

2018

**JOINT LEGISLATIVE
COMMISSION ON
GOVERNMENTAL
OPERATIONS**

MINUTES

**JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL
OPERATIONS
2017-2018 MEMBERSHIP**

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NORTH CAROLINA GENERAL ASSEMBLY

Raleigh, North Carolina 27601

August 15, 2018

MEMORANDUM

TO: Members, Joint Legislative Commission on Governmental Operations
FROM: Sen. Phil Berger, Co-Chair
Rep. Tim Moore, Co-Chair
SUBJECT: Meeting Notice

The **Joint Legislative Commission on Governmental Operations** will meet at the following time:

DAY	DATE	TIME	LOCATION
Wednesday	August 29, 2018	1:00 PM	643 LOB

Agenda to be determined.

Parking for non-legislative meeting attendees is available in the visitor parking deck #75 located on Salisbury Street across from the Legislative Office Building. Parking is also available in the parking lot across Jones Street from the State Library/Archives. You can view a map of downtown by visiting <http://www.ncleg.net/graphics/downtownmap.pdf>.

If you are unable to attend or have any questions concerning this meeting, please contact Lorie Byrd at brownla2@ncleg.net.

cc: Committee Record
Interested Parties



AGENDA
Joint Legislative Commission on Governmental Operations

August 29, 2018
1:00 p.m.
Room 643, Legislative Office Building
Senator Phil Berger, Presiding

Opening Remarks: Co-Chairman Phil Berger, President Pro Tempore of the Senate
Co-Chairman Tim Moore, Speaker of the House of Representatives

Approval of Minutes

Presentations:

1. Disaster Relief Funding

Senators Danny Britt, Wesley Meredith, and Louis Pate
Representatives John Bell and Brenden Jones

2. Atlantic Coast Pipeline

Senator Paul Newton

Consultations:

Consultation reports are posted on the Commission's website and may be accessed via this [link](#).

3. Consent Items:

a. Land Transactions (G.S. 143-341(4)g); (G.S. 146-22, -27, -29.1, -30, -74)

1. Andrews Duncan House (Wake County) \$725,000 (Submitted in May)
2. Livestock Show and Sell Facility (Iredell County) \$650,000 (Submitted in July)

b. Fees (G.S. 12-3.1(a)) – Submitted in June 2018

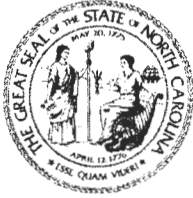
1. Natural Heritage Program – establish new online access data fee (various amounts)
2. NC Locksmith Licensing Board – increase licensure fee

Other Mandated Reports:

Reports were posted to the Governmental Operations Commission [website](#) through July 31, 2018.

4. Adjourn





**JOINT LEGISLATIVE COMMISSION
ON GOVERNMENTAL OPERATIONS
August 29, 2018
Room 643 of the Legislative Office Building**

The Joint Legislative Commission on Governmental Operations met on Wednesday, August 29, 2018 at 1:12 PM. The meeting was held in Room 643 of the Legislative Office Building.

Senate members in attendance were: Senators Berger, Brown, D. Davis, Ford, Gunn, Harrington, Hise, B. Jackson, Krawiec, McKissick, Meredith, Pate, Rabon, Sanderson, Tillman, Tucker and Wade. Representative members in attendance were: Representatives Moore, Arp, Bell, Bradford, Conrad, Dollar, Floyd, Goodman, Hastings, Howard, Hurley, D. Jackson, McElraft, Steinburg, Stevens, Szoka, Torbett, and Wray.

Senator Phil Berger presided.

Senator Berger recognized Speaker Moore for brief comments. Speaker Moore welcomed everyone and said the purpose of the meeting was to gather information in their oversight roles as legislative representatives to keep the people back home informed, particularly those down east recovering from the storms. Representative Moore commented on how he and fellow Representatives and Senators viewed the flood disaster sites and noted the loss of property, loss of business, and personal tragedy that need answers here, two years later for the people down east trying to make the best of a bad situation.

Senator Berger recognized Sergeants-At- Arms: Reggie Sills, Marvin Lee, David Leighton, and Jim Moran from the House; and Terry Edmondson, Linda Matthews, and Hal Roach from the Senate.

Presentations:

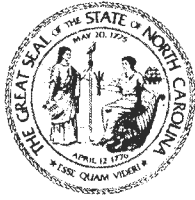
1. Disaster Relief Funding

- Senators Danny Britt, Wesley Meredith, and Louis Pate
- Representatives John Bell and Brenden Jones

Presiding Chair: Senator Phil Berger

Senator Britt was recognized and started the presentation by reading a letter directed to Senator Berger written by himself, Senator Louis Pate and Senator Wesley Meredith. He stated he woke up on the day after the storm with a tree on his house and flooding in his basement. Senator Britt





noted how he received a phone call from a friend and had to rescue his friend's mother with a boat.

Senator Britt said two weeks after that they floated through neighborhoods on boats extracting people and personal belongings in order to get them to safety. He also mentioned they moved water for several weeks Senator Britt noted his house was fine but said several people are still waiting for help.

Senator Britt received a letter from someone who he worked with from Aug. 14 2017. He read the letter: "Dear. Ms. Manner thank you for your application to the North Carolina Emergency Management Hazard Mitigation Grant Program. Your application for the acquisition of your home has met selection criteria and you will be included in the state grant application to FEMA. Please keep in mind this is a long term process but sometime in the near future someone will begin to work on your home"

Senator Britt said the letter goes on to reference local points of contacts and states the letter was dated Aug. 14, 2017 and he found it coincidental she called him before he left to attend this meeting and sent him this letter she received over a year ago with concern she is still out of her home

Senator Britt read a letter drafted by Senator Meredith and Senator Pate that said: "As Senators for regions impacted by hurricane Matthew in 2016 we write to request the senate to convene an oversight hearing to look into Governor Cooper's failure to deliver aid to our constituents. Senator Britt read a letter wrote to him by a Ms. Manner "Thank you for the attention you have shown to our districts since this tragedy and thank you for passing state legislation to remove legislative road blocks that might impede the recovery effort. Thankfully state laws and regulations have not caused any delay. The same cannot be said however, from the shocking incompetence on display from Governor Roy Cooper's failing effort to deliver federal aid to our residents. Hurricane Matthew and resulting floods struck our communities 674 days ago today. Congress appropriated its first round of CBGDR funding 612 days ago. The US dep. Of Housing and Urban Development which oversees CBGDR funding informed the State of NC the rules it had to follow in dispersing the aid 573 days ago".

Senator Britt stated their question is simple, "What has the governor been doing for 573 days?" Senator Britt said the constituents have been waiting hopelessly and in vain for relief. They have been waiting for a program that is overrun with allegations of corruption and shackled by incompetence.

Senator Britt notes that earlier this year Gov. Cooper administration assured their constituents that home repair projects would begin by June 30, 2018. After missing that dead line the Cooper administration blamed federally mandated environmental reviews even though congress stipulated environmental review requirements nearly 2 years ago has had to abide by the same rules





Senator Britt notes recent reports that the Cooper administration, rigged bidding procedures, delivered a multi-million dollar contract to a particular vendor. Recent events make it clear Gov. Cooper has not properly managed the disaster relief program and the administration needs to answer for its behavior. Therefore we respectfully request that senate convenes an oversight hearing to get to the bottom of this unmitigated disaster.

Senator Britt then said he would like the same requirements the federal government has placed on South Carolina to be placed on North Carolina because SC is moving further ahead at a quicker rate and we continue to lag behind SC in rebuilding efforts and that is because of how the money has been administered in the state of SC vs NC.

Senator Britt notes he passed by the Governor's Mansion on his way to the meeting this morning and noticed construction taking place. He goes on to say he has seen construction taking place there a few times that he hasn't noticed taking place in Robinson county that needs to happen. Senator Britt urges a sub-committee be made to look into why the process is moving so slowly and why we aren't getting the answers from the administration and why the people in Robinson and Columbus Co. remain waiting.

Senator Berger recognizes Representative Jones.

Representative Jones began by stating the number 691 and noted this is how many days we have been without aid.

Representative Jones says Senator Britt and him are unique with their district. Senator Britt in Robinson side helping get food shelter and water while Representative Britt was in Columbus providing aid.

Representative Jones said he still has a town without people, vacant homes, broken families and a broken town all because of a lack of any interest in taking care of these folks.

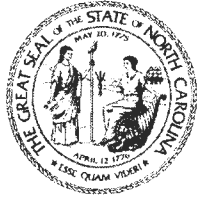
Senator Britt said that is why he wrote a letter to Speaker Moore asking to reconvene the disaster relief committee for these reasons. He has spoken with counterparts in South Carolina and they are in bewilderment how only miles away and see the North Carolina folks are still homeless while they have 571 folks in their homes. The event occurred at the same time, but they are that far ahead, Senator Britt points out.

Senator Britt thanks Speaker Moore for reconvening and demands answers from the administration on why the citizens of this state are not as important as those in South Carolina.

Senator Berger recognizes Representative Bell for a presentation.

Representative Bell thanks Senator Berger and follows up Senator Britt's comments saying the house select committee on disaster recovery met before the interim of the short session, one of the recommendations was to reach out to the speaker and Senator Berger to ask this matter to





come before the Gov. Ops committee for further investigation. Representative Bell thanks them for granting that request

Representative Bell says that since then Speaker Moore did responded to Representative Jones letter in the house committee on disaster recovery with the committee reconvening with the first meeting last month and more to follow.

Representative Bell said he wants to brief the committee and then take questions on what the committee has been able to identify in some of the issues and make you aware of the work of the committee and at the end someone from the committee will recommend a request made by Senator Britt.

Representative Bell said it has been 691 days since hurricane Matthew made land fall in North Carolina and his community of Wayne, Lenoir and Craven County was devastated along with other communities. One of the impacts that is important to understand at the same time Eastern North Carolina was under water, Western North Carolina was battling fires. Emergency responders were working on two different battles with stretched out resources but somehow under direction of director Sprayberry were able to meet the needs of the residents during and after the storm on both fronts.

Representative Bell thanks director Sprayberry and moves on and talks about an October 8th overview of extreme rain. Representative Britt points out E. North Carolina had two fronts, the immediate flooding from rain and flash flood issues. The estimated damage was a little over 10 billion dollars for North Carolina.

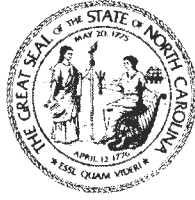
Representative Bell showed photos of flooding that pursued after hurricane Matthew to show what they are talking about when talking about total devastation.

The first picture shows large blocks of communities across E and SE North Carolina under water. And then other picture will show flash flooding issues we are left to deal with not only in our towns and communities but the department of transportation had to go in and re-patch and correct the damage that had been done.

Representative Bell goes on to show pictures during the storm and after to show how large spread the damage was. Mainly highlighting the initial flooding and the impact on the department of transportation was left with, which actually shut down main arteries into and out of E. North Carolina SE. North Carolina.

The issues come in when it took 689 days for the four hardest hit counties to receive an environmental impact study. Three of the counties were just approved a few days ago. 18 counties have not submitted their environmental impact study or not yet initiated the process. Some of that is in process but that gives you an idea of where we are at currently





Representative Bell said delays that have been mentioned were reported in committee but also news outlets throughout the state.

Representative Bell talked about the news articles in his presentation and mentioned they were from around the state and outside of the state.

Representative Bell goes on to say there are a lot of issues that are confronted in committee but the answers are hard to get other than from the director of the administration. Representative Bell shows more news stories, highlighting the fact that this was heavily reported on.

Representative Bell gave a detailed overview of the South Carolina Process and said that their disaster recovery in the long term is done differently than in North Carolina. Representative Bell would like the committee to look and knows the oversight committee will look into it to see what do we do to correct some of the issues we have here because unfortunately we are going to have more storms here as we move forward and to be a proactive state we need to address those and be prepared as we move forward.

Representative Bell said unanswered questions starts with 691 days later North Carolinians are still without homes while communities and legislators continue to get excuses and phone calls and emails go unanswered.

Representative Bell said he isn't being political but he made a commitment to them in the back of a "deuce and a half" riding through hurricane damage areas that they are not going to be forgotten. Once the news cameras leave, once the national media leaves, these folks are scared to death they are going to be forgotten. Representative Bell made a commitment to his constituents and he knows Representative Jones, Representative Britt Senator Pate, Senator Meredith, and Senator Davis all made a commitment their constituents wouldn't be forgotten.

Representative Bell offers to take any questions.

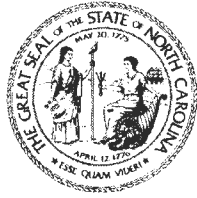
Discussion:

Senator Tucker said when Governor McCrory's tenure was going on he received an accolade for having handled disaster relief in another storm. Those same agencies are still in place and those same people that expeditiously and successfully carried out disaster relief at the time he was in office are still here.

Senator Tucker asked, what is the hold up or what do you summarize the hold up to be and pointed out it is the same agency the same employees and same protocol.

Representative Bell answered by first pointing out the change in administration contributed to the lag time and noted that any time there is an administration change you will have a lag problem no matter what the issue is. Second of all the Department is still there and people are still there but there are people who were involved with this from the beginning who are no longer there.





Representative Bell explained some of the questions go to the root of these problems and those folks won't answer because they are not in those positions anymore. A gentleman came before the committee and said he would be back to give them answers, promised Representative Jones and come to find out he had already submitted his letter of resignation. Representative Bell said these are issues outside of the departments.

Senator Tillman said we are way behind and we have set aside millions of dollars plus the rainy day fund and asked Representative Bell who has access to these funds that has been set aside. Is it in the legislator's hands or the governor's hands? Can we take control of the funds and the properties that are already approved for disaster relief, not searching out and controlling others. Many have been approved and have letters stating and attesting to that fact.

Senator Tillman asked, of those, can we get these funds expedited and somehow get the money to those people? He said they have been sitting there all this time and it is apparent the governor's office has dropped the ball. He asked if there anything we can do to reclaim the funds and do this ourselves?

Senator Tillman also suggested looking at what South Carolina is doing and copying that. He said there is no reason for this to keep going on with the state getting a black eye over the lack of action from the governor's office.

Senator Tillman asked who has the funds and can the General Assembly get control of them.

Representative Bell addressed the first question and said the committee would not only look at what South Carolina is doing, but what other states are doing to see if NC can modify our response time for long term recovery. To answer the question, he said it goes to the second part of Senator Tillman's questioning talking about funding. He said there are multiple sources of funding -- CBGDR, which is federal funding, and hurricane FEMA elevation buyouts, then \$360 plus million the state General Assembly did. He said there are different pots of money.

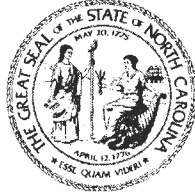
Representative Bell yielded to staff to more completely answer Senator Tillman's question.

Mark White, Disaster Relief for Fiscal Research, pointed out the state passed 360 million dollars for various disaster recovery efforts, but as Representative Bell said there are a number of different pots of money. Community development block grant for disaster relief is one of the pots still out there and that is a federal HUD program, not a state run program. He said the latest report shows 70 million of that money remains of the money the state has passed.

Mr. White noted this is a lagging report since it is from June – some of the money is for covering the state cost share for FEMA hazard mitigation program

Representative Bell explained CBGDR as a big pot of money and that is where the problem comes in. He said that is where the non-responses occur here. The state funding of 360 million





through the budget process went through state entities. A lot of the money was put out through Golden LEAF. He said another problem we run into, not just budgetary, but on the disaster relief side, is that as a body they cannot write a check, it has to go through channels to get there and Golden LEAF has been a partner and Seven Springs Fire Department just broke ground, the Cooperative Extension building in Lenoir County right off Highway 11 in Kinston had a grand opening and those things are happening, and happening in a very timely manner. He said the other issue with dollars with FEMA mitigation and buyout dollars is they have been starting to roll out in certain counties. He said he has personally seen inspectors going out and getting those rolling, but CGBDR is a community block grant for disaster relief item. He said HUD funding is where we are lacking.

Senator Berger recognized Representative Dollar.

Representative Dollar reviewed the timeline of the disaster. He said the General Assembly kicked in gear even though they weren't in session. He said Senator Brent Jackson, Representative McGrady, Senator Brown and a range of members in both chambers came together and worked to put legislation together. He said we came into Special Session in December 16' and passed the relief package that was initially 200 million dollars. He said what was key in that package was setting up structures to be able to disperse the funding. From the reports we have seen Golden LEAF has gotten the money out and to the projects where it needs to be. He said we have the action where we want it in some areas, but we have this housing issue that all these other states seem to have been able to act on that with the exception of our state.

Representative Dollar addressed this as his core question and asked why? He said we did our part and tried to get ahead of it with getting the money out there and the structure to where everything can be used. Representative Dollar asked Representative Bell what is the bottom line cause that we cannot get housing dollars facilitated and out to allow people to get back to their homes and their lives.

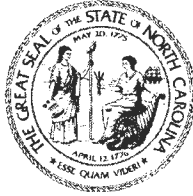
Representative Bell responded by saying he has his personal opinions about why, but those are opinions and not factually based and that is why we asked the Gov Ops committee to take a deeper dive into this -- to answer those questions they cannot get answered.

Representative Dollar followed up by pointing out a particular issue with housing and how Representative Bell has had a chance to look at other states and plainly stating his question, "Why have those states been able to respond effectively in a far shorter period of time and we are still lagging way behind?" He went on to say he assumes this is a big part of the question we need answered and asked Representative Bell if he was correct with his statement.

Representative Bell agreed with Representative Dollar's statement.

Senator Meredith mentioned he had a question and then would like to make a motion.





Senator Meredith asked Representative Bell if Director Sprayberry ever presented to the House Select Committee. If he did, Senator Meredith requested Representative Bell expound upon what he presented.

Representative Bell responded by saying the short answer is “yes.” He said Director Sprayberry is actually sitting here and he has been very attentive to anything the committee has asked him to do. He said he has presented in front of the committee at least three times or more and has attended every one of the meetings. He said his personal responses with Director Sprayberry are returned quickly, and noted that was also the case during the storm itself. He said he personally believes NC has a very good emergency management Director. He said that what we are looking though is an Emergency Management side and a Long Term Recovery side. He said these are two different issues and maybe that is where there is a flaw in the system and the committee is here to figure that out.

Senator Berger thanked Senator Meredith and said he would get back to him with his motion after the other committee members were heard from.

Senator Berger recognized Senator Krawiec.

Senator Krawiec thanked the chairman and Senator Bell and said she had read an article that said the intake centers were not set up for one year after the hurricane and asked if that was accurate. Representative Bell responded by saying he could not confirm that, but he knows in Wayne County they had one immediately set up and it is still active, but he could not answer for other counties.

Senator Krawiec followed up by saying she read an article in which the federal government labeled North Carolina a slow sender on getting required documents in to them and NC was one of two states from 2016 that had not been able to disperse any of the federal disaster funds. Senator Krawiec asked if that was accurate.

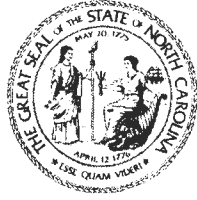
Representative Bell answered by saying, yes, at the time the article was mentioned NC had over 300 million in the CGBDR allocated and zero dollars spent at that time. He mentioned that since that article there has been a small amount of those dollars allocated, but not the scale it needs to be

Senator Krawiec followed up saying FEMA was sending disaster relief folks to North Carolina to aid in the recovery. Senator Krawiec pointed out it was the first time FEMA had taken that action in history. She asked if Representative Bell had read that report and asked if it was accurate.

Representative Bell responded saying he could not confirm that.

Senator Krawiec followed up by saying she understands there is a deadline on being able to use those funds and asked if that is accurate – is there is a deadline?





Representative Bell responded by saying he knows there are deadlines and his concern is once the federal government starts issuing dollars and we are not spending those dollars, those dollars could stop.

Senator Krawiec said it is a disaster and she does not know who is at fault, but that we need to solve the problem. She said there is no excuse for two years after this disaster for these people to not be in their homes or seeing any progress moving forward. Senator Krawiec said she joins Senator Meredith and wants the committee to take some action and thanked the Chairman.

Senator Berger recognized Senator McKissick.

Senator McKissick asked to be recognized for a series of questions. Senator McKissick was recognized and began by saying he wanted to understand and separate the relief that is being provided through HUD and financing through HUD and the bureaucracy and procedures that come along with that and to understand how that fits in with what the state is able to do before it can go and help people who are in need of help, particularly in terms of homes that were damaged or destroyed. He also asked about homes that might need to be raised in elevation or reconstructed, as well as people who might be bought out.

Senator McKissick mentioned that he knows there is emergency relief that comes immediately after the storm, but asked Representative Bell or staff to help him understand how the pieces fit together -- what the requirements are that we need to meet as a state and what requirements have to be met in Washington before we can spend some of these dollars.

Representative Bell responded by saying Senator McKissick is talking about 3 different pots of money in the question. He said most people think it is one pot of money, but it is actually 3 different pots - the CGBDR, the FEMA buyout elevation, and state response. He said that Mr. White or the staff can go into details, sometimes it can be very complex issue which involves an eight step process on the HUD side etc. But he said he does know there were instances where funding was sped up in order to get to certain individuals, but we are still lagging behind in dollars on the CGBDR side.

Senator McKissick followed up with Mr. White and asked for help answering his question. He asked Mr. White to explain the various pots in regards to how they are separate, what they do, what was spent quickly to provide emergency relief, and what is still pending at this time and what is necessary. He asked what we have to do as a state to spend money that might be coming out of Washington.

Senator Berger recognized Mr. White.

Mr. White responded by saying he can speak to the part on Hazard Mitigation Program and said that it is a FEMA program along with FEMA individual assistance which goes to those who need assistance immediately after the storm and public assistance goes to county governments, city governments other public entities for help with their infrastructure. The CGBDR program is a





block grant for disaster recovery and is a HUD program that has separate structure to it in terms of how and when money can be spent and various steps the state and Co. Governments and individuals seeking relief all must meet. That is an administrative matter that I defer to the division as experts on how this matter is run and its requirements.

Senator McKissick asked the chairman if they could hear from the department to get some clarity and help us understand how the pieces fit together and to further understand what has been spent, what hasn't been spent and the requirements for spending what we need to spend to help the families.

Senator Berger told Senator McKissick that he thinks Senator Meredith is going to make a motion that will allow that deeper dive. Senator Berger continued by saying he was not sure if we can do it at this time as Ms. Jones from the governor's staff is here and will speak at the end of this and the next presentation and we will stay for that as well. Senator Berger continued by saying he does not know if they are in a position to do the deeper dive, but we will move forward with that with Senator Meredith's motion.

Senator McKissick responded by asking if Mr. White or the division could help with his understanding that there has already been about 743 million dollars that is on the ground and 624 awarded at this time. I am trying to understand how those have been spent and what was done with those resources.

Mr. White responded by saying the amount he is referring to is the total amount of disaster recovery programs, federal and state, of which there are a length list. The money that has not been spent, is specifically for the CGBDR program.

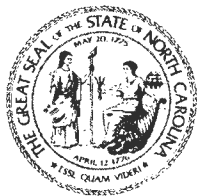
Senator McKissick followed up by saying that is in connection with CDGB and we have to meet HUD requirements to satisfy those. This means there has to be certain analysis done, data provided to them and in exchange they have to approve it before it can be spent on the identified projects and asked if this is the way it works or is he mistaken. Does he know where we are in that pipeline.

Representative Bell responded by reminding Senator McKissick when you look at total dollars you need to focus on allocated and spent. Two separate issues, just because you have 700 million allocated doesn't mean you have 700 million spent. I do know that on the CGBDR side you do have to submit your plans to HUD. If you go back in the slide you can look through but there were applications sent that were rejected and had to be sent back and redone. That has been going on throughout this year and recently.

Senator McKissick followed up by asking if Mr. White had anything to add

Senator Berger said Mr. White could respond if he understood the question.





Mr. White responded by saying the process Senator McKissick is referring to was on the presentation slides earlier. The environmental review for instance the counties must complete in order for the money to be released from the federal government. There are a number of steps that all levels of government have to undertake for this. I would, again, defer this to the administration for what those specifically are and where we stand in the process right now. Senator McKissick follows up by saying he wants to make sure people get disaster relief as quickly as they can and thinks many people were able to get temporary housing assistance and many people were helped in the aftermath of the storm. He is trying to understand how much bureaucracy North Carolina is facing as a result of standards that are beyond their control and what needs to be done at the local level for supplemental assistance and get the applications to where they need to be. The final question is that I gather there are houses that have been bought out, properties that have benefited from funds that have come thru the pipeline, do we know the magnitude of that assistance in terms of what has occurred.

Representative Bell responded by saying to his knowledge, no he does not know the exact number as far as what has already occurred. He mentioned he would have to talk with Director Sprayberry because it involves different pots of money. When you look at the immediate response, I think we did well. I have no problems with that. What we are looking at is the CBGDR funding which is the largest pot of money we have and why hasn't that got to where it needs to get. The other question is that we have had a hard time getting answers to when the applications were sent to request that money why were they rejected, why do we have to continue to go back to HUD to get those funds released. Because remember there is allocated and dispersed, right now we have one amount over 3 million and another amount over 180 million and I would say 99% of those dollars have yet to have been dispersed. They are currently allocated but not dispersed.

Senator Berger recognized Representative Jackson.

Representative Jackson asked Mr. White about the largest pot of money still out there and said he would like to know which pots have been spent so far.

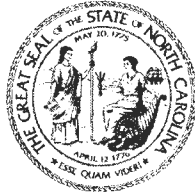
Mr. White responded that he was referring to the CBGDR that is \$236 million that he state has been awarded from HUD to this point and it is anticipated an additional \$168 million that the federal government will be awarding to the state sometime in the near future for recovery and that is the pot that has the least amount spent from it. He said the latest report from HUD said the state has drawn down 1.8 million dollars, but that was from the start of this month -- the \$236 million number.

Representative Jackson asked to be recognized for a comment.

Senator Berger recognized him

Representative Jackson says he is not on the House Special Committee like Representative Bell so he has not had the benefit of hearing Director Sprayberry's testimony before, but said it seems this committee is delving into blame. He said if the committee is about fixing things, they have





had a lot of really good questions asked from the other side of the room which Representative Bell has honestly responded to saying he can't confirm and that his opinions are not factually based. He said it appears there are people in the room that can answer these questions and said the committee could do some work to try and work towards fixing it. He said he was disappointed the committee was not doing that and said that in future meetings it would be good to have one committee responsible for this particular issue so when testimony is taken they can ask questions and not be put into a position where they were not going to be allowed to get any answers.

Representative Jones was recognized.

Representative Jones asked to be recognized for a series of questions and was recognized

Representative Jones began by saying the media has reported the program management procurement finalized in June of 2018 resulted in a contract to a vendor that has over 400 performance deficiencies and penalties that have been noted with another client. Representative Jones asked Representative Bell if these references were checked.

Representative Bell responded by saying he was not a part of that approval process committee, but he wished that he was. He said he could therefore not verify the reference check and in his opinion we would be dealing with a different vendor today.

Representative Jones asked Representative Bell, in his opinion, why North Carolina would partner with a vendor with so many documented deficiencies.

Representative Bell responded that in his opinion, from the reports he has read and the discussion, they had a committee, which he personally thinks, there was favoritism thrown to one committee over another. He continued by saying he would have to ask that direct question to someone in the room when those decisions were made and those are one of the many questions they can't get answers to from the administration.

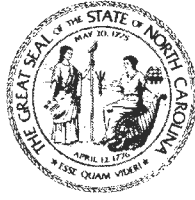
Representative Jones asked one more question -- who evaluated the response for this procurement or the IEM?

Representative Bell said that he could not answer that question because they cannot get an answer from the administration.

Senator Britt asked to be recognized for a question. He was recognized.

Senator Britt began by addressing Senator Bell, saying that Robinson County has changed the process on how they have administered the CGBDR funds and asked if he was correct.





Representative Bell said as far as the last committee meeting reported, Robinson County is working differently than other communities in the state. He said in the committee we reported Robinson County is further along than any other County in our State.

Senator Britt asked what is different about the approach and if he could elaborate.

Representative Bell said when the issue came down it was supposed to be a county by county issue on how to work to develop this. He said when the problems came in about a year ago, the state made a proposal to the counties that the state take over. And now, reported in committee, he said we have some counties working with the state, and some counties that are a mixed bag. He said Robinson County took the lead and worked with a separate contractor. He said in his home County they are working as a hybrid model, people of the county and the state. He said Robinson County seems to be moving faster than what the state is doing. He said they have a lot of folks in limbo in his county sitting and waiting.

Senator Britt asked if we have looked at possibly using the same method in Robinson County across the state and other areas.

Representative Bell responded by saying he would like to examine that because it seems to be working faster in Robinson County than everywhere else in the state.

Senator Britt said Robinson County's methods are similar to what is being used in South Carolina and asked if this was right.

Representative Bell said as far as he knew the answer was "yes," but he would have to confirm that with someone in South Carolina.

Senator Ford was recognized by the chair and thanked the chairman.

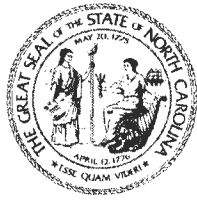
Senator Ford said part of his question has been asked and partially answered. Part of it has to do with the response from the governor's office or someone from the department to be able to respond to some of these questions and he would be interested in hearing from whoever give an account to what the department has been doing and what the status is so the committee can better understand the severity of the challenges with this recovery.

Senator Berger said his understanding is that Senator Meredith is holding his motion and at the appropriate time we are going to recognize Ms. Jones to make comments to the committee.

Senator Don Davis was recognized by the chair.

Senator Davis noted how concerned Representative Bell was with the residents down east and appreciated his dedication. He said he was looking at a report that said North Carolina stood the risk of losing funds and would like to understand that more clearly and asked if Representative





Bell could speak to that more clearly on what funds and if there is any specific timeline they are aware of as far as losing any funds.

Representative Bell said he has heard rumors about losing funds and he said he has heard it is both correct and incorrect. He said he has talked to congressional leaders and delegations in Washington and their note is that North Carolina is a slow spender and has a hard time getting dollars out.

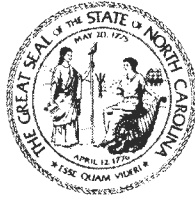
Senator Davis followed up by saying Representative Bell talked about disaster response and initial response and truly dealing with recovery and asked if the committee has had any thoughts or recommendations around the response versus recovery period.

Representative Bell said they had nothing formalized, but they have had discussions about how we respond as a state looking forward. He gave an example of talking about the state's infrastructure and highway system and said the Highway 70 bypass makes it easier for Representative Bell and Senator Davis to get to Raleigh. He said that was a main artery into eastern North Carolina that has only been open for less than two years. He said that without that road Highway 70 in eastern North Carolina would have been completely shut down. He said we have asked questions like "Do you grade a highway on a 500 year flood plain?" He said they have looked at that and will be making recommendations to the committee. As far as the structure, he said that issue comes into the immediate response. Representative Bell said he believes the state did a great job at immediate response and he commended director Sprayberry and his team. He said the immediate response, in his opinion, was absolutely awesome. For someone who was boots on the ground during and immediately after the storm, we had as a county and area everything we needed at our disposal. If we didn't we had it one phone call away even with small issues like getting cots, so I think we did an outstanding job with immediate response but the questions surrounding the long term recovery effort are why we are here. Are we doing things appropriate there or do we need to look at what other states are doing? Would we, the General Assembly, need to modify legislation for flood prone areas to make it so we don't have to fix washouts and those types of things? He said those are the issues the committee will be moving forward on and making a recommendation to the full oversight committee. At this time there is no structure in place that we have been able to identify.

Senator Davis said he listened to the work the House Select Committee did and wanted to commend director Sprayberry and noted that they had to call him often and he was very responsive. He said his question relates back to the Select Committee and wanted to know how far the committee went when talking about looking at what other states are doing and trying to understand that. His question asked was the committee itself at the time here and there dealing with the response and how far did the committee go in terms of looking beyond to making directions to this committee.

Representative Bell said the committee itself started off going through the state's side, the \$360 million budgeted. He said they had every department and every state entity that received hurricane disaster relief dollars coming in and giving updates on where they were, what dollars





were in the door, what dollars were out of the door, allocated and outstanding. He said before the beginning of Short Session the committee reached out to the departments again and had them come in and report. He said they asked if they did another disaster relief package, what would that look like and what are the recommendations. He said that is where the additional \$60 million that was passed in the last budget came from. He said the committee also looked at ideas for long term prevention like reservoirs and big ticket items on how to address flooding and natural disasters in the area. After short session the committee had its most recent meeting where they viewed where they are right now compared to when the committee met before the short session.

Representative Bell said that looking forward the agendas for the committee would be reaching out to other entities and getting an update on where they are at and then being prepared to look at a long term fix in conjunction with this committee to make a full presentation to the Joint Legislative Oversight Committee to make recommendations in the 2019 long session.

Senator Davis commented that the state has residents still in need and has an obligation to respond swiftly as we are able to. He said as we move forward, he understands the House Select Committee has taken this as far as it has been able to and is now looking at continuing its work. He said he thinks we all have an obligation to make sure we are doing everything to help the residents of eastern North Carolina. He thanked those who have served on the select committee and thanked Director Sprayberry.

Senator Berger recognized Representative Dollar.

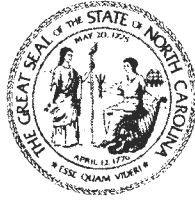
Representative Dollar asked Representative Bell if the reason he does not have answers to a number of the questions that have been asked today is because the Cooper administration has not provided answers to the disaster relief committee. He asked if they have simply not answered the questions and avoided providing information particularly those involving this housing crisis.

Representative Bell said that was correct and added that Representative Jones sent an invitation to Governor Cooper to come to our last committee meeting and that the request was denied.

Representative Dollar commented that Representative Bell's frustration is what has driven them there. He said Representative Bell hasn't been able to get the answers from the Cooper administration and said we are two years into this disaster, but other states have been able to address this housing issue, but we have not been able to address this housing crisis. He said that everybody said from the very beginning, from the first disaster relief bill right after the disaster, to make sure the incoming administration will have all the tools and funding they needed because there is a housing disaster and that needs to be addressed. He said he shares the frustration in not being able to get the Cooper administration to respond and more importantly to get people back in their houses.

Representative Floyd was recognized.





Representative Floyd began by saying he understands Senator Meredith is going to make a motion and asked if they could hear from the governor's staff prior to that. He explained hearing from the governor's staff would not interfere with his motion and asked to hear from the governor's staff. He continued by asking about the 400 deficiencies in the entity selected for the program.

Representative Bell responded by saying he should address that question to Senator Britt.

Senator Britt was addressed the question.

Senator Britt said those were referring to the performance, deficiencies and penalties noted by the company IEM that received the contract.

Representative Floyd asked where the number 400 came from.

Senator Britt said he got the information from the disaster relief committee.

Senator Berger recognized Senator Meredith.

Senator Meredith referenced his motion to the subcommittee on Hurricane Matthew recovery efforts. Senator Meredith moved that the committee authorize the co-chairs of the Government Ops committee to appoint a subcommittee in accordance with G.S. 120-19.7 Article 13 of Chapter 120 to further examine the issue concerning the administration's handling of Hurricane Matthew recovery efforts, including, but not limited to the disbursement of funds and that such subcommittee be granted the appropriate budget to be able to exercise all powers to it by Chapter 120 needed to go wherever the facts may lead. He further moved that the subcommittee report back to the full commission at the appropriate time, to be determined by the subchairs.

Senator Berger asked if there was a second to the motion.

Senator Harrington seconded the motion.

The vote on appointment of a subcommittee passed.

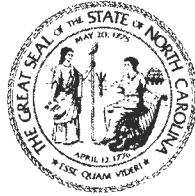
Senator Berger noted that he had skipped the approval of the minutes for the last committee and the chair would entertain a motion regarding the minutes.

Representative Torbett motioned to approve the minutes. Senator Brown seconded the motion. The vote to approve the minutes passed.

2. Atlantic Coast Pipeline (ACP) Presentation

- Senator Paul Newton





Presiding Chair: Senator Berger

Senator Berger moved to the second item, the Atlantic Coast Pipeline (ACP) and recognized Senator Paul Newton.

Senator Newton said he is here to address the question of whether this committee has sufficient evidence to form a subcommittee to further investigate the facts and circumstances surrounding the governor's creation of a \$57.8 million discretionary fund in connection with the issuance of an essential environmental permit needed to build the Atlantic Coast Pipeline.

Senator Newton began his presentation and said large pipelines like the Atlantic Coast Pipeline must have a federally mandated environmental impact statement. He said that in this statement the applicant will note effects to streams and wetlands that it mitigates those impacts by replacement commitments or payment into an environmental fund to compensate for those specific issues. In North Carolina the ACP partners made certain the commitments of \$11 million to mitigate stream and wetlands impacts. He said however, NEIS also notes that there will be unavoidable environmental impacts to various other natural and cultural resources beyond the streams and wetlands. He said for these additional unavoidable impacts project sponsors do negotiate separate MOUs to provide additional financial compensation to the state.

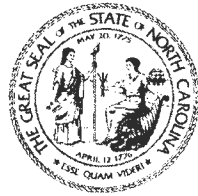
Senator Newton said that on January 5th, 2018 Gov. Cooper executed the MOU with ACP partners and said that what you will see is the governor drafted this in a manner to provide the governor with direct control over a \$57.8 million fund that some had referred to as a slush fund. He said Article 5 Section 7 of the state constitution states that "No money shall be drawn from the state treasury, but in consequence of appropriations made by law, an accurate account of those receipts on expenditures of state funds shall be published annually." He said therefore, under the constitution the governor does not raise or appropriate funds, the legislature does.

Senator Newton continued saying that one day later, on January 26th, the ACP partners were issued their long delayed and critical water quality permit by DEQ. He said that raised questions immediately about the relationship of the discretionary fund and the issuance of the water quality permit. He said there was for some a perception of "pay to play." He said the first stab at understanding it, if there was any merit to understanding this misperception, came about on February 8, 2018 when the governor's Legislative Director, Lee Lilly, appeared before the Joint Appropriations Committee. Senator Newton explained that although Mr. Lilly was new to his position, he had served as the federal lobbyist for ACP partner, Dominion Energy, and in his capacity he would have familiarity with the ACP project.

Senator Newton said Mr. Lilly was unable to answer any detailed questions about the MOU, but he did commit to get answers from the governor's office if the General Assembly would propound the questions in writing.

Senator Newton said key issue number 1 is the timing of the ACP water quality permit in relation to the execution of the MOU establishing the governor's discretionary fund. He said on





February 12, 2018 House and Senate members sent a letter to Mr. Lilly posing 15 detailed questions about the nature of the MOU and the governor's discretionary fund. He said on February 15th the governor's Chief of Staff, Kristi Jones, sent back a largely non-responsive reply that presented partial answers to only 6 of the 15 questions -- 9 of the questions were left completely unaddressed in this response. He said that on February 16th, House and Senate Rules chairs responded and re-asked the questions with seven additional follow up questions. He said that on February 19th, Ms. Jones responded by describing the General Assembly's interest in this matter as a "partisan charade".

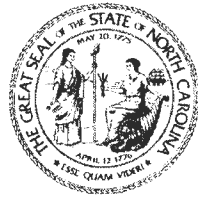
Senator Newton continued saying key issue number 2 is the lack of transparency by the governor's office relating to this issue.

He said that almost none of the General Assembly's original questions about the discretionary fund were answered by the governor's office. He said the governor refused to provide early drafts of the memorandum of understanding, refused to provide specifics on his level of involvement in negotiating the MOU, refused to provide specific information regarding the negotiation of the MOU, refused to address questions regarding the apparent unconstitutional nature of the MOU, refused to explain his position that the 57.8 million discretionary fund was a "voluntary contribution" from the ACP partners, and refused to address the ethical questions of a voluntary contribution from the ACP in the form of a \$57.8 million discretionary fund that under the terms of the MOU, he had control over while his Department of Environmental Quality was reviewing a permit application that the ACP partners desperately needed. Adding to the confusion, he said, were the conflicting statements that were being made about the \$57.8 million discretionary fund. He said that while the governor called it a voluntary contribution, Representative Harrison said it was a required element to get the water quality permit and was possibly required by the Federal Migratory Bird Act. He said at least one ACP partner said the MOU was required by the FERGL.

Senator Newton then presented his key issue number 3: The confusion and conflicting positions of the legal basis and motivation of the parties to enter into the MOU. He said that in Session law 2018-2, the General Assembly redirected the \$57.8 million from Governor Cooper's fund, to schools in the counties that would be impacted by the ACP, and local education officials of rural counties supported this. He said Governor Cooper and Democratic Leadership strongly objected to the use of the funds for schools in the rural counties impacted by the ACP and at his February 14th press conference, Governor Cooper said that funding schools with the 57.8 million was a bad "provision" and a "power grab." Senator Newton said the governor also said this shift in funding somehow imperiled the agreement and said leaving the money under his control in a discretionary fund is a "good idea".

Senator Newton said Governor Cooper and Democratic Leadership continuously stated that session law 2018-2 jeopardized the 57.8 million and the ACP partners may refuse to provide the funding.





He said he is not aware of any ACP partner that has had hesitation or concern about the funding being used for schools in impacted counties.

Senator Newton continued by saying, unfortunately much of what we have been able to learn about the MOU and this process has not come from the governor's office but from the media. He said excellent investigative reporting on this effort has been conducted by the Carolina Journal, WRAL, and the News and Observer.

Senator Newton applauded their efforts and said the governor's office provided draft copies of the MOU to WRAL that revealed on December 13, 2017 the ACP partners proposed to provide MOU funding to the state of North Carolina, not the governor, for mitigation of forest habitat, open space lands, water bodies, and natural resources. Funding was supposed to be managed not by the governor but the Director of Wildlife Resources Commission.

Senator Newton said it is important to note, in his personal opinion, that if the governor had signed that draft of the MOU we would not be here talking. But between December 13, 2017 and January 19, 2018, he said the governor's office modified and amended four different drafts of the governor's MOU. He said that apparently at the governor's insistence the final MOU directed \$57.8 million into a fund under the direct control of Gov. Cooper. The signed MOU stated, "The governor, through his agents and assigns, has the authority to direct the disbursement of funds contemplated in a memorandum of understanding."

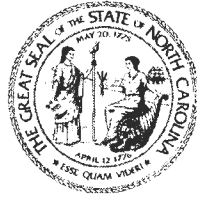
Senator Newton said to compare this to the Virginia MOU in which \$57.85 million dollars was directed to the Virginia Association of Water Conservation districts, Virginia Environmental Endowment, Virginia Outdoors Innovation, Virginia Endowment for Forestries, and the Charlottesville Community Foundation. He said under the North Carolina MOU the governor reserved to himself the discretion to use 57.8 million mitigation for projects of his choosing limited only by three broad categories: Unavoidable impacts in ACP counties, Economic Development and developing renewable energy projects in and around the ACP's route. Under the language of the final MOU the governor reserved to himself the power to use this 57.8 million as he saw fit.

Senator Newton said this gives rise to key issue 4: By what authority did Governor Cooper believe he had the right to obtain these funds and retain nearly unfettered discretion over how to appropriate the fund?

Senator Newton said a review of the official water quality permit file revealed that DEQ repeatedly delayed the issuance of the permit through the use of additional information request letters.

Senator Newton said federal agencies often use requests for additional information, and that there is nothing unusual about that, but it should be understood the additional information requests stopped the permit deadlines which allowed the project to be delayed, potentially indefinitely while those answers are being provided. He said that beginning in September, DEQ





sent 4 additional information requests, one per month in September, October, November and, December. At one point the applicants had not responded and yet more requests were coming.

Senator Newton said that inconsistencies and omissions were noted in the file that warrant further investigation and these facts raise key issue number 5: What was the basis for the continuing requests for DEQ and if the underlying basis was tenuous, were the requests being propounded as a tool of administration to stall issuance of the permit until the MOU was finalized? He said a preliminary review of the DEQ file reveals apparent inconsistencies and omissions that require further scrutiny.

Senator Newton said the facts as we understand them today illustrate no fewer than 7 important reasons to further the investigation:

Number One, timing of the ACP permit with the execution of the MOU, creating the governor's discretionary fund. The MOU established the discretionary account was signed one day before the 401 water quality permit was issued.

Number Two, the lack of transparency of the governor and his office, why won't the governor's office explain what they did and why?

Number Three, the confusion created by the conflicting statements of those involved as to the purpose of the discretionary fund, was it a voluntary contribution? Was it required by federal migratory bird act or was it required by FERGL?

Number Four, the discretion the governor reserved for himself to distribute the 57.8 million dollars as he saw fit. Isn't that unconstitutional? What legal basis did the governor have to think that this was appropriate?

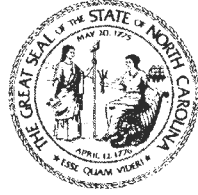
Number Five, the frequency and merit of the requests for additional information from DEQ to the ACP partners. Were there appropriate basis for the requests? Or were they levers to stall the issuance of the permit until the MOU was fully negotiated.

Number Six, the initial review reflects inconsistencies and omissions in DEQ's file that warrant investigation.

Number Seven: Finally and perhaps most importantly, we need to assure current and prospective business leaders that there is no pay to play in North Carolina.

Senator Newton said if you have met all rules, regulations and laws associated with any permit of any kind in our state and have met the requirements, that permit should be issued and you should get that permit. He said there should be no concern on any business leader's part that you will then be asked for a voluntary or involuntary cash contribution, after having met the requirements for that permit.





Senator Newton said for these seven reasons he recommends the Joint Legislative Commission on Government Operations establish a sub-committee to investigate all aspects of the Memorandum of Understanding that was signed on January 25, 2018.

Senator Newton thanked the chairman and yielded to questioning.

The chair recognized Senator Hise.

Senator Hise asked if there is any circumstance under the law where it would be legal to require a payment or a voluntary contribution that is not a part of the permitting process, before they make this conditional on the approval of that process or that you would delay or expedite the approval of a permit upon receiving that payment? He asked is there anywhere where that would be allowed?

Senator Newton responded by saying to his knowledge there was not and he said that when it comes to environmental impact statements, sometimes there are unavoidable environmental impacts and applicants have negotiated, as they did in Virginia, a mitigation fund. But that went to specific environmental organizations to distribute appropriately. As opposed to here, where direct control was kept by the governor.

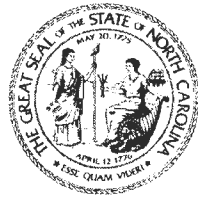
Senator Hise asked if there are any controls on the money that would have prohibited the governor from using the funds for any purpose or for his own political purpose.

Senator Newton responded that in the MOU itself the only controls listed are three broad categories on how the governor might use the money -- for example a renewable energy project along or near ACP pipeline. Assuming that he adhere to these, there are very broad boundaries that great discretion must be used. In fairness to the governor, he indicated that he intended to have an executive order and write some other controlling documents that are not reflected in the MOU. But I think if he were here today, he would say he intended to do that and he just didn't have the chance.

Senator Hise asked if any of the documents he issued under his executive authority, would have been able to be repealed anytime he saw fit.

Senator Newton responded, yes and pointed out another aspect of the MOU. This indicates an intent to keep unfettered discretion over 57 million dollars. We talked about the "where as" clause that directly says he has the authority to direct the disbursement of funds. In addition, the last paragraph of the MOU says "nothing in this memorandum is deemed to constitute a settlement as defined by NC statute..." Senator Newton said he believed the reason he put that in there, was because the legislature would then direct the disbursement of the funds. He said in the MOU it says it is not a settlement and goes on to say it does not require the payment of penalties or forfeitures of fines under constitution article 9 section 7. Again, he said, an indication that he wants discretionary use of these funds because if it were for fine or penalty it would all go to the schools.





Senator Hise asked if Senator Newton or anyone else doing business with the state of NC that had gone through all the requirements of the state, could give a logical reason why it would be a good business decision to say I want to throw in an additional 57 million for whatever purpose you want?

Senator Newton said this question raises two points. He said North Carolina has got to be a state with appropriate laws and regulations, but they need to be predictable. He said businesses need to know that if they comply with those laws and regulations that there won't be a "gotcha" or a "I forgot to tell you, there is a voluntary contribution we expect you to make in cash after you have met all the laws and regulations." He said the other aspect is whether or not it is truly a voluntary contribution. Senator Newton said he thinks that every company associated with the ACP or has a partner with the ACP has a charitable foundation. He doesn't think the payment came from their charitable foundations.

Senator McKissick asked Senator Newton if the Virginia Mitigation Project agreement pre-dated the North Carolina one.

Senator Newton said that was correct.

Senator McKissick continued to ask if Senator Newton believed the Virginia agreement was set up as a precedent for the project. He asked if they were trying to come up with ways to mitigate impacts that might occur in different states and different jurisdictions in ways that would have been crafted uniquely for that particular state?

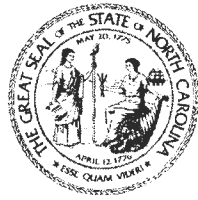
Senator Newton said this question goes to exactly why we need to investigate this further. He said you are surmising the attempt of the parties in that it reflects what was paid in Virginia. We have talked about the differences on how the money was supposed to be distributed in Virginia. The discretionary fund for the governor went to specific organizations for distribution but your question goes to, "what was the motivation of the parties to create this fund? Did they look at Virginia? How did they come up with the amount?" Those are the types of questions we have been asking for months and we have not gotten any answers.

Senator McKissick asked if Senator Newton knows if any of the funds have been received by the state of North Carolina.

Senator Newton referred the question to staff but said he understood that half was supposed to be paid at the time the ACP partners got permission from FERP to build the ACP pipeline. He said there is now a stand down on building the pipeline while certain environmental questions are answered, so that makes it unclear if those funds matriculated. He said the other half from the MOU are not payable yet.

The chair made a statement that the staff will have to investigate Senator McKissick's question as they do not know at this point.





Senator McKissick asked Senator Newton if at this point in time, he would consider this a moot point, to go back now and try to figure out everything that was in the minds of the parties at each juncture intersection as the memorandum was negotiated. He said obviously they had one in Virginia and when the one in North Carolina was created they weren't the same and it was envisioned that once the agreement in North Carolina was finalized there would be a board established in an application process whether it be transparency provided for applicants or entities that might seek some of those funds for mitigation purposes related to the pipeline or special projects.

Senator Newton said he does not think this is moot and every day that passes it becomes more important. He said we owe it to prospective businesses that may operate in North Carolina - they need to know what the rules are. He said they need to know what it will cost, laws and regulations for a permit to build a facility and we need to eliminate this pre-conceived notion that the governor has raised himself, that he may ask any future business that is located in North Carolina for a voluntary cash contribution after they have met all the laws, rules and regulations to get the permit.

Senator Berger recognized Representative Jackson.

Representative Jackson noted that he has a letter from FERP that gave permission for North Carolina to begin construction. Representative Jackson also said it is his understanding that half of the MOU amount was due immediately upon issuance of that letter and he asked if that money has been paid.

Senator Newton said Representative Jackson's understanding is consistent with his and as to the MOU amount being paid they do not have an answer for that right now.

Representative Jackson asked if it would concern Senator Newton that 29 million was due to NC Schools July 24, 2018 and as we sit here August 29, 2018 nobody sitting in this room can tell us if that has been paid?

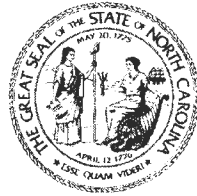
Senator Newton responded by saying if the ACP partners are credit worthy that money should flow in when appropriate.

Representative Jackson asked if it was not appropriate for it to flow on July 24, 2017 when the notice was issued.

Senator Newton said it was.

Representative Jackson asked if Senator Newton knew of anybody who has taken steps to try and collect money due to the school children in North Carolina pursuant of House Bill 90.





Senator Newton said he believes that has been asked and answered and that he does not know of anybody who has taken steps to collect the money.

Representative Jackson commented about Senator Newton saying he has been trying for months to get answers to these questions and Representative Jackson also said he noticed in the packet that was passed out was a letter from Ms. Kristi Jones dated February 19, 2018 and had asked if there had been any correspondence not included in the packet that took place between that date and now.

Senator Newton said that is a good question and he corrected his statement and said he should have said that the governor has had months to clear this up and has chosen not to. Senator Newton also said that if there is nothing to hide or inappropriate and there is a good legal basis for the discretionary fund to be created then he should tell us about it and this could all go away. But he said when people don't respond to questions you fill the vacuum with suspicion. He said facts laid out here today call for an investigation and said he is not making any conclusions, but is suggesting this committee and the public would be well served by looking into it further.

Representative Jackson asked if he could take that answer to mean that Senator Newton has taken no action since February 19 of 2018 in regards to following up these important questions he has.

Senator Newton said he takes it from Representative Jackson's question that it is his (Senator Newton's) responsibility and not the governor's to answer the questions that were sent to the governor's office.

Representative Jackson said Senator Newton stated he had been trying for months to get answers to his questions and he (Representative Jackson) is trying to figure out what Senator Newton has been doing in the past six months. Representative Jackson commented on Senator Newton waiting till out of session and right before an election and is confused as to why nothing had been done about this for six months.

Senator Newton said the last time he checked the governor was not on the ballot.

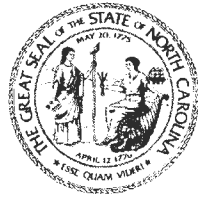
Representative Jackson asked who exactly Senator Newton is accusing of "pay to play" that was highlighted in his slideshow.

Senator Newton said it was not an accusation.

Senator Berger asked Representative Jackson to allow the person to respond when asking them a question.

Senator Newton stated that this is a conversation because of what the governor did. He pointed out the MOU was signed one day before the permit was issued. He said the perception there is that he waited and caused DEQ to wait until he got his MOU, his 57.8 million dollars, before he





released DEQ to issue the permit. He said that is a perception. He said the second perception created by the governor, is that this is a voluntary contribution.

Senator Newton asked Representative Jackson to tell him anyone who believes these companies are in the business of making voluntary contributions over and above what is required by law.

Representative Jackson said a memorandum of roughly the same amount was done in Virginia and asked if he is accusing them of pay to play as well.

Senator Newton said the governor did not call it a voluntary contribution and then retained discretion on how to allocate the funds. He said the line of questioning illustrates why we need to investigate further because we do not know if it is pay to play and we owe it to the citizens and businesses of North Carolina to ensure they are not expected to participate in pay to play.

Senator Berger recognized Senator Tucker.

Senator Tucker said there was a Mr. Lilly from Williamston and asked if he was a lobbyist for one of the parties involved in the negotiations and then asked if he got hired five days later as a legislative liaison for the governor after the agreement was finalized.

Senator Newton said that is his understanding of Mr. Lilly – that he was the federal lobbyist for Dominion energy related to the ACP.

Senator Tucker commented that he is going to be a private citizen at the end of his current term and that the situation is starting to smell and he believes the governor should let go of the \$57.8 million. Senator Tucker said it was his understanding that the session law made it so the money would be given to the 8 counties where the pipeline went through. Senator Tucker asked if we were looking at another lawsuit and said the governor has sued more times in office than when he was attorney general.

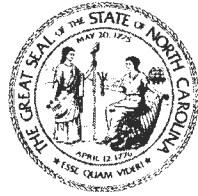
Senator Newton said he hopes not.

Senator Tucker said there is a reason to clear this up because we do not know and the public does not know. Senator Tucker said Senator McKissick is one of the most detailed questioners he has ever met, but yet on this matter Senator McKissick suggested we bypass the ins and outs on the particular details on how the MOU evolved. Senator Tucker said if it is unconstitutional the courts will decide.

Senator Berger recognized Representative Dollar.

Representative Dollar said that everyone in the room he knows supports the pipeline and the actions the General Assembly has taken supports the ACP because of what it will mean for the economy down east and for the energy needs of rural counties. Representative Dollar stated that the executive branch cannot be spending these funds without having them appropriated and it is





against the state constitution. Representative Dollar asked if it is in Senator Newton's perspective that according to the state constitution as well as statutory perspective that these funds had to be appropriated and could not be designated for other purposes without the General Assembly.

Senator Newton said he believes Representative Dollar is correct.

Representative Dollar asked if it was true that the General Assembly has had settlement funds appropriated or has provided a structure for those funds to be spent and this is the practice the General Assembly has for the current budget.

Senator Newton said that was correct.

Senator Berger recognized Representative Arp.

Representative Arp said this is not a moot point and pointed out the Virginia agreement is different in the fact that the funds were paid to an agency for environmental mitigation, not a personal direction. He said this is a serious policy and executive function we are looking into. Representative Arp said the permit granting process has created confusion and fear in the construction and development industry who wonder if this is the normal course of action. He asked what if a developer is denied a permit because he refused to pay a voluntary contribution? He said the loss of trust and public confidence that comes from accepting a voluntary payment in regards to an ongoing permit is appalling. He said the public has a right to understand if this will be required in future permitting and said he is in full agreement that these aspects need to be investigated by this committee to ensure trust in the permitting process.

Senator Berger recognized Senator Krawiec.

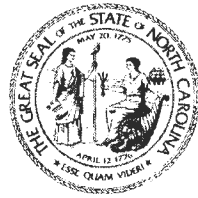
Senator Krawiec said the governor had stated the funds were for environmental mitigation, but asked if in the agreement there was writing that stipulated the funds are for environmental damage?

Senator Newton said she was right that companies will make commitments to repair environmental damage and they will also commit funds. He said but we are examining unavoidable circumstances that cannot be fully restored such as a cultural impact and that is where MOUs have been entered into to address the unavoidable impacts and the income to that state would be paid and dispersed by appropriation.

Senator Krawiec asked what amount was in the mitigation fund.

Senator Newton said he has an 11 million and a 57.8 million figure in his head, but beyond that he does not have the figures.





Senator Krawiec said she understood there was a fund set up and heard the amount was 55 million within the agreement. She asked if it was accurate because the 55 and 57.8 amounts were coincidentally close to one another.

Senator Berger said staff member Jennifer McGinnis has some information on this issue. Ms. McGinnis said there was a term in the 401 certification that the Department of Environmental Quality issued that required payments for stream and buffer mitigation impacts that the ACP would cause across the state. She said there is a fee schedule in our statutes and invoices have been issued by the department around 6 to 7 million dollars for stream and wetland impacts, but there may have been subsequent invoices and payments that amount to 11 million, but the required mitigation under statute was around 6 to 7 million.

Senator Berger recognized Representative Jones.

Representative Jones asked if there were any controls the governor established in the final MOU that would have prevented the governor from using the funds for his own political use.

Senator Newton said he was not aware of any.

Senator Berger recognized Senator Brown.

Senator Brown said he chaired the committee Mr. Lilly had the privilege of speaking at and said it was unfortunate we could not get answers that day. Senator Brown said that it is clear in our constitution that the General Assembly controls how dollars are appropriated and he does not know of anything that says otherwise and that this is an obvious attempt to bypass that authority. Senator Brown asked if there was anywhere in the MOU where it stated it was non-binding. Senator Brown said the governor stated it was non-binding.

Senator Newton said he does not see that language in the MOU.

Senator Brown said he believes this makes it clear the governor wanted control of these dollars and that is against what our constitution allows. Senator Brown also said we may have the same problem going forward with different issues.

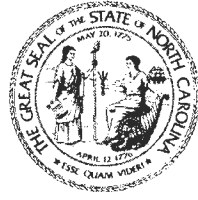
Senator Berger recognized Senator Hise.

Senator Hise asked if this is the first meeting of the Gov. Ops committee.

Senator Berger recognized Senator Meredith.

Senator Meredith said his understanding was the executive branch negotiated this MOU. He said if the MOU was not followed in payments made should the Attorney General not be sending letters to the people who made the agreement with the executive branch and if the funds aren't





here then the executive branch should be saying we have a contract with you to make a payment and the funds haven't been transferred.

Senator Newton referred the question for staff to answer.

Jennifer McGinnis of Legislative Analysis responded that Senator Newton indicated that the governor's office claimed the payment was voluntary which would indicate no legal action could be taken by the Attorney General to enforce the payment.

Senator Berger asked staff to follow up on the issue on whether or not payments have been made and if they haven't been what options are out there and who should be charged with the responsibility of dealing with those issues.

Senator Berger recognized Representative Floyd.

Representative Floyd asked if staff could forward their findings to the entire committee.

Senator Berger recognized Representative Jackson.

Representative Jackson asked if staff had received the report from DPI that was required in HB 90 about this issue and if they had received it to please forward it to him.

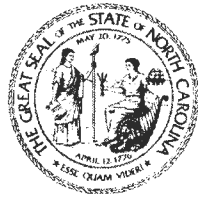
Senator Berger recognized Representative Dollar.

Representative Dollar said it is clear that there are serious concerns that have been raised for which there are no answers and the administration could have taken the opportunity to answer the questions that have been asked by the media and the General Assembly. Representative Dollar also noted that Senator Brown pointed out that the details of this matter have occurred before and will occur in the future and it needs to be clear to all branches of government what the role of the General Assembly is in the appropriation process. Representative Dollar said the latest exchange in the MOU raises the question of what the MOU means when they will not honor the amount unless it is given to the governor. He said that this poses a list of legal questions that needs to be resolved.

