

Georgia Department of Natural Resources

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August 11, 2010

MEMORANDUM

TO: Council Members

FROM: Kevin Farrell, GA EPD
Doug Baughman, CH2MHILL

SUBJECT: Meeting 7 Summary
Upper Oconee Water Planning Council Meeting

Georgia Comprehensive Statewide Water Management Plan Regional Water Planning

Council Meeting 7 Summary

Meeting Date: August 11, 2010
Location: The Plaza Arts Center, Eatonton (Putnam County)

1) Welcome and Meeting Overview

Council coordinator Doug Baughman welcomed the group and introduced Chairman Richard Bentley. Chairman Bentley also welcomed the group and thanked them for coming to the meeting. He then introduced Putnam County representative Alan Foster to provide some background on the meeting location, the Plaza Arts Center. Foster told the group that it was originally an elementary school that had ultimately been converted to an arts space through the efforts and commitment of local residents. He offered a tour of the facility at lunch.

Baughman reminded attendees that all past meeting materials are on the Council website and that the ones from this meeting would be posted as well. He then reviewed the meeting objectives for the day along with agenda.

2) Overview of GEFA Funding Options

Baughman introduced Kevin Kelly from the Georgia Environmental Finance Authority [the name was changed in July from the Georgia Environmental Facilities Authority] to give an overview of GEFA and talk about some potential funding for water projects. He recognized council member Jimmy Andrews, who sits on the GEFA Board, and is familiar with funding options.

Kelly reviewed the different divisions within GEFA and then discussed four main options that GEFA has available: two state programs and two federal programs. He provided a handout for the Council outlining the different programs.

First state program is the Georgia Fund, which can fund drinking water and sewer projects, reservoirs, wells, solid waste, etc. and has faster approval process than a federal program. Kelly noted that a completed application could be processed within a month or so. There is also the Georgia Reservoir and Water Supply Fund, which was created in 2008 and initially funded with \$30 million.

The federal programs are the Clean Water State Revolving Fund (SRF) and Drinking Water SRF. Clean Water is sewer and watershed related. Kelly pointed out that the Drinking Water SRF cannot fund reservoirs or supply development or growth related projects, only rehabilitation and upgrades.

Kelly provided the group an estimate of available funding in each program in the coming state fiscal year (FY2011): \$40 million in the Georgia Fund, \$150 million in the Clean Water SRF and \$50 million in the Drinking Water SRF. Kelly said that GEFA currently has about \$28M in unobligated funding in the Reservoir Fund. Unlike the other funds, the Reservoir and Water Supply Fund will be depleted once this \$28 million is fully obligated. That fund may receive future state funding. The interest rate for the state funds (GA Fund & Reservoir and Water Supply Fund) is pegged to the state obligation funds, currently at 3.81% with 1% closing fee. Money from the Georgia Fund can be allocated on phased schedules, according to construction, etc. The interest rate for the Clean Water and Drinking Water SRF programs is set at 3% with 2% closing fee. The SRF process takes a bit longer, approximately 6 months, because of additional review levels. The caps for the SRF programs are up to \$25 million.

Kelly noted that GEFA works closely with EPD to identify and approve projects, as well as monitor projects over their development and that the agency also provides some oversight assistance. He mentioned that there are other financing programs in the state and also a "Funder's Forum" of different groups that provide funding for water and sewer infrastructure projects. Following his presentation on GEFA, Kelly took questions from Council.

Council Comment: What is the value of the WaterFirst designation?

Kelly Response: You get a 1% interest rate reduction on state funded programs for up to \$10M.

Council Comment: What about future stimulus dollars?

Kelly Response: Last year GEFA got \$121 million with many special provisions, and principal forgiveness. But the projects had to be under construction by February 17, 2010, or the money was lost. Also, the "buy American" provision and monthly reporting requirements were challenges for some agencies, and they were also subject to random inspections. But last year was a one-time thing with ARRA [American Recovery and Reinvestment Act]. However some of the provisions of ARRA have been included in the standard SRF funding, such as principle forgiveness. Another example is that energy efficiency projects are now eligible for Clean Water SRF funding.

Council Comment: What about funding to help meet regulatory requirements?

Kelly Response: The Clean Water and Drinking Water SRF programs are designed to fund those kinds of projects and give extra points for projects addressing a compliance issue.

Council Comment: What is the comparison between the number of loans distributed versus the applications received?

Kelly Response: Many projects fall off due to some eligibility issues. The handout only shows executed loans.

