

CLEAN WATER MANAGEMENT TRUST FUND
BOARD OF TRUSTEES MEETING

Virtual Meeting

Monday, May 18, 2020
1:10 P.M.

Volume 1
Pages 1 through 109

A P P E A R A N C E S

(All Parties Participated by Microsoft Team)

Board of Trustees:

E. Greer Cawood, Chairman
John Wilson, Vice Chairman
Jason Walser, Acquisition Committee Chairman
Renee Kumor, Restoration Committee Chairman
Ann Browning
Amy Grissom
Judith "Judy" Kennedy
Dale Threatt-Taylor
David Womack

Staff:

Walter Clark, Executive Director
Hank Fordham, Attorney
Will Summer, Deputy Director
Sydney McDaniel, Executive Assistant
Nancy Guthrie, Acquisition Program Manager
Steve Bevington, Restoration Program Manager
Marissa Hartzler, Stewardship Program Manager
Marie Meckman, Acquisition Program
Terri Murray, Restoration Program Assistant
Justin Mercer, Eastern Field Representative
Damon Hearne, Western Field Representative
Reid Wilson, Deputy Secretary, Department of
Natural and Cultural Resources

Guests:

Beth Farrell, NC Department of Agriculture
Sandy Sweitzer, Triangle Land Conservancy
Eric Heigl, Blue Ridge Conservancy
Winston Kutte, NestEra Energy
Bart Landess, Catawba Lands Conservancy
Leigh Ann Hammerbacher, Triangle Land Conservancy
Will Robinson, The Nature Conservancy
Bill Holman, The Conservation Fund
Jim Salley
Charlie Brady

P R O C E E D I N G S

1:10 P.M.

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The Chair: Judith Kennedy?

Ms. Kennedy: I am here.

The Chair: Renee Kumor?

Ms. Kumor: I'm here.

The Chair: Dale Threatt-Taylor?

Ms. Threatt-Taylor: Threatt-Taylor, here.

Speaker A: Sorry, Dale.

The Chair: We heard Jason just a moment ago, so I know he might be transferring over to his laptop; John Wilson?

Mr. Wilson: Here.

The Chair: David Womack?

Mr. Womack: Yeah.

The Chair: Wonderful; thank you, everyone; we will start with compliance with General Statute 138A-15, which mandates that I inquire as to whether any trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda, and if any trustee does know of a conflict of interest or the appearance of a conflict of interest, please state so at this time.

Ms. Browning: Hi, Greer; it's Ann Browning. I'm a little late getting in, but I do have

1 one thing I need to recuse myself from. It's one of
2 the items at business 1D, the discussion and vote on
3 the Middle Fork Greenway.

4 The Chair: Of course, Ann, and I'm
5 so glad you're able to be with us, and we will note
6 that conflict or appearance of conflict, so thank you
7 very much. Okay, as always with the -- this -- this
8 year --

9 Ms. Threatt-Taylor: Greer --

10 The Chair: Oh, sorry.

11 Ms. Threatt-Taylor: Yes, this is Dale. I
12 also need to state that I work for The Nature
13 Conservancy with the South Carolina chapter for this
14 one organization, so just wanted to put that in there
15 for the conflict of interest.

16 The Chair: Excellent; thank you,
17 Dale; anybody else; okay, just as a reminder for
18 everyone to please put cell phones on vibrate or turn
19 off; also, in our, you know, new world, please make
20 sure that you are muted unless you are speaking, so we
21 don't get the background noise. So next we have
22 revisions, additions, and if there are no revisions or
23 additions, I call for adoption of the agenda.

24 Ms. Kumor: So moved; this is Renee.

25 The Chair: Thank you, Renee; do I

1 have a second?

2 Ms. Browning: Second, Ann.

3 The Chair: Thank you, Ann; all in
4 favor?

5 Mr. Wilson: Aye.

6 Mr. Walser: Aye.

7 Ms. Kumor: Aye.

8 Ms. Browning: Aye.

9 Ms. Grissom: Aye.

10 Ms. Kennedy: Aye.

11 Ms. Threatt-Taylor: Aye.

12 Mr. Womack: Aye.

13 The Chair: Any opposed; great, well,
14 we will move onto our consent agenda. Sydney had sent
15 everyone the minutes from our March 2020 board meeting.
16 Does anybody have any changes or additions to that, and
17 if not, we'll ask for approval of the minutes.

18 Mr. Womack: So moved, David.

19 Ms. Kumor: Second, Renee.

20 The Chair: Everybody in favor, say
21 aye.

22 Mr. Wilson: Aye.

23 Mr. Walser: Aye.

24 Ms. Kumor: Aye.

25 Ms. Browning: Aye.

1 Ms. Grissom: Aye.

2 Ms. Kennedy: Aye.

3 Ms. Threatt-Taylor: Aye.

4 Mr. Womack: Aye.

5 The Chair: Any opposed, great; well,
6 Hank, we will move onto you to see if you have any
7 legal updates for us.

8 Mr. Fordham: Oh, I don't have anything
9 I need to go into at this point.

10 The Chair: That is always a good
11 sign, Hank; thank you very much.

12 Mr. Fordman: Okay.

13 The Chair: So, Walter, we will move
14 onto the Executive Director's update.

15 Mr. Clark: Well, thank you, Greer,
16 and welcome, everybody; I want to thank the staff and
17 the board for your diligent efforts in mastering
18 technology. It's working and this has all enabled us
19 to keep functioning as an office and a board and keep
20 things going, so I really appreciate it. Of course,
21 Hank said he didn't have anything to report today.
22 That makes me a little nervous when a lawyer says that,
23 because it probably means he's got a list that he's --
24 he's keeping on his desk of things to report later, so
25 but thanks, Hank. Hank's -- Hank's -- Hank's doing a

1 great job of keeping us on track with legal questions
2 and helping us answer things that we need to have
3 answered and that's really critically important, so we
4 really appreciate Hank.

5 Mr. Fordman: Absolutely, no, I'm not
6 keeping a list, Walter.

7 Mr. Clark: Okay, when I left Nash
8 County this morning, my calendar notice popped up and
9 it said board meeting Wilmington, North Carolina, and
10 I'm sorry to say we're not in Wilmington. We would
11 have been on the Battleship North Carolina and going to
12 a reception this evening at Bellamy Mansion, but the
13 good news is that we will be doing that next year at
14 this time, so I know Renee and some people are
15 particularly pleased about that. It would have been a
16 good trip, but alas, you know, things stepped in and --
17 and canceled it for us, but stay tuned for next year.
18 I wanted to mention a few things about what's going on
19 with the office. We will enter, as I think most of you
20 know as a state, phase 2 of reopening this Friday. Our
21 field staff, however, have been in the field for about
22 a week now doing work, making site visits and that's
23 the Clean Water Field staff, as well as the Natural
24 Heritage field staff, so they're really keeping us on
25 task for having our September funding meeting. Once we

1 get these field visits done, and Clean Water staff and
2 Natural Heritage staff are coordinating closely to make
3 that happen, we should be able to keep our schedule for
4 this fall's meeting. As far as the office in Raleigh
5 goes, we will probably, for the most part, keep tele-
6 working throughout phase 2. There are some people who
7 have been coming to the office on an as-needed basis.
8 I really want to thank Terri Murray and Sydney McDaniel
9 for coming in and checking the mail and doing the
10 things that really have to be done in person, so
11 particularly thanks to Terri. She's been here at least
12 once a week for the last two months. I want to say a
13 little bit about the funding picture as I see it, and
14 Reid Wilson may want to comment about that in just a
15 minute, but from all I'm hearing, it looks like it may
16 be August before we really know what the funding
17 picture looks like for this fall. As you know, state
18 tax returns won't happen until July 15th, so it's
19 really hard to know without seeing the income from the
20 state exactly what the budget picture's going to look
21 like. I think there's a lot of working going on right
22 now in figuring out the CARES Act and the money that's
23 coming from the federal government and how that might
24 be used to offset some of the state losses. It's just
25 a big complicated equation to try to figure out, so in

