

Actual Cost Method

Discussion of Choices and Policy Issues

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Consensus

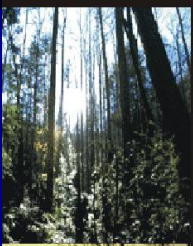
- ✓ Utilizing Inflation to Determine Actual Cost of Projects In Process
- ✓ Additional inclusion of Land Inflation Index
- ✓ Ensure Base Price equals actual current costs
- ✓ Inclusion of associated nutrients as requirements with old Tar Pamlico payments
- ✓ Use 3 year running averages to calculate average expected payments

Issues and Choices

- Geographic Application
- Frequency of Adjustment
- Establishment of Actual Cost Method in Rule

Issues Related to Policy

- “Retirement of Assets” Question
 - Timing
 - Uncertainty
 - Cost
- Nutrient Regulation and Policy
 - Tax Implications to counties for state purchased property Changes in Regulation
 - Accounting for Time Differences between Permit and Mitigation
 - Hot Spots
 - Loss of opportunity for farmers to reach reduction goals
 - Conservation In Perpetuity
 - Least Cost Requirement



Thank You!



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