Council Question: What about using the money to convert from wells to a public system?

Kelly Response: Funding can be provided for those kinds of projects.

3) Review Initial Draft Sections of the Upper Oconee Water Conservation and Development Plan

Next, Baughman reviewed the draft Water Conservation and Development Plan (WCDP) that was distributed for review to the Council Members. Based on their comments, planning contractors will submit a revised version to EPD by August 16.

Planning contractor Heather Dyke discussed the plan that was sent out. She reviewed the sections, one-by-one, asking for comments. The sections are broken down as follows:

- Section 1 – overview of the plan and process
- Section 2 – overview of Upper Oconee region
- Section 3 – compilation of water resources information, including major water uses, current resource assessments, and ecosystem conditions and in-stream use
- Section 4 – overview of demand forecasts (process and results), including the municipal, industrial, agricultural and thermoelectric forecasts and total water demand forecast for the Upper Oconee Region.
- Section 5 – comparison of future needs with resource capacities, groundwater, surface water, and water quality (assimilative capacity).

Dyke noted that surface water shortfall occurs at 42 million gallons per day (MGD) only 0.1% of the time. She then asked Baughman to review facility/demand gaps in Section 5.4 as there was a question about Hard Labor Creek being included in water demand gap. After that, Dyke opened up the discussion to Council members.

Council Comment: We need to review the agricultural water use. There are zeros for Baldwin and Barrow County. There are changes in agriculture and we may not want to leave it at zero. Baughman noted that the agricultural committee had discussed the data on agricultural water use at length and agreed that while there were some counties with zeros for water use in specific categories the committee agreed that the overall agricultural water use volume was probably close to accurate across the entire basin.

Council Comment: There is an error in two of the tables in Section 5 that show the demand gap. They also don't list all the counties.

The planning contractors agreed to go back and verify the calculations and adjust the tables to show all the information the Council wanted to include. There was one additional comment from the general public regarding the period of record for the resource assessment.

4) Review and Formally Adopt Council Goals

Baughman shared the Council's Vision Statement and Goals with them at this point and noted that even though they had been discussed and revised at previous meetings, they were never formally adopted. He

recommended that Council take action on that during the discussion of scoring management practices. He added that they would probably need to include a goal that addressed water supply.

5) Review Approach for Scoring Management Practices

Planning contractor Brian Skeens provided the overview of the proposed approach for evaluating and selecting management practices. He noted that the process provides a way to help integrate the “human decision” on specific topics and provides a mechanism to document the various benefits of the various practices. He said another subcommittee would be established during the meeting that would score and refine the list of management practices (MPs).

The goals were then revisited and Skeens shared a water supply goal drafted by the planning contractors for their review. This led to further discussion on how the goals would fit the MPs.

Council Comment: Where is the cost benefit aspect of the evaluation included?

Planning Contractor: Once goal touches on balance and another on revenue, so this is essentially where that would be included.

There was additional discussion on the accessibility of data as stated in one of the goals. After some debate, the group modified the language and unanimously accepted the revised goals with the additional one on water supply. The goals for the Upper Oconee Water Planning Council are as follows:

- Promote alternatives and technologies that conserve, reuse, return, and recycle water within the Upper Oconee region,
- Ensure that management practices balance economic development, recreation, and environmental interests,
- Educate stakeholders in the region on the importance of water quality and managing water as a resource including practices such as water conservation and increased water efficiency,
- Encourage the development of and accessibility to data and information to guide management decisions,
- Identify programs, projects, and educational messages to reduce non-point source pollution to protect water quality in lakes and streams,
- Recommend innovative strategies (water, sewer, and/or stormwater) that provide sufficient revenues to maintain a high level of service while promoting water conservation and efficiency, and
- Identify and plan measures to ensure sustainable, adequate water supply to meet current and predicted long-term population, environmental and economic needs.

Chairman Bentley called for a vote on the revised goals and the committee voted unanimously to approve the revised goals as presented.

6) Weighting of Evaluation Criteria

Before returning the discussion back to the MPs, Chairman Bentley introduced Georgia Senator Ross Tolleson. Tolleson briefly addressed the group emphasizing the importance of the Councils and the planning process and commending participants for their efforts.

Council members were then broken into groups of 4-5 people and given a scoring matrix. They were told to allocate 100 points across seven areas based on the Council's agreed upon goals. Skeens told the group the goal was to reach consensus on the importance of each goal and that another exercise was scheduled for the afternoon where specific MPs could be combined, modified, or deleted. After a brief work period, each group reported out. The trend across the groups was that water supply and revenue were top priorities.