1 talking to one or two people in the legislature, I'm
2 hearing the first or second week of August before we
3 really have a clear picture of what our funding
4 situation may look like for September, so with that,
5 I'm going to turn it over to Reid Wilson here in just a
6 second, but I want to thank Reid and the department, in
7 particular, for your leadership during all of this. I
8 know it's been a struggle to try to put together
9 reopening plans and herding all of us cats out here in
10 the various divisions, but you've done a pretty amazing
11 job, as has the Governor with his leadership, so I'll
12 close for now and, Reid, turn it over to you.

13 Mr. Wilson: Well, thank you, Walter;
14 that's mighty nice of you. Hey, everybody; it is great
15 to see you, and I wish we were all in the same room,
16 but that will just have to wait for a little while. I
17 want to echo something that Walter said, which is to
18 just thank everyone for doing such a great job during
19 this really kind of crazy time. Clean Water continues
20 to just operate seamlessly and you would never know
21 that, you know, our physical arrangements are
22 completely different than they used to be, but it's
23 like you guys haven't missed a beat. Thank goodness
24 for DocuSign and other technological advances, which
25 allow us to do the work together without being in the

1 same place, and I actually went back a couple of
2 centuries this morning and put a document to Missy in
3 the U.S. Mail, so that was like a totally different
4 thing, retro-work, but we're all -- we've all had to
5 adjust, and I'm sure we're going continue to have to
6 adjust, but I just want to emphasize how great it's
7 been that Clean Water Management trust fund, I mean the
8 water fund, and Natural Heritage program have both been
9 just operating as if nothing was really different, even
10 though everything is different, and the work is getting
11 done. Walter and I were chatting this morning about
12 how there's just a few contracts yet to be signed and
13 the field staff are getting out and visiting the sites
14 as part of the whole ranking and scoring process, so
15 that is all good. Walter also alluded to the
16 uncertainty in the budget process. Yes, it is highly
17 uncertain and not only the timing, but also how much
18 money might it be. You know, back when the various
19 departments submitted their budget expansion requests
20 to the Governor's office way before COVID, everyone was
21 feeling like, ooh, this could be a magical year because
22 there's two in a half to three and a half billion
23 dollars on the table that either wasn't spent or is
24 excess revenue, all of these kinds of things. Well,
25 all those great expectations I think are going to have

1 to be lowered among all of us obviously, because
2 there's the state is spending a lot of money on
3 response to COVID-19, in addition to just receiving a
4 whole lot less revenue in terms of income tax and sales
5 tax and other forms of revenue, so we just don't know
6 what it's going to look like, and as Walter said, it's
7 going to take awhile before we know, but as always, you
8 all have this amazing track record of spending the
9 money well on projects that improve water quality and
10 help create or expand parks, and what you do is very
11 valued, not only by the public, but by the legislature,
12 so at least we have that going for us in the months
13 ahead as we try and get through this budget process,
14 and, you know, the state's financial picture obviously
15 looks a lot worse than it did three months ago, but it
16 is possible that in Washington, they will do another
17 bill at some point. I know the House passed a three
18 trillion dollar plan the other day. The Senate's not
19 going to do that, but maybe that was an opening step in
20 a negotiation between the two where they might actually
21 provide funding directly to states and local
22 governments, and if that was to happen, that would
23 mitigate the negative effects on our state budget so
24 far, which could conceivably lead to, you know, not a
25 terrible budget for 2020 and 2021, but it's all hard to

1 predict, but I'm sure we're going to be educating law
2 makers and the public from now until whenever that
3 budget process is done. The other challenge we have in
4 the department, just sort of go beyond this division,
5 is that some of our divisions that receive a lot of
6 money in receipts, whether it's the zoo with their
7 tickets or the aquariums or parks, campgrounds, they
8 are way under budget for what they would have expected
9 to make by now and they're not receiving any revenue
10 right now. So we're doing all sorts of things in the
11 department to try to figure out how to move a little
12 bit of money around to plug some of those revenue
13 holes, but it's tough, and I don't think we have all
14 the answers yet, which is why we're hopeful either that
15 the feds will change their regulations to enable twenty
16 million dollars that was passed by the legislature and
17 signed by the Governor, can be spent to fill our
18 revenue holes, and whether that happens or not, we're
19 also hopeful that the legislature, when they come back,
20 well, they're coming back this afternoon, will in the
21 coming weeks provide funding separate from next years
22 budget, in advance of next years budget, to help
23 address some of the COVID-19 problems that the federal
24 bills haven't addressed yet. So I don't know if the
25 state legislature's going to step in with additional

1 COVID funding, but we're hoping that's the case so that
2 some of our divisions, and therefore the whole
3 department, that are in not great shape financially
4 will get some relief from that. Walter mentioned phase
5 2. It is slated to begin this Friday at 5:00 P.M. I
6 think the Governor and Dr. Mandy Cohen are still
7 looking at whether the medical and health data out
8 there still warrant that. He's having a news
9 conference at 2:00, so he may have something to say
10 about that then or maybe later in the week. So the
11 only part of our department that, you know, interacts
12 with the public that has been open in phase 1 is state
13 parks and that's just been trails, bathrooms in some
14 areas, but in phase -- whenever phase 2 starts, then a
15 lot of campgrounds will open too, which will be good,
16 because then there's more revenue back into the state
17 park's division and more fun for people all over the
18 state to go do what they like to do, which is visit
19 their state parks and camp out, and they have been all
20 over the state parks this past weekend, like record
21 visitation and people not keeping their social
22 distancing and all of that mess. I won't bore you with
23 it, but it's a management challenge in forty different
24 state parks. So just be glad you guys don't have
25 buildings and parks all over the state even though a

1 lot of those parks are amazing because you guys helped
2 create them with acquisition dollars to get those lands
3 in the first place. So that's probably all I have. I
4 just -- I'll close by thanking all of you for
5 continuing to do an amazing job in this really bizarre
6 circumstances and everyone is adapting. I'm sure we're
7 going to have to adapt some more, but just keep up the
8 great work. You're doing great things together, and
9 I'll hang out for a while and then I've got to go at
10 some point, but I like listening to these meetings
11 because it's like real work; thanks.

12 The Chair: Thank you, Reid, so much.

13 Mr. Wilson: I'm going to mute myself
14 now.

15 The Chair: Okay, thank you for your
16 leadership and support of Clean Water and what we do;
17 it means a great deal. So now good --

18 Mr. Fordham: Greer?

19 The Chair: Yes.

20 Mr. Fordham: This is Hank. Could I --
21 I probably should make a couple comments just about
22 that the new bill that the General Assembly passed to
23 help with meetings during COVID, if I could just go
24 over a couple of points on that. So we just need to be
25 careful about some procedural things so that any

1 member, when you speak today, you should identify
2 yourself anytime that you participate in the
3 deliberation, if you make a motion, propose amendments,
4 base points of order. Basically, it would probably be
5 a good idea is each time somebody speaks to say this is
6 so and so and expect that. We need to be sure that any
7 documents that are considered are provided to each
8 member of the Board of Trustees. All votes need to be
9 roll call and then, you know, just go through each
10 person and have them vote. On chats, instant messages,
11 texts, or other written communications between members
12 of the trustees that in any way relate to the public
13 business during this meeting or public records, that's
14 specifically in the statute, so just be sure that -- I
15 would say avoid that -- doing those things during the
16 meeting about the public meeting, you know, business of
17 the public meeting. The notion is that anyone with the
18 public who's able to observe, to capture all of the
19 comments that could affect any decision or
20 consideration that the trustees make. I think that's
21 it.

22 The Chair: Thank you, Hank; that was
23 -- that was good advice for us trustees.

24 Mr. Fordham: Okay, and if you have any
25 questions along the way, feel free to just ask me.

1 The Chair: Great, will do; now if we
2 have members of the public who would like to make
3 comments, you're welcome to at this time. Just as Hank
4 had mentioned, please identify yourself and you're
5 limited to three minutes per person, so any members of
6 the public that would like to speak to the board today.
7 Okay, I am hearing none. We will move onto the
8 business portion of our agenda, which will begin with
9 Jason Walser doing our acquisition committee report and
10 recommendations. Jason, I'll hand it over to you.

11 Mr. Walser: Hello; well --

12 Ms. Grissom: Greer, --

13 Mr. Walser: Go ahead.

14 Ms. Grissom: Just one quick question
15 from me; at our committee meetings, we had people who
16 were joining in just identify themselves so that we
17 know who's on the meeting in addition to the board.
18 Could we do that as well now?

19 The Chair: I'm guessing that, Will
20 -- that's a great idea, Amy. Will, do you have a list
21 of attendees so that board members know who are on the
22 call? That might be the most expeditious way to do
23 that.

24 Mr. Summer: I think that's a great
25 idea, Greer. Let me read off who I have written down,

1 and if anyone has called in at a number that I can't
2 identify their name, please speak up afterwards, but
3 otherwise if I call your name, and you're a member of
4 the public, no need to chime in afterwards. So I've
5 got Bart Landess from Catawba Lands Conservancy, Bill
6 Holman. Diane Byrd is our court reporter, Elizabeth
7 Farrell, Winston -- Winston Kutte. I'm sorry if I'm
8 mispronouncing that. Leigh Ann Hammerbacher, Jim
9 Salley who is a --

10 Ms. Grissom: Hey, Will?

11 Mr. Summer: Yes.

12 Ms. Grissom: Could you go just a
13 little bit slower, please?

14 Mr. Summer: I -- my apologies.

15 Ms. Grissom: That's okay.

16 Mr. Summer: Are you caught up to this
17 point?

18 Ms. Grissom: I got to Elizabeth, who I
19 think is the court reporter.

20 Mr. Summer: Diane Byrd is the court
21 reporter.

22 Ms. Grissom: Oh, Diane; okay, so
23 Elizabeth is?

24 Mr. Summer: Elizabeth Farrell;
25 Elizabeth, I believe, Elizabeth, are you with Ag, is

1 that correct? Maybe let her chime in later. Winston,
2 and Winston, I apologize it's K-U-T-T-E.

3 Mr. Kutte: That's correct.

4 Mr. Summer: Okay, Leigh Ann
5 Hammerbacher from Triangle Land Conservancy, Jim Salley
6 who is a part-time temp working with Marissa to do some
7 GIS work on our stewardship, so he's -- he's one of our
8 folks actually; Sandy Sweitzer also from Triangle Land
9 Conservancy, Will Robinson from The Nature Conservancy
10 and that is all I've got written down, so if any of the
11 other folks that have joined since I made my list, if
12 you didn't hear your name mentioned, please speak up at
13 this time.

14 Ms. Grissom: Okay, thank you, Will and
15 Greer.

16 Mr. Summer: Not a problem at all.

17 The Chair: Thank you, Amy, great
18 idea; Jason, we'll now hand it over to you.

19 Mr. Walser: Okay, so the acquisitions
20 committee has met, I believe, three times over the
21 course of the last month and a half or so, a lot of
22 activities going on. We are as -- as Reid said, almost
23 under contract, or maybe it was Walter, with all of our
24 grants, and we have the unique and enjoyable position
25 of having a little extra money to determine what we do

1 with it today, which is kind of unusual. I don't know.
2 Are we supposed to jump right in on the agenda? I
3 believe Marissa is up next to talk about the Triangle
4 Land Conservancy amendment request. Are you ready,
5 Marissa, to roll with that?

6 Ms. Hartzler: Absolutely, thank you;
7 this is Marissa Hartzler.

8 Mr. Walser: Thank you.

9 Ms. Hartzler: Perfect; so this is an
10 action item that came out of committee to the board.
11 This is a request to amend the conservation easement
12 that was recorded as part of, and this is coming to the
13 board per the board's amendment policy, because this is
14 a request of adding reserve rights and that's not a
15 technical language correction, nor an adjustment to the
16 spacial boundary, and so it's not delegated that the
17 staff must come to the board. NextEra Energy Resources
18 is a Florida-based global energy company that's working
19 with Duke Energy and they're attempting to build a
20 solar facility on property that is adjacent to the
21 Viles Preserve and the state's conservation easement on
22 about 230 acres. This facility would need to connect
23 to the existing Duke Energy substation, which is east
24 of the Viles Preserve, and I'll show you on a map in
25 just a second and so NextEra has proposed to the

1 Catawba Land Conservancy an underground utility line
2 that would run under the Viles Preserve; however, the
3 existing conservation easement does not allow for
4 drilling, installation of utility lines, nor commercial
5 rights of passage. On the map here, this is actually
6 slightly updated from what the committee saw at our
7 last meeting and that is to directly reflect the
8 questions that were asked by the committee. The area
9 in blue is the Viles Preserve and the state-held
10 conservation easement. To the west, you'll see a
11 property outlined in black here and that is the
12 proposed location of the solar facility, and the
13 boundary between these two properties is the south fork
14 of the Catawba River. Originally, we had a purple
15 section here, this line. That was the proposed
16 location for the underground utility; however, going
17 back and amending this, actually have this area that's
18 bounded in green as being the probable location. That
19 was just a suggestion. This is probably more realistic
20 a window in which the underground utility would be
21 situated. Unlike a conventional above ground power
22 line, there would be no tree cutting, nor easement
23 clearing, and instead NextEra would use horizontal
24 drilling. They would drill down on their property and
25 transition to horizontal drilling under the river and

1 under the conservation easement and pop back out on the
2 other side at which point it would likely be an above
3 ground power line and connect into the existing Duke
4 infrastructure you can see on the ariel, this power
5 line here. In doing so would require no surface
6 alteration during installation or during the
7 maintenance of the line. If anything went wrong, they
8 would actually drill again off-site on the other
9 property, and I do want to note that the depth for
10 drilling here would be 50 to 60 feet. I believe in the
11 committee meeting it was stated as 50 to 60 inches, but
12 I just wanted to clarify that it is indeed 50 to 60
13 feet in depth. So with easement amendments, we often
14 discuss conservation benefit analysis, which is the
15 Counsel of State requirement that easement amendments
16 shall have net positive impact to the conservation
17 values. This conservation easement was actually
18 recorded prior to the enacting site requirement, and so
19 it is exempt, but it's important to note that the staff
20 opinion is that there would be no impact to the
21 conservation values of the property given that it would
22 be 50 to 60 feet below the surface of the property. In
23 addition, NextEra is proposing contributing additional
24 conservation benefit via the donation of 15 acres of
25 wood plain of the South Fork of the Catawba River

1 either by donating it in fee or in an easement to sell
2 fee and that should be determined in the future, and it
3 was this additional conservation area that the
4 committee also wanted some clarification on and so all
5 parties, we got back together, and we discussed this
6 and had confirmed that the additional conservation
7 acreage would be a minimum of 15 acres, which you can
8 see here in the yellow hatching and that it would have
9 at least 100 feet of riparian buffer on the river,
10 which is the sort of the orange color running down
11 here, so you can see that even that at its narrowest
12 point, it's still getting 100 feet of riparian buffer,
13 and so while this may change, as things are negotiated,
14 it will be at least 15 feet of additional conservation
15 land and 100 feet of riparian buffer. I do want to add
16 that there's some discussions that are ongoing that
17 could actually result in additional conservation land
18 beyond what is shown on this map in exchange for a
19 longer run that would be outside of this green box, but
20 those are ongoing and it is too early to know whether
21 those will be the likely path forward and so the
22 request for the board today is to approve, deny, or
23 amend the committee recommendation that there will be
24 100 feet of buffer width and 15 minimum acres of
25 additional conservation land for this proposed utility

