a consent form to allow a person to put a mobile home on their property. The Court could give the Enforcement Office permission through an order to go on the property and clean the mobile home up at the landowner's expense. Expenses can be collected in the same way as taxes. Prior to enacting the changes in the ordinance, the Office of Solid Waste consulted with the district attorney's office and the county attorney to be sure the ordinance was legal and enforceable. Mr. Blackwell said the relationship with the district attorney's office is very important to make the program work.

Senator Albertson asked how many mobile homes they are able to dispose of in a year. Mr. Blackwell replied they have removed approximately 25 per year. Mr. Givens asked what kind of a backlog they have. Mr. Blackwell replied there are about 250 that need to be disposed of now and they add about 10 to 15 a year to that number.

Senator Bingham asked how much time it takes from identification of the problem to disposal. Mr. Blackwell replied it depends on the financial resources of the customer. If the customer is a developer, the disposal will take 60-90 days. If there is a disagreement about whether or not a mobile home or structure should be demolished, the building inspector decides based on code enforcement and safety issues.

Representative Justice asked that the issue of hog waste lagoons be put on the agenda for a future ERC meeting. Mr. Givens replied that he would discuss that with the co-chairs of the Commission.

Mr. Givens announced the next meeting of the Commission will be 17 January 2007 in Room 544 of the Legislative Office Building.

The meeting adjourned at 2:40 p.m.

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Representative Pryor Gibson, Co-Chair

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Senator Charlie Albertson, Co-Chair, Presiding

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Dot Waugaman, Commission Assistant

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Senator Daniel Clodfelter, Co-Chair, Presiding



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## LIST OF EXHIBITS

<b>Exhibit A</b>	Notice of Meeting dated 28 November 2006
<b>Exhibit B</b>	Agenda of Meeting
<b>Exhibit C</b>	List of Attendees
<b>Exhibit D</b>	Package of Reports with memorandum from Jennifer Mundt dated 13 December 2006
<b>D-1</b>	Title V Air Quality Permit Program Accountability Report, dated November 2006
<b>D-2</b>	Memorandum from William G. Ross, Jr., transmitting Annual Mining Permit Fee Use Report, dated 5 December 2006
<b>D-3</b>	Memorandum from William G. Ross, Jr., transmitting Fish Kills Report, dated 1 December 2006
<b>D-4</b>	Annual Report Annual report on the recycling efforts of the public schools in the State, " <i>Strengthening Litter Laws</i> ", dated 15 December 2006
<b>D-5</b>	Status of reports to the ERC Required by Law, dated 13 December 2006
<b>Exhibit E</b>	Request for Proposals for Report on the study of the merger of the Ecological Enhancement Program and the Clean Water Management Trust Fund, dated 21 November 2006
<b>Exhibit F</b>	Questions Received Related to the RFP – Report on the study of the merger of the Ecological Enhancement Program and Clean Water Management Trust Fund
<b>Exhibit G</b>	DRAFT Request for Proposal for a Report on Costs Associated with Providing Nutrient Controls that are Adequate to Offset Point Source and Nonpoint Source Discharges of Nitrogen and Other Nutrients, dated 13 December 2006
<b>Exhibit H</b>	PowerPoint Presentation on Interbasin Transfers by Dr. Moreau
<b>Exhibit I</b>	Notice Announcing the Availability of an Analysis of a Renewable Portfolio Standard for the State of North Carolina and Request for Public Comments, 13 December 2006
<b>Exhibit J</b>	PowerPoint Presentation on Renewable Portfolio Standard by Jonathan Winer, LaCapra Associates
<b>Exhibit K</b>	Report for the NC Utilities Commission, entitled "A Study of the Feasibility of Energy Efficiency as an Eligible Resource as Part of a Renewable Portfolio Standard for the State of North Carolina, prepared by GDS Associates, Inc., dated December 2006
<b>Exhibit L</b>	Analysis of a Renewable Portfolio Standard for the State of North Carolina, prepared by LaCapra Associates, Inc., GDS Associates, Inc., and Sustainable Energy Advantage, LLC, dated December 2006
<b>Exhibit M</b>	Memorandum from Jeryl W. Covington, P.E., Director, Environmental Services Department, concerning Local Government Perspective: Landfill Moratorium and Solid Waste Study, dated 13 December 2006
<b>Exhibit N</b>	Outline of Issues, Solid Waste Study, ERC
<b>Exhibit O</b>	PowerPoint presentation, "Old Uncontrolled Landfills/Dumps", by Charlotte Jesneck
<b>Exhibit P</b>	Memorandum from Steve Wall, NCDENR, concerning liability issues related to old uncontrolled landfills/dumps

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- Exhibit Q** PowerPoint presentation by Peter Anderson, Executive Director, The Center for Competitive Waste Industry
- Exhibit R** Report to the California Recycling Network, entitled “Day of Reckoning”, dated December 2004
- Exhibit S** PowerPoint presentation, “Managing End-of-Life Mobile Homes” by Jim Hickman
- Exhibit T** PowerPoint presentation, “County Perspective on the Clean-Up of Abandoned Manufactured Homes”, by Paul Meyer
- Exhibit U** PowerPoint presentation, “Mobile Home Recycling”, by Stephanie Lewis
- Exhibit V** Citizens Guide to Voluntary Participation in the Brunswick County Appearance & Code Enforcement Cleanup Effort
- Exhibit W** PowerPoint presentation, “Scotland County Abandoned Mobile Home Program”, by Jim Blackwell