

**MINUTES OF THE CATAWBA-WATEREE WATER MANAGEMENT GROUP  
BOARD OF DIRECTORS MEETING**

**September 10, 2009**

A regular meeting of the Board of Directors of the Catawba-Wateree Water Management Group ("WMG") was held on Thursday, September 10, 2009, at 10:00 AM, at the Charlotte-Mecklenburg Utilities' Environmental Services Facility on Westmont Drive, Charlotte, NC.

Present at the Meeting – The following members of the Board of Directors were present:

Barry Gullet..... Chair  
Jeff Morse ..... Vice Chair  
Jeff Lineberger..... Secretary/Treasurer  
Kevin Greer..... North Carolina At-Large Director

Don Safrit and Bobbie Jane Morehouse (McKim & Creed) also attended the meeting.

Call to Order – Barry Gullet called the meeting to order at 10:16 AM and confirmed that a quorum existed. He then reviewed the agenda.

Approval of May 14, 2009 Board of Directors Meeting Minutes – Jeff Lineberger distributed the minutes and moved that they be approved. Kevin Greer seconded. The motion carried unanimously. Lineberger will sign the minutes and send to Bobbie Morehouse to post to the WMG website.

Lineberger noted that the Annual Report (2008) should be posted to the [saveyourwater.org](http://saveyourwater.org) website. Once Gullet signs the Annual Report, Morehouse will post it to the website and also send a copy to the WMG members. Lineberger asked Kevin Greer if the Drought Management Committee ordered WMG stationary and Greer noted that stationary had not been ordered yet. He has the electronic version of the WMG letterhead and will forward it to Morehouse to place an order of about 300 sheets. Gullet noted that the Annual Report and the Strategic Operating Plan should be put on WMG stationary once they are printed.

Website update – A list of questions and suggested edits to the website was compiled at the August regular meeting and Morehouse forwarded the list to Greer several weeks ago. Greer has spoken to Logan Watts (BigNoise) about a few of the items on the list. BigNoise indicated that they have completed their contract and stated that they are willing to do more structural changes to the site if needed. Greer will give BigNoise the list below and ask how much it will cost to complete all items requested by the WMG. Gullet noted that an email address should be added to the site as a "contact us" link and the emails should go to Gullet; he will then distribute to the correct person to answer the question. Gullet also asked that BigNoise change the "Water Blog" title/tab to "Library". Greer will see if BigNoise can allow for more than four PDFs to show at a time on the Water Blog tab. Greer will schedule another conference call between him, BigNoise and McKim & Creed to go over the list below.

The following list is to be given to BigNoise for a cost proposal:

\*Change "Water Blog" title/tab to "Library" and allow for more than 4 PDFs to show on the page at one time without having to go to the next page.

\*Add a "contact us" link for questions –Who will these emails go to? \*Site email address should be general or anonymous but will actually go directly to Barry Gullet for further action.

\*Add a link for the COG Mapping page – [www.Centralina.org](http://www.Centralina.org)

\*Test tube indicating the Local Water Stage – Color needs to be a darker or brighter blue, add unit marks (Normal, Stage 0-4) to the test tube instead of just unit line marks, add all the WMG Members' home pages as links under the "Check your local restrictions" drop down menu (put these same links on the "About CW-WMG" tab under "Leadership" – Members), only show the test tube on the Home page not on every tab, change the title from Local Water Stage to Catawba-Wateree Basin Drought Stage.

\*Delete Spanish Tab (or create a link to another web page that is entirely in Spanish)

\*Delete PDF of Member Roster that is currently on the website.

\*Who's responsibility is it to tell McKim & Creed to change the water stage on the site? \*Ed Bruce will provide the water stage.

\*What happens if the Drought Management Advisory Group's indicator of the local water stage is different from other organization's stage?

\*Add a disclaimer under Local Water Stage that says "Check with local provider regarding your local water restrictions".

\*Add additional tabs to the Water Blog tab to separate the documents into "Agendas", "Articles" and "Meeting Minutes" (BigNoise indicated that this would require more work than is within BigNoise's scope of work with CW-WMG. This is an item for the committee to discuss with BigNoise.)

\*To keep website interactive and not repetitive, continue to update the "Ways to Save" and "Quiz Yourself" tabs with new tips and new questions. This is an ongoing responsibility of the committee.

Review Draft Minutes of the August 11, 2009 Regular Meeting – The group reviewed the draft minutes and Gullet explained the minutes review process to Morehouse. Once Lineberger and Gullet review or make edits to the minutes, Morehouse will make the changes then Morehouse emails the draft minutes to all the WMG members to review. Final approval of the minutes takes place at the next regular meeting. Once the WMG approves the regular meeting minutes, Lineberger will sign them and place a signed copy in the WMG Record Book and Morehouse will post the signed copy to the WMG website.

Several edits were made to the August 11, 2009 draft meeting minutes. Morehouse will email the revised draft minutes to all the WMG members to review.

