

Hampton Roads Planning District Commission

Quarterly Meeting Minutes

July 16, 2008

The Quarterly Meeting of the Hampton Roads Planning District Commission was called to order at 11:29 a.m. at the Regional Boardroom, 723 Woodlake Drive, Chesapeake, Virginia, with the following in attendance:

COMMISSIONERS:

Paul D. Fraim, Chairman (NO)	Charles W. Burgess, Jr. (PQ)
Bruce Goodson, Vice Chairman (JC)	Kenneth L. Chandler (PO)
James O. McReynolds, Treasurer (YK)	Douglas L. Smith (PO)
William E. Harrell (CH)	Anita T. Felts (SH)
Clifton E. Hayes, Jr. (CH)*	Michael W. Johnson (SH)
Amar Dwarkanath (CH)	Tyrone W. Franklin (SY)
Ella P. Ward (CH)	John M. Seward (SY)
Randall L. Gilliland (HA)	Jackson C. Tuttle II (WM)
Stan D. Clark (IW)	Harry E. Diezel (VB)
Sanford B. Wanner (JC)	Barbara M. Henley (VB)
Joe S. Frank (NN)	Meyera E. Oberndorf (VB)
Regina V.K. Williams (NO)	James K. Spore (VB)
Barclay C. Winn (NO)	

*Late arrival or early departure.

OTHERS RECORDED ATTENDING:

Alan P. Krasnoff - Chesapeake; Jeff Raliski, Ron Williams - Norfolk; George Brisbin, Sherri Neil, Brian Swets - Portsmouth; Patrick Roberts - Suffolk; John Gergely - Newport News Resident; Ray Taylor, Vince Thomas - FHR; Stewart Baker - VDEM; Frank Roberts - HRMFFA; Dana Dickens - HRP; Chuck Cayton - HNTB; Amy Probsdorfer - Naval Facilities Engineering Command; Terry Boothe - Private Citizen; Eric Stringfield, Irene Shuman - VDOT; Nikki Rovner - Office of the Governor; Jay Bernas - HRSD; Martha Gross - Virginia Tech.; Peter Huber - Willcox & Savage; Ellis W. James - Sierra Club Observer; Debby Messina - The Virginian-Pilot; Kimball L. Payne - Daily Press; Germaine Fleet - Biggs & Fleet; Staff: Dwight Farmer, Jessica Banks, Sam Belfield, Shernita Bethea, John Carlock, Rick Case, Robert Case, James Clary, Nancy Collins, Natalie Easterday, Rich Flannery, Marla Frye, Kathlene Grauberger, Greg Grootendorst, James Hummer, Rob Jacobs, Whitney Katchmark, Brett Kerns, Mike Kimbrel, Joe Paulus, Kelli Peterson, Andy Pickard, Camelia Ravanbakht, Jenny Tribo, Joe Turner, Chris Vaigneur and Eric Walberg.

RESOLUTION OF APPRECIATION

Chairman Fraim stated that resolutions have been prepared for Comr. Rebecca Adams from Chesapeake and Comr. Charles Allen from Newport News. Since Comr. Adams will not be present, hers will be sent to her. Comr. Allen will be available later in the meeting.

*Rebecca C.W. Adams
In Recognition of Her Services to the
Hampton Roads Planning District Commission*

Whereas, *Rebecca C.W. Adams, Council Member, City of Chesapeake, served faithfully as a valued member of the Hampton Roads Planning District Commission from July 2006 until June 2008; and*

Whereas, *she has contributed substantially to the success of the Commission's objectives through her professional insight, broad experience and leadership; and*

Whereas, *she has demonstrated her leadership through her efforts to enhance the role of the City of Chesapeake in addressing regional issues; and*

Whereas, *she has devoted personal time and energy toward developing a strong sense of regional cooperation among the member governments;*

Now, Therefore, Be It Resolved *by the Hampton Roads Planning District Commission that Rebecca C.W. Adams be recognized and commended for her outstanding service to the Commission, and is presented this Resolution as a token of the Commission's gratitude and esteem; and*

Be It Further Resolved, *that the Hampton Roads Planning District Commission extends to Rebecca C.W. Adams its best wishes for her future endeavors and orders that a copy of this Resolution be spread upon the Minutes of this Commission this sixteenth day of July 2008.*

*Executed this sixteenth day of July 2008.
Paul D. Fraim, Chairman*

CONSENT AGENDA

The Consent Agenda contained the following items:

Approve Minutes of June 18, 2008

Ratification of Executive Committee Actions

Treasurer's Report

Regional Reviews

A. PNRS Items (Initial Review)

FY 2008-2010 LUST Prevention Assistance Agreements (POL:199)
Virginia Department of Environmental Quality

FY 08-10 Technical Review and Services for Defense Environmental
Restoration Program Activities (POL:200)
Virginia Department of Environmental Quality

Virginia Clean Diesel Outreach and SmartWay Initiative (ENV:46)
Virginia Department of Environmental Quality

State and Tribal Assistance Grant (STAG) Construction Assistance (POW:222)
Virginia Department of Environmental Quality

B. Environmental Impact Assessment/Statement Review

New Chesapeake Facility; NOAA, Chesapeake

Great Bridge Battlefield and Waterways Historic Park; DOD/Army Corps of
Engineers, Chesapeake

Tidewater Community College Regional Health Professions Center; Virginia
Community College System, Virginia Beach

Deconstruction of 13 Buildings at NASA Langley Research Center; NASA,
Hampton

Newspapers in Education Project

Comr. Clark Moved to approve the Consent Agenda; seconded by Comr. Hayes. The
Motion Carried.

EXECUTIVE DIRECTOR CONFIRMATION

Chairman Fraim stated the Bylaws of the PDC permit the Executive Committee to hire the Executive Director, but they believed it was important to bring the appointment of Mr. Farmer before the entire Commission. He stated again that Mr. Farmer's compensation package included an annual salary of \$157,000 with deferred compensation of \$12,000 and a travel allowance of \$7,200. A three -year employment agreement has been agreed upon with a review after the first six months. He added that the contract is a public document available to members of the Commission as well as the public.

Comr. Goodson Moved to confirm the appointment of Mr. Farmer as Executive Director; seconded by Comr. Clark. The Motion Carried.

GOVERNOR'S COMMISSION ON CLIMATE CHANGE

Mr. Farmer introduced Ms. Nikki Rovner, Deputy Secretary of Natural Resources, to brief the Commission on the Governor's Commission on Climate Change.

Ms. Rovner reviewed the reason the Governor appointed a Commission on Climate Change, their progress to date, and the group's plans between now and December when the report is due. She reviewed that Governor Kaine's Executive Order charged the Commission with identifying additional steps that must be taken to achieve the goal of a 30 percent reduction in greenhouse gas emissions by 2025.

The Climate Commission was charged with five tasks: 1) inventory the greenhouse gas emissions currently in Virginia; 2) evaluate impacts of climate change on Virginia's natural resources, health of the citizens and the economy of Virginia; (3) identify what Virginia must do to prepare for the likely consequences of climate change; 4) mitigate or reduce emissions to achieve the 30 percent goal; and 5) identify approaches being pursued by other states, regions and the federal government.

Ms. Rovner explained that Secretary of Natural Resources Preston Bryant is chairing the Commission with other members of the Cabinet on the Commission. It consists of 45 members and will exist for one year. The Commission's report is due in December.

A work plan was proposed to the Commission that it modified and adopted. Meetings have been scheduled at universities around the state. Each meeting included a Commission roundtable and a public comment period.

The locations of five day-long conferences on climate change held around the state and attended by the Commission were reviewed. An organizational meeting was held in Richmond in February.

The second meeting was at the UVA Miller Center in March. The Miller Center has its own climate change initiative and may hold a conference in the fall which may be of interest to a regional entity like the HRPDC. The work of the Intergovernmental Panel on Climate Change was presented. This meeting provided information on what other states and regions are doing, what the Environmental Protection Agency (EPA) is doing as well as the Department of Environmental Quality's (DEQ's) efforts to create a greenhouse gas inventory for Virginia. Nature's role in storing carbon was also reviewed.

The Commission met at William & Mary in April. The Chairman felt it was important to hear industry perspectives early in the process. Industry was given an opportunity to speak early at the meeting to discuss what they are doing voluntarily and talk about their experience with other states' programs. The northeast states already have a cap and trade program called ReGGle. The Commission was interested to hear industry's experience with that program. The April meeting focused on Virginia's natural systems and public health.

The May meeting held at George Mason University focused more on transportation infrastructure and ports and heard about impacts on military installations and the insurance industry. Much of the data that is currently available is still at the national level so it will be a challenge to gather more specific data for Virginia. Economic opportunities associated with climate change and pending legislation were reviewed at this meeting. Senator Warner's

staff was present to review the Warner-Lieberman legislation. Another presentation was given on the economic effects of a national cap and trade program like the one proposed in the Warner-Lieberman Bill.

The last meeting was held at Virginia Tech in June with a focus on the actions of some localities. The Commission learned about the connection between climate change, land use, building practices and transportation choices. She added that Mr. Eric Walberg of the PDC staff provided a presentation to help in understanding those connections. The meeting included an update from Congressman Boucher who stated clearly that the failure of the Warner-Lieberman Bill to pass the Senate would not mean that Congress would not act on this issue. He predicted with 95 percent certainty that within two years there will be a federal cap and trade program and his subcommittee will be key to producing such legislation. A technical presentation was also heard regarding carbon capture and storage.

Ms. Rovner reviewed some impacts expected in Virginia that will be included in the Commission's report by the end of August. She reviewed that ocean acidification as a result of its absorption of CO₂, sea level rise, pollution and significant impacts to wetlands were all heard from scientists at Virginia universities that should concern the Commonwealth in terms of impacts on the Bay and the natural systems in coastal Virginia.

Another presentation shown to the Climate Change Commission included the potential impacts of global sea level rise to infrastructure.

Secretary Bryant announced at the end of the June meeting there would be four workgroups who will meet one or two times before August 27th when the full Commission meets again. An evening public hearing will be held as well as two other meetings before finalizing the report. Ms. Rovner concluded by providing the Climate Change Commission's website address and offering to answer questions.

BYLAWS CHANGES - FIRST READING

Chairman Fraim noted the Bylaws require that any changes be read twice and approved twice. He asked Mr. Farmer to read the proposed change for the Minutes.

Mr. Farmer stated the first is a change in "Meeting," and reads, "The meetings of the Commission shall be held at 11:00 a.m. on the third Wednesday of each month during the months of January, April, July and October at a place to be determined by the Chairman of the Commission." The second item is found under Article 8 under "Finances," and reads "Checks and drafts may be signed in the name of the Commission by the Executive Director, the Secretary, the Treasurer or their designee."

Mayor Frank suggested the time be changed to read "at 11:00 a.m. or as soon thereafter as may be reasonably practical," so if the MPO meeting runs late, the Commission is not in violation of the Bylaws.

He added that he believed language should be added in the second change to read "any such check, draft or other payment instrument in excess of \$10,000 shall be signed by the Chairman or Vice Chairman and the Executive Director, the Secretary or the Treasurer. This would provide some overview of large expenditures which is traditional in most organizations.

Mr. Farmer asked Ms. Collins to respond regarding the number of checks seen on a regular basis that would be over this amount.

Ms. Collins replied that there are seven to ten per month that total much more than \$10,000.

Chairman Fraim asked if the practice in the past has simply been for the Executive Director to sign them.

Ms. Collins answered this is correct. She added there are double checks and balances since she sees all invoices first, checks them for approval with the general grants or general operating budget, it then goes to the division director in charge of that particular area who then approves the invoice. It then goes through accounting, to the Executive Director or herself for signature to be sent out. Usually the Executive Director approves all checks if they are over \$5,000 before they leave the building.

Mayor Frank asked if this has ever been brought up in an audit before.

Ms. Collins replied it has not since every invoice is signed twice.

Mayor Frank stated since it has worked all this time, maybe it is not a problem.

Comr. Tuttle Moved to amend the Bylaws under "Meeting" to read "The meetings of the Commission shall be held at 11:00 a.m., or as soon thereafter as may be reasonably practical," and Article 8 under "Finances" to read "Checks and drafts may be signed in the name of the Commission by the Executive Director, the Secretary, the Treasurer or their designee;" seconded by Comr. Spore. The Motion Carried.

MID-YEAR ECONOMIC REVIEW

Mr. Greg Grootendorst, Deputy Executive Director, Economics, provided a mid-year economic review.

He noted that all aspects of the economy have been in the news recently. He stated it is no secret that growth has been in decline with the gross domestic product decreasing. He added that the general consensus among economists is that the country is not in a recession although the 2008 economy has seen a foreclosure fallout, continued increase in food and energy prices, weakened consumer confidence, a decrease in employment, the issuance of the stimulus package as well as inflation pressures.

Tremendous increases in food and energy prices are affecting the economy in many ways and pushing inflation up. In the U.S. there is inflationary pressure from a number of things such as a 5 percent increase in water and sewage, 13 percent in groceries and 22 percent in fuel oil over the past three years. In the past year, transportation inflation has been at 12 percent and transportation construction inflation at 15 percent. Some areas have seen decreased inflation such as in electronics and apparel. Hampton Roads has continued to see positive growth which maintains the economic stability of the region.

Mr. Grootendorst stated that unemployment rates are expected to continue increasing through this year and into next. He added that the unemployment rate in Hampton Roads is historically below the United States. It is also somewhat overstated by the Bureau of Labor Statistics since they do not include the military in their calculations.

In spite of the stimulus package, retail sales have been declining since people are spending that money on fuel and groceries. As a result of decreased consumer confidence, people are conserving and not spending as they usually would. The drop in sales of motor vehicles is significant with domestic cars down 24 percent over last year, imports down 19 percent and trucks down 30 percent.

One industry usually affected first by an economic slowdown is tourism. Hotel stays have been dropping since people are scaling back their travel plans. There may be a further decline in August with the Olympics being aired and people opting to stay home to watch them.

The weak dollar has boosted exports at the ports which have contributed to the growth seen over the first part of the year. However, the exports may have plateaued as manufacturers have maximized their benefit from the weak dollar which would slow the growth seen at the port.

Mr. Grootendorst reviewed there is also a drop in residential construction which will continue to drop through the end of the year. Median home prices have dropped. Currently there is a period of adjustment in the housing market and more problems can be expected both nationally and regionally with respect to mortgage resets that will take place. However, Hampton Roads has not fared as badly as the nation with respect to foreclosures.

Turning to the national economy in the consensus forecast for the remainder of the year, slow growth is expected. A dip expected in the fourth quarter is a reflection of the effects of the stimulus package wearing off.

The consensus forecast for interest rates is that they will remain low which is subject to inflationary pressure. Oil prices are expected to decline but will still be relatively high. Disposable income has decreased as people shift their incomes to groceries and fuel. Unemployment rates will continue to rise through this year and inflationary pressures continue to mount. Hampton Roads will fare better than the nation based on the region's employment base as well as continued growth and employment.

Mr. Grootendorst concluded by offering to answer questions.

RESOLUTION OF APPRECIATION

Chairman Fraim noted that Comr. Charles Allen from Newport News was present and asked him to step forward to receive his resolution.

Charles C. Allen
In Recognition of His Services to the
Hampton Roads Planning District Commission

Whereas, Charles C. Allen, Vice Mayor, City of Newport News, served faithfully as a valued member of the Hampton Roads Planning District Commission from July 1992 until June 2008; and

Whereas, he has contributed substantially to the success of the Commission's objectives through his professional insight, broad experience and strong leadership; and

Whereas, he has demonstrated his leadership through his successful efforts to enhance the role of the City of Newport News in addressing regional issues; and

Whereas, he has devoted personal time and energy toward developing a strong sense of regional cooperation among the member governments;

Now, Therefore, Be It Resolved by the Hampton Roads Planning District Commission that Charles C. Allen be recognized and commended for his outstanding service to the Commission, and is presented this Resolution as a token of the Commission's gratitude and esteem; and

Be It Further Resolved, that the Hampton Roads Planning District Commission extends to Charles C. Allen its best wishes for his future endeavors and orders that a copy of this Resolution be spread upon the Minutes of this Commission this sixteenth day of July 2008.

*Executed this sixteenth day of July 2008.
Paul D. Fraim, Chairman*

Comr. Frank Moved to approve the resolution; seconded by Comr. Hayes. The Motion Carried.

Mayor Frank commented that Mr. Allen has been an invaluable member of the Newport News City Council for many years and has served many regional organizations and groups. He added that Mr. Allen has a regional view and understanding which has helped in trying to create a regional agenda to move people and the region forward. He stated that Mr. Allen will be missed in Newport News as well as in Hampton Roads.

The Commission responded with applause.

Mr. Allen thanked the Commission for the recognition and stated it has been a valuable experience. He noted that in 1963, the basis for his thesis was regional planning.

DEQ 2008 WATER QUALITY ASSESSMENT AND IMPAIRED WATERS REPORT

Mr. John Carlock, Deputy Executive Director, Physical Planning, was introduced to provide the overview of this report.

Mr. Carlock stated he would provide some comparisons as Hampton Roads relates to the rest of the state with regard to the state water quality assessment report received last month.

Six categories of uses are designated for water bodies in Virginia. These are the basis for the state water quality standards and are what the state looks to when determining whether a water body is meeting water quality standards or not. If a water body does not support those designated uses, it is classified as an impaired water.

Five categories come out of the assessment, with the first two being that the water is clean and the water quality and management programs in those areas should maintain the uses presently supported. Category 3 is a large category of state waters and Hampton Roads

waters where there is insufficient data at this point to determine whether the standards are being met. The last two categories are the impaired waters where the data indicates the water quality standards are not being met. Mr. Carlock stated he would discuss category 5 further, those that are impaired and a total maximum daily load (TMDL) plan is needed to meet the water quality standards.