1 easement to be in the green box as shown on the
2 previous map, and that if anything were to change with
3 this, pending future discussion, future geotechnical
4 survey and results, that we would bring this back to
5 the board for amending approval and moving forward, but
6 as it stands asking for an amendment in this
7 approximate area in exchange for 15 minimum acres and
8 100 feet of riparian buffer. I'm happy to take any
9 questions.

10 Ms. Browning: This is Ann Browning.
11 Just one question, I'm curious if the buffer is
12 adequate to protect the view shed from the river, that
13 100 feet?

14 Ms. Hartzler: I have not been on the
15 property and so I can't particularly answer that,
16 although I will say that I believe the original purpose
17 for the funding was to protect the riparian buffer of
18 the river, so this would be very on par with that
19 initial funding purpose.

20 Ms. Browning: This is Ann again. This
21 is in general, I feel like we have to be very careful
22 about easement amendments, but with the additional land
23 offered and the lack of disturbance of the property, it
24 certainly seems like a fair trade off to me.

25 Ms. Grissom: I also just want to say

1 that I like the work area having been limited to a
2 certain area and some specifics of minimum buffer and
3 donation of acres, so thank you for that work since the
4 committee meeting.

5 Mr. Fordham: Ann, can you identify
6 yourself just real quick?

7 Ms. Grissom: Apologies, that's Amy.

8 Mr. Walser: The acquisitions
9 committee did wrestle with this quite a bit and felt
10 similarly to the idea that stressed so far that on the
11 surface there would be limited impact and we did meet
12 the threshold of accomplishing greater land
13 conservation with the riparian buffer so. We did --
14 again, it's already been said the acquisition committee
15 did move forward with making the recommendations of the
16 full board that we consider approving the request as
17 presented.

18 Mr. Fordham: The court reporter maybe
19 needs to speak up if you don't know who's speaking.
20 That was Jason.

21 Mr. Walser: I'm sorry, Hank. Yes,
22 I'll try to remember to do that; thank you, Hank.

23 Court Reporter: I got it; thank you.

24 The Chair: Jason, this is Greer.
25 Since it comes as a motion from the committee, we don't

1 have a second, so I think we can vote on this.

2 Mr. Walser: That's my understanding.

3 The Chair: Okay, all in favor,
4 Greer, say yes.

5 Mr. Wilson: Aye.

6 Mr. Walser: Aye.

7 Ms. Kumor: Aye.

8 Ms. Browning: Aye.

9 Ms. Grissom: Aye.

10 Ms. Kennedy: Aye.

11 Ms. Threatt-Taylor: Aye.

12 Mr. Womack: Aye.

13 The Chair: Oh, we need to do roll
14 call. I'm sorry. So Greer's a yes; Ann Browning?

15 Ms. Browning: Yes.

16 The Chair: Amy?

17 Ms. Grissom: Yes.

18 The Chair: Judy?

19 Ms. Kennedy: Yes.

20 The Chair: Renee, Renee -- I think
21 you're muted, Renee.

22 Ms. Kumor: Okay, yes, I'm sorry;
23 yes.

24 The Chair: Wonderful; Dale?

25 Ms. Threatt-Taylor: Yes.

1 The Chair: Jason?

2 Mr. Walser: Yes.

3 The Chair: John?

4 Mr. Wilson: Yes.

5 The Chair: David?

6 Mr. Womack: Yes.

7 The Chair: Great; then we have no
8 noes, so we can move on from that one; thank you,
9 Jason.

10 Mr. Walser: Okay, so our next order
11 of business is the reimbursement of transaction calls
12 on a project billed to close and Nancy's going to lead
13 us on this discussion.

14 Ms. Guthrie: Thank you, Jason, and
15 yes, this is Nancy Guthrie. I'm on staff with Clean
16 Water. The discussion around this item came about
17 because it's been a practice of the acquisition program
18 to reimburse for transactional cost, such as the
19 appraisals, environmental assessments, surveys, title
20 works -- title work prior to the project closing with
21 one of our partners, and this has been the practice to
22 help the partners cover cost and repay vendors as soon
23 as possible. It does have the potential of exposing
24 the Clean Water funds to some risk of paying for all of
25 the due diligence and not having the project complete,

1 in which case the owner has an appraisal paid for, a
2 survey paid for, et cetera, but then we do not have the
3 project that the partners in the fund had expected to
4 have. So there may be various reasons that a project
5 fails to close. It could be because they're exceptions
6 to the title or other legal issues that can't be cured
7 or the landowner may decide not to go forward, and
8 there has not been any policy guiding this practice.
9 Fortunately, it's been uncommon, but in the few cases
10 where we have had this situation, it heads back to the
11 committee and the board, but we feel like that sets up
12 the possibility of almost arbitrary or a case-by-case
13 decision by staff and also the need to come back to the
14 board for each time this may happen. There are some
15 costs that need to be spent to get to the final
16 purchase price. The appraisals, the environmental
17 assessment, and all of that does take some staff time,
18 so the staff had asked the committee to consider really
19 defining where that line is, that staff has the
20 authority to reimburse some of these necessary funds to
21 establish the final contract price, but it doesn't
22 expose the fund to risking -- to the risk of funding
23 all of the due diligence and not kind of equally
24 sharing that risk with the partners, but then at the
25 same time, this will protect the partners, our grant

1 recipients, from also knowing that when they are
2 working in good faith to get to this one point, they
3 are in fact a partner with us and not entirely asked to
4 take all of that risk either. So the committee
5 recommendation after this discussion is to establish a
6 policy that when an acquisition project fails to close,
7 staff is authorized to reimburse up to 50 percent of
8 the cost of appraisals, the environmental assessment
9 phase 1, and reasonable staff time and then it is
10 understood that any costs over that amount may still be
11 considered by the board, but it would not automatically
12 be approved by staff, so I will stop there and take any
13 questions from any members.

14 Ms. Browning: Nancy, it's Ann Browning.
15 Would that include costs that might be in incurred
16 before the projects were approved?

17 Ms. Guthrie: We do not reimburse for
18 project -- for costs before an award and that is really
19 governed by more state budget policies, that Clean
20 Water can reimburse for any costs after the award
21 through the contract period.

22 Ms. Browning: Okay.

23 Ms. Guthrie: What we do with those
24 costs, because there are costs that our partners do
25 expend is we count them as a match credit and that

1 policy -- that would stay the same.

2 Ms. Browning: Great; thank you.

3 Ms. Kumor: Nancy, I don't understand
4 that explanation. This is Renee. Ann asked the
5 question I was interested in. We wait until we have
6 awarded the acquisition funds and then the contractee
7 moves forward with finalizing the purchase. If those
8 things fall by the way, and if in fact they -- it goes
9 to completion, we would grant them match for any
10 expenses they have, but are you saying if it doesn't go
11 to completion, then we reimburse for 50 percent of what
12 they may have invested after they received our
13 contract? I'm trying to understand where we pay and
14 where -- with -- if I understand correctly, if we
15 haven't awarded them an acquisition contract, we will
16 not reimburse if -- them any money. Is that --

17 Ms. Guthrie: Right.

18 Ms. Kumor: Okay, if after -- yeah,
19 if after they have the contract, we would count any
20 expense they had as a match, if this goes to
21 completion.

22 Ms. Guthrie: So this is assuming that
23 we