Representative Dollar then moved that the committee authorize the co-chairs of the Government Operations Committee to appoint a sub-committee in accordance with G.S.120 19.7 and Article 13 of Chapter 120 to further examine issues concerning the Atlantic Coast Pipeline mitigation project memorandum of understanding signed Jan. 25 of 2018 and associated permitting and that such sub-committee be granted an appropriate budget to exercise all powers granted it by Chapter 120 needed to go wherever the facts may lead. Representative Dollar further moved that the sub-committee report back to the full commission at the appropriate time or times determined by the sub-committee chairs.

The motion was seconded by Representative Torbett.





Senator Berger recognized Senator McKissick for discussion.

Senator McKissick said his greatest concern about the motion is that this may become a political witch hunt and he does not want to waste time and resources. Senator McKissick said he is not sure if the committee is on the path to trying to get answers to whatever pending questions are unanswered, which he believes are pretty narrow and pretty few based upon the data that has been pulled together.

Senator Berger recognized Representative Stevens.

Representative Stevens asked if Senator McKissick has a different document than she does because the answers that have been provided today have been very nominal.

Senator Berger recognized Senator Newton for further discussion on the motion.

Senator Newton said he believes it is important to the state that we ask these questions regardless of the party of the governor. He said there is no witch hunt here and the governor is in control of how quickly this gets resolved.

Senator Berger recognized Representative Arp for further discussion on the motion.

Representative Arp said it was reported by DEQ that the actual environmental damages were 11 million dollars and noted that the amount set up in the voluntary account was 5 times the actual damages assessed and left to the governor's discretion. He said that bears investigating.

There being no further discussion on the motion, Senator Berger called for a vote on the motion and the motion passed.

Senator Berger recognized Ms. Kristi Jones from the governor's office and asked if she would like to make any comments.

Ms. Jones said she is here to represent Governor Cooper and that her grandmother would be proud of her for sitting in the back of the room and keeping her mouth closed like she had taught her. She said disaster recovery has been Governor Cooper's number one priority since he took office January 1, 2017. She told the committee that roads and bridges were quickly repaired and that \$740 million of Federal, State, and local funds have already been sent to affected communities. She promised more help is on the way and promised everyday they are making progress.

Ms. Jones said today we have more information on the environmental reviews on the four most impacted counties. She said yesterday Director Sprayberry was in Washington meeting with HUD asking to help cut through the red tape so progress can be made. Ms. Jones said because of changes made in 2016, emergency management went from short term relief to long term disaster recovery and they are two totally different things.





Ms. Jones said this administration supports Director Sprayberry and wanted to thank Representative Bell for acknowledging the work the director has done by appearing at legislature oversight hearings and in the communities of the legislators talking to constituents. She said it was communicated that Director Sprayberry wants to be before the commission to explain the inaccurate information and tell them about the complicated process and plan of action.

Ms. Jones reiterated that assistance can never come quickly enough to those who need it, but asked for all of those involved to work together because the people of North Carolina deserve it. Ms. Jones said that business and community leaders of the impacted counties in the location of the Atlantic Coast Pipeline were concerned whether the impact would actually create the economic development it would promise. She said they wanted to ensure access to natural gas was accomplished because it would mean better jobs. She said they joined with the ACP to create a fund to ensure the counties could get the access to natural gas and have the hope of creating jobs. She said permitting was and always is done separately by the Department of Environment Quality and that representatives from the permitting process will be before the committee to discuss these issues. Ms. Jones stated that there is no secrecy in the executive branch. She said the fund was always intended to benefit Eastern North Carolina.

Ms. Jones said the executive branch has stringent ethic and conflict of interest laws in place to handle these issues and despite efforts to make this not about economic development, the ethics complaint filed was quickly dismissed.

Ms. Jones said many interactions have occurred in the last six months between the governor's office and the General Assembly and Ms. Jones found it shocking that this was the topic of discussion today. She said House Bill 90 made this the General Assembly's issue and it is in their hands now. She reiterated, economic growth for eastern North Carolina is in their hands. She said there are many other things we could be discussing today and urged the committee to not let politics get in the way of progress.

Senator Berger thanked Ms. Jones.

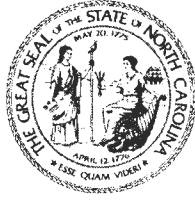
Consultations:

Consultation reports are posted on the Commission's website and may be accessed via this link.

3. Consent Items:

- a. Land Transactions (G.S. 143-341(4)g); (G.S. 146-22, -27, -29.1, -30, -74)
 - 1. Andrews Duncan House (Wake County) \$725,000 (Submitted in May)
 - 2. Livestock Show and Sell Facility (Iredell County) \$650,000 (Submitted in July)
- b. Fees (G.S. 12-3.1(a)) – Submitted in June 2018





1. Natural Heritage Program – establish new online access data fee (various amounts)
2. NC Locksmith Licensing Board – increase licensure fee Other Mandated Reports: Reports were posted to the Governmental Operations Commission website through July 31, 2018.

Senator Berger moved to the next agenda item – two land transactions and two fee adjustments that are presented to the Commission by state agencies for consultation as required by law. He said that further information on these matters is available on the Commission’s website. Barring any request from an individual member for explanation from the committee and without objection, Senator Berger dispensed with further discussion and deemed the agencies to have satisfied the statutory requirement of consultation for each of the matters listed.

Other Mandated Reports: Reports posted on the Commission’s website may be accessed via [this link](#).

Senator Berger noted that there are other mandated reports that are required to come to the Commission and they are available on the Commission website for those that have been received by the Commission by July 31, 2018.

Additional Comments from Commission Members:

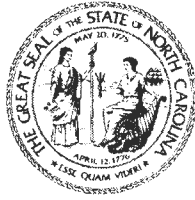
Senator Berger asked if members had any additional comments. Senator Berger recognized Senator Tucker.

Senator Tucker said he wanted to call attention to a news report he read about a DMV quick stop convenience store that is run separately from the main DMV. Senator Tucker said the media had done a great job reporting on this and had asked a Mr. Brockwell if such a place exists and he said “no.” He said the reporting indicated that such a facility did exist for certain privileged state officials, those who do not have time to wait in line. Senator Tucker asked the committee to examine why the office was established, if it is still running and wanted to know why politicians and public servants have a privilege to get their licenses in a 20 minute quick stop that doesn’t exist for the general public. He said a father called two weeks ago concerned about his daughter getting a license quickly and his office told him there is nothing to do but to stand in line like the rest of us. He said there needs to be an answer to the public as to why these offices through Mr. Jessup were allowed to happen and why.

Senator Berger said Senator Tucker’s points are well taken and the commission will continue to ask questions.

Senator Berger recognized Representative Dollar.





Representative Dollar said his constituents have complained about long lines and Representative Dollar noted that the central staff has been working to retrieve the information and concurred that the chairs should consider this an agenda item for this commission. Representative Dollar believes this is an issue affecting a large amount of people and there needs to be answers.

Senator Berger recognized Representative Arp.

Representative Arp concurred that this is an issue worthy of investigation and commented on about a letter from a constituent which raised points about waiting in the DMV line for over 4 hours in which for several hours there were no chairs available to sit in. He said food and drink are not allowed and we have no idea when we will be seen. He said it is unreasonable to sit and stand for hours with no way to feed ourselves. He asked if legislators are going to wait until a frail woman passes out in a DMV line because she is not allowed to eat, drink or able to sit down and has to hear about it on the news. In addition, he said it is discriminatory to those who cannot take a full day off of work to accomplish what should be a simple task.

Senator Berger recognized Senator McKissick.

Senator McKissick said he would ask to find out what supplemental resources the DMVs need to address this unprecedented backlog of getting licenses. He said it is a problem and we need to do everything possible to expedite these long lines because that will help fix the problem if they can report back.

Senator Berger recognized Senator Sanderson.

Senator Sanderson said his rural county relies on a mobile unit that comes a couple times a month to service the county and several times over the past few months people would be in line at 8 a.m. for the mobile unit and it would not appear that day for some unexplained reason.

Senator Berger asked for other questions or comments from the Commission and hearing none entertained a motion to adjourn. Representative Torbett made a motion to adjourn. Representative Stevens seconded the motion. The motion carried.

There being no further business before the Commission, the meeting adjourned at 3:25 PM.

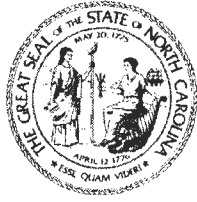
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Senator Phil Berger
Presiding

A handwritten signature in black ink, appearing to read "Lorie Byrd", written over a horizontal line.

Lorie Byrd, Committee Clerk





Attachments:

1. Agenda
2. Disaster Relief Funding Presentation Documents
 - 2.1 Sens. Britt, Meredith and Pate - Matthew Oversight Letter
 - 2.2 Rep. Bell Matthew Oversight Letter
 - 2.3 Rep. Bell Presentation: North Carolinians Left Behind Hurricane Matthew Recovery
 - 2.4 April 12, 2018 WBTV Article
 - 2.5 July 24, 2018 NC Insider Article
 - 2.6 July 30, 2018 WBTV Article
3. Atlantic Coast Pipeline Presentation Documents
 - 3.1 Sen. Newton Presentation: Atlantic Coast Pipeline
 - 3.2 ACP Correspondence with Governor's Office
 - 3.3 ACP MOU documents
4. Attendance
5. Visitor Registration



AGENDA
Joint Legislative Commission on Governmental Operations

August 29, 2018
1:00 p.m.
Room 643, Legislative Office Building
Senator Phil Berger, Presiding

Opening Remarks: Co-Chairman Phil Berger, President Pro Tempore of the Senate
Co-Chairman Tim Moore, Speaker of the House of Representatives

Approval of Minutes

Presentations:

1. Disaster Relief Funding

Senators Danny Britt, Wesley Meredith, and Louis Pate
Representatives John Bell and Brenden Jones

2. Atlantic Coast Pipeline

Senator Paul Newton

Consultations:

Consultation reports are posted on the Commission's website and may be accessed via this [link](#).

3. Consent Items:

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b. Fees (G.S. 12-3.1(a)) – Submitted in June 2018

1. Natural Heritage Program – establish new online access data fee (various amounts)
2. NC Locksmith Licensing Board – increase licensure fee

Other Mandated Reports:

Reports were posted to the Governmental Operations Commission [website](#) through July 31, 2018.

4. Adjourn





NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE BUILDING

RALEIGH 27601

August 14, 2018

President Pro Tempore Phil Berger
N.C. Senate
2007 Legislative Building
Raleigh, NC 27601

Dear Senator Berger,

As Senators for regions impacted by Hurricane Matthew in 2016, we write to request the Senate convene an oversight hearing to look into Governor Cooper's failure to deliver aid to our constituents.

Thank you for the attention you have shown our districts since this tragedy, and for quickly passing state legislation to remove any potential legislative roadblocks that might impede the recovery effort. Thankfully, state law and regulations have not caused any delay. The same cannot be said, however, for the shocking incompetence on display from Governor Cooper's flailing effort to deliver federal aid to our residents.

Hurricane Matthew and the resultant floods struck our communities 674 days ago. Congress appropriated its first round of Community Development Block Grant-Disaster Relief (CDBG-DR) funding 612 days ago. The U.S. Department of Housing and Urban Development (HUD), which oversees CDBG-DR funding, informed the State of North Carolina of the rules it had to follow in disbursing the aid 573 days ago.

Our question is simple: what has Governor Cooper been doing for 573 days?

We'll tell you what our constituents have been doing: waiting hopelessly and in vain for a relief program that's overrun with allegations of corruption and shackled by incompetence.

Earlier this year, the Cooper Administration assured our constituents that home repair projects would begin by June 30, 2018. After blowing past that deadline, the Administration blamed federally-mandated environmental reviews for the hold-up – even though Congress stipulated environmental review requirements nearly two years ago and every major disaster recovery in recent memory has had to abide by the same rules.



Even more disturbing are recent reports that the Cooper Administration rigged bidding procedures to deliver a multi-million contract to a particular vendor.

Recent events make it glaringly clear that Governor Cooper has not properly managed the disaster relief program and his administration needs to answer for its behavior. Therefore, we respectfully request the Senate convene an oversight hearing to get to the bottom of this unmitigated disaster. Thank you for your consideration.

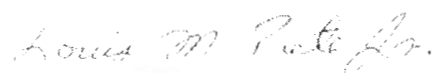
Sincerely,



Danny Earl Britt, Jr.
NC State Senator
District 13



Wesley Meredith
NC State Senator
District 19



Louis Pate, Jr.
NC State Senator
District 7





North Carolina General Assembly
House of Representatives
Office of the Majority Leader

REPRESENTATIVE JOHN R. BELL, IV
10TH DISTRICT

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COMMITTEES:

- AGRICULTURE
- BANKING
- COMMERCE AND JOB DEVELOPMENT
- FINANCE
- HOMELAND SECURITY, MILITARY, AND VETERANS AFFAIRS
- JUDICIARY III
- PUBLIC UTILITIES
- REGULATORY REFORM, CO-CHAIR
- RULES, CALENDAR, AND OPERATIONS OF THE HOUSE

April 30, 2018

Speaker Tim Moore
N.C. House of Representatives
16 W. Jones St. Room 2304
Raleigh, NC 27601

President Pro Tempore Phil Berger
N.C. Senate
2007 Legislative Building
Raleigh, NC 27601

Dear Speaker Moore and Leader Berger,

As the Chairman of the House Select Committee on Disaster Recovery, it is with great concern that I write regarding the Cooper Administration's failure to allocate any of the \$236 million approved by the federal government to get Hurricane Matthew victims back into their homes.

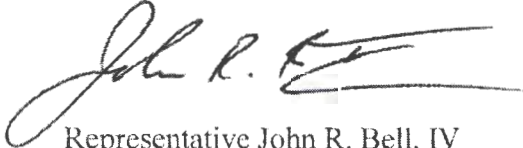
After hearing from the administration at a recent committee meeting, we have been left with more questions than answers as to why none of these much-needed resources have been made available to flood victims.

Due to the level of frustration from both Republicans and Democrats with the administration's response and lack of answers, I am requesting that this issue be referred to the Joint Legislative Commission on Governmental Operations for further investigation.

It is has been 18 months since Hurricane Matthew devastated Eastern North Carolina and the victims and those communities who are in desperate need of help deserve immediate answers.

Thank you for your leadership, attention and concern for this very important issue.

Sincerely,


Representative John R. Bell, IV





North Carolinians Left Behind: Hurricane Matthew Recovery

Joint Legislative Commission on Governmental Operations

August 29, 2018





691

DAYS

Number of days since Hurricane Matthew began to wreak havoc on North Carolina



Impact



Photo: National Weather Service

- October 8-9, 2016
- Most powerful storm of the 2016 Atlantic Hurricane Season
- Extreme rainfall, subsequent deadly flooding
- More than two dozen storm-related deaths in N.C.
- Estimated \$10.3 billion in damage to U.S. (Source: National Center for Environmental Information)



Matthew Aftermath



Photo: Sean Rayford



Photo: Casey Mozingo/The Goldsboro News-Argus, via AP



Matthew Aftermath

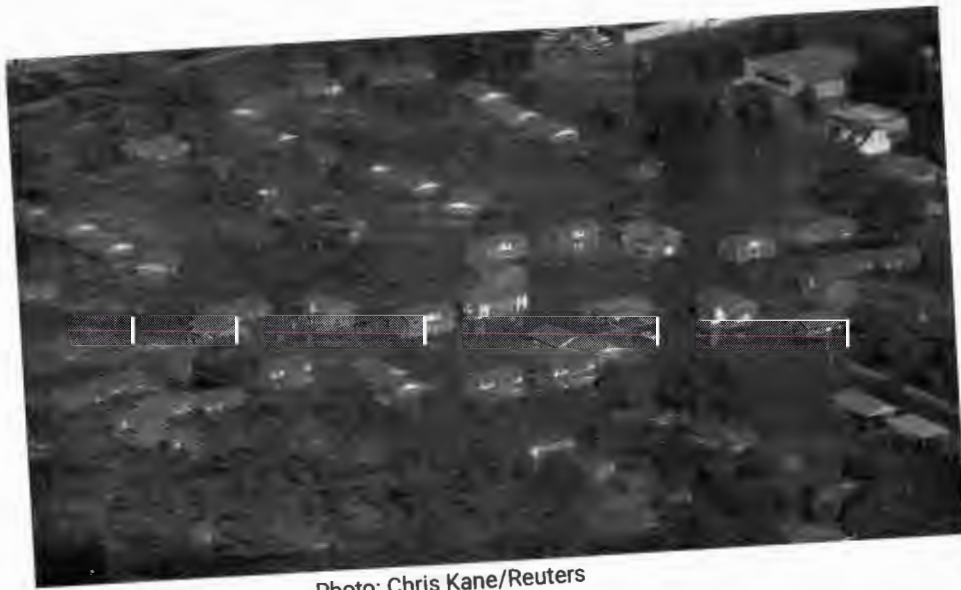


Photo: Chris Kane/Reuters

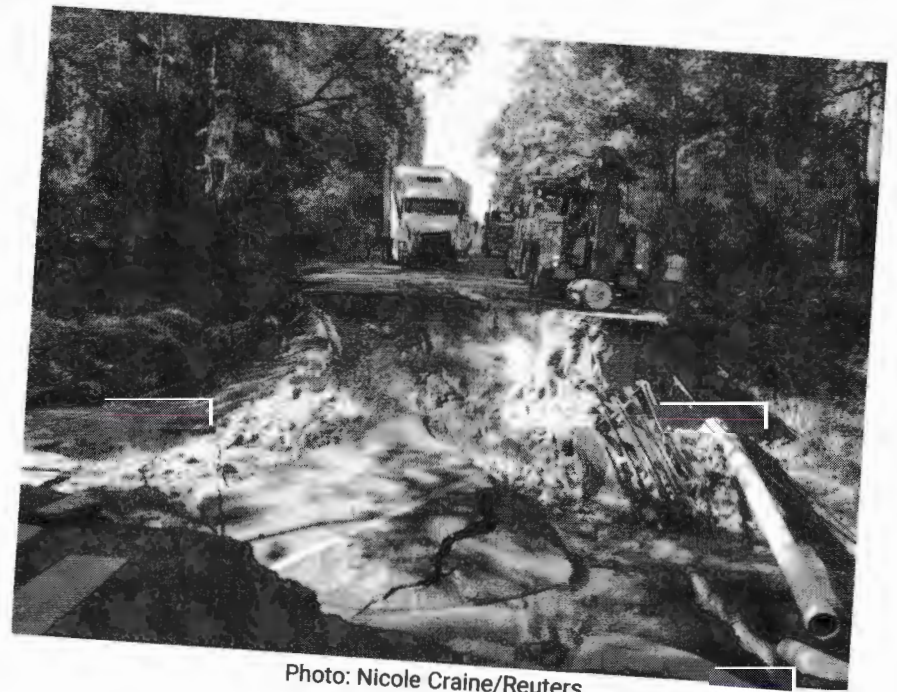
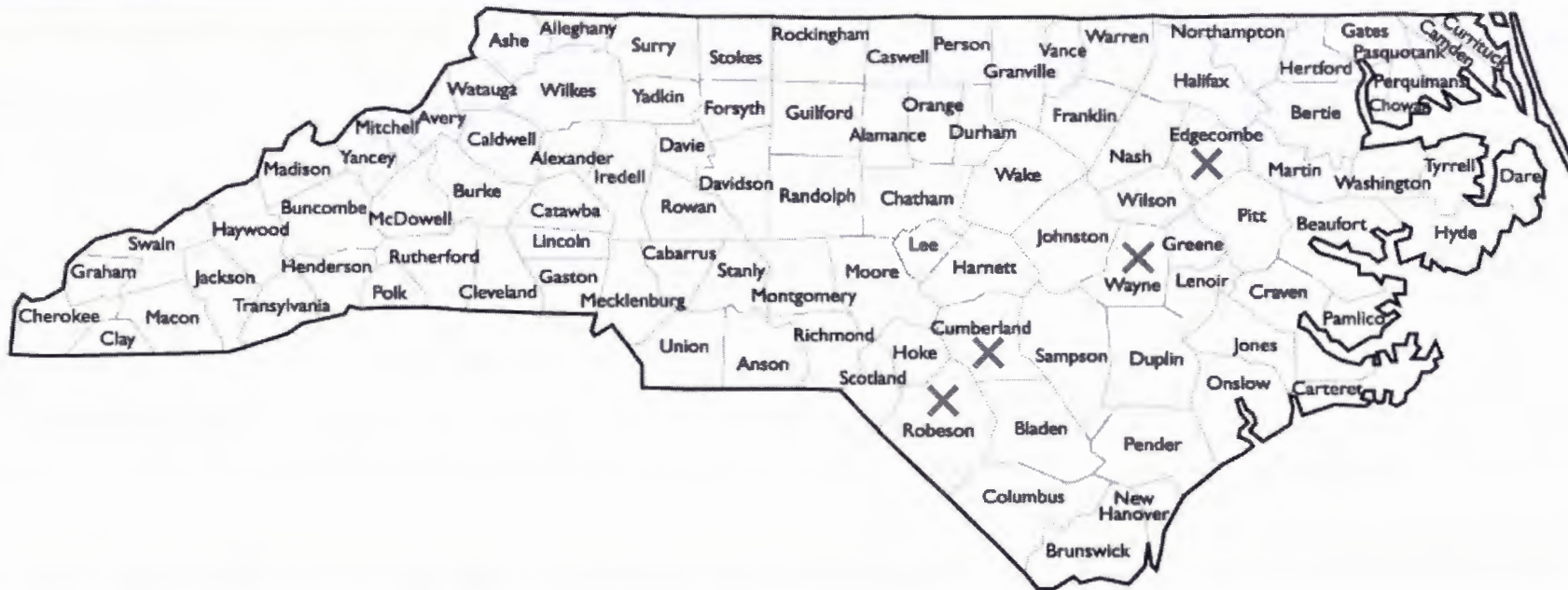


Photo: Nicole Craine/Reuters



Environmental Impact Study (EIS) Delays

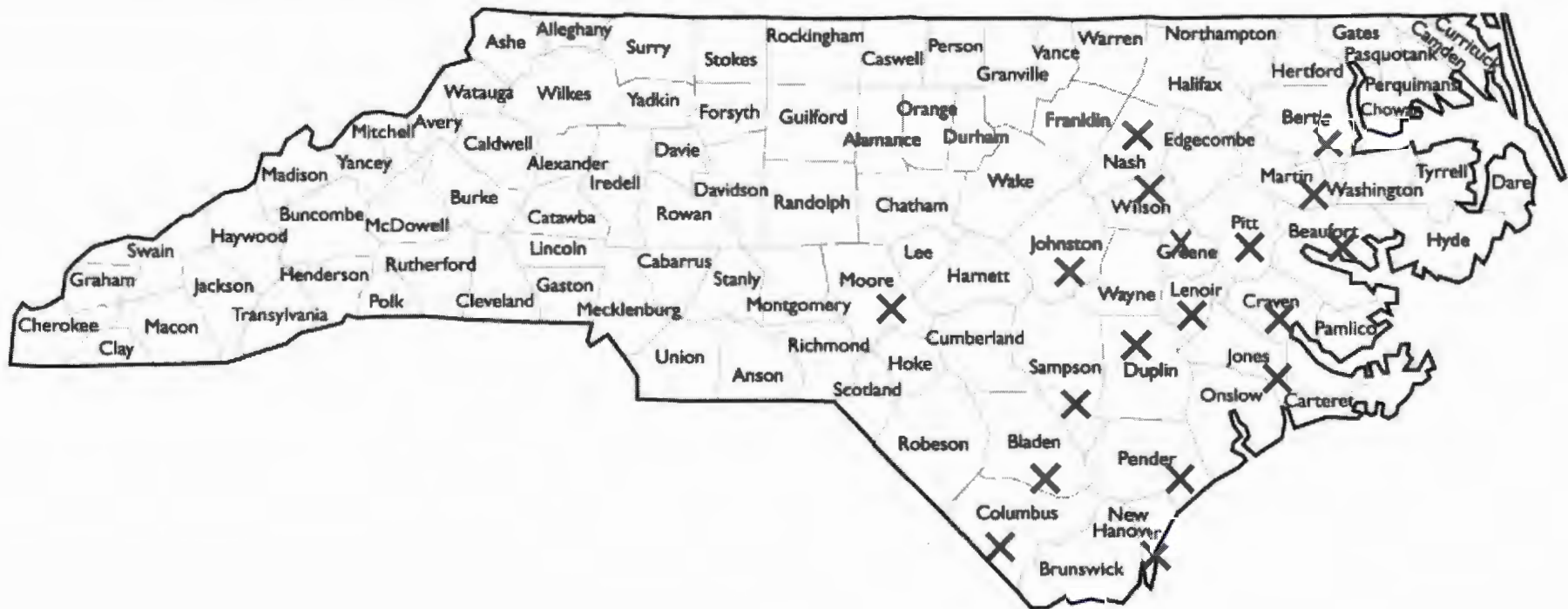


It took **689 days** for the **four** hardest-hit counties to receive final EIS approval to distribute grant funds. **Three** of these counties were approved two days ago.



Environmental Impact Study (EIS) Delays

18 counties have either not submitted an EIS or have not yet initiated the process.





CDBG-DR Deadlines

- **January 2018:** RFP issued for private sector engineering and emergency management services
- **February 2018:** Contract to be awarded (**MISSED**)
- **March 1, 2018:** Evaluation committee recommends one vendor for contract (**DELAYED**)
- **March 16, 2018:** Administration sends back edited contract recommending three vendors (ESP, IEM, AECOM) (**DELAYED**)
- **June 2018:** Contract awarded approximately 120 days beyond initial deadline (**DELAYED**)



In The News

- **April 12, 2018:** NC has spent \$0 of \$200 million grant to rebuild homes damaged by Hurricane Matthew, report says ([WBTV](#))
- **April 16, 2018:** Lawmakers have a lot of questions, get few answers about hurricane recovery ([WBTV](#))
- **May 25, 2018:** Congress members want Cooper to explain slow distribution of Matthew recovery money ([WRAL](#))
- **May 31, 2018:** Where is the money? Hurricane Matthew victims still waiting for relief ([ABC11](#))
- **June 7, 2018:** Cooper – Process to fix homes damaged by hurricane ‘taking too long’ ([WBTV](#))



In The News

- **July 9, 2018:** State misses another deadline for Hurricane Matthew recovery ([WBTV](#))
- **July 24, 2018:** Hurricane Matthew recovery grant: \$236 million. Projects finished so far: zero ([News & Observer](#))
- **July 24, 2018:** Matthew recovery: Two years later, victims still await money ([Fayetteville Observer](#))
- **July 30, 2018:** State officials tried to alter bid documents for multi-million dollar hurricane contract ([WBTV](#))
- **August 13, 2018:** Cooper checks on Matthew Recovery, but again won't meet with Fair Bluff residents ([WWAYTV3](#))
- **August 14, 2018:** Cooper promises help but can't give timeline during tour of hurricane-damaged areas ([WBTV](#))





“I’ll just be glad to be able to feel I can move on in life.”

Jody Johnson — Fair Bluff, NC



South Carolina Recovery Progress

	Total Program Applicants	Closeout	Drop Outs	Active Unserved Applicants	One Knocks Scheduled	One Knocks Complete	Award Letters	Construction In Process	Key Turnovers	Construction Complete Funds
MID Counties										
Marion	1,041	0	487	71	547	533	283	44	124	5,440,600
Marly	479	0	191	27	304	298	193	26	98	5,005,449
Total	1,520	0	678	98	851	831	476	70	222	10,446,049
NIMID Counties										
Dillon	205	0	136	23	52	38	10	0	1	20,607
Sunter	45	0	26	6	14	14	4	0	2	124,940
Allendale	2	0	0	2	0	0	0	0	0	0
Bamberg	5	0	3	1	1	1	1	0	0	0
Barnwell	2	0	1	0	1	1	0	0	0	0
Beaufort	210	0	177	15	20	19	0	0	0	0
Berkeley	100	0	74	11	17	10	3	0	0	0
Calhoun	13	0	5	4	5	5	0	0	0	0
Charleston	89	0	63	9	18	11	4	0	0	0
Chesterfield	12	0	9	1	2	2	1	0	0	0
Clerendon	128	0	66	20	49	31	10	0	1	57,100
Colleton	110	0	89	9	12	12	3	1	0	0
Darlington	66	0	38	8	22	21	11	3	3	134,976
Dorchester	35	0	32	2	1	1	0	0	0	0
Florence	66	0	38	10	19	17	6	0	0	0
Georgetown	262	0	169	26	78	67	19	1	1	59,300
Hampden	7	0	5	2	0	0	0	0	0	0
Jasper	58	0	52	2	5	4	0	0	0	0
Lee	164	0	124	7	35	28	6	0	1	60,202
Marlboro	19	0	12	2	5	4	1	0	0	0
Orangeburg	87	0	77	1	10	10	4	0	1	50,065
Williamsburg	659	0	433	63	180	151	45	3	10	544,568
Total	2,344	0	1,629	224	546	447	128	8	20	1,051,759
Grand Total	3,864	0	2,307	322	1,397	1,278	604	78	242	11,497,808



Unanswered Questions

- It has been 691 days since Hurricane Matthew made landfall in North Carolina.
- Displaced from their homes and businesses, victims of the Matthew devastation have been left behind for these 691 days.
- North Carolinians have been given excuse after excuse, while there remain far too many unanswered questions.
- It is time to fix this. North Carolina doesn't need excuses; **we need action.**



NC has spent \$0 of \$200 million grant to rebuild homes damaged by Hurricane Matthew, report says

Published: Thursday, April 12th 2018, 6:24 pm EDT

Updated: Thursday, April 12th 2018, 7:14 pm EDT

By Nick Ochsner, Reporter

FAIR BLUFF, NC (WBTV) -

A report released by the United States Department of Housing and Urban Development in late March shows North Carolina has yet to spend any of \$236 million grant intended to help fund recovery efforts from Hurricane Matthew.

The state was awarded the community development block grant for disaster recovery, known as CDBG-DR, last fall.

Both North Carolina and South Carolina received CDBG-DR funding at the same time in the wake of Hurricane Matthew, which devastated communities in rural, eastern portions of both states.

Last fall, WBTV traveled the path of Hurricane Matthew to look at how communities were recovering one year after the storm.

Our report found communities in South Carolina at least six months ahead of similarly situated towns in North Carolina in recovery efforts.

In North Carolina, where state leaders decided to award CDBG-DR funds to counties that would, in turn, spend the money to help people repair or replace their houses, the process of accepting applications for assistance had yet to begin.

But in South Carolina, state disaster recovery leaders anticipated starting construction on the first homes damaged by Hurricane Matthew in early October.

Recovery is moving quickly in SC

Now, roughly seven months later, at least 52 families have moved into new or repaired homes in South Carolina while families impacted by Hurricane Matthew in North Carolina have yet to see any help.



“South Carolina is moving faster than a lot of other people,” JR Sanderson, director of the South Carolina Disaster Recovery Office, said. “Having said that, it’s still not fast enough for the citizen. The citizen wants to be back in their home tomorrow and my team’s job is to make that happen as fast as we possibly can.”

To help his team remember what their end goal is – putting families back in safe, sanitary and secure homes as quickly as possible – Sanderson posts a picture of each finished home on the walls of the disaster recovery office.

“Once of the things I want the team to do—and everyone who walks in this office is—to see this is the outcome of the public tax dollar. Every time we complete a home, we put a photograph up on the wall. This will eventually fill up with all 1,350 homes we are intending on doing for Hurricane Matthew,” Sanderson said.

Sanderson said he hopes his team will build at least 500 homes for families impacted by Hurricane Matthew by the end of 2018.

One reason Sanderson said he has the ability to move so quickly is because he has strong support from elected leaders in the state.

“We have real good political support, real good top cover from the Department of Commerce,” Sanderson said. “Certainly the governor saying ‘we need to recover South Carolina’ helps beat the bureaucracy in some ways.”

The fast pace of the work in South Carolina meant that Betty Smith could move into a new home after her trailer in Mullins, SC was damaged by wind and rain brought by Hurricane Matthew.

“I’m telling you, it’s very rough because you might not have people that really want you to stay with them and I didn’t have the funds to get a hotel, so it was really awful,” Smith said. “That was the worst feeling I ever had. Every day I prayed to God, please, Lord, get me back in my home.”

Now, the front yard is dotted with flowering bushes and young trees that she recently planted in an effort to restore her home back to the way it was before the storm.

Slow recovery frustrates residents in one NC town

The scenery looks totally different just a 30-minute drive north of Smith’s home to the town of Fair Bluff, NC.



Fair Bluff was hit hard by flood waters that spilled over the banks of the Lumber River, which meanders parallel to the town's business district along Main Street and continues past a row of once stately homes.

Now, 18 months after the storm, the storefronts on Main Street remain boarded up and the homes across from the river still sit empty.

It's frustrating for residents like Ray Lundy, who talked with WBTV both during our first visit in September and again this week as we went back to see if any progress had been made.

"Fair Bluff is exactly like it was in '16 when Hurricane Matthew struck," Lundy said. "Nothing has changed except the volume of mold."

Lundy said the only recovery efforts he's seen in the town is a project to replace sewer lines that were damaged in the storm and plans to re-build the fire department. But, he said, nothing has been done to replace the homes destroyed by the hurricane.

"If you get around and drive some of these back streets, it's just empty houses," he said.

North Carolina leaders refuse to answer questions

A week before this story was to air on TV and be published online, WBTV asked both the North Carolina Governor's Office and the North Carolina Office of Emergency Management for an on-camera interview so we could ask a state leader about the slow pace of recovery.

Julia Jarema, a spokeswoman for NCEM first said she was checking a schedule to possibly arrange such an interview but ultimately declined.

Instead, Jarema sent an email with talking points not responsive to any of WBTV's questions but did say the state expects "the first participants to receive assistance next month."

Neither Jarema nor a spokesman for Governor Roy Cooper's office responded to a follow-up inquiry specifically asking about why the state had yet to spend any of the \$236 million CDBG-DR grant money.

<http://www.wbvtv.com/story/37946199/nc-has-spent-0-of-200-million-grant-to-rebuild-homes-damaged-by-hurricane-matthew-report-says>



Hurricane Matthew recovery grant: \$236M. Projects finished so far: Zero.

BY COLIN CAMPBELL
ccampbell@ncinsider.com

July 24, 2018 12:35 PM
Updated July 24, 2018 12:36 PM

RALEIGH — Months after lawmakers blasted Gov. Roy Cooper's administration for failing to spend any of a \$236.5 million federal grant to help Hurricane Matthew victims rebuild, no projects using the funds have been finished yet, North Carolina Emergency Management said last week.

The continued delays prompted House Speaker Tim Moore to announce Monday that he's reinstating a legislative oversight committee.

"As serious questions remain unanswered regarding the slow pace of the Cooper Administration's recovery effort, it's critical that we continue our committee's oversight to ensure folks get the help they need," said Rep. John Bell, a Wayne County Republican and chairman of the committee.

But Greg Thomas, a spokesman for NC Emergency Management, stressed that progress is being made with the \$236.5 million in federal Housing and Urban Development grant money.

"The federally-required environmental reviews are now complete for projects in Robeson County, and in August the three remaining most impacted counties' reviews (Edgecombe, Cumberland and Wayne) will be complete," he said in an email. "When these reviews are complete the county will be able to move forward with housing recovery projects."

The grant money (known as Community Development Block Grants, or CDBG) requires a complicated eight-step application process, and the state has received 1,982 applications so far.

About 950 of those have made it to the second of eight steps, while most of the rest are still on step one, which requires extensive documentation. "NCEM currently has seven open application centers to collect this information and in August will begin operating mobile centers to make getting this information easier for storm impacted persons," Thomas said.



Cooper was scheduled to visit the application center in Lenoir County Tuesday.

June was a busy month for another Hurricane Matthew relief fund, the Hazard Mitigation Grant Program. That's a FEMA-funded program to buy out, elevate or reconstruct property in floodprone areas impacted by the hurricane.

The state applied for \$100 million in grant money last October for more than 800 properties. So far, 627 properties have been approved, totaling \$79.7 million across 33 counties and municipalities, with conditional approvals for 14 others in Wayne County. Most of those awards were announced in June and early July. Thomas said remaining awards will be announced by the end of this month, with the exception of Princeville, which didn't submit its application to FEMA until June 28. "This process could take between 3-9 months from the time of submission to FEMA," he said.

The pace of recovery hasn't been fast enough for Rep. Brenden Jones, a Columbus County Republican who wrote to Moore on July 10 asking for the House disaster relief committee to meet again. Jones wrote that he wants the committee to "review and discuss the appropriate measures moving forward.

North Carolina stands to lose millions of federal dollars because of the Governor's tepid response. We must continue to do everything in our power to hold this administration accountable."

Jones cited a WBTV report about Emergency Management missing a self-imposed deadline to begin construction on the first projects using the HUD grant money. The report referred to a statement at an April House disaster relief committee, when the assistant director for resiliency, Nick Burk, told lawmakers that he hoped construction would begin by June 30.

Burk has since left the job and his replacement is starting work this week. John Ebbighausen will now oversee grant funding and various disaster relief programs. He'd previously worked for the N.C. National Guard and has 28 years of military experience in strategic planning, operations, contract management and command, according to Emergency Management.

The newly reinstated House Select Committee on Disaster Relief hasn't yet scheduled its next meeting. But Moore said he's appointing additional committee members: Rep. Larry Strickland, R-Johnston, Rep. Bob Muller, R-Pender, Rep. Howard Hunter, D-Hertford, and Rep. William Brisson, R-Bladen.

<https://www.newsobserver.com/news/politics-government/article215415305.html>



State officials tried to alter bid documents for multi-million dollar hurricane contract

Published: Monday, July 30th 2018, 12:22 pm EDT

Updated: Monday, July 30th 2018, 12:41 pm EDT

By Nick Ochsner, Reporter

RALEIGH, NC (WBTV) - Leaders in the North Carolina Emergency Management office attempted to change the outcome of a multi-million dollar bid for Hurricane Matthew recovery by re-writing a memo recommending the contract be awarded to three companies instead of one, documents obtained by WBTV show.

The attempt to change the outcome of the bid process meant another delay in a recovery effort that has been filled with them.

Ultimately, the attempt to alter the bid recommendation was unsuccessful. The contract was awarded in mid-June to the same company that was recommended by an evaluation committee in early March.

Request for proposals issued in January

State procurement officials issued a request for proposals in early January for a company to help administer a federal grant from the U.S. Department of Housing and Urban Development known as CDBG-DR.

At the time, the state was contracting with ESP, a firm that provides engineering and emergency management service, to help administer the grant.

According to a timeline included in the RFP, the contract was supposed to be awarded in February and the winning company was supposed to begin working immediately thereafter.

Three companies, including ESP, responded to the RFP in an effort to win the new contract, which is worth roughly \$15 million dollars.

Each company's bid was evaluated by a committee of career employees from NCEM and the Department of Commerce.

Documents obtained by WBTV through a public records request detail the discussion surrounding the process by which each of the three bids were evaluated. Ultimately, the committee recommended one of the three companies be awarded the contract.



The documents also show that after the evaluation committee made its recommendation, officials at NCEM drafted a new recommendation memo and created a paper trail to make it look as though the memo came from members of the evaluation committee.

'Experience under existing state contract has had mixed results'

Emails produced in response to WBTV's public records request show the evaluation committee began its review of the three bids in mid-February.

Three companies bid on the contract: ESP, who, at the time, held the contract to help administer the CDBG-DR funds; a North Carolina-based company known as IEM; and AECOM.

The evaluation committee scored each company's proposal based on five set of criteria, with up to 20 points being awarded in each category. A proposal could score up to 100 points. The higher the score, the stronger the evaluation committee found the proposal to be.

Of the three companies that bid, ESP, who had won the previous contract, was scored the lowest, receiving 81 points. AECOM scored 85.2 points. IEM got the high score, obtaining 91.4 points.

A draft document prepared by the evaluation committee and later edited by an attorney from the Commerce Department shows the committee ranked ESP so low, at least in part, because of the company's poor performance in its current contract.

"Experience under existing state contract has had mixed results," one bullet point stated.

"The proposal pointed to work accomplished under an existing contract as being complete and exemplary when the state disagrees on both points," another bullet point said of ESP.

A third bullet point included in the final justification document said the committee was concerned with ESP's experience with a controversial project referenced in the company's bid.

The evaluation committee prepared its recommendation memo on March 1, 2018.

"The above referenced Request for Proposal, having been competitively bid and evaluated by panel, has been awarded to IEM," the memo to an administrator at the Department of Administration's Purchase and Contract office said.