Status of Benchmarking Contract with JJ&G – Lineberger noted that the draft contract was sent to Dianne Bailey (legal counsel). Bailey made several handwritten changes to the draft contract and Morehouse forwarded the revised draft contract to John McLaughlin (JJ&G). McLaughlin indicated that JJ&G would make all the revisions that Bailey noted and also wanted to insert the word "reasonable" ahead of the word "best" in the first line of the handwritten comments pertaining to Article 10. The Board reviewed this change and approved it. Morehouse will contact McLaughlin and indicate that inserting "reasonable" was approved by the Board and request that JJ&G send the finalized contract back to McKim & Creed for Lineberger to sign.

Don Safrit asked the Board if JJ&G should attend the regular meeting in October. Lineberger noted that the Demand-side Committee needs to meet with JJ&G and he will contact them to schedule a meeting before the October regular meeting on October 13.

Status of SC 401 Water Quality Certification for FERC License - Lineberger noted that Duke Energy filed an appeal of the SC Department of Health and Environmental Control's (DHEC)

decision to deny the 401 Water Quality Certification for relicensing of the Catawba-Wateree Hydro Project. The deadline to file was September 5, 2009.

5-Year Projects Strategic Plan Input – Letters were mailed out to 137 individuals to solicit comments related to the WMG's 5-Year Projects Strategic Plan (5-Year Plan). Gullet noted that McKim & Creed received two letters back; one letter from the Catawba Indian Nation asking that they be notified if "Native American artifacts and/or human remains are located". The other letter received was a two-page letter from the North Carolina Green Industry Council. The Board reviewed the details of the letter and asked that Morehouse send a copy of the Green Industry Council's letter to John McLaughlin (JJ&G) and ask that they consider this letter during the Benchmarking project. Gullet noted that thank you letters should be sent to the Catawba Indian Nation and the NC Green Industry Council for commenting on the 5-Year Plan. Lineberger noted that the Demand-side Committee needs to meet with JJ&G and thank you letters can be sent to the Catawba Indian Nation and the Green Industry Council after that meeting is held. Gullet requested that McKim & Creed prepare the thank you letters.

Gullet noted that the 5-Year Plan needs to be revised, including adding another year to it. The WMG will approve the revised 5-Year Plan at the December regular meeting. Jeff Morse noted that we do not necessarily need to add more projects every year when it's time to update the 5-Year Plan especially if we have a sufficient amount of projects in the plan already. Gullet stated that the group needs to review the 5-Year Plan each year and build on what we've done each year; this may include adding new projects each year. Gullet also noted that the WMG needs to review the 5-Year Plan and ask if the WMG did what they said they would do throughout the plan.

Lineberger discussed the 5-Year Plan as an item on the Action Register. The committee chairs will hold meetings with their committees to consider input received from external organizations and draft plans, cost estimates and recommendations for revising the 5-Year Plan. Lineberger will send this item to Gullet and Greer to discuss with their committees. Lineberger noted that committee chairs are to provide draft recommendations to McKim & Creed by October 31, 2009. McKim & Creed will provide a draft revised 5-Year Plan to the WMG Board at least one week prior to the November WMG Board of Directors meeting (no later than November 5, 2009).

Centralina COG (CCOG) Mapping Project – CCOG has completed the scope of the project that was included in their contract. Gullet stated that Nadine Bennett did give him the paper maps as requested at the August 11 regular meeting. McKim & Creed will send an email to WMG members reminding them that they can access the CCOG Mapping Project at the following link [www.centralina.org](http://www.centralina.org). (Note – CCOG link still needs to be added to the saveyourwater.org website by BigNoise).

Financial Audit and contracting/invoicing procedures – Gullet distributed an email from Michael (Mickey) Hicks regarding hiring a CPA to do an audit of the WMG. Hicks is Business Manager for Charlotte-Mecklenburg Utilities and is a CPA. The email indicated 3 firms he had contacted and Hicks recommended that the WMG use the third firm, C. Dewitt Foard and Co., CPAs, LLP. C. Dewitt Foard provided the lowest quote (\$2,750) and suggested that the WMG do a Cash Receipt and Disbursement Audit and that a 990 Tax Return is not needed. Hicks was impressed with the types of questions that C. Dewitt Foard asked and said that they have a lot of experience working with non-profit organizations. Jeff Lineberger mentioned that C. Dewitt Foard did the WMG's tax return last year. Jeff Morse noted that since the WMG is funded in part by local governments, it should not only get a Cash Receipt and Disbursement Audit but also obtain an Opinion Letter. Jeff Lineberger moved that Gullet contact C. Dewitt Foard and Co. to

do a full audit, including an Opinion Letter. Greer seconded the motion and it carried unanimously.

Gullet noted that the Board needs to evaluate its process for receiving and paying invoices. Currently, all invoices come directly to Gullet. Gullet then forwards the invoices to Lineberger. Lineberger forwards the invoices to the assigned WMG Project Manager (which may be Gullet or Lineberger) for email approval. Lineberger then prepares the check and Lineberger and Gullet sign the check. Lineberger then mails the payment to the applicable service provider and keeps a copy of the check and invoice in the WMG Financial Records Book. WMG likely needs to ensure that another individual reviews all invoices other than the two individuals that sign the checks (Gullet and Lineberger). Morse asked if this is an item that would fall under McKim & Creed's contract or if the assigned WMG Project Manager should be the individual to approve invoices before a check is signed. Morse noted that this may be something to consider, long-term, to centralize the process. The Board agreed that the WMG will ask for suggestions from the auditor regarding WMG's current process before any changes are made.

The invoicing topic led to a discussion regarding creating a standard contract form for future WMG contracts. Currently, the WMG uses the consultant's contracts and makes revisions suggested by WMG's legal counsel, Dianne Bailey. The Board agreed to continue using consultant's contracts but it would be best to create a "general conditions" document to attach to contracts rather than creating a standard contract for all consults to use. Lineberger will discuss creating this document with Dianne Bailey and McKim & Creed will assist in creating a "general conditions" document.

Officer Election and Nominating Procedure – The Board agreed to keep the same election process as the WMG used last year. The December meeting serves as the WMG's Annual Meeting. Ken Kearns facilitated the nomination/election process in 2008 and McKim & Creed will facilitate the nomination/election process this year. Gullet noted that the entire WMG served as the nominating "committee of the whole". McKim & Creed will send an email to all WMG members reminding them that nominations need to be sent before (or at) the next regular meeting on October 13, 2009. Gullet noted that in January, the Board will consider creating a new procedure (e.g., nominating committee, etc.) for nominating new officers.

Water Allocation Taskforce – As an informational item, Gullet advised the Board that NC AWWA-WEA has created a Water Allocation Taskforce and that he is serving as the leader of the Taskforce. A number of WMG members are also NC AWWA-WEA members. The taskforce consists of a core group representing a cross-section of NC AWWA-WEA committees. The Taskforce will represent NC AWWA-WEA at meetings and in other legislative and regulatory processes related to water allocation. Greer noted that NC Senate Bill 1009 (Lake Jordan Bill) should be addressed. It states that existing nutrient loading cannot be increased. NC Senate Bill 907 was also discussed. Gullet asked that McKim & Creed assist the WMG in preparing language/statements to formulate the WMG as a basin-wide organization to allow the WMG to be recognized as a "River Basin Planning Organization" under NC Senate Bill 907 as well as forming similar functions under new SC legislation. This item will be added to the 5-Year Plan.

Supply-side Committee Report – HDR is almost finished with the proposal for the Safe Yield Research Project and will be ready to submit the proposal to the Water Research Foundation within the next two weeks. Gullet noted that the wording in the proposal states that Charlotte-Mecklenburg Utilities (CMU), not WMG, will be giving \$150,000 because CMU is the subscriber. Gullet will need to get approval from the Charlotte City Council for CMU to pay the \$150,000 then the WMG will either write CMU a check or give CMU a credit toward its WMG dues for that

amount. Gullet asked if the lump sum payment of \$150,000 from WMG funds would create any cash flow issues since we can't commit funds that the WMG doesn't have on hand for projects. The Board agreed it would be best to write CMU a reimbursement check rather than providing a membership dues credit. The WMG will write a check to CMU for \$150,000 when CMU sends a check to the Foundation. Once CMU is notified by the Foundation of grant approval, CMU has 120 days to pay the Foundation. Lineberger indicated that based on the WMG's current bank account and expected cash flow, reimbursing CMU with a check for \$150,000 should not be a problem.

Demand-side Committee Report – Lineberger noted that the 36 meters are all installed for the Lake-side Smart Irrigation Study and irrigation system audits have been completed on Lake Norman. The audits on Lake Hickory and Lake Wylie will be completed by early next year. Smart controllers (satellite and soil/moisture content) will be installed on some of the systems in the next few months.

Drought Management Committee Report – Greer noted that Western Piedmont COG and Centralina COG were successful in obtaining grant money for the Public Education Information Project. The contract is still under negotiations with the Environmental Protection Agency and the North Carolina Department of Environment and Natural Resources and a kickoff meeting is scheduled at the end of September.

Review Draft October 13, 2009 Regular Meeting Agenda – Morehouse distributed a draft copy of the October meeting agenda. The future role of WMG as an organization will be added to the agenda. Don will schedule a meeting for SC and NC DENR DWQ to give a Catawba River Basin-wide report update. This item will also be added to the October agenda. The agenda needs to be posted before October 6, 2009.

Adjournment – There was no further business to discuss and Gullet adjourned the meeting at 12:35 PM.



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Jeff Lineberger  
Secretary/Treasurer