

MINUTES
ATLANTIC COMPACT COMMISSION MEETING
APRIL 7, 2005
(Approved 10/5/05)

1201 Main Street, Conference Room 600
SouthTrust Building, Columbia, South Carolina

The twelfth meeting of the Atlantic Compact Commission was held on Thursday, April 7, 2005, at 1:00 PM, at 1201 Main Street, Conference Room 600, Columbia, South Carolina.

Present were: Chairman and South Carolina Commissioner Benjamin A. Johnson; Vice Chairman, Connecticut Commissioner Kevin T. A. McCarthy; South Carolina Commissioner Tom Weeks; New Jersey Commissioner, Jill Lipoti, Ph.D., and Alternate Commissioner for South Carolina John Clark, Ph.D.

Via telephone, Jason Capizzi, Esquire, Alternate Commissioner for New Jersey; and John Covino, Esquire.

A roster of other attendees is on file at the Commission office.

Staff: Max Batavia, P.E., Executive Director; D'Juana Wilson, Administrative Coordinator.

1. **Call to Order**

Chairman Johnson called the meeting to order at 1:15 PM.

Approval of Minutes

Chairman Johnson asked the Commissioners for a motion to approve the minutes of the October 7, 2004 meeting.

Commissioner McCarthy asked permission to clarify the context of what he said as written on Page 4, paragraph 3, beginning with the second sentence. The correction was given to Ms. Wilson to amend the draft minutes. The amendment is as follows: *Commissioner McCarthy pointed out that the condition which allows regional generators the option of exporting the low-level radioactive waste to out-of-region disposal facilities at their discretion was a major point in the negotiations to make South Carolina an eligible state to join the Compact.*

A motion was then made by Commissioner Weeks to approve the minutes, as amended. The motion was seconded by Commissioner Lipoti and unanimously approved.

2. **Old Business**

There was no old business to report.

3. New Business

Executive Director's Report

Revenue and Expense Report:

Mr. Batavia reviewed the Revenue and Expense report that was distributed to the Commissioners for the period July 1, 2004 – March 31, 2005. This report was received as information.

2003- 2004 Audit Report:

Mr. Batavia then referenced the 2003-2004 Audit Report from Burkett CPA firm. He stated that the Compact office received a good report from the auditors. He also recommended that the Commissioners retain Burkett CPA for performing the 2004-05 audit.

Chairman Johnson asked if there were any questions regarding the 2003-2004 Audit. Commissioner McCarthy referenced the top of page 8, where it states “....cash receipts from customers...” Mr. Batavia explained that the revenue receipts lag behind one quarter. For example, the revenue for the last quarter of fiscal year 2003 comes in the first quarter of 2004. After giving the explanation, Commissioner McCarthy requested that in the future, have the auditors place a footnote to this effect, so that the person reading the report will understand.

Chairman Johnson stated that he is happy to have a clean audit report. He then suggested that the Commission discuss having a typical Code of Conduct for the Atlantic Compact Commission.

A motion was made by Commissioner McCarthy to receive the 2003-2004 Audit Report. The motion was seconded by Commissioner Weeks, and unanimously approved.

A motion was then made by Commissioner McCarthy to retain Burkett CPA firm for the audit period July 1, 2004 – June 30, 2005. The motion was seconded by Commissioner Weeks and unanimously approved.

Office Lease:

Mr. Batavia then discussed with the Commissioners the arrangements for office space for the upcoming fiscal year. The office will retain about 894 square feet on the 18th floor of the SouthTrust Building. There is a minimum 2 year commitment for the space. The monthly base rental will be \$1,452 a month, which is about \$19 square foot. There will be no other tenant costs other than outlined in the proposed agreement. Mr. Batavia stated that the costs of renovations to the office space are included in the monthly base rental fee.

A motion was made by Commissioner Weeks, and seconded by Commissioner McCarthy to approve the proposed 2 year lease agreement for office space on the 18th floor. The motion carried unanimously.

Service Agreement:

The Commissioners then discussed the service agreement with the SC Energy Office for the services provided by Ms. D'Juana Wilson. Commissioner McCarthy asked for the following edit on Page 1, Section 1. Services: *Handling of logistical arrangements for meetings in the Compact region.*

Chairman Johnson asked if the Agreement is the same as those in prior years. Mr. Batavia stated that other than changes to the date of the agreement and rental of office space, the Agreement is essentially the same.

Mr. Batavia stated that in addition to the Agreement, there will be a one time fee of approximately \$1,200 to extend fiber optic cables to the 18th floor for connection to the network.

A motion was made by Commissioner Lipoti and seconded by Commissioner McCarthy to approve the one year Service Agreement for the services as amended. The motion carried unanimously.

Proposed Budget:

Mr. Batavia then presented the proposed budget for fiscal year 2006 (July 1, 2005 – June 30, 2006). He reported that the budget figures are comparable to previous years' budgets. The Commissioners reviewed prior budgets and Mr. Batavia was commended for keeping expenses to a minimum.

Chairman Johnson stated that Mr. Batavia's annual review is due, and they will discuss in Executive Session.

A motion was made by Commissioner McCarthy and seconded by Commissioner Weeks to approve the proposed budget. The motion carried unanimously.

Investment Options:

Mr. Batavia stated that at the last meeting, he was asked to present to the Commissioners investment options for investing approximately \$1 million of Commission funds.

Following a discussion regarding the various investment options, Chairman Johnson requested that Mr. Batavia look at other options from the local banks. The Commissioners agreed that the Compact should adopt a conservative investment program that achieves a high rate of return within a framework of FDIC- insured deposits.

4. SC Radioactive Waste Program Update

Barnwell Extended Care Fund:

Mr. Newberry said that Governor Sanford, in his budget this year, proposed \$25 million to go back to the fund. This Bill will now go to the Senate. Mr. Newberry confirmed that the \$25 million is not a statement of intent, but a budget item in the bill.

DHEC Report – Mr. Henry Porter:

Mr. Henry Porter introduced to the Commission the new Manager of the Radioactive Waste section, Mr. Michael Moore. He said that Chem Nuclear will continue to operate

under the previous license from DHEC until the Administrative Law Judge makes a final decision on the new license.

5. Chairman's Report

Chairman Johnson stated that in regards to the Extended Care Fund, he would like to give much credit to Governor Mark Sanford and the General Assembly for their efforts to replenish the fund.

He also stated that the Governor's Nuclear Advisory Council has taken up the issue of the Barnwell site and is working on a report regarding Barnwell. The Atlantic Compact Commission has given its input to this report.

He commented that a lot of interested parties would like to see the Extended Care Fund as a true Trust Fund in order to avoid withdrawals from the fund.

Commissioner Weeks stated that the citizens of Barnwell County support the site and are pleased that the Governor is putting \$25 million back into the Extended Care Trust Fund.

A motion was made by Commissioner McCarthy and was seconded by Commissioner Weeks to adjourn from Regular session into Executive Session. The motion carried unanimously.

There was no action taken in Executive Session.

A motion was made by Commissioner Lipoti to adjourn. The motion was seconded by Commissioner McCarthy and unanimously approved.