

MINUTES

House Select Committee on Disaster Relief

March 19, 2018

The House Select Committee on Disaster Relief met Monday, March 19, 2018 at 2 p.m. in Room 544 in the Legislative Office Building. Representative John Bell, Chair of the Committee, presided during the meeting. Committee Members present were Representatives Jimmy Dixon, John Faircloth, Charles Graham, Chuck McGrady, Garland Pierce, Donna White and Shelly Willingham. Staff Members present were Kristen Harris, Howard Marsilio, Mark White and Kory Goldsmith along with the Committee Clerk, Susan Horne. The Sergeant-at-Arms Assistants that provided assistance during the meeting were Will Crocker, Jim Moran, William Moore and Bill Riley.

The meeting convened at 2:06 p.m. After introductions, Representative McGrady made a motion to adopt the minutes from the January 29, 2018 meeting and the motion was adopted (see Attachment A).

The first presentation was given by Craig Clark, Director of the Safety Planning and Analysis Division, North Carolina Forest Service in the North Carolina Department of Agriculture and Consumer Services (see Attachment B). He reviewed the 2016 statewide fall fire statistics (from 10/23/16-12/7/16), the 2016 fall fire support response, the expenditures of the fire funds, FMAG funds, timber restoration, and the Claridge Nursery operation and repair funds that were covered by the 2016 Disaster Recovery Act.

Regarding expenditures, Representative McGrady asked if the funds would cover the outstanding expenses and if there was a need for additional funds. Mr. Clark said he was hoping the existing funds would cover all of the outstanding expenditures. Representative McGrady asked to clarify if the existing funds would cover the cost of the existing expenditures. Mr. Clark said the statement was correct. Regarding the 2016 Disaster Recovery Act FMAG Funds, Representative Faircloth asked if each reference number corresponded to a particular project. Mr. Clark said the statement was correct. He noted the cost listed doesn't reflect the total cost because the date of the FMAG declaration came after work had started. Representative Dixon asked if there were any charges leveled against anyone for setting the fires at Party Rock or Chestnut Knob. Mr. Clark replied the Forest Service and law enforcement investigated, and charges were served for the fire at Party Rock but he wasn't sure if charges were served for Chestnut Knob. Representative McGrady added that someone was prosecuted for the Party Rock fire. He noted that he along with other legislative members observed the conditions during the fire and commended the Forest Service for their professionalism in carrying out their duties and handling the costs. Regarding the budget from the disaster relief funds, Representative Willingham asked if there was enough funding to cover the costs. Mr. Clark replied he didn't expect any further costs, and there will be \$8.5 million leftover once FEMA repays. Representative Bell asked if any equipment was damaged or aged that needs to be replaced.

Mr. Clark replied there are dozers that need to be replaced around the State and he would provide a list. Scott Bissette, Assistant Commissioner with the N.C. Forest Service stated there are bulldozers that have aged out and need to be replaced. Representative Bell asked if he would provide a list to him in. Mr. Bissette he said he would.

The second presentation was given by David B. Williams, Deputy Director of the Division of Soil and Water Conservation in the North Carolina Department of Agriculture and Consumer Services (see Attachment C). He reviewed the funding requests by category, the counties that were eligible for disaster recovery funding, the coordination with federal funding (USDA and FEMA), stream debris removal, repairs to non-field farm roads, AgWRAP supplement for damaged ponds and dams, the coordination with USDA-ECP (Energy Conservation Program) for pond repairs, the statutory concern and payment cap, pasture renovation and the swine floodplain buyout program. All of the points listed pertain to the 2016 and 2017 Disaster Recovery Acts.

Representative White asked what counties didn't use ECP funds for pond repairs. Mr. Williams replied Franklin and Robeson Counties didn't use ECP funds (initially Robeson didn't use funds for pond repairs but that decision has changed). Representative White asked if there were other counties that didn't use ECP funds, and if so, to please let the Committee Members know to which Mr. Williams said he would. Representative Willingham asked what happened to the land that was bought out. Mr. Williams said the land is being used for agricultural purposes (similar to a farmland preservation easement) but it can't be developed because it lies in a 100-year floodplain. Regarding pond repairs and water issues, Representative Willingham asked if there were any issues regarding mitigation. Mr. Williams replied there haven't been any issues to date. Regarding stream debris removal, Representative Dixon asked about the removal of 53 beaver dams. Mr. Williams replied the Disaster Recovery Act authorized the use of funds to remove beaver dams. Representative Dixon asked if there was a plan of action to deal with the removal of beaver. Mr. Williams replied they are coordinating the funding with the BMAP (Beaver Management Assistance Program) with USDA and Wildlife Resources Commission to deal with the removal of beaver. Representative Dixon commented that the greatest environmental disaster east of I-95 is the beaver and this issue will have to be addressed in the future. He asked if any animals were destroyed during the process of the dam demolition. Mr. Williams didn't know if any animals were destroyed but the dam removal was in conjunction of trapping. Regarding the past successes of the buyout program, Representative Dixon noted this work prompted the movement of many swine operations to locations out of the floodplain thus no lagoons were breached during Hurricane Matthew. The goal of moving 5-10 active swine operations after Hurricane Matthew proves even more the success of the buyout program. Representative Faircloth asked what kind of application or permit was needed to change an existing stream to a pond. Mr. Williams replied the U.S. Army Corps of Engineers would issue the permits necessary for the construction work. Regarding stream debris removal, Representative Bell asked if there was a mechanism in place to follow-up and ensure a project was completed. Mr. Williams replied the Division tracks the progress of the projects that were

funded to ensure they have been completed. Representative Bell asked Mr. Williams to remind those who collected the debris to make sure it is removed so that it doesn't end up back in the stream. Mr. Williams agreed and asked the Committee Members to contact him if this is being done.

