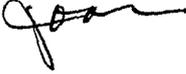


MEMORANDUM

TO: Roanoke River Basin Regional Council Members

FROM: Joan Giordano 

SUBJ: Next RRBRC Meeting – August 18, 2000

DATE: August 9, 2000

Enclosed is the agenda for our next meeting being held at Claudine's Restaurant in Rich Square on August 18th. We will begin at 9:30am and conclude around lunchtime. As has been our practice, remaining at the restaurant for lunch in exchange for the no cost use of the meeting room will be appreciated.

As you can see from the agenda, our meeting promises to be both interesting and informative. The expression of your concerns, interests, and talents toward preserving and protecting the Roanoke River makes a difference and is most appreciated. Please make every effort to attend, drive safely, and I look forward to seeing you then.

ROANOKE RIVER BASIN REGIONAL COUNCIL

**Claudine's Restaurant
HWY 258
Rich Square, North Carolina
252/539-2266**

August 18, 2000

AGENDA

- | | | |
|--------------|---|--|
| 9:30 | Welcome | Jerry Holloman, Chairman |
| 9:35 | Roll Call and Guest Introductions | Joan Giordano, APNEP |
| 9:45 | <u>VOTE</u>: Amendment to By-laws Establishing 4 "at-large" Membership Positions | ALL |
| 9:50 | <u>OLD BUSINESS</u>: | |
| | Update on Demonstration Project | Jerry |
| | Status of Cows at Caledonia State Prison (Letter from Bill Holman) | Jerry |
| 10:00 | Potential Siting of an Ethanol Plant on Roanoke River below Jamesville | Ed Stahls, President DFI, Inc. |
| 10:30 | <u>PRESENTATION</u>: | |
| | Specific Fisheries Issues in Roanoke River | Dr. Joe Hightower USGS Biological Resources |
| 11:00 | <u>Open Discussion</u>: Issues of Concern in the Lower Roanoke Basin | ALL |
| 11:20 | Plans for Next Meeting (create agenda items) | ALL |
| 11:30 | Adjourn | |

ROANOKE RIVER BASIN REGIONAL COUNCIL

MINUTES

August 18, 2000

The August 18, 2000, meeting of the Roanoke River Basin Council was called to order at 9:30 a.m. at Claudine's Restaurant in Rich Square, North Carolina, by the Chairman, Jerry Holloman.

Joan Giordano made Roll Call. She determined that a quorum of the membership was present.

Members of Council present were:

Jim Early
Jerry Holloman
Alex McLennan
Jimmy Outland
Michael Taylor
Kay Winn
Jerry Coker arrived after roll call.

Staff present were:

Joan Giordano
Guy Stefanski

Guests present at the meeting were:

Garland Purdue, USFWS, Raleigh
Buddy Bulow, DENR/DAQ
Vic Copelan, DENR/DAQ
Joe Hightower, USGS-Biological Resources Division, NCSU
Jeff Horton, The Nature Conservancy
Deane R. Phelps, RoanokeRiver.com
Bailey Phelps, RoanokeRiver.com
Callie Dobson, DENR/DWQ/Planning
Tom Augspurgen, USFWS, Raleigh
Joe Albee, Joe Albee Productions, Greenville
Ed Stahls, DFI Group, Inc.

The minutes of the previous meeting were approved unanimously as received, after a motion by Jimmy Outland and second by Jim Early.

First under Old Business, Council agreed unanimously to approve the passage of an amendment to its bylaws, establishing four at-large memberships to allow the continued involvement of participatory local government representatives whose seats have been lost in elections. Such terms are for two years. This amendment surpasses Article II, Section I of the bylaws. The action to approve was taken following a motion by Jimmy Outland, seconded by Kay Winn.

Second under Old Business, Jerry Holloman gave an update of the progress of the demonstration project to exclude the cows from the river on the Winslow Farm. Kay Winn distributed some photos that had been taken on a field trip on the river. He synopsized the project for the many guests present, and reported that some "before" water chemistry has been done, on the parameters of DO, pH, temperature and turbidity. Plans are to get data on nitrates, nitrites, and fecal coliform. Callie Dobson again offered to help, if needed, and she and Jerry agreed to talk about any assistance she might be able to give.

The contracts for the project have been let, and the project is on schedule. Planting of hardwoods to restore the riverbank should be completed by February.

On the related subject of the cows in the river at Caledonia, Jerry Holloman had contacted Secretary of DENR Bill Holman to follow up on an earlier request to coordinate with the Department of Corrections to ask them to exclude their herd from the river, too. The Secretary has accomplished this objective, and it is reported that the cows are no longer being grazed into the river. Contacts have also been made with the Little Fishing Creek Conservation District in Halifax County (NRCS.)

Council then received a presentation on "Specific Fisheries in the Roanoke River," given by Joe Hightower of the USGS Biological Resources. Mr. Hightower showed a set of slides that illustrated some of the methods and conclusions of the research of his agency. The species studied are: Striped Bass, Hickory Shad, American Shad, River Herring and Atlantic Sturgeon.

Part of the presentation involved a study of the history of landings of the various species from 1875 to the present. By studying landing statistics, scientists can see the variations of populations over a broad period of time. Some species have fared better than others.

The question posed is whether losses of population are brought about by over fishing, degradation of habitat, or loss of spawning grounds due to construction of the dams on the river. Historically, the American Shad had been observed as far upstream as Salem, Virginia. Traditional methods of taking fish, such as haul seining and fish slides were illustrated. Mr. Hightower also showed the fishing machine (fish wheel) that he currently utilizes for sampling and tagging fish in the river. This method of sampling is considered the best for the conditions of the Roanoke, and does not harm the fish.

Council examined a fish transmitter such as the ones used in tracking tagged fish. Some of these are only activated during certain parts of the year in order to lengthen their useful

lifespan. Maps were projected that showed historical spawning locations, which indicated that the fish preferred sites situated on metavolcanic rock formations. Maps also indicated that fish were starting to spawn further upstream after the removal of the Quaker Neck Dam on the Neuse. The pertinent questions for the Roanoke involve the impact of the dams on fish populations.

Discussion following the presentation involved issues such as management for return of the rockfish before rebuilding the species that rockfish prey upon, whether or not fish ladders should be constructed at the dams to facilitate spawning upstream, and whether toxicity and/or flow rates affect the populations in question. Jimmy Outland asked about the impact of the rockfish management on Cracker and Bream populations. Mr. Hightower replied that he did not work on those species. Jim Early observed that, in relation to the water release from the dams, for many species it is essential that they arrive at some point near the Sound before the egg sac plays out.

Last on the published agenda, Ed Stahls of DFI Group, Inc., presented information on the ethanol plant that his company plans to construct on the river below Jamesville, near Devils' Gut. Jerry Holloman had asked him to appear so that Council would be able to learn about the project.

Mr. Stahls showed an artist's rendering of the project, and related some of its history. Copies of press articles on the project were distributed to Council and its guests. He explained that the project was, according to the wishes of the company's founder, Bill Horton, meant not as an industrial development project as much as a benefit to the agricultural economy of the region. He related some of the history of the development of the ethanol industry in the US, dating largely back to the Clean Air Act of 1992, when oxygenates were required to be included in gasoline in nine attainment areas (large metropolitan areas.) MTBE has been the most commonly used oxygenate, but that substance is now implicated in groundwater contamination. As a suitable alternative, ethanol use is expected to double in the next five years. Consequently, DFI has proposed three plants for North Carolina.

Throughout the presentation, questions surfaced. For efficiency of recounting these, they are in one list, so that they may be forwarded to Mr. Stahls as he requested. (See attached List of Questions.)