After this exercise, Baughman said they would need to establish an MP subcommittee of 6-8 people that would provide geographic representation of the entire basin. The group would be responsible for refining the MP list and presenting it to the entire council for their review. Chairman Bentley opened the floor for volunteers. The subcommittee is as follows:

- Charlie Armentrout
- Pat Graham
- Alan Foster
- Larry Eley
- Benjie Tarbutton
- Jennifer Davis
- Hunter Bicknell (alternate)
- Roger Folsom (alternate)

The MP subcommittee meeting was set for August 24 in Milledgeville.

7) Review Updated Management Practice Tables

After lunch, Baughman told the Council that the next exercise was to go through the list of MPs and cull the lists by modifying, deleting and/or combining practices. The Council was broken into four working groups of 3-4 council members. Each group was given a list of MPs related to the following categories:

- Water Supply
- Water Quality
- Water Demand (Conservation)
- Wastewater

The planning contractors and Kevin Farrell from EPD served as facilitators for each group. At the end of an hour the groups reported out their decisions. Certain recommendations generated discussion among the entire Council, such as deleting conservation pricing as an MP. The discussions included the following specific comments:

Council Comment: I think it certainly has a place in northern part of basin

Council Coordinator: Is there any discussion on this item?

Council Comment: We could leave it in as an option

Planning Contractor: At this point we're deciding what needs to be scored

Council Comment: Conservation pricing contributed most to reducing waste in residential water usage

and it shocks me that they [water demand group] want it out. The structure used throughout this area now as a means to protect and conserve what we have.

Council Comment: We just didn't think there was a need for that. We don't think people base their usage on what their bills are

Council Comment: What has been the result of conservation pricing? [to the public]

Public Comment: Eric Klerk, with the Jackson County Water Authority, indicated that it does have an effect, especially on irrigation. We're 98% residential. We have a two-tiered system where the cost jumps after 6000 gallons. It has made a difference on conservation.

Council Comment: There are 11 water providers in Jackson and Barrow Counties. Only two don't have conservation pricing. Without water conservation in place, I believe consumption would have been higher.

Council Coordinator: Can we leave it in as an option?

Council Comment: It's optional locally if people want to do it.

Council Comment: We were under the impression that MPs are voluntary, much as forestry practices are encouraged but not an edict of law

Council Coordinator: We'll come back to that.

There was also discussion around the MP of developing a water quality credit trading program. The group reviewing the water quality list suggested making a recommendation and not a MP.

Council Comment: Would it have to be done basinwide? You have to have some delineating point [for a trading program].

Planning Contractor: Typically you'd be trading upstream of the lakes.

Planning Contractor: In 2012, we'll have the criteria for the lakes. In the future we may have instream trading.

Council Comment: You're not really reducing contaminants going downstream.

Council Coordinator: You're looking for the most cost-effective way to meeting nutrient loading requirements.

Council Comment: So we may be able to do it by node, like Penfield.

Council Coordinator: We've been looking at this internally and there is a lot more work on this to be done. The initial focus would like be on point to nonpoint [source pollution] trading. Council can put something together for EPD to review.

8) Discuss Other Elements of the Water Conservation and Development Plan

Following the breakout group discussion, Baughman explained the sections of the WCDP that still need to be developed. He focused on Section 6 in particular which will contain the Council's recommendation. Baughman added that Section 7 will focus on the implementation and timing for the management practices and Section 8 would cover monitoring and reporting progress. He said the first draft was due to EPD on August 15 and the next draft on October 15.

Council Comment: We can't have new taxes.

Council Comment: We do need to be conscientious of the impacts to local governments if there is a loss of revenue because something new is required.

Council Comment: Areas that have gaps related to demand should be required to do certain things, such as conservation pricing.

9) Discuss Need for Additional Joint Meetings

Chairman Bentley mentioned that the UOC could open discussions with other Councils to see if there was a need to meet. Baughman added that there will be a joint meeting for all councils on October 6. Ted Hendrickx (EPD) said while that meeting was still being planned, they were looking at holding panel discussions to review common issues and solutions that all councils may be facing.

10) Review and Discuss Schedule

Baughman emphasized that Council would need to have their recommendations together in the next four months to meet EPD's January 2011 deadline. Additional meetings are planned for October and November. Council Meeting 8 was tentatively set for Wednesday, October 13 in Milledgeville.

