

South Carolina Mitigation Association

Executive Committee
Meeting Minutes
June 9, 2020

Opening

The regular meeting of the Executive Committee of the South Carolina Mitigation Association was called to order June 9, 2020 at 9:02 AM via Zoom by Allen Conger, SCMA President.

Attending:

Allen Conger
Tommy Cousins
Doug Hughes
Daniel Johnson
Kristin Knight-Meng
Ross Nelson
Sydni Redmond
Ryan Smith
Adrienne Graham

I. Approval of Previous Meeting Minutes

Meeting minutes from the Executive Committee Meeting May 12, 2020 were reviewed and approved. The approved minutes will be posted on the website member page. The Executive Committee agreed the minutes should be less detailed and present the speaker, topic, decision and any actions needed.

II. Financial Transition

- Ross Nelson reported he will have cashier's checks cut to pay Capitol Consultants invoices and to open the new bank account at Synovus Bank. A small amount will be left in the TD Bank account until an outstanding check clears. The account has approximately \$102,000 currently.
- The IRS has approved SCMA's non-profit status.
- Upon receipt of all of the financial information, Adrienne Graham will draft a budget.

III. Quarterly Meeting Dates and Speakers

- Mr. Conger announced the Quarterly Meeting will be held June 24, 2020 via Zoom. The speakers will be Adam Pfanmiller with McGriff Insurance on Mitigation Bonds and David Wilson with the US Army Corps of Engineers.
- The program will begin with a short introduction followed by Mr. Wilson, Mr. Pfanmiller, and the business meeting.
- The Executive Committee agreed there should be a record of attendance for the meeting. Ms. Graham will send an eblast with the meeting information. The Executive Committee agreed that interested participants will email Ms. Graham to register and she will send the Zoom registration, which will then provide them the Zoom login credentials. Mr. Conger stated he did not want to exclude any non-members; the meeting may be an incentive to join.
- Ms. Graham will communicate with Mr. Conger on the Monday prior (June 22) to reach out to any member companies not registered.

- Possible dates for the October Quarterly meeting were presented as October 6, 7, 14, and 15. The Water Resources Conference is scheduled for October 14-15. Mr. Conger will follow up on this event and report back to the Executive Committee.

IV. Member Care

- Mr. Conger reported that the lists for new members, lapsed members and membership upgrades have been finalized. Ms. Graham will send the relevant letters by the end of the week.
- Sly Environmental will be added to the list.

V. Old Business

- The SCDOT Solicitation information was posted on the website and emailed to members.
- Mr. Conger has contacted Vince McCarron with the SCDOT on when other solicitations may come out. On the Thursday pre-bid call, SCDOT said it should come out in the next month. Mr. Conger and Mr. Nelson will work on a date for a Zoom call and will communicate this to the Executive Committee to participate as well.
- Mr. Nelson raised his concern over the SCDOT Middle Pee Dee Mitigation Bank Credits Solicitation. As he interprets it, only one entity would be qualified to bid on all three lots. If this is the case, why not sole source?

Mr. Conger stated he was concerned with the limited number of credits requested. Mr. Nelson identified the public notice requirement for submission. This was not mentioned in being specific to Lot A. The solicitation is unclear on whether you can qualify for Lot B and C and not A.

Daniel Johnson attended the pre-bid call and understood from Sean Connolly that this solicitation is significantly different than future advertisements. Individual firms should respond in the comment period.

Ryan Smith pointed out that the time frame does not allow for any entity to establish a bank.

Mr. Nelson noted that at the March 2020 quarterly meeting, SCDOT stated that all lots would be open to a qualified respondent. If the SCDOT needs credits before January 2021, a sole source contract coupled with an advertisement for a future (sufficient term to establish a mitigation bank) procurement of credits will promote competition in the basin.

The Association encourages solicitations that allow for mitigation bank establishment prior to the credit procurement (i.e., approximately two years).

SCDOT seems to be uncomfortable when there is only one response to (any) solicitation. This is particularly the case in an open solicitation since there is no point of price comparison except the engineer's assessment.

Kristin Knight-Meng noted that SCDOT explained they really needed the credits in Lot A, but B and C would be more open ended. If they want competition this should be an extended date. Sydni Redmond noted clarity is needed in the solicitations moving forward if the later lots are opened to others.

Mr. Nelson pointed that companies that bid are making a financial commitment to let SCDOT hold these credits in reserve. This is a binding bid and SCDOT may call in the performance bond.

Mr. Conger said they seemed to be thinking of Lots B and C as a way to encourage robust mitigation and good competition down the road. However, but because of the immediate demand for credits in the

Middle Pee Dee Solicitation, it has turned into this situation. The Association encourages pre-advertisements that identify anticipated credit needs by basin.

Mr. Nelson made a motion that SCMA should resubmit the letter submitted a few months ago and to highlight where this solicitation falls short of accomplishing the Association's desires. Doug Hughes seconded the motion.

Mr. Hughes said SCMA is trying to help SCDOT improve their solicitations and get a good response. Industries interpretation of this solicitation may not promote a robust marketplace and may hinder mitigation development in the basin.

The motion carried unanimously.

Mr. Nelson will draft the letter and send to Ms. Knight-Meng and Mr. Hughes prior to sending to Mr. Conger for final review. We would like to send this to SCDOT by June 11, the close of the comments and questions period.

Ryan Smith stated that previously SCDOT said there could be three different entities that could bid on the credits. Every entity must bid on Lot A. In theory each Lot can go to a different entity; if this happens there is now a limited supply of credits split between three entities. Are three entities going to open a bank to get relatively small qualities inside of each Lot? Who will invest? Mr. Nelson pointed out this is a matter of the underwriting for each individual banker.

Mr. Conger said that due to the sensitivity of the issue he will circulate to the Executive Committee before sending the letter.

- Mr. Conger reported that he was able to review the mitigation plan for the River Port, a large contiguous development on I-95. Mr. Nelson and Mr. Johnson communicated on this, but concluded that after review of the mitigation plan, it meets the requirements.
- Mr. Johnson sent the protocol during the last meeting. Should SCMA review public notices that entail PRM and potentially comment on public notices to encourage complete mitigation plans specifically that address the 12 components identified as the rule? Mr. Conger asked if SCMA should request of district managers that the mitigation plans be made easily accessible. Several members agreed. When we run into things that are clearly not functionally equivalent, there is a need for SCMA to point out issues. Members should keep pointing out and requesting mitigation plans. Mr. Johnson will draft a letter for the US Army Corps of Engineer to make available the mitigation plans for the permit applications for the July meeting. Mr. Cousins will work on the SOP recommendations this week.

VI. Adjournment

Meeting was adjourned at 10:10 am by Mr. Conger. The next Executive Committee Meeting will be at 9:00 am on July 14, 2020 via Zoom. The Quarterly Membership Meeting is June 24, 2020.

Minutes submitted by: Kristin Knight-Meng

Approved by: