



**Mobile Bay National Estuary Program
Government Networks Committee Meeting
May 13, 2016
Original Oyster House
3733A Battleship Pkwy
Spanish Fort, AL 36527
7:30 am -9:00 am**

Agenda

Welcome & Review and approval of minutes

Commissioners Skip Gruber & Merceria Ludgood

RESTORE update

Patti Powell, ADCNR

MBNEP Update

Christian Miller, MBNEP

Update on Coastal Wind Insurance Reform

Charles Angell, State of Alabama Department of Insurance

Adjourn



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The Mobile Bay National Estuary Program Government Networks Committee was established to bring State agencies and regional government administrators together with local officials of Mobile and Baldwin counties to more effectively communicate local needs/understand State agency functions and priorities. The goal of this committee is to articulate innovative ways to improve communications and management of our coastal environment.

In attendance:

Guy Busby, Baldwin County Legislative Delegation; Charles ‘Skip’ Gruber, Baldwin County Commission; Merceria Ludgood, Mobile County Commission; Patti Powell, Alabama Department of Conservation and Natural Resources; Joesph Abston, Washington County Commission; James Adams, Town of Mount Vernon; Jeff Collier, Town of Dauphin Island; Melanie Baldwin (for Troy Ephriam), City of Prichard; Bill Hightower, Alabama State Senate; Scott Hughes, ADEM; Willie Long, Washington County Commission; Mike McMillan, City of Spanish Fort; Chris Pringle, Alabama House of Representatives; Tom Williams, City of Satsuma; Charles Angell, Alabama Department of Insurance; Brandon Allen, Town of Loxley; Valerie Day, Office of Sen. Jeff Sessions; Landon Smith, City of Orange Beach; Veronica Hudson, City of Saraland; Chris Elliot, Baldwin County Commission; Adeline Clarke, Alabama House of Representatives; Greg Albritton, Alabama State Senate

MBNEP Staff: Amy Newbold, Rick Frederick, Christian Miller, Dixie Pomerat

Takeaways

- The State is waiting on spending RESTORE funding, but moving forward with the establishment of the Center of Excellence at the Dauphin Island Sea Lab.
- Watershed Planning efforts are underway in Bayou La Batre, Dog River, Bon Secour, Weeks Bay, and soon to get underway in Wolf Bay. Ongoing implementation projects are focused on stream restoration in D’Olive Creek, establishment of an “Urban Conservation Corps” in TMC, and the restoration of the northern tip of Mon Louis Island and dredging of the mouth of Fowl River.
- The State Dept of Insurance is focusing efforts on making coastal insurance more affordable through the creation of a coastal band with other states, mitigating windstorm damages through retrofitting homes through grant/loan programs.

Commissioners Merceria Ludgood and Charles ‘Skip’ Gruber welcomed participants. The meeting was called to order at 8:01 a.m. and Commissioner Gruber moved to approve the minutes from the previous meeting, minutes were approved.

Next on the agenda, Patti Powell gave an update on the status of RESTORE funding. Federal Council and 10-member Alabama council had been meeting and when BP settlement was finalized, pending legislation was also monitored, economic restoration as well as ecological restoration are both a part of this. The Alabama council is moving forward through the pending Center of Excellence

for Dauphin Island Sea Lab though ongoing audits have been a lot of work and these audits are ahead of any funding -- no money has been spent at this point.

Commissioner Ludgood asked how much money is expected to be available for the Gulf Coast Recovery Council. Ms. Powell indicated that ~\$708MM from the Transocean settlement, \$56MM in Bucket 1 available for ecological restoration and economic redevelopment projects, \$50MM available in bucket 2, and \$4MM for the Centers of Excellence. Until 2017, annual allotments will be deposited in the Federal account for Alabama but the many layers of oversight still remain and states are struggling. Some planning money is available -- State Lands is trying to absorb the administrative costs, but at some point the need to access some of those funds for admin may be inevitable.

Commissioner Ludgood asked how do you audit when there has been no money? Patti said that audits are not just financial but also on performance and compliance. The Alabama Council has had an audit related to the Center of Excellence which has not yet received any money and yet the Office of the Inspector General conducted an audit anyway.

Next on the agenda, Christian Miller gave an update on the status of coastal watershed plan development and project implementation. Mr. Miller showed the group a map of all the coastal HUC 12 watersheds that identified current status as: in implementation, under development, or prioritized. Mr. Miller indicated Wolf Bay is next on the list for development; expect the RFQ in the next 4 weeks for contractors to submit proposals.

Bayou La Batre- The scope of this project has expanded due to the Corps of Engineers conducting their Alabama Barrier Island Study. MBNEP was approached by the Corps to begin the watershed plan process for Dauphin Island so they could leverage off the community engagement process (and the WMP effort would benefit from the USACE science and data gathering efforts). Major issues identified in the Bayou relate to access and resiliency and include safe harbor options for storms, water treatment plant and sanitary sewer overflows as well as stormwater issues, i.e., mitigation of litter and bacteria, and development of a conceptual recreational access trail.

Bon Secour - Added Skunk Bayou to the scope of this project and conducted a second round of meetings, characterizing the watershed, should be wrapped up by the end of the year or first quarter 2017.

Dog River/Garrows Bend – This plan should be done by the end of 2016. It is an urbanized area with litter and pathogen issues which need addressing, as well as a desire for identifying more access points. The GMC team is planning to conduct more WQ testing this summer to identify hotspots throughout the watershed.

Weeks Bay: Plan development began during first part of 2016. There has been a stakeholder workshop that focused on identifying perceived strengths, weaknesses, and opportunities. Auburn is part of the Thompson team leading this project and is in the process of developing a watershed model to address and identify impacts and management measures for the watershed.

Commissioner Ludgood asked about the status of the WMP for the Tensaw Basin. Christian said this particular watershed has complex issues related to how best to address management related to the overall drainage of the entire Mobile Bay drainage basin and is probably the most challenging WMP that will be undertaken. Amy said the process to look at available data has already taken place and the process has started, we expect this planning process to begin by the end of 2016

Tom Williams: What about Bayou Sara and Gunnison Creek? Christian said that these areas are on the priority list, but the challenge is that a lot of these watersheds are on the Federal RESTORE Council list. This money is not available yet, and could be a year away.

Patti P: The tie between funding and watershed planning, we worked closely with MBNEP, because money through both the federal Council and the state Council must demonstrate use of best available science with measureable outcomes. She described how they tried to get money for a large scale barrier island project, using what the Corps currently dredges and deposits, but they did not have the level of data needed to achieve funding. For the upcoming 19 watershed management plans, there is so much planning necessary and required, she thanked MBNEP and the PIC for their work – this wasn't a process that ADCNR made in a vacuum -- Many people on the MBNEP Management Conference helped make the decision.

Christian then addressed ongoing implementation of established WMPs

D'Olive – All this work was identified as part of the WMP. Joe's Branch - 1st step pool was done several years ago and is done and functioning well. This has spurred the restoration of the remaining portions of Joe's Branch including the addition/restoration of several retention ponds to help address stormwater flows. The largest project (~2,000 linear feet of stream restoration) in the watershed, on D'Olive Creek just south of I-10 is underway. ALDOT made emergency repairs to the culvert under I-10 and this project ties into that and terminates at the Hwy 90 culvert and is scheduled to be finished by the end of the year. City of Daphne recently completed work on the Tiawasee Creek and several subsequent restorations will take place along Tiawasee later this year. In total, these projects represent more than \$13MM of restoration work throughout the watershed.

Three Mile Creek - Working with MLKARC and the Student Conservation Association to establish a student conservation corps to engage underserved youth in the Three Mile Creek area. This work will focus on environmental projects like low-impact development and invasive species removal, and will train them in skills which will be marketable in a growing Gulf restoration economy. This is envisioned to be a six-month pilot project with 10 individuals and 2 team leaders, paid more than minimum wage with health insurance and educational stipends through Americorps. Additional upcoming projects include stream restoration in Twelve Mile Creek to stop the flow of sediment into Langan Park Lake and the development of a comprehensive invasive species management plan for the lower portions of TMC.

