

Cheoah River Resource Management and Enhancement Fund

Fund Board Meeting, October 16, 2007

US Fish & Wildlife Service Offices - Asheville, NC

Draft Meeting Summary

- Agenda:** See attached (Attachment 1)
- Board Members:** Chris Goudreau, NC Wildlife Resources Commission
Jason Farmer, US Forest Service
Mark Cantrell, US Fish & Wildlife Service
Michael Bolt, Eastern Band Cherokee Indians
Steve Reed, NC Division of Water Resources
- Participants:** Jody Cason, Long View Associates
Marshall Olson, Alcoa Power Generating, Inc.

Steve Reed, the Fund Board Chair for 2006-2007, began the meeting at approximately 1:40 p.m. All Board Members were present as well as two representatives from Alcoa Power Generating Inc.(APGI). The Advisors to the Board had been contacted by the Chair but decided not to attend either due to conflicts or the short agenda. There were no additions to the agenda.

The Chair provided the following Fiduciary Report. In early 2007, the NC Department of Environment and Natural Resources invoiced APGI for the 2005, 2006 and 2007 annual payments for the Fund. The following payments were received from APGI and deposited by NCDENR; \$102,080 (2005), \$26,201 (2006) and \$27,011 (2007) for an initial Fund balance of \$155,292. No funds have been expended by the Fund to date.

The Chair gave a status report on the contracts for the projects approved for funding by the Board at its meeting in February 2007. The Virginia Spiraea Monitoring and Management contract with Jane Hargreaves is fully executed and work is underway. The first task, field surveys for Spiraea and invasive exotic plants in the Cheoah River riparian corridor is almost completed. All locations will be documented with GPS coordinates and maps will be developed. A copy of the contract was reviewed by the Board members.

The contract with the NC Wildlife Resources Commission (WRC) for Population Genetics of the Appalachian Elktoe Mussel is "semi-executed" as a witness signature from WRC is still needed and the executed contract returned to the NC Division of Water Resources (DWR). Note: The fully executed copy of this contract was received by DWR on October , 2007.

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The contract with Virginia Tech (VT) for a project entitled Restoration Ecology of Fishes in Regulated Rivers and has going back and forth between VT's Office of Sponsored Programs (OSP) and NC Department of Environment and Natural Resources' (DENR) Division of Purchase and Services (DPS). The contract with modifications proposed by VT is under review by DENR's in-house counsel. VT's OSP also indicated that they needed a statement from the Fund Board that we had a policy to not pay overhead costs. The Board reaffirmed the policy that the Cheoah River Fund does not pay overhead charges and that we will use contractors that do not charge overhead. The Chair was requested and contacted the WRC, since they are a member of the Board, regarding WRC's policy with regard to overhead charges. A copy (Attachment 2) of a resolution received from WRC is attached that establishes their policy of not paying overhead charges on any cooperatively funded project with a State-supported University.

It was decided that for all approved contracts a Board member with expertise related to the contract would work with the Chair to determine when contract milestones are successfully completed. Invoices from contractors will be paid by DWR/DENR the Fund's Fiduciary agent after notification by the Chair and the related Board member that the work covered by the invoice has been adequately completed. The Board approved the following Board members to be the related member for following contracts: Jason Farmer, Spiraea Monitoring & Management; Mark Cantrell, Mussel Genetics; and Chris Goudreau, River Restoration. The Chair agreed to send copies of fully executed contracts to the Board and APGI.

APGI expressed concerns about the safety of contractors working alone in the field on APGI property. They asked if the Board's contractors have liability insurance. Michael Bolt stated that most self-employed contractors carry a minimum of \$1 million in liability insurance at a cost of about \$600 annually. There was a question as to whether the Board should require liability insurance and workers' comp in all its contracts. The Chair, who is also the contract administrator for DWR/DENR, said he would check with DENR's DPS staff on the "boilerplate" portions of contracts with DENR.

The Board discussed the Ramping Rates Study

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October 16, 2007 2:00 – 4:00 p.m.

A G E N D A

1. Introduction and Overview Steve Reed
2. Fiduciary Report Steve Reed
3. Status of Contracts for Approved Proposals Steve Reed
 - Elktoe Genetics
 - Spiraea Monitoring & Mgt
 - Restoration Ecology of Fishes
4. Ramp Rate Study Board Members
 - Summary of 2007 Activities
 - Larval Fish ID Contract
 - Plans for 2008 Data Collection
5. Gravel Enhancement Mark Cantrell
6. Funding Priorities for 2007 Board Members
7. Future Meetings and Action Items Steve Reed