Second memo recommends award to all three companies



Two weeks after the evaluation committee's recommendation memo was sent to attorneys for final review, a different memo surfaced.

Nick Burk, who was then a deputy director at NCEM, sent an email to two members of the RFP evaluation committee—both of whom work at NCEM — on March 16 that makes it sound as though the committee had written a memo recommending all three companies be awarded the hurricane recovery contract.

"We are in receipt of the recommendation memo for the CDBG-DR Contact (sic), signed by Director Sprayberry," Burk's email said.

Attached to the email was the second contract, dated March 16, recommending all three companies be awarded the contract.

There are no emails to show the committee met after issuing its March 1 recommendation to discuss making a different recommendation.

In an interview arranged by staff from Governor Roy Cooper's office, Mike Sprayberry, the Director of Emergency Management, said he re-wrote the memo.

"I thought, as Director of Emergency Management, that we could possibly take advantage of some of the contractors that we had been using with the skillsets that they had and the capacity they had," Sprayberry said. "I found out that I didn't have that authority."

Sprayberry said he and he alone wrote the second memo but did not explain why he had Burk write the email in which it sounds as though the recommendation he signed off on had come from the committee. He also could not provide an explanation as to why he would try to steer a contract to a company that the evaluation committee found had not adequately performed under its current contract.

"It was my decision. I made it," Sprayberry said when pressed about his decision. He refused to answer multiple questions about why he made the decision.

Ultimately, the bids were re-evaluated and the contract was awarded to IEM in mid-June.

Sprayberry said no time was lost due to the delay in awarding the new contract because ESP stayed on the job until the new contract was awarded.

But state lawmakers from parts of eastern North Carolina ravaged by Hurricane Matthew said the delay uncovered by WBTB related to the attempt to alter a competitively bid contract award is just the latest in a string of delays that have set the state's recovery efforts back by at least a year.



"The frustration level for the citizens is at a boiling point," Representative Brendan Jones (R-Columbus), who represents the hard-hit town of Fair Bluff, NC, said. "No answer, no relief and we're asking for help."

Jones and House Majority Leader John Bell (R-Wayne), whose district was also hit hard by the storm, have worked to re-establish a House oversight committee that will continue monitoring the state's recovery efforts.

That committee is expected to meet again in mid-August.

Meanwhile, Sprayberry has vowed to move forward with recovery efforts.

One county impacted by the storm has now been cleared to start spending its share of the \$236 million CDBG-DR grant. Three more counties are expected to receive the same approval in August. There is no timeline for the remaining counties to be able to distribute their share of the funds to start rebuilding homes damaged by the storm.

"I'm not sitting here to make excuses. We are working hard and we're committed as a team to get this DR money out," Sprayberry said. "What's changed since the last time I saw you is that we've awarded \$82M in hazard mitigation funds to over 600 household. I mean, I think that's a pretty big accomplishment."

<http://www.wbtv.com/story/38766910/state-officials-tried-to-alter-bid-documents-for-multi-million-dollar-hurricane-contract>



ATLANTIC COAST PIPELINE

Memorandum of Understanding



How did we get here?

- ACP MOU for “unavoidable impacts”
- Jan 25, 2018 – \$57.8M fund established
- Jan 26, 2018 – ACP permit issued
- Perceptions of “pay to play”
- Feb 8, 2018 – Mr. Lilley appears before the Joint Appropriations Committee



How did we get here?

- **Feb 12, 2018** – General Assembly sends letter to Governor's Office
- **Feb 15, 2018** – Nonresponsive reply received back
- **Feb 16, 2018** – General Assembly sends second letter
- **Feb 19, 2018** – Governor's office dismisses as "partisan charade"



How did we get here?

- The Governor has refused to provide or explain:
 - Drafts of the MOU
 - Information regarding negotiations
 - Unconstitutional nature
 - “Voluntary contribution”
 - Ethical implications



How did we get here?

- S.L. 2018-2 – \$57.8M to NC public schools
 - Local educators supported
- Governor objected and stated \$57.8M would be “imperiled”
- ACP has no concerns about funding schools
- Governor wants \$57.8M in fund



What have we since learned?

- Copies of draft MOUs revealed:
 - ACP proposed funds go to the State of N.C.
 - Four drafts of the MOU written (Dec. 13, 2017—Jan. 19, 2018)
 - Final MOU directed \$57.8M be under Governor Cooper's control
 - Compare to VA MOU



What have we since learned?

- The official permit file revealed:
 - Permit delayed by sending “additional information” letters
 - DEQ sent four different letters from September 2017 – December 2017
 - New DEQ Request before ACP response
 - Inconsistencies and omissions



Recommendation to Gov Ops

- For at least 7 reasons Gov Ops should establish a subcommittee to investigate all aspects of the Memorandum of Understanding that was signed on January 25, 2018.
 - Timing of Permit & MOU
 - Lack of transparency
 - Confusion over conflicting bases for payment
 - Governor's degree of discretion over fund
 - Frequency & merit of DEQ info requests
 - Anomalies in permit file
 - Protection of NC business climate





NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE BUILDING

RALEIGH 27601

February 12, 2018

Mr. Lee Lilley
Director of Legislative Affairs
Office of the Honorable Roy A. Cooper
Governor of North Carolina
20301 Mail Service Center
Raleigh, N.C. 27699

Dear Mr. Lilley:

Thank you for attending the joint meeting of the House and Senate Appropriations/Base Budget committees this past Thursday on behalf of Gov. Roy Cooper. We understand you just recently started working as his lobbyist and felt you could not immediately answer a number of questions lawmakers had related to the roughly \$58 million he obtained from energy companies within hours prior to his administration's issuance of a major permit to advance the Atlantic Coast Pipeline. However, we are sure you can understand why many North Carolinians are concerned that it appears the governor obtained \$58 million for a personal "slush fund" as "a condition of getting the permit granted" (the latter are the words of Democratic Rep. Pricey Harrison.) This series of events has raised a number of serious ethical and constitutional questions across the political spectrum about potential pay-to-play or pay-for-permit, and deserve prompt answers.

We appreciate the commitment you made to get answers to questions raised by the committee in writing, and below are the ones we believe are most pressing at this time. While you may not personally have knowledge of all of these issues, we trust you will fulfill the responsibilities of your position as the governor's legislative liaison and as a member of his senior staff and obtain answers directly from Gov. Cooper and his general counsel.

1. Please explain how the governor's office came to negotiate and obtain \$57.8 million from the energy companies seeking to build the Atlantic Coast Pipeline?
2. Who specifically in the governor's office and his administration was involved in negotiating the deal? Did Gov. Cooper personally bless the arrangement?
3. When and how did negotiations over what many are referring to as the governor's personal "slush fund" start? Were the negotiated offers made in writing or in person? Are there other drafts you can share?
4. Were other matters beyond the pipeline addressed during negotiations? If so, what matters?
5. How did the governor envision the extra-governmental fund working?



6. How did the governor plan to spend the money? Is he aware that state and federal law already require utilities building the Atlantic Coast Pipeline to meet environmental mitigation requirements before the project can receive approval?
7. Can you clarify your response to this question as it appears to conflict with reports in the *News & Observer*: Will the ratepayers and consumers or shareholders pay for this \$58 million extra-governmental fund?
8. Why does the governor's office call this a "voluntary contribution" when Democratic Rep. Pricey Harrison said it was "a condition of getting the permit granted" and the governor's own spokesman has called the arrangement "negotiations," which by definition are not voluntary?
9. Would the private parties involved in the negotiations agree with the governor's assertion that this was a "voluntary contribution" completely unrelated to the permitting process?
10. Does the governor's office think this type of activity – requesting large contributions from private businesses wanting to do business in our state – encourages economic development in North Carolina?
11. What other companies has the governor obtained "voluntary" \$50 million plus contributions to the state from? Is he currently or has he in the past solicited similar contributions from other businesses or individuals? Were these companies also seeking environmental permits?
12. Do you think the solicitation and acceptance of this money by the governor erodes the public's trust in the permit approval process?
13. Why does the governor's office compare this agreement to actions taken in Virginia when the Virginia agreement was signed by the Commonwealth's chief environmental regulator and went to specifically designated mitigation projects, while Gov. Cooper's deal gives him unfettered control of an extra-governmental fund outside of the normal appropriations process allowed by the North Carolina constitution?
14. Is this arrangement an illegal and unconstitutional violation of the separation of powers or a violation of due process?
15. Does this arrangement run afoul of state ethics law that prohibits elected officials from using their office and title to solicit funds for personal benefit?

Please send responses to us by 4:00 p.m. on Thursday, February 15. This will have given the governor and his office a full week from the committee meeting to contemplate responses.

Sincerely,



Sen. Bill Rabon
Senate Rules Chairman
Member, Senate Appropriations/Base Budget Committee



Rep. David Lewis
House Rules Chairman
Member, House Appropriations/Base Budget Committee



*Office of the Governor
State of North Carolina*

*Roy Cooper
Governor*



*20301 Mail Service Center
Raleigh, N.C. 27699-0301*

February 15, 2018

The Honorable Bill Rabon
The Honorable David Lewis
North Carolina General Assembly
16 W. Jones Street
Raleigh, NC 27601

Gentlemen:

I write to respond on behalf of the Office of the Governor to your questions about the Atlantic Coast Pipeline and Memorandum of Understanding regarding a mitigation fund and to express our office's concern that the General Assembly's actions have imperiled an agreement intended to support local economic development and environmental protection in eastern North Carolina.

As you know, the ACP agreed to provide funds to support economic development and additional environmental protection in the eight counties where the pipeline is being constructed. Specifically, these funds were intended to provide a public benefit by expanding access to the pipeline while mitigating the adverse environmental effects created by the pipeline.

As the MOU stated, an executive order would establish the fund and lay out the structure, process and rules for administering the fund. Before the fund could be established, however, the General Assembly chose to reallocate prospective funds to purposes outside those agreed to in the MOU.

As a result, it is unclear if North Carolina will receive these funds, denying businesses and farms in eastern North Carolina access to natural gas and much needed economic development.

Upon our office's receipt of your letter dated Feb. 12, 2018, I decided to respond on behalf of the office to provide you information leading up to the signing of the MOU.

Now, I will address the way the fund was established. In the Governor's office, discussions about the fund began in 2017, when eastern North Carolina economic developers and others expressed concerns about whether the pipeline would bring the economic growth it promised.

The Governor, his administration and many others were concerned about whether the pipeline would deliver on its promises of economic development to eastern North Carolina. Those promises of jobs and industry, which had been touted in television advertising and other media, had earned support for the project from local governments, economic developers and many of your caucus members.

Similarly, the administration was concerned about the environmental impacts of the pipeline on eastern North Carolina.

The Governor's Office, including Legal Counsel William McKinney and Senior Advisor Ken Eudy, worked with the ACP partners to establish the fund to lessen the impact and create jobs in the counties affected by the project.

The MOU, signed by a representative of the ACP and Mr. McKinney, was the first step in the fund's existence. The MOU identified the purposes for which the funding should be directed and the commitment to these purposes by both parties. As the MOU spells out, an Executive Order would be issued to direct the establishment of the fund and how it would operate.

At the time that you chose to intervene, the Governor's office was working to finalize the process that would be utilized to effectuate the MOU. Our expectations and plans have been that decisions about the distribution of the fund were to be made after a review of applications from qualified government entities and non-profits.

The Rural Infrastructure Authority and the Clean Water Management Trust Fund are examples of two grant-makers operating under these guidelines that could fulfill the administrative process and accomplish the goals. The executive order setting up the fund would direct that it operate subject to the state's Public Records and Open Meetings laws, the State Ethics Act and additional provisions preventing conflict of interest or duplication of efforts.

We anticipated the designation of subject matter experts who would serve as trustees or directors. Never was the Governor contemplated to be the decision maker as to which projects would be funded.

It is important to note that the state does not have the money, nor has the fund been established. The MOU states that the first half of the money would not come in until final FERC approval of the ACP and the second half would come in once the pipeline is completed. It is possible that the legislature's action in House Bill 90 diverting the anticipated funds will imperil the agreement.

Eliminating funding for job creation and environmental protection in the pipeline's path undoes the fund's purpose. The fund was intended to bring jobs to communities and lessen the environmental impact for those most affected.

As to whether shareholders or ratepayers would cover the cost of the fund, that is a decision for the utilities developing the pipeline.

This pipeline meets an energy need for our state and moves us away from coal-fired power plants. It would be preferable if North Carolina could move immediately to electricity produced 100% by renewable sources, but the state and country aren't there yet. Getting to no-carbon electricity will take years to achieve, after battery storage becomes more affordable and the electric grid is upgraded. Meantime, the state can't risk jobs and the economy by failing to have an adequate supply of reliable electricity.

The mitigation fund was established independently of the DEQ permitting process, which is still underway. The state DEQ continues to conduct a rigorous analysis. At the end of its water permit review, DEQ had exhausted its inquiries and addressed mitigation concerns allowed by law, and thus issued the water permit. You can be sure that DEQ will continue in its role as a regulator to make sure that ACP construction and operation complies with the permit's mitigation requirements.

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The Rural Infrastructure Authority and the Clean Water Management Trust Fund are examples of two grant-makers operating under these guidelines that could fulfill the administrative process and accomplish the goals. The executive order setting up the fund would direct that it operate subject to the state's Public Records and Open Meetings laws, the State Ethics Act and additional provisions preventing conflict of interest or duplication of efforts.

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The mitigation fund was established independently of the DEQ permitting process, which is still underway. The state DEQ continues to conduct a rigorous analysis. At the end of its water permit review, DEQ had exhausted its inquiries and addressed mitigation concerns allowed by law, and thus issued the water permit. You can be sure that DEQ will continue in its role as a regulator to make sure that ACP construction and operation complies with the permit's mitigation requirements.



The DEQ also will hold the pipeline accountable for complying with the permit requirements and environmental protection rules. Separately, the mitigation fund would provide additional resources to help offset the impact of the pipeline as well as to provide investments in renewable energy and economic development in the counties along the pipeline. Extending gas lines is an expensive process and the fund could help offset some of it.

The ACP permitting process was extraordinarily thorough. It was important for DEQ to make its permit decision based solely on whether the ACP met regulatory requirements. There is substantial mitigation required within the 401 water permit. However, the administration also wanted to help make sure that the natural gas that the ACP touted in its advertising could be extended to create jobs in the eight pipeline counties.

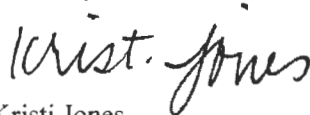
Clearly the fund's goals are tailored to North Carolina, and so is the impact and promise of the pipeline construction project. No similar discussions regarding other construction projects have occurred in North Carolina, nor has a project of this scope been proposed.

Finally, it is the administration's belief that a project of this magnitude should serve to bring economic growth to rural areas of our state.

In closing, you should understand that Governor Cooper will continue to use all of the power and authority inherent in his office to try and improve the lives of North Carolinians. Creating jobs and protecting our environment are among the most important responsibilities assigned to a Governor and, indeed, all of state government.

While this General Assembly may be willing to put power, partisanship and politics before the needs of the people of North Carolina, Governor Cooper will continue to fight for them each and every day. It is what the people of North Carolina elected him to do.

Sincerely,



Kristi Jones
Chief of Staff





NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE BUILDING

RALEIGH 27601

February 16, 2018

Ms. Kristi Jones
Chief of Staff
Office of the Honorable Roy A. Cooper
Governor of North Carolina
20301 Mail Service Center
Raleigh, N.C. 27699

Dear Ms. Jones:

Thank you for your partial response to our February 12 letter to Gov. Roy Cooper's lobbyist, Lee Lilley, regarding the roughly \$58 million Gov. Cooper obtained from energy companies within hours prior to his administration's issuance of a major permit to advance the Atlantic Coast Pipeline. Unfortunately, an incomplete response does not satisfy the concerns of North Carolinians who are troubled by the appearance of potential pay-to-play or pay-for-permit this Memorandum of Understanding created. For this reason, we are resubmitting our list of questions to you, and have taken the liberty to fill in the partial responses from your previous letter. These are not difficult or complex questions, so hopefully, the third time will be the charm.

- 1. Please explain how the governor's office came to negotiate and obtain \$57.8 million from the energy companies seeking to build the Atlantic Coast Pipeline?**

In the Governor's office, discussions about the fund began in 2017, when eastern North Carolina economic developers and others expressed concerns about whether the pipeline would bring the economic growth it promised.

- 2. Who specifically in the governor's office and his administration was involved in negotiating the deal?**

The Governor's Office, including Legal Counsel William McKinney and Senior Advisor Ken Eudy, worked with the ACP partners to establish the fund to lessen the impact and create jobs in the counties affected by the project.

Did Gov. Cooper personally bless the arrangement?

- 3. When and how did negotiations over what many are referring to as the governor's personal "slush fund" start?**



In the Governor's office, discussions about the fund began in 2017, when eastern North Carolina economic developers and others expressed concerns about whether the pipeline would bring the economic growth it promised.

Were the negotiated offers made in writing or in person? Are there other drafts you can share? [Were they submitted via email or hand delivery? Please share the times and list of participants in each negotiating session and all other drafts of the proposal with us.]

4. **Were other matters beyond the pipeline addressed during negotiations? If so, what matters?**
5. **How did the governor envision the extra-governmental fund working?**

As the MOU stated, an executive order would establish the fund and lay out the structure, process and rules for administering the fund...

The MOU, signed by a representative of the ACP and Mr. McKinney, was the first step in the fund's existence. The MOU identified the purposes for which the funding should be directed and the commitment to these purposes by both parties. As the MOU spells out, an Executive Order would be issued to direct the establishment of the fund and how it would operate.

... the Governor's office was working to finalize the process that would be utilized to effectuate the MOU. Our expectations and plans have been that decisions about the distribution of the fund were to be made after a review of applications from qualified government entities and non-profits.

The Rural Infrastructure Authority and the Clean Water Management Trust Fund are examples of two grantmakers operating under these guidelines that could fulfill the administrative process and accomplish the goals. The executive order setting up the fund would direct that it operate subject to the state's Public Records and Open Meetings laws, the State Ethics Act and additional provisions preventing conflict of interest or duplication of efforts.

We anticipated the designation of subject matter experts who would serve as trustees or directors. Never was the Governor contemplated to be the decision maker as to which projects would be funded.

6. **How did the governor plan to spend the money?**

...the ACP agreed to provide funds to support economic development and additional environmental protection in the eight counties where the pipeline is being constructed. Specifically, these funds were intended to provide a public benefit by expanding access to the pipeline while mitigating the adverse environmental effects created by the pipeline...

Separately, the mitigation fund would provide additional resources to help offset the impact of the pipeline as well as to provide investments in renewable energy and economic development in the counties along the pipeline. Extending gas lines is an expensive process and the fund could help offset some of it.

Is he aware that state and federal law already require utilities building the Atlantic Coast Pipeline to meet environmental mitigation requirements before the project can receive approval? [Is he aware of recent reports from WBTV indicating the pipeline companies made additional payments totaling \$11 million for mitigation purposes?]



7. Can you clarify your response to this question as it appears to conflict with reports in the *News & Observer*: Will the ratepayers and consumers or shareholders pay for this \$58 million extra-governmental fund?

[The February 1, 2018 News & Observer report that rate-paying customers would be asked to foot the bill for the fund also appears to contradict Mr. Lilley's committee testimony that the pipeline's shareholders would pay for the fund.]

As to whether shareholders or ratepayers would cover the cost of the fund, that is a decision for the utilities developing the pipeline.

8. Why does the governor's office call this a "voluntary contribution" when Democratic Rep. Pricey Harrison said it was "a condition of getting the permit granted" and the governor's own spokesman has called the arrangement "negotiations," which by definition are not voluntary?
9. Would the private parties involved in the negotiations agree with the governor's assertion that this was a "voluntary contribution" completely unrelated to the permitting process?
10. Does the governor's office think this type of activity – requesting large contributions from private businesses wanting to do business in our state – encourages economic development in North Carolina?

11. What other companies has the governor obtained "voluntary" \$50 million plus contributions to the state from? Is he currently or has he in the past solicited a similar contributions from other businesses or individuals? Were these companies also seeking environmental permits?

No similar discussions regarding other construction projects have occurred in North Carolina, nor has a project of this scope been proposed.

12. Do you think the solicitation and acceptance of this money by the governor erodes the public's trust in the permit approval process?
13. Why does the governor's office compare this agreement to actions taken in Virginia when the Virginia agreement was signed by the Commonwealth's chief environmental regulator and went to specifically designated mitigation projects, while Gov. Cooper's deal gives him unfettered control of an extra-governmental fund outside of the normal appropriations process allowed by the North Carolina constitution?
14. Is this arrangement an illegal and unconstitutional violation of the separation of powers or a violation of due process?
15. Does this arrangement run afoul of state ethics law that prohibits elected officials from using their office and title to solicit funds for personal benefit?

