

**Meeting Minutes of the Funding Levels and Potential Funding Sources
Study Group of the
North Carolina Mining and Energy Commission
June 17, 2013**

The North Carolina Mining and Energy Commission – Funding Levels and Potential Funding Sources Study Group - met in regular session on Monday, June 17, 2013 in Conference Room (504Q) of the Archdale Building on the fifth floor. Director Jane Lewis-Raymond called the meeting to order at 1:03 pm via teleconference. She welcomed all study group members and others attending. She also read the ethics statement and asked Study Group Members whether or not they had conflicts of interest with respect to any action items on the agenda. No conflicts were noted.

Study Group Members Present

Jane Lewis-Raymond, Study Group Director (Call In)
Jim Warwick, Chairman MEC
Johanna Reese, NC Association County Commissioners
Erin Wynia, League of Municipalities
Ward Lenz, NC Department of Commerce (Call In)

DENR Staff Members Present

Mell Nevils
Walt Haven
Toby Vinson
Katherine Marciniak
Rosalind Harris
Ryan Channell
Other in Attendance See attached Sign-in Sheet

Introductions

Those in attendance introduced themselves to others in the group.

Items of Business

1. Approval of Minutes of May 23, 2013
Erin Wynia approved minutes and Judy/DOT seconded to approve the minutes as presented. The Study Group voted to approve the minutes.
2. Review of Proposed Draft Outline for Study Report (attached)
Director Lewis-Raymond reviewed with the group the latest revisions to the report draft outline.

Chair Lewis-Raymond stated more discussion needed on how to distribute/collect fees pertaining to the various needs associated with use of the fees i.e. impact fees, severance tax, etc. There was some discussion on SB 76(v1) identifying issues for the next meeting of impact fees. Staff is to look into the different fee types with probably an inflationary window.

3. DOT Funding
Mr. Brandon Jones/DOT provided a handout to the group on NC DOR costs associated with the permitting and compliance program. Based on the handout and Mr. Jones' presentation, the group recommended that DOT revise the recommendations for expenses to include staff and MEC members. Discussion was conducted and required DOT's costs to include bridges and the hauling of the machinery. Bonding is only acceptable for hauling plans. DOT has to maintain routes for the industry to enter into drilling areas, especially for oversize loads. It was suggested that outside

sources would be used if inside help could not be achieved. Staff was asked to check AR and get a better look at their drilling program due to it being close to what NC wants to achieve.

5. Local Government Costs

Local Government was difficult to decipher impact of where occurrence began, took place or ended due to transportation mishaps. Transfer of impact fees will be discussed with Asst. Secretary Gillespie. Mr. Womack suggested staff look into sources of funds. i.e. REDC, Commerce OneNC Naturally, Golden Leaf, etc.

6. Further Review of Proposed Draft Outline for Study Report

Ms. Lewis-Raymond stated that the report would be presented to the full Commission on June 28. Ms. Lewis-Raymond requested the group to meet again on July 8th to complete the funding issues to incorporate into the Funding Study Group Report due soon.

.
There being no further business, the meeting was adjourned at 2:47pm.

Respectfully submitted,

Walt Haven, Energy Program Supervisor
DEMLR Staff