The third presentation was given by Kenny Flowers, Assistant Secretary of the Rural Economic Development Division in the North Carolina Department of Commerce (see Attachment D). He discussed the funds the Department received from the Disaster Recovery Act of 2016 and reviewed a timeline of events after the funds were made available. He talked about the grant awards that counties have received and gave a summary update of the grant awards.

Regarding reserve funds from grant awards, Representative White asked if a grant application would be eligible if it were submitted today. Mr. Flowers replied there is flexibility with the reserve funds and the Division would consider an application submitted. Representative White asked how a community should apply for funds. Mr. Flowers responded the community would need to contact him for direction on applying. Regarding the reserve funds, Representative Dixon asked if the Division would be able to determine cost overruns and if there is a mechanism to distribute these funds. Mr. Flowers replied that the Division will have a time window to close the remaining projects and distribute the remaining funds. Representative Bell asked if there were any projects turned down that the Department would have liked to pursue. Mr. Flowers said he would have to check on this and get back to him. Representative Bell noted this information would be helpful going into the 2018 budget cycle especially if projects hadn't been funded.

The final presentation was given by Emily McGraw with the Central Maintenance Unit in the Department of Transportation (see Attachment E). She talked about the amount of rainfall around the State (towns/counties), the preparation prior to the hurricane and the communication efforts during the storm. She reviewed the response and recovery efforts specifically road closures, detours, shifting resources, customer service inquiries and calls received by the call center. While the State was dealing with the aftermath of the storm, NCDOT was dealing with their own flooded facilities. Ms. McGraw noted NCDOT's priority was to restore mobility and assess damaged roads. With regard to financial recovery, she explained the difference between federal reimbursements of FEMA and FHWA for road repairs and what they cover.

Regarding the massive damage to roads and bridges after a storm, Representative Faircloth asked if the program looked for problems that could have been fixed before the storm as a preventative measure. Ms. McGraw said part of the problem was some repairs needed updates to meet current design standards. She added NCDOT has to provide information to FEMA and FHWA to be reimbursed. Representative Dixon asked if there are internal mechanisms to control the cost of the projects. Ms. McGraw replied NCDOT uses a procurement method and a bidding process to control the cost of projects. She noted the Department typically uses contractors they are familiar with and have used in the past, and added

that price gouging laws go into effect after a disaster. Regarding reimbursements for safety situations, Representative Willingham asked if the State Highway Patrol is included in NCDOT's reimbursement. Ms. McGraw replied reimbursements come through FEMA for the State Highway Patrol. Representative Bell asked if NCDOT has contractors on standby during emergency events in which Ms. McGraw replied they have contractors that work on a regular basis on standby. Representative Bell asked if there are any rules or statutes that could be adjusted to improve the process and make it run more smoothly. Ms. McGraw responded she really couldn't answer the question at this time. Tim Little, Chief Engineer with NCDOT added the Department's county yards have several contractors that are used and are on standby when these events happen. Representative Bell reminded Mr. Little to check to see if there is anything the General Assembly can do to expedite their work more smoothly. He also asked if the bridges that were affected by the storm have been repaired and inspected. Mr. Little replied all of the bridges have been inspected and repairs have been done. Regarding 50 or 100 year floods and design standards, Representative Bell asked if DOT has reviewed most roads and bridges to comply with the up-to-date standards. Mr. Little replied the Department continues to look at this and make adjustments. Rep. Bell asked about the financial impact on NCDOT's budget. Mr. Little replied the cost of these updates has had a significant impact on their budget. Representative Bell asked if any equipment that was damaged or needs to be replaced because of the storm. Mr. Little noted the equipment from Division 2 was damaged and would provide Representative Bell with a list. Both Representatives White and Bell thanked NCDOT for their work and assistance during and after the storm.

Representative Bell asked the Committee Members if they have any questions or requests for the next meeting. Representative Graham requested more information regarding housing needs, both single and multi-family dwellings. Representative Bell asked if he would provide specific questions that needed to be asked. Representative Dixon noted the Committee should assess what was accomplished with the disaster relief funds and if they were properly prioritized (example of funds used to destroy 53 beaver dams) to give insight for future reference. Representative Bell noted he will ask for a status report regarding funds for Community Development Block Grant (housing). Representative Graham asked for a status report regarding funds for Housing Finance Agency. Representative White would like to discuss how to prevent recurring problems from happening again in the future. Representative Faircloth asked for a status report and the future of the Town of Princeville. Representative Willingham gave an update from a meeting he had with the town commissioners and the progress that is being made. He said the residents of Princeville are interested in addressing the Committee about their on-going situation. Kasey Ginsberg with the Golden Leaf Foundation discussed the grant award given to Edgecombe County and the meeting that took place with the officials of Princeville. She noted the hang-up is with the decision making at the local level which is a complicated process. Representative Graham asked if it would be possible to hold a committee meeting in the affected areas. Representative Bell said that would be a consideration but the problem is taking the staff to these meetings is problematic.

The Committee adjourned at 3:31 p.m.

A handwritten signature in black ink, appearing to read "John R. Bell, IV", written over a horizontal line.

Representative John R. Bell, IV
Presiding Chair

A handwritten signature in blue ink, appearing to read "Susan W. Horne", written over a horizontal line.

Susan W. Horne
Committee Clerk