The subject of interbasin transfers was raised by one Council member prompting a brief discussion at the end of the day.

Council Comment: We discussed interbasin transfers at our subcommittee meeting. Do we want to put that as an option in our plan or at least acknowledge the ones that exist in the basin?

Council Chair: We have met with the other councils and the sentiment seems to be that they're not opposed to IBT as long as it's not forced.

Council Comment: I've heard of IBT being promoted as a temporary measure if needed.

Council Comment: Even that would probably be fine if it's not forced.

Council Coordinator: This is a good point. Section 6 [of the Plan] is where we would put any recommendations.

Council Comment: I'd be more comfortable if there was some sort of acknowledgement of them. Some of the agreements are long-standing and it would be disastrous if a jurisdiction were broken up.

Council Coordinator: We can look at the existing conditions section. That may be the place to capture that information

Council Comment: We don't want something to happen without people being aware of it.

Council Comment: There are hundreds of them going on so we do need to acknowledge it, as long as it's voluntary.

11) Wrap Up/Elected Official and Public Comment

Comments from elected officials and the public were solicited throughout the meeting and then also at the end. Patti Langford with the GA DNR offered to provide a presentation on the importance of the aquatic resources in the basin and the need for adequate in-stream flows at the next meeting.

There were no additional comments at the end of the meeting.

Council members completed their meeting evaluations and the group was adjourned.

12) Written Comments Submitted to Council

In accordance with the Council's request to receive written comments, three were submitted by the end of the meeting. The comments are recorded as written. Illegible words are noted with a question mark (?). Additional clarification of acronyms, jargon, etc. is noted by brackets [].

Chris Butts, GGIA
BMP Comments

- #6 [refers to potential management practice] – Conservation price structures must be non-punitive in nature
- There is no incentive to conserve if irrigation is automatically billed at the higher rates
- Charging more for irrigation water infers that this use is bad and should be punished. This type of judgement *[sic]* is unwarranted and can not be justified.
- #14 – Encouraging efficient use is not synonymous *[sic]* with reducing overall irrigation use. It means making sure that all water used for irrigation is used efficiently and that wasteful practices are discouraged.
- We need to move away from the negative perceptions associated with xeriscaping. Focus on right plant, right place and reference UGA's BMP for landscaping and irrigation.
- Again, automatic higher rates does not encourage efficient use, it encourages NO irrigation use.

Meeting Attendees

Council Members Present

- James Andrews
- Charles S. Armentrout
- Richard Bentley, Chair
- Hunter Bicknell
- Vincent Ciampa
- Stuart A. Cofer (alternate)
- Melvin Davis
- Alan Foster
- Roger Folsom
- Linda Gantt
- Pat Graham
- Allen Hodges
- Danny Hogan
- Dennis W. Holder, Vice Chair
- Charles H. Jordan
- Kevin Little
- Jim Luke (alternate)
- Drew Marczak
- Richard McSpadden
- Bill Ross
- Benjamin R. Tarbutton
- Rep. Terry England (ex-officio)

Council Members Absent

- Jennifer Davis
- Larry Eley
- Dana Heil
- Pat Hardy
- Rabun Neal
- Greg Thompson
- Sen. Bill Cowsert (ex-officio)

Staff and Planning Contractors

- Kevin Ferrell, EPD
- Ted Hendrickx, EPD
- Doug Baughman, CH2MHill
- Heather Dyke, CH2MHill
- Marci Davis, Jacobs JIG
- Brian Skeens, CH2M HILL

Partnering Agencies

- Patti Lanford, Department of Natural Resources – Fisheries
- Joe Krewer, Department of Community Affairs
- Tas Smith, Georgia Farm Bureau
- T.J. O'Neal, Georgia Water and Soil Conservation Commission
- Rick Hubert, Georgia Farm Bureau

- Kevin Kelly, Georgia Environmental Facilities Authority

General Public

- Herbie Johnson, Georgia Power
- Joey Witcher, Sinclair Water Authority
- Eric Klerk, Jackson County Water Authority
- Bryan Tolar, Georgia Agribusiness Council
- Chris Butts, Georgia Green Industry Association
- Ethan Armentrout, Armentrout Roebuck Matheny Consulting Group
- Katie Paisley, C.H. Guernsey
- David Elliot, C.H. Guernsey
- Tommy Barnes, Temple Inland
- Ross Tolleson, Georgia Senate