Fowl River – The Initial award from NFWF included funding for the WMP, sediment study, and restoration of the tip of Mon Louis Island. The sediment study was completed in 2015 and fed into the WMP, that final plan document was released last month and is available on the MBNEP website. http://www.mobilebaynep.com/assets/landing/Fowl_River_Watershed_Management_Plan_3_30_16_web.pdf

The WMP focused on 12 broad recommendations for implementation. These included engaging community in education and outreach, stormwater management projects/LID retrofits in the northern urbanizing headwaters, preserving/restoring habitat and wetlands, working to implement agricultural BMPs, and coastal restoration driven, primarily, by the residents who live along the southern portion of Fowl River. An initial restoration effort identified focuses on the stabilization and restoration of marsh and upland habitat along four spits in the coastal portion of Fowl River.

The stabilization and restoration of the northern tip of Mon Louis Island will focus on dredging the ship channel and restoring to the 1997 shoreline. Initial plans called for using the material from the ship channel to restore the marshes, but that material was found to be unsuitable. Suitable material was found in a USACE approved disposal site adjacent and offshore of the project site. That material will be used and the material dredged from the ship channel will be used to fill the hole. Orion won the bid for construction and plans to begin the project in early June which should take approximately six months to complete. Patti Powell thanked Sen Hightower for helping to identifying additional funding for this project.

Amy mentioned that this level of watershed planning and implementation is unique across the country and will be used as a model. Watershed management plans are like a strategic plan - they are a great way to identify issues and solutions. MBNEP is also working with NRCS to update the Mobile County Soil Survey, which be useful to many other agencies which can then use that data to improve services. Habitat mapping is also occurring to identify wetlands, SAV, and critical habitats which are of importance to our coastal economy and industries like fishing. MBNEP is working with the Dauphin Island Sea Lab to store and host this data and then pull it into a tool to identify important projects which can then be prioritized using science-based ranking and strategies.

Patti said that we don't have to wait until the WMP is complete before projects begin. As a part of this If you are not in the WMP, it doesn't mean nothing gets done, some actions are necessary and will rise to the top, we need a careful to balance between waiting to do everything and having the science we need to get funding.

Next, Christian introduced the guest speaker, Charles Angell, Deputy Commissioner/Actuary, Alabama Dept. of Insurance, and noted the past efforts of the GNC to prioritize coastal insurance reform through the adoption of a Resolution of Support of the HHII and its submittal to Gov. Bentley for consideration. This has helped spur efforts to reform coastal windstorm insurance and led to legislation that was introduced this session by Sen. Hightower. Mr. Angell was asked to come provide an update on efforts to reform coastal insurance.

Mr. Angell talked about Governor's Coastal Insurance Working group, which is made up of 17 members from a variety of organizations which met for two days a week for 4 months to come up with a plan for coastal windstorm insurance reform. The overall goal is to mitigate against future storm losses on the coast. The stronger the building codes/homes the easier it is to recruit new businesses to the region. Issues the group focused on:

Uninsured

- 10-20,00 homeowners dropped wind insurance because it is unaffordable
- This will impact resiliency and economic strength as time goes on
- Need an affordable option, coastal premiums are 3x those upstate

Functionally Uninsured

- 30,000 homeowners in this category
- 2-5% wind deductible to 50% of claims
- This applies to more than hurricanes: a hail storm last spring saw only 450 claims of which a third did not receive a penny after they applied appreciation

Recommendations given to the Governor in January 2016:

- Shift policies from actual cost to replacement cost including additional living expense for temporary housing - most policies in the wind pool do not have this.
- Many municipalities have updated their ordinances & laws to bring buildings up to code, this results in a 20-50% rate reduction for those in wind pool.
- Coastal Band strategy
 - Pool multiple states to combine wind pools
 - Looked at creating our own reinsurance company with coastal states, but regulatory and political hurdles were too difficult to overcome.
- Loss mitigation strategies
 - Retrofitting and strengthening building codes to reduce impact/losses
 - City of Mobile has not updated their building codes
 - Enforcement is often lacking

Charles mention that Sen. Hightower had proposed legislation to improve coastal insurance but it did not get far and they ran out of time; rate reductions and assessments were sticking points. Mr. Angell then mentioned that Governor Bentley will hold a press conference next Wednesday at 5 Rivers about upcoming reforms to coastal windstorm insurance and to pay attention for that news.

Charles then talked about the Coastal Band strategy which would seek to spread the risk pool among other coastal states. Recently representatives from the states of TX, LA, MS, NC, FL, AL met in New Orleans to work on a multi-state strategy and explore a reinsurance company as a non-profit similar to the Florida Hurricane Catastrophe Fund. This group will continue to meet and recruit other states to this effort. Initially there would be voluntary reinsurance of wind pools with no statutory requirements. Charles mentioned that reinsurance rates are unregulated and AIUA has a large profit margin 50-80%, need to carve out something from this. The volatility in reinsurance rates is high, they charge a risk load, or profit, to build up reserves for pay-out in the event of a catastrophe.

Charles talked about how savings could be used:

- Rate reductions
- Retrofits that give discounts on premiums
- Save for the next major storm event
- Wind pool could provide flood insurance too

Charles mentioned that the next coastal band meeting will be held next week in New Orleans. The State of NC is bringing technical experts and insurance brokers from London & Bermuda will also be present. Charles then mentioned the legislation related to the State's BP Settlement introduced by Sen. Hightower that did not pass. This legislation would have allocated money the Strengthen Alabama Homes program <http://www.aldoi.gov/SAH/> for grant programs to support wind mitigation projects for coastal homeowners. To Bronze, Silver and Gold levels. The final compromise introduced in this legislation would have provided \$2MM which would mitigate 400 homes a year in Alabama. The State Dept of Insurance has begun allocating this program with \$2.5MM from their own budget. Strengthen Alabama Homes is currently working on 75 homes in Africatown with the purpose of mitigating them to be able to survive up to a Cat 3 storm. Next month the program will be focusing on strengthening Habitat for Humanity homes in Baldwin County.

Other options for homeowner mitigation projects include the Federal Home Loan Bank, the Atlanta office offers \$1M a year only for low-income families. The Rockefeller Foundation provides low-interest loans which are also available through the MyStrongHome. The goal of this program is to retrofit 5,000 homes in Mobile and Baldwin County. Mr. Angell suggested that another strategy may be to approach large regional employers (eg. Austal) to offer a matching funds program through the Strengthen Alabama Homes. Mr. Angell mentioned that as of January 1st discounts similar to those for homes are available for commercial buildings that retrofit to mitigate storms. Charles then mentioned the need for a statewide building code to strengthen standards and the need to fully fund the department's investigative unit.

Mr. Williams asked about the possibility of higher deductible (\$10-20K) windstorm insurance, including replacement value, for those living in older homes. He mentioned that insurance rates are sky high regardless of how far away from water. Charles said you get into the issues of functionally uninsured to people not being able to pay those high deductibles. A solution may be to develop a high-deductible policy that includes a catastrophic savings account that would be required for those electing high deductible policies.

Commissioner Ludgood thanked Mr. Angell and asked for any other comments. Chris Elliot mentioned the importance of the watershed planning efforts by the NEP and encouraged the group to send constituents to the site of the D'Olive Creek restoration off of Hwy 90 if they are asking them "what are we doing other than planning?" Patti reiterated the importance of the planning efforts that went into identifying that project and the demonstrated success of this process to acquiring additional funding from NFWF.

Commissioner Ludgood thanked everyone for coming, and adjourned the meeting at 9:10 am.