In addition, your partial responses have raised some follow-up questions. Would you please also respond to these questions?

1. You stated that *discussions* about the fund "began in 2017." When in 2017? And when, specifically, did the actual *negotiations* take place? Did Gov. Cooper personally participate in and/or sign off on the negotiations?



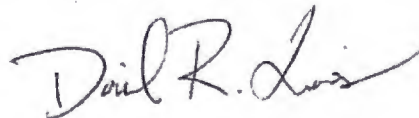
2. Your statement, "never was the Governor contemplated to be the decision maker as to which projects were funded," directly contradicts the last whereas clause of the MOU, which states "the Governor, through his agents and assigns... has the authority to direct the disbursement of funds contemplated in the MOU." Please explain this inconsistency.
3. You stated the governor's deal with the Atlantic Coast Pipeline's builders may now be in peril. Have you heard this from the pipeline builders, or are you implying the governor will no longer accept the funds if they are used to help poor, rural Eastern North Carolina schools?
4. Why doesn't the governor believe investing \$58 million in our children's public education in the eight poor, rural Eastern North Carolina counties impacted by the pipeline will help economic development and job creation in that region?
5. Did anyone in the executive branch or governor's office, or with direct ties to the governor directly or indirectly ask Rep. Pricey Harrison to retract her statement that the fund was "a condition of getting the permit granted?"
6. You mentioned "the Rural Infrastructure Authority and the Clean Water Management Trust Fund are examples of two grantmakers operating under these guidelines that could fulfill the administrative process and accomplish the goals." Aren't these entities the subject of a lawsuit filed by Gov. Cooper claiming they are unconstitutionally constituted because he lacks sufficient dominance of the board appointments to exercise real control over the boards' actions? Why would he support these funds being administered by two entities he is challenging in court? And why does he claim these boards are independent at the same time he is seeking complete control of them from the Democratic-controlled Supreme Court?
7. Your response, "as to whether shareholders or ratepayers would cover the cost of the fund, that is a decision for the utilities developing the pipeline," contradicts the *News & Observer* report that "Duke and other utilities will seek to recover the full cost of the pipeline – which includes construction, permitting and environmental compliance – from their customers through their utility bills." Why did Gov. Cooper fail to negotiate a requirement that these payments come out of corporate profits, rather than from rate-paying customers?

For the sake of clarity, and to avoid having to go through this exercise yet again, please send complete responses to these questions in the format they have been resubmitted to you by 1:00 p.m. on Monday, February 19.

Respectfully,



Sen. Bill Rabon
Senate Rules Chairman
Member, Senate Appropriations/Base Budget
Committee

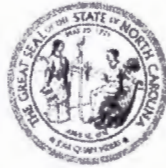


Rep. David Lewis
House Rules Chairman
Member, House Appropriations/Base Budget
Committee



Office of the Governor
State of North Carolina

Roy Cooper
Governor



20301 Mail Service Center
Raleigh, N.C. 27699-0301

February 19, 2018

The Honorable Bill Rabon
The Honorable David Lewis
North Carolina General Assembly
16 W. Jones Street
Raleigh, NC 27601

Gentlemen:

Our office is in receipt of your Feb. 16, 2018 letter responding to our response to your inquiry regarding the Atlantic Coast Pipeline fund for eastern North Carolina.

It is shameful, but unsurprising, that you have turned a fund that provided such promise for North Carolina into political theater.

North Carolina faces many challenging issues that legislators have failed to address that deserve the energy and focus you have instead devoted to this partisan charade. Examples include a comprehensive public-school fix that provides school buildings and more teachers for smaller class sizes; clean water action to detect and stop GenX and other emerging compounds; securing good health care for low-income, working people plus the jobs that would be created through Medicaid expansion.

The pipeline fund was established to provide economic development opportunities and environmental protection along the path of the pipeline, simply put.

While the legislature has voted to redirect the proceeds away from economic development and environmental projects, we remain hopeful you will recognize the great need for good jobs and a vibrant economy in eastern North Carolina.

Since you have already decided where this money should go, your new questions appear to be political in nature, as well as moot, and as such our office lets the previous letter stand as its answer.

Sincerely,

A handwritten signature in cursive script that reads "Kristi Jones".

Kristi Jones
Chief of Staff



CONFIDENTIAL

MITIGATION PROJECT AGREEMENT

THIS MITIGATION PROJECT AGREEMENT ("Agreement") is made and entered into this ___ day of December, 2017, by and between the STATE OF NORTH CAROLINA and ATLANTIC COAST PIPELINE, LLC, a Delaware limited liability company of 120 Tredegar Street, Richmond, Virginia 23219 ("Atlantic").

WITNESSETH:

WHEREAS, Atlantic is proposing to construct the Atlantic Coast Pipeline ("ACP"), an underground natural gas transmission pipeline of approximately 600 miles from West Virginia, through Virginia into North Carolina; and

WHEREAS, the ACP will deliver up to 1.5 billion cubic feet per day of natural gas to meet the demand for electric generation, natural gas distribution and end use markets in North Carolina and Virginia, and

WHEREAS, the ACP route was approved by the Federal Energy Regulatory Commission ("FERC") on October 13, 2017 and will traverse eight counties in the State of North Carolina and will include a natural gas compressor station in Northampton County and other related facilities along the route; and

WHEREAS, the pipeline, access roads, and all associated aboveground facilities and contractor yards will result in total direct impacts of over 3,000 acres from construction activities and a significantly reduced impact during operation; and

WHEREAS, while the ACP has been routed to minimize disruptions to migratory birds and federally listed species by avoiding preferred habitat, including wetland areas, waterbodies and associated riparian vegetation to the extent practicable, there remain unavoidable impacts to over 300 acres to interior forest habitat; and

WHEREAS, the ACP route and access roads would cross approximately 320 waterbodies in North Carolina; and

WHEREAS, Atlantic has conducted numerous open houses, participated in many public meetings held by FERC and the North Carolina Department of Environmental Quality, and held individual information sessions with local governments, state-recognized Indian tribes and other stakeholders along the route; and

WHEREAS, Atlantic recognizes that construction of the ACP and maintenance of the permanent right-of-way for the ACP may result in temporary and/or permanent impacts to the habitats upon which interior forest wildlife species depend; and

WHEREAS, Atlantic desires to take all reasonable measures to comply with North Carolina natural resources laws and to provide for the restoration and preservation of habitats for

*West Virginia
shut it down*

*WHEREAS,
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Northampton
is a job &
economic
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from the ACP?*

*WHEREAS, understand local communities, already.
pop - so local tribes have a significant interest in
preserving their traditions, lifestyle, and quality of life.*



CONFIDENTIAL

interior forest wildlife in North Carolina where the ACP will be constructed, operated, and maintained; and

WHEREAS, the Director of the North Carolina Wildlife Resources Commission has authority and responsibility under NCGS Section 113-306(a) to act in the overall best interests of the conservation of wildlife resources to accept gifts and grants on behalf of the State;

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the State of North Carolina and Atlantic (together, the "Parties") agree as follows:

set up Trust Fund

Mitig. or Remediation

as if the State of the Agreement

Approval of fund receipt complete by March 31st

account to account

- 1) Atlantic agrees to provide mitigation funding in the amount of \$55,000,000 to the State of North Carolina no later than before the date the ACP is placed in-service. Such funding is being provided as required mitigation for the unavoidable effects of the ACP on interior forest habitat, open-space lands; waterbodies; and natural resources of the communities along the ACP's route.
- 2) The State of North Carolina acknowledges that the mitigation funding sufficiently addresses the effects on the landscape, natural resources, interior forest habitat, agricultural lands and lifestyles of the communities caused by the pipeline, access roads and all associated aboveground facilities and contractor yards as described in the FERC Environmental Impact Statement and any changes thereto subsequently approved by FERC. The funding provided shall be allocated at the State's discretion to mitigate these effects by supporting programs and projects that enhance the well-being of the affected areas and resources. *no permits,*
- 3) Nothing in this Agreement shall be construed as affecting the authorities of any party or as binding them beyond their respective authorities or responsibilities.
- 4) The Agreement does not create any right of action for a third party and may not be the basis of any third party challenges or appeals. *This agreement does not include indep. 3P claims regarding the Pipeline Authority's right of way*

STATE OF NORTH CAROLINA

ATLANTIC COAST PIPELINE, LLC, a Delaware limited liability company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

3P Trustee



PRIVILEGED AND CONFIDENTIAL

MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING

THIS MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING ("Memorandum") is made and entered into this ____ day of December, 2017, by and between the **STATE OF NORTH CAROLINA BY AND THROUGH THE OFFICE OF THE GOVERNOR** and **ATLANTIC COAST PIPELINE, LLC**, a Delaware limited liability company of 120 Tredegar Street, Richmond, Virginia 23219 ("Atlantic").

WITNESSETH:

WHEREAS, Atlantic is proposing to construct the Atlantic Coast Pipeline ("ACP"), an underground natural gas transmission pipeline of approximately 600 miles from West Virginia, through Virginia, and ending in North Carolina; and

WHEREAS, the ACP will deliver up to 1.5 billion cubic feet per day of natural gas to meet the demand for electricity, natural gas distribution, and end use markets in North Carolina and Virginia; and

WHEREAS, the ACP will serve as a catalyst for economic development and job creation in North Carolina; and

WHEREAS, the ACP will promote and facilitate the recruitment of new industries to North Carolina; and

WHEREAS, the pipeline will generate approximately \$60,000,000 in local property tax revenue between 2018 and 2025; and

WHEREAS, the Federal Energy Regulatory Commission ("FERC") approved the ACP route on October 13, 2017, traversing eight counties in the State of North Carolina, and including a natural gas compressor station in Northampton County and other related facilities; and

WHEREAS, the ACP, access roads, and all associated aboveground facilities and contractor yards will result in total direct impacts of over 3,000 acres during construction and significantly reduced impacts during operation; and

WHEREAS, while the ACP has been routed to minimize disruptions to migratory birds and federally listed species by avoiding preferred habitats, including wetland areas, waterbodies and associated riparian vegetation to the fullest extent practicable, there remain unavoidable impacts to over 300 acres of interior forest habitats; and

WHEREAS, the ACP and access roads would cross approximately 320 waterbodies in North Carolina; and

WHEREAS, Atlantic has conducted open houses, participated in public meetings held by FERC and the North Carolina Department of Environmental Quality, and held individual



PRIVILEGED AND CONFIDENTIAL

information sessions with local governments, state-recognized Indian tribes, and other stakeholders along the route; and

WHEREAS, Atlantic recognizes that construction of the ACP and maintenance of the permanent right-of-way for the ACP may result in temporary and/or permanent impacts to the habitats upon which interior forest wildlife species depend; and

WHEREAS, Atlantic acknowledges that local communities, existing populations, and state-recognized Indian tribes have a significant interest in preserving their traditions, lifestyles, and quality of life; and

WHEREAS, Atlantic represents that it has taken and will take all reasonable measures to comply with North Carolina natural resources laws and to provide for the restoration and preservation of North Carolina interior forest wildlife habitats where the ACP will be constructed, operated, and maintained; and

WHEREAS, the Governor, through his agents and assigns, including, but not limited to the Department of Environmental Quality, Department of Commerce, Wildlife Resources Commission, and their respective leaders, has the authority to direct the disbursement of funds contemplated in this Memorandum of Understanding;

NOW, THEREFORE, the State of North Carolina and Atlantic (together, the "Parties") endeavor to do the following:

- 1) Atlantic commits to providing funding in the amount of \$55,000,000 to the State of North Carolina as set forth below. The funds will be deposited in an escrow account designated by a third party selected by the Governor of the State of North Carolina ("the Escrow Account"). The funds are being provided as (i) mitigation for the unavoidable effects of the ACP on the interior forest habitat, open-space lands, waterbodies, and natural resources of the communities along the ACP's route (ii) support and funding for economic development in the counties that would be impacted by the ACP; and (iii) extension of renewable energy projects into certain local communities which may stand to be effected by the ACP's operation. Fifty per cent of the \$55,000,000 will be deposited in the Escrow Account and made available for disbursement for environmental mitigation immediately following the issuance by the Federal Energy Regulatory Commission of a Final Notice to Proceed for the ACP. The remaining balance of funds shall be deposited in the Escrow Account no later than upon the date the ACP is placed into service. In the event that Atlantic terminates the project before it is placed into service, whether in the unanticipated event that the project fails to obtain and maintain the state approvals or any other necessary permits, certifications, consents, authorizations, and other approvals or for any other reason in Atlantic's sole discretion, the State of North Carolina shall deliver the proportionate share of the mitigation funds as preserved in accordance with this paragraph to Atlantic within thirty (30) days of receipt of written notice of termination from Atlantic. Such proportionate share to be returned to Atlantic shall be calculated based upon the number of miles of the pipeline route in North Carolina for which tree clearing and grubbing



PRIVILEGED AND CONFIDENTIAL

activity remains to be performed compared to the total number of miles of the pipeline route requiring such activities in North Carolina as part of the project.

- 2) The State of North Carolina acknowledges that the funds are being provided for the purpose of (i) addressing the effects on the landscape, natural resources, interior forest habitat, agricultural lands and lifestyles of the communities caused by ACP, access roads and all associated aboveground facilities and contractor yards as described in the FERC Environmental Impact Statement; and (ii) expanding economic development opportunities and (iii) developing renewable energy projects in and around the ACP's route . The funds shall be allocated pursuant to the guidelines and directives set forth in a subsequent Executive Order that would be issued prior to the completion of state permitting for the ACP. Nothing in this Memorandum shall be construed as precluding or otherwise barring the State of North Carolina from recovering damages or equitable remedies from Atlantic for spills or leaks stemming from the ACP.
- 3) Nothing in this Memorandum shall be construed as affecting the authorities of any party or as binding them beyond their respective authorities or responsibilities.
- 4) The Memorandum does not create any right of action for a third party and may not be the basis of any third-party challenges or appeals. Nothing in this Memorandum shall be construed as precluding or otherwise barring independent, third-party claims regarding the ACP.
- 5) Nothing in this Memorandum is deemed to constitute a "settlement" as that term is defined by N.C Gen. Stat. § 114-2.4A, nor does it require the payment of penalties or forfeitures and fines under N.C. Const. Art. IX § 7. Likewise, nothing in this Memorandum should be construed to be an admission of liability or wrongdoing by either Atlantic or the State of North Carolina its agents or assigns.

Signed:

William C. McKinney
General Counsel, Office of the
North Carolina Governor

Date:



PRIVILEGED AND CONFIDENTIAL

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WHEREAS, the ACP will deliver up to 1.5 billion cubic feet per day of natural gas to meet the demand for electricity, natural gas distribution, and end use markets in North Carolina and Virginia; and

WHEREAS, the ACP will serve as a catalyst for economic development and job creation in North Carolina; and

WHEREAS, the ACP will promote and facilitate the recruitment of new industries to North Carolina; and

WHEREAS, the pipeline will generate approximately \$60,000,000 in local property tax revenue between 2018 and 2025; and

WHEREAS, the Federal Energy Regulatory Commission ("FERC") approved the ACP route on October 13, 2017, traversing eight counties in the State of North Carolina, and including a natural gas compressor station in Northampton County and other related facilities; and

WHEREAS, the ACP, access roads, and all associated aboveground facilities and contractor yards will result in total direct impacts of over 3,000 acres during construction and significantly reduced impacts during operation; and

WHEREAS, while the ACP has been routed to minimize disruptions to migratory birds and federally listed species by avoiding preferred habitats, including wetland areas, waterbodies and associated riparian vegetation to the fullest extent practicable, there remain unavoidable impacts to over 300 acres of interior forest habitats; and

WHEREAS, the ACP and access roads would cross approximately 320 waterbodies in North Carolina; and

WHEREAS, Atlantic has conducted open houses, participated in public meetings held by FERC and the North Carolina Department of Environmental Quality, and held individual



PRIVILEGED AND

information sessions with local governments, state-recognized Indian tribes, and other stakeholders along the route; and

WHEREAS, Atlantic recognizes that construction of the ACP and maintenance of the permanent right-of-way for the ACP may result in temporary and/or permanent impacts to the habitats upon which interior forest wildlife species depend; and

WHEREAS, Atlantic acknowledges that local communities, existing populations, and state-recognized Indian tribes have a significant interest in preserving their traditions, lifestyles, and quality of life; and

WHEREAS, Atlantic represents that it has taken and will take all reasonable measures to comply with North Carolina natural resources laws and to provide for the restoration and preservation of North Carolina interior forest wildlife habitats where the ACP will be constructed, operated, and maintained; and

WHEREAS, the Governor, through his agents and assigns, including, but not limited to the Department of Environmental Quality, Department of Commerce, Wildlife Resources Commission, and their respective leaders, has the authority to direct the disbursement of funds contemplated in this Memorandum of Understanding;

NOW, THEREFORE, the State of North Carolina and Atlantic (together, the "Parties") endeavor to do the following:

- 1) Atlantic commits to providing funding in the amount of \$55,000,000 to the State of North Carolina as set forth below. The funds will be deposited in an escrow account designated by a third party selected by the Governor of the State of North Carolina ("the Escrow Account"). The funds are being provided as (i) mitigation for the unavoidable effects of the ACP on the interior forest habitat, open-space lands, waterbodies, and natural resources of the communities along the ACP's route (ii) support and funding for economic development in the counties that would be impacted by the ACP; and (iii) extension of renewable energy projects into certain local communities which may stand to be affected by the ACP's operation. Fifty per cent of the \$55,000,000 will be deposited in the Escrow Account and made available for disbursement for environmental mitigation immediately following the issuance by the Federal Energy Regulatory Commission of a Final Notice to Proceed for the ACP. The remaining balance of funds shall be deposited in the Escrow Account no later than upon the date the ACP is placed into service. In the event that Atlantic terminates the project before it is placed into service, whether in the unanticipated event that the project fails to obtain and maintain the state approvals or any other necessary permits, certifications, consents, authorizations, and other approvals or for any other reason in Atlantic's sole discretion, the State of North Carolina shall deliver the proportionate share of the mitigation funds as preserved in accordance with this paragraph to Atlantic within thirty (30) days of receipt of written notice of termination from Atlantic. Such proportionate share to be returned to Atlantic shall be calculated based upon the number of miles of the pipeline route in North Carolina for which tree clearing and grubbing



PRIVILEGED AND CONFIDENTIAL

activity remains to be performed compared to the total number of miles of the pipeline route requiring such activities in North Carolina as part of the project.

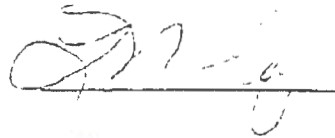
- 2) The State of North Carolina acknowledges that the funds are being provided for the purpose of (i) addressing the effects on the landscape, natural resources, interior forest habitat, agricultural lands and lifestyles of the communities caused by ACP, access roads and all associated aboveground facilities and contractor yards as described in the FERC Environmental Impact Statement; and (ii) expanding economic development opportunities and (iii) developing renewable energy projects in and around the ACP's route. The funds shall be allocated pursuant to the guidelines and directives set forth in a subsequent Executive Order that would be issued prior to the completion of state permitting for the ACP. Nothing in this Memorandum shall be construed as precluding or otherwise barring the State of North Carolina from recovering damages or equitable remedies from Atlantic for spills or leaks stemming from the ACP.
- 3) Nothing in this Memorandum shall be construed as affecting the authorities of any party or as binding them beyond their respective authorities or responsibilities.
- 4) The Memorandum does not create any right of action for a third party and may not be the basis of any third-party challenges or appeals. Nothing in this Memorandum shall be construed as precluding or otherwise barring independent, third-party claims regarding the ACP.
- 5) Nothing in this Memorandum is deemed to constitute a "settlement" as that term is defined by N.C. Gen. Stat. § 114-2.4A, nor does it require the payment of penalties or forfeitures and fines under N.C. Const. Art. IX § 7. Likewise, nothing in this Memorandum should be construed to be an admission of liability or wrongdoing by either Atlantic or the State of North Carolina its agents or assigns.

Signed:

William C. McKinney
General Counsel, Office of the
North Carolina Governor

Date:


Signed:



Leslie Hartz
Vice President-Engineering &
Construction - Strategic Projects

Date: 12/24/17





Two typos:

In Section 1, inserted a period at the end of the sentence that ends "ACP's operation".

In Section 2, deleted space between the word "route" and the period ending the sentence.





January 19, 2018

ACP Partners to Gov's Office

Edits are from Gov's Office

*the state of
the Governor
of North
Carolina,
in his
official
capacity,*

MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING

THIS MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING ("Memorandum") is made and entered into this ___ day of January, 2018, by and between the **STATE OF NORTH CAROLINA BY AND THROUGH THE OFFICE OF THE GOVERNOR** and **ATLANTIC COAST PIPELINE, LLC**, a Delaware limited liability company of 120 Tredegar Street, Richmond, Virginia 23219 ("Atlantic").

WITNESSETH:

WHEREAS, Atlantic is proposing to construct the Atlantic Coast Pipeline ("ACP"), an underground natural gas transmission pipeline of approximately 600 miles from West Virginia, through Virginia, and ending in North Carolina; and

WHEREAS, the ACP will deliver up to ¹1.5 billion cubic feet per day of natural gas to meet the demand for electricity, natural gas distribution, and end use markets in North Carolina and Virginia; and

WHEREAS, the ACP will serve as a catalyst for economic development and job creation in North Carolina; and

WHEREAS, the ACP will promote and facilitate the recruitment of new industries to North Carolina; and

WHEREAS, the pipeline will generate approximately \$60,000,000 in local property tax revenue between 2018 and 2025; and

WHEREAS, the Federal Energy Regulatory Commission ("FERC") approved the ACP route on October 13, 2017, traversing eight counties in the State of North Carolina, and including a natural gas compressor station in Northampton County and other related facilities; and

WHEREAS, the ACP, access roads, and all associated aboveground facilities and contractor yards will result in total direct impacts of over 3,000 acres during construction and significantly reduced impacts during operation; and

WHEREAS, while the ACP has been routed to minimize disruptions to migratory birds and federally listed species by avoiding preferred habitats, including wetland areas, waterbodies and associated riparian vegetation to the fullest extent practicable, there remain unavoidable impacts to over 300 acres of interior forest habitats; and

WHEREAS, the ACP and access roads would cross approximately 320 waterbodies in North Carolina; and

WHEREAS, Atlantic has conducted open houses, participated in public meetings



held by FERC and the North Carolina Department of Environmental Quality, and held individual information sessions with local governments, state-recognized Indian tribes, and other stakeholders along the route; and

WHEREAS, Atlantic recognizes that construction of the ACP and maintenance of the permanent right-of-way for the ACP may result in temporary and/or permanent impacts to the habitats upon which interior forest wildlife species depend; and

WHEREAS, Atlantic acknowledges that local communities, existing populations, and state-recognized Indian tribes have a significant interest in preserving their traditions, lifestyles, and quality of life; and

WHEREAS, Atlantic represents that it has taken and will take all reasonable measures to comply with North Carolina natural resources laws and to provide for the restoration and preservation of North Carolina interior forest wildlife habitats where the ACP will be constructed, operated, and maintained; and

WHEREAS, the Governor, through his agents and assigns, including, but not limited to the Department of Environmental Quality, Department of Commerce, Wildlife Resources Commission, and their respective leaders, has the authority to direct the disbursement of funds contemplated in this Memorandum of Understanding;

NOW, THEREFORE, the ^{Governor of the} State of North Carolina and Atlantic (together, the "Parties") endeavor to do the following:

to be official copy

to be signed and analyzed

Governor of the

Atlantic commits to providing funding in the amount of \$57,800,000 to the State of North Carolina as set forth below. The funds will be deposited in an escrow account designated by a third party selected by the Governor of the State of North Carolina ("the Escrow Account"). The funds are being provided as (i) mitigation for the unavoidable effects of the ACP on the interior forest habitat, open-space lands, waterbodies, and natural resources of the communities along the ACP's route (ii) support and funding for economic development in the counties that would be impacted by the ACP; and (iii) extension of renewable energy projects into certain local communities which may stand to be affected by the ACP's operation. Fifty per cent of the \$57,800,000 will be deposited in the Escrow Account and made available for disbursement for environmental mitigation immediately following the issuance by the Federal Energy Regulatory Commission of a Final Notice to Proceed for the ACP. The remaining balance of funds shall be deposited in the Escrow Account no later than upon the date the ACP is placed into service. In the event that Atlantic terminates the project before it is placed into service, whether in the unanticipated event that the project fails to obtain and maintain the state approvals or any other necessary permits, certifications, consents, authorizations, and other approvals or for any other reason in Atlantic's sole discretion, the State of North Carolina shall deliver the proportionate share of the mitigation funds as preserved in accordance with this paragraph to Atlantic within thirty (30) days of receipt of written notice of termination from Atlantic. Such proportionate share to be returned to Atlantic shall be calculated based upon the number of miles of the pipeline route in North Carolina for which tree clearing and grubbing

Governor



activity remains to be performed compared to the total number of miles of the pipeline route requiring such activities in North Carolina as part of the project.

- 2) The State of North Carolina ^{e Governor} acknowledges that the funds are being provided for the purpose of (i) addressing the effects on the landscape, natural resources, interior forest habitat, agricultural lands and lifestyles of the communities caused by ACP, access roads and all associated aboveground facilities and contractor yards as described in the FERC Environmental Impact Statement; and (ii) expanding economic development opportunities and (iii) developing renewable energy projects in and around the ACP's route. The funds shall be allocated pursuant to the guidelines and directives set forth in a subsequent Executive Order that would be issued prior to the completion of state permitting for the ACP. Nothing in this Memorandum shall be construed as precluding or otherwise barring the State of North Carolina from recovering damages or equitable remedies from Atlantic for spills or leaks stemming from the ACP.
- 3) Nothing in this Memorandum shall be construed as affecting the authorities of any party or as binding them beyond their respective authorities or responsibilities.
- 4) The Memorandum does not create any right of action for a third party and may not be the basis of any third-party challenges or appeals. Nothing in this Memorandum shall be construed as precluding or otherwise barring independent, third-party claims regarding the ACP.
- 5) Nothing in this Memorandum is deemed to constitute a "settlement" as that term is defined by N.C. Gen. Stat. § 14-2.4A, nor does it require the payment of penalties or forfeitures and fines under N.C. Const. Art. TX § 7. Likewise, nothing in this Memorandum should be construed to be an admission of liability or wrongdoing by either Atlantic or the State of North Carolina its agents or assigns.

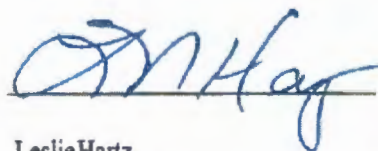
114-2.4A

Signed:

William C. McKinney
General Counsel, Office of the
North Carolina Governor

Date:

Signed:



Leslie Hartz
Vice President-Engineering &
Construction - Strategic Projects
Dominion Energy Transmission, Inc.

Date: 1/19/18



MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING

THIS MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING (“Memorandum”) is made and entered into this 25th day of January, 2018, by and between **ROY COOPER, GOVERNOR OF NORTH CAROLINA, IN HIS OFFICIAL CAPACITY** and **ATANTIC COAST PIPELINE, LLC, a Delaware limited liability company of 120 Tredegar Street, Richmond, Virginia 23219 (“Atlantic”)**.

WITNESSETH:

WHEREAS, Atlantic is proposing to construct the Atlantic Coast Pipeline (“ACP”), an underground natural gas transmission pipeline of approximately 600 miles from West Virginia, through Virginia, and ending in North Carolina; and

WHEREAS, the ACP will deliver up to 1.5 billion cubic feet per day of natural gas to meet the demand for electricity, natural gas distribution, and end use markets in North Carolina and Virginia; and

WHEREAS, the ACP will serve as a catalyst for economic development and job creation in North Carolina; and

WHEREAS, the ACP will promote and facilitate the recruitment of new industries to North Carolina; and

WHEREAS, the pipeline will generate approximately \$60,000,000 in local property tax revenue between 2018 and 2025; and

WHEREAS, the Federal Energy Regulatory Commission (“FERC”) approved the ACP route on October 13, 2017, traversing eight counties in the State of North Carolina, and including a natural gas compressor station in Northampton County and other related facilities; and

WHEREAS, the ACP, access roads, and all associated aboveground facilities and contractor yards will result in total direct impacts of over 3,000 acres during construction and significantly reduced impacts during operation; and

WHEREAS, while the ACP has been routed to minimize disruptions to migratory birds and federally listed species by avoiding preferred habitats, including wetland areas, waterbodies and associated riparian vegetation to the fullest extent practicable, there remain unavoidable impacts to over 300 acres of interior forest habitats; and

WHEREAS, the ACP and access roads would cross approximately 320 waterbodies in North Carolina; and

WHEREAS, Atlantic has conducted open houses, participated in public meetings held by FERC and the North Carolina Department of Environmental Quality, and held individual



information sessions with local governments, state-recognized Indian tribes, and other stakeholders along the route; and

WHEREAS, Atlantic recognizes that construction of the ACP and maintenance of the permanent right-of-way for the ACP may result in temporary and/or permanent impacts to the habitats upon which interior forest wildlife species depend; and

WHEREAS, Atlantic acknowledges that local communities, existing populations, and state-recognized Indian tribes have a significant interest in preserving their traditions, lifestyles, and quality of life; and

WHEREAS, Atlantic represents that it has taken and will take all reasonable measures to comply with North Carolina natural resources laws and to provide for the restoration and preservation of North Carolina interior forest wildlife habitats where the ACP will be constructed, operated, and maintained; and

WHEREAS, the Governor, through his agents and assigns, including, but not limited to the Department of Environmental Quality, Department of Commerce, Wildlife Resources Commission, and their respective leaders, has the authority to direct the disbursement of funds contemplated in this Memorandum of Understanding;

NOW, THEREFORE, the Governor of the State of North Carolina, his agents and assigns, on behalf of the State of North Carolina and Atlantic (together, the "Parties") endeavor to do the following:

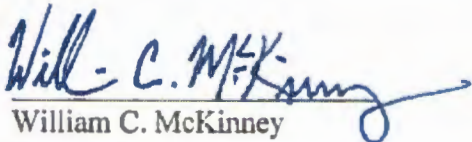
- 1) Atlantic commits to providing funding in the amount of \$57,800,000 as set forth below. The funds will be deposited in an escrow account designated by a third party selected by the Governor of the State of North Carolina ("the Escrow Account"). The funds are being provided as (i) mitigation for the unavoidable effects of the ACP on the interior forest habitats, open-space lands, waterbodies, and natural resources of the communities along the ACP's route; (ii) support and funding for economic development in the counties that would be impacted by the ACP; and (iii) extension of renewable energy projects into certain local communities which may stand to be affected by the ACP's operation. Fifty percent of the \$57,800,000 will be deposited in the Escrow Account and made available for disbursement for environmental mitigation immediately following the issuance by the Federal Energy Regulatory Commission of a Final Notice to Proceed for the ACP. The remaining balance of funds shall be deposited in the Escrow Account no later than upon the date the ACP is placed into service. In the event that Atlantic terminates the project before it is placed into service, whether in the unanticipated event that the project fails to obtain and maintain the state approvals or any other necessary permits, certifications, consents, authorizations, and other approvals or for any other reason in Atlantic's sole discretion, the Governor of the State of North Carolina shall deliver the proportionate share of the mitigation funds as preserved in accordance with this paragraph to Atlantic within thirty (30) days of receipt of written notice of termination from Atlantic. Such proportionate share to be returned to Atlantic shall be calculated based upon the number of miles of the pipeline route in North Carolina for which tree clearing and grubbing activity



remains to be performed compared to the total number of miles of the pipeline route requiring such activities in North Carolina as part of the project.

- 2) The Governor of the State of North Carolina acknowledges that the funds are being provided for the purpose of (i) addressing the effects on the landscape, natural resources, interior forest habitats, agricultural lands and lifestyles of the communities caused by ACP, access roads and all associated aboveground facilities and contractor yards as described in the FERC Environmental Impact Statement; (ii) expanding economic development opportunities and (iii) developing renewable energy projects in and around the ACP's route. The funds shall be allocated pursuant to the guidelines and directives set forth in a subsequent Executive Order that would be issued prior to the completion of state permitting for the ACP. Nothing in this Memorandum shall be construed as precluding or otherwise barring the Governor of the State of North Carolina from recovering damages or equitable remedies from Atlantic for spills or leaks stemming from the ACP.
- 3) Nothing in this Memorandum shall be construed as affecting the authorities of any party or as binding them beyond their respective authorities or responsibilities.
- 4) The Memorandum does not create any right of action for a third party and may not be the basis of any third-party challenges or appeals. Nothing in this Memorandum shall be construed as precluding or otherwise barring independent, third-party claims regarding the ACP.
- 5) Nothing in this Memorandum is deemed to constitute a "settlement" as defined by N.C. Gen. Stat. § 114-2.4A(a), nor does it require the payment of penalties or forfeitures and fines under N.C. Const. Art. IX § 7. Likewise, nothing in this Memorandum should be construed to be an admission of liability or wrongdoing by either Parties.

Signed:



William C. McKinney
General Counsel
Office of the North Carolina Governor

Signed:

Leslie Hartz
Vice President-Engineering &
Construction-Strategic Projects
Dominion Energy Transmission, Inc.

Date: 25 January 2018

Date: _____



MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING

THIS MITIGATION PROJECT MEMORANDUM OF UNDERSTANDING ("Memorandum") is made and entered into this 25th day of January, 2018, by and between ROY COOPER, GOVERNOR OF NORTH CAROLINA, IN HIS OFFICIAL CAPACITY and ATANTIC COAST PIPELINE, LLC, a Delaware limited liability company of 120 Tredegar Street, Richmond, Virginia 23219 ("Atlantic").

WITNESSETH:

WHEREAS, Atlantic is proposing to construct the Atlantic Coast Pipeline ("ACP"), an underground natural gas transmission pipeline of approximately 600 miles from West Virginia, through Virginia, and ending in North Carolina; and

WHEREAS, the ACP will deliver up to 1.5 billion cubic feet per day of natural gas to meet the demand for electricity, natural gas distribution, and end use markets in North Carolina and Virginia; and

WHEREAS, the ACP will serve as a catalyst for economic development and job creation in North Carolina; and

WHEREAS, the ACP will promote and facilitate the recruitment of new industries to North Carolina; and

WHEREAS, the pipeline will generate approximately \$60,000,000 in local property tax revenue between 2018 and 2025; and

WHEREAS, the Federal Energy Regulatory Commission ("FERC") approved the ACP route on October 13, 2017, traversing eight counties in the State of North Carolina, and including a natural gas compressor station in Northampton County and other related facilities; and

WHEREAS, the ACP, access roads, and all associated aboveground facilities and contractor yards will result in total direct impacts of over 3,000 acres during construction and significantly reduced impacts during operation; and

WHEREAS, while the ACP has been routed to minimize disruptions to migratory birds and federally listed species by avoiding preferred habitats, including wetland areas, waterbodies and associated riparian vegetation to the fullest extent practicable, there remain unavoidable impacts to over 300 acres of interior forest habitats; and

WHEREAS, the ACP and access roads would cross approximately 320 waterbodies in North Carolina; and

WHEREAS, Atlantic has conducted open houses, participated in public meetings held by FERC and the North Carolina Department of Environmental Quality, and held individual



information sessions with local governments, state-recognized Indian tribes, and other stakeholders along the route; and

WHEREAS, Atlantic recognizes that construction of the ACP and maintenance of the permanent right-of-way for the ACP may result in temporary and/or permanent impacts to the habitats upon which interior forest wildlife species depend; and

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WHEREAS, Atlantic represents that it has taken and will take all reasonable measures to comply with North Carolina natural resources laws and to provide for the restoration and preservation of North Carolina interior forest wildlife habitats where the ACP will be constructed, operated, and maintained; and

WHEREAS, the Governor, through his agents and assigns, including, but not limited to the Department of Environmental Quality, Department of Commerce, Wildlife Resources Commission, and their respective leaders, has the authority to direct the disbursement of funds contemplated in this Memorandum of Understanding;

NOW, THEREFORE, the Governor of the State of North Carolina, his agents and assigns, on behalf of the State of North Carolina and Atlantic (together, the "Parties") endeavor to do the following:

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remains to be performed compared to the total number of miles of the pipeline route requiring such activities in North Carolina as part of the project.

- 2) The Governor of the State of North Carolina acknowledges that the funds are being provided for the purpose of (i) addressing the effects on the landscape, natural resources, interior forest habitats, agricultural lands and lifestyles of the communities caused by ACP, access roads and all associated aboveground facilities and contractor yards as described in the FERC Environmental Impact Statement; (ii) expanding economic development opportunities and (iii) developing renewable energy projects in and around the ACP's route. The funds shall be allocated pursuant to the guidelines and directives set forth in a subsequent Executive Order that would be issued prior to the completion of state permitting for the ACP. Nothing in this Memorandum shall be construed as precluding or otherwise barring the Governor of the State of North Carolina from recovering damages or equitable remedies from Atlantic for spills or leaks stemming from the ACP.
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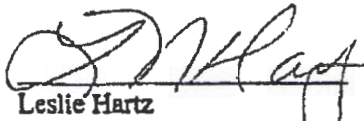
Signed:



William C. McKinney
General Counsel
Office of the North Carolina Governor

Date: 05 January 2018

Signed:



Leslie Hartz
Vice President-Engineering &
Construction-Strategic Projects
Dominion Energy Transmission, Inc.

Date: 1/25/18



ATTENDANCE

Committee: Joint Legislative Commission on Governmental Operations

DATES																	
NAMES (48 Members) – 42 voting	8-29-18																
Senator Berger, Co-Chair (Ex Officio)	✓																
Representative Tim Moore, Co-Chair (Ex Officio)	✓																
Senator Barefoot																	
Senator Blue																	
Senator Brown (Ex Officio)	✓																
Senator Clark																	
Senator Cook																	
Senator Daniel																	
Senator D. Davis	✓																
Senator J. Davis																	
Senator Ford	✓																
Senator Gunn	✓																
Senator Harrington	✓																
Senator Hise	✓																
Senator B. Jackson	✓																
Senator Krawiec	✓																
Senator McKissick	✓																
Senator Meredith	✓																
Senator Pate (Ex Officio)	✓																
Senator Rabon	✓																
Senator Randleman																	





VISITOR SIGN-UP SHEET

JOINT LEGISLATIVE COMMISSION
ON
GOVERNMENTAL OPERATIONS
August 29, 2018
1:00 PM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Adam Caldwell	Office of U.S. Senator Thom Tillis
Stef Holkstra	NC PPS
William MacRae	Lolair Protection Agency
Kerri Burke	MWC
Stephen Paton	Town of Seven Springs
Lib Hutchley	Concerned Citizens
Adam Strzecc	Office of Lt. Governor
BLAKE BREWGR	LT Gov
Derrick Hunter	Office of Senator Dan Blue
Brad Young	OSA
Katie Stanley	DOA
JIM BAKER	NCDP
TRAVIS FAIR	WRAL
Lindsay Marchello	Carolina Journal
Dan Way	Carolina Journal
Jamie Cole	NC Conservation Network
Lisa Sorg	NC policy watch
Cassie Galli	Sci Sierra Club
GREG THOMAS	N.C.E.M.





VISITOR REGISTRATION SHEET

JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS

DATE: August 29, 2018

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Demetrius Deloatch	Troutman
BRIDGET MUNGER	NCDEQ
Lisa Martin	Cap-Ad
Susanna Davis	NCDPS
Kasey Ginstberg	Golden Leaf
Abby Hammond	NCAT
Lu Ann Perryman	CSS
Hayden Baugness	Electricities of NC
Amanda Donovan	KTS
Toreya Norton	OSTR
King Sionkes	NCRLA
[Signature]	[Signature]
Mariah Street	DNCR
WALTER CLARK	DNCR - DLWS
Misty Buchanan	DNCR - Natural Heritage Program
Rodney A. Butler	DNCR - Natural Heritage Program
Stornes	OST



VISITOR SIGN-UP SHEET

JOINT LEGISLATIVE COMMISSION
ON
GOVERNMENTAL OPERATIONS
August 29, 2018
1:00 PM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Laura Taus	Fredy Wee K
Jenna Calderone	R.F.N.C.
John Peterson	R.A.
Will Pamy-Hill	N.H.F.A.
David Collins	S.P.M.C.
Kildan Fenwick	Southeastern Bank
NICK OCHSNER	WBTV
Jan Flemer Lind	Attorney
Amy Auth	UNC-CH
Josh Lavi	CSH
George Robinson	DOJ
Janet Laney	Citizen