The number of impaired waters has increased which comes from more waters being assessed, better data being available and more stringent water quality standards. He added that most lakes are impaired due to constituents in fish tissue. The four beaches he spoke about last month that are primarily in the City of Newport News and classified impaired in 2006 now meet the recreational water standard and have been removed from the list.

The most common impairments include PCBs that show up particularly in fish tissue in lakes and the estuarine environment. PCBs are no longer used but are a reflection of impacts from 10-20 years ago prior to the federal ban on the manufacturing and use of PCBs. Mercury is an increasing issue with impairments in fish tissue advisories for fish consumption in places like the Blackwater River, the Nottoway River and Lake Drummond.

Bacteria remains the primary issue from both human and animal sources. TMDL is an effort to use scientific techniques to determine the amount that is human or animal and focus efforts on addressing the human portion.

Mr. Carlock reviewed a slide outlining the impaired waters in Hampton Roads with many of them having multiple impairments. The Chesapeake Bay is on the impaired waters list for a variety of reasons. Dissolved oxygen is a primary issue that relates back to nitrogen and phosphorous. The Chesapeake Bay Preservation Act addresses the phosphorous issue with tributary strategies that attempt to address the nutrient issue. The highest violation rates for dissolved oxygen continue to be in the Elizabeth River and the Pocomoke River in Maryland.

Relatively large portions of the tributaries in Hampton Roads meet the submerged aquatic vegetation which is a positive step over the last several years. The Chesapeake Bay Foundation has issued a Bay Report Card. The waters in Hampton Roads do not score well and are comparable to what has been seen in the past. This is in large measure the basis for the Chesapeake Bay Foundation's continued push at the state and federal level to do more. The Elizabeth River Project prepared a State of the River report in 2008. Some improvement has been seen throughout the Elizabeth River but is highly variable depending upon the constituent and location.

Tributaries in residential communities that are significantly better include the Western Branch and the Lafayette. As discussed briefly last month, the Lynnhaven River is very much a success story which was condemned for shellfish in 2006 because of bacteria levels. The city, state and federal agencies, and other partners have been working even before the TMDL study was completed in 2006 to address these issues. Many areas of the Lynnhaven River now meet the water quality standards and have been opened. This is in large measure due to the efforts of the city and its partners in dealing with septic tanks, stormwater management, boat discharges, etc., over the last several years.

Mr. Carlock displayed a list of activities and actions that may be appropriate in other waterways in the region as work continues to address the TMDLs. A considerable amount of money was spent in cooperation with the city's partners over the last several years to address issues such as the no discharge zone, boater education, stormwater management, the oyster restoration program and a number of special test projects that have been implemented in some lakes and best management practices.

Mr. Carlock stated the technical committee recently received a briefing from DEQ regarding this study. The general comments that came from the committee were that the water quality monitoring program must be further enhanced and maintained by the state and the region since that is an area that has received considerable budget cuts at DEQ as part of the current budget situation at the state level. He added that PDC staff has provided those comments to DEQ to consider as they move forward with the report.

Last month the question was asked whether the programs are being effective and how much is being spent. Mr. Carlock stated that staff is researching the effectiveness and cost of a number of these programs and should have an answer within the next few months. He offered to answer questions.

APPOINT HRPDC 2008-09 NOMINATING COMMITTEE

Chairman Fraim announced there would be changes to the Nominating Committee. He asked the following members to serve on the Nominating Committee:

Chesapeake:	Ella P. Ward
Franklin:	Vacant
Gloucester:	Robert A. Crewe
Hampton:	Ross A. Kearney II
Isle of Wight:	Stan D. Clark
James City:	Bruce C. Goodson
Newport News:	Joe S. Frank
Norfolk:	Barclay C. Winn
Poquoson:	Gordon C. Helsel, Jr.
Portsmouth:	Douglas L. Smith
Southampton:	Anita T. Felts
Suffolk:	Linda T. Johnson
Surry:	John M. Seward
Virginia Beach:	Louis R. Jones
Williamsburg:	Jeanne Zeidler
York:	Thomas G. Sheppard, Jr.

Chairman Fraim asked Mr. Jones to serve as the Chairman for the committee.

PROJECT STATUS REPORT

No questions or comments were noted.

FOR YOUR INFORMATION

No questions or comments were noted.

OLD/NEW BUSINESS

No old or new business was discussed.

ADJOURNMENT

With no further business to come before the Hampton Roads Planning District Commission, the meeting adjourned at 12:25 p.m.

Dwight L. Farmer
Executive Director/Secretary

Paul D. Fraim
Chairman