Locally produced primary sources of raw material for ethanol production are corn and a sweet potato variety, still in development with a minimum attainment date of five years away, which provide enough starch proportionally to their moisture content to suit the distilling process. Benefits to agriculture would be a projected 10-20 cents per bushel increase in the price of local corn. Projected productivity of the potato variety was that at 600 bushels per acre, the crop would give a return comparable to corn.

The sole reason for locating the project on the river is for the use of barges for shipping in liquidified natural gas (LNG) and raw materials, and shipping out the denatured ethanol

and DDGSs (Distillers' Dried Grains and Solubles.) Estimates were given for numbers of barges per week or per year, depending upon their capacities.

It was noted that the plant was originally intended to be a 60 million gallon per year facility. Due to certain incentives for the construction of smaller plants (the ADM Rule gives \$1,500,000 in federal support for plants of the 30 million gal/year size,) and a desire to stay in the category of combustion emissions under 100 tons per year (also not possible with the larger plant,) the company opted for the smaller plants.

It is estimated that about 30 people would have jobs at the facility. DDGS material might be a suitable feed amendment for poultry and swine industries. There is potential for capture of CO₂ and other add-on industrial development. It is anticipated that water will be drawn from the aquifer at 300 gpm, and that 100 gpm will be treated as wastewater through the local water treatment system. This is cooling tower water only. Their electricity will be generated on site, fueled by LNG.

Council member Alex McLennan voiced his opposition to the industrialization of the Roanoke River. Council member Kay Winn noted that 10 to 20 cents per bushel on already depressed corn prices would still not bring about a very good return for farmers, and that reliance upon a variety of a crop that will take several more years to develop is of no help to farmers in the meantime.

In Open Discussion, it was agreed that Council would take up the issue of potential flow management easements at its next meeting. The meeting was adjourned at 12:20 p.m.

The next meeting of Council will be at Claudine's Restaurant on November 17, 2000, at 9:30 a.m.

Respectfully submitted,

Kay Winn, Secretary

Enclosure: List of Questions

ROANOKE RIVER BASIN REGIONAL COUNCIL

LIST OF QUESTIONS

**An Attachment to the Minutes of the Meeting
August 18, 2000**

The following is a compilation of the questions asked to Mr. Ed Stahl, DFI Group, Inc., about the proposed ethanol plant to be located on the river below Jamesville. They are grouped as much as possible by subject rather than order of introduction during the meeting.

1. What will fuel the on-site electric generation plant?
2. How much LNG will be stored on site? How will it be transported to the site?
3. How is the ethanol utilized in gasoline refining?
4. Why not use ethanol for the on-site generation of electricity?
5. What does the size of the plant have to do with air emissions standards?
6. Is EPA involved in the permitting process?
7. Are we essentially just transferring air pollution from one place (large cities) to another (the Roanoke Basin)?
8. Is there any relation or knowledge of the amount of air pollution that is abated per year in the attainment areas to the amount of emissions created per year at the plant?
9. How much barge traffic is predicted to serve the plant?
10. What is the draft of these barges? How large is their wake?
11. Who regulates the barges and sees to their safe operation?
12. What might be backhauled in the barges – any possibility that it might be garbage from the Northeast?
13. Is there any concern over disturbance of the sediments at the mouth of the river by so much barge traffic?
14. Could increased turbulence due to the wakes of barge traffic disturb spoil banks from Plymouth to the mouth of the river?
15. Is it anticipated that any of the raw materials will come from South America?
16. Is there any guarantee that local raw materials would have any precedence over transported or imported materials for use in the plant?
17. What factors will determine which raw materials will be used?
18. Will there be a buying station at the plant?
19. Are these plants only feasible with government subsidies to the use of ethanol?
20. Does the plant receive the benefit of the 54-cent per gallon subsidy for ethanol?
21. Does this subsidy to the blenders essentially serve as the supporting economic reason for the construction of these plants?
22. Are there any local tax incentives to the construction of the plants?
23. What are the components of the air discharges of the plant's operation?
24. Is there a potential to reuse the water that is withdrawn each day?
25. How much noise will the plant create?
26. How many jobs will it generate/what salary levels will be paid?

27. Will the company be working with the community colleges to train workers?
28. Are there any state tax incentives or other forms of support to this development?
29. Will there be an Environmental Impact Study?
30. Are you going to use river water?
31. Will there be adequate structures to contain any potential spills of any of the substances being shipped to/from or used/generated at the plant?
32. Is there a plan for a berm or other containment structure to keep spills from reaching the river?
33. What precautions will be taken in transport?
34. What precautions will be taken in loading/offloading materials?

Subject: Re: Attn: Ed Stahls

Date: Wed, 16 Aug 2000 09:07:56 -0400

From: Guy Stefanski <Guy.Stefanski@ncmail.net>

To: Sherrie_Jager@fws.gov

CC: Joan Giordano <Joan.Giordano@ncmail.net>

Thank you, Sherri. We look forward to meeting with Mr. Stahls on Friday. Tell Jerr hello for me.

Sherrie_Jager@fws.gov wrote:

- > Mr. Stahls, below are examples of questions, not inclusive, that could be
- > asked on Friday.
- >
- > Any potential for an ethanol spill to effect aquatic resources similarly to a
- > distillery spill?
- > Will dikes and recovery equipment be part of plan to contain spill(s)?
- > Will there be a trained response team on-site?
- > Is the river the water source? If so, type of intake?
- > What will be the constituents of any discharged liquid effluent? Any toxics?
- > emissions? Toxics? Juxtaposition to river? Distance?
- > Barges
- > Barge dimensions? Draft? Double sealed, double hulled construction? Oc
- > going?
- > Type of raw material incoming? Origin?
- > Frequency of traffic? Size of docking facility (number of barge slips)?
- > Requirements of Sound channel and River channel needed to support barges
- > Consideration for contaminant laden sediments to be disturbed or mixed w
- > water column?
- > Consideration for bank erosion problem(s) and spoil area disturbance?
- > Estimated potential for loss of natural river levee habitat?
- > Increased potential for spills at plant, on river associated with barge traff
- > Any Federal funding involved in this proposed plant or operations?
- > Forecast/predictions/estimates of potential to cause conversions of marginal
- > or forested areas to raw material production?

Guy Stefanski <guy.stefanski@ncmail.net>
Program Coordinator
Albemarle-Pamlico National Estuary Program
NC DENR - Division of Water Quality

The Daily Reflector

WORKweek

Monday, August 7, 2000

Covering business and business people on North Carolina's northeastern coastal plain

PEOPLE IN BUSINESS



COX



BLALOCK

Cox is new sales associate with Clark-Branch Realtors

Randy Cox has joined the staff at Clark-Branch Realtors as a sales associate.

A graduate of Appalachian State University, Cox specializes in residential sales.

Blalock, Galaska join faculty of The Greenville Civic Ballet

Amy Blalock and Tommi Galaska have joined the jazz faculty at The Greenville Civic Ballet for the 2000-2001 season.

Ms. Blalock is a graduate of Elon College where she minored in dance.

WHAT'S NEW



Chris Cummins/The Daily Reflector

FIRST MORTGAGE CORP., a mortgage banking company, and FirstCo Inc., both based in Greenville, have merged to form a multi-product company to be called FirstCo Inc.

First Mortgage, FirstCo merge

First Mortgage Corp., a mortgage banking company, and FirstCo Inc., both based in Greenville, have

merged to form a multi-product company to be called FirstCo Inc. in 1994 by Spence and Sue Cosby and has offices in Greenville, Wilson,

after a successful stock offering completed during the fourth quarter



Cox is new sales associate with Clark-Branch Realtors

Randy Cox has joined the staff at Clark-Branch Realtors as a sales associate.

A graduate of Appalachian State University, Cox specializes in residential sales.

Blalock, Galaska join faculty of The Greenville Civic Ballet

Amy Blalock and Tommi Galaska have joined the jazz faculty at The Greenville Civic Ballet for the 2000-2001 season.

Ms. Blalock is a graduate of Elon College where she minored in dance.

While in college she performed with Multiple Choices benefiting Duke Children's Hospital and since graduating has instructed all levels of jazz at The Center of Performing Arts in Alamance County. She also has choreographed for the Alamance County Children's Theatre and for The Studio in Durham.

Ms. Blalock also performs with The Dance Collective as a senior company member.

Ms. Galaska received her bachelor's degree in fine arts from East Carolina University where she is currently an associate professor of dance.

She has taught and choreographed extensively throughout North Carolina and helped develop Multiple Choices, an annual jazz dance concert benefiting Duke Children's Hospital.

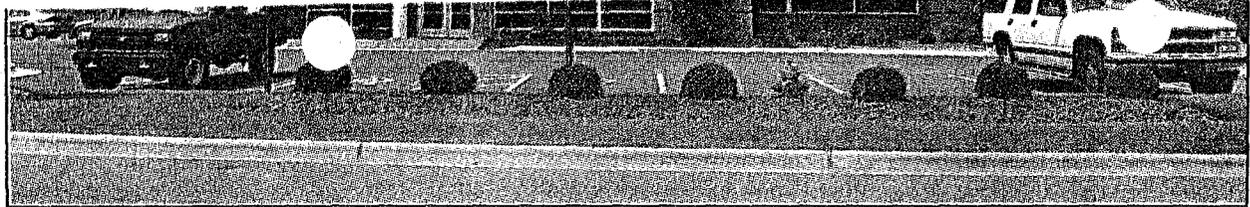
Returning faculty members include Dawn Clark (improvisation and contemporary), Sara Howard (ballet and contemporary), and Dayton Vesper (accompanist).

The Greenville Civic Ballet offers classes in classical ballet, jazz and contemporary dance for children and adults.

Dickerson named to occupational therapy education commission

Dr. Anne Dickerson has been elected to the commission on education of the American Occu-

See *PEOPLE IN BUSINESS*, Page 2



Chris Cummins/The Daily Reflector

FIRST MORTGAGE CORP., a mortgage banking company, and FirstCo Inc., both based in Greenville, have merged to form a multi-product company to be called FirstCo Inc.

First Mortgage, FirstCo merge

First Mortgage Corp., a mortgage banking company, and **FirstCo Inc.**, both based in Greenville, have merged to form a multi-product company to be called FirstCo Inc.

FirstCo, headquartered at 1905 Turnbury Drive, will continue to operate its retail offices under the First Mortgage Corp. name.

First Mortgage was founded in

1984 by Spence and Sue Cosby and has offices in Greenville, Wilson, Wilmington and Atlantic Beach.

The company closed more than \$100 million in residential loans each year for the past two years.

FirstCo Inc., founded in July 1999 by Spence Cosby, Steven Valladares, Gary Medlin and Tom Hackney, began doing business in January

after a successful stock offering completed during the fourth quarter of 1999.

The company's mission was to provide mortgage banking and insurance products to the community banking industry.

It also has a wholesale office in

See *FIRSTCO MERGER*, Page 3

Ethanol plant builders to open satellite office

By Michael Barrett

Cox News Service

WILLIAMSTON — The company assigned to build DFI Group Inc.'s three ethanol plants in eastern North Carolina plans to open a satellite office here in two to three weeks to begin work on a plant in the Jamesville area.

Century Contractors Inc. hasn't signed a deal to build

See *CENTURY CONTRACTORS*, Page 3



Mita Hilliard Smith/Cox News Service

CENTURY CONTRACTORS CEO Joe Bare, second from right, chats with Buddy Bulow of the N.C. Department of Environment and Natural Resources, left, Jim Ward, Martin County economic developer, and Al Chesson, Williamston town manager, at a community meeting July 25 about a proposed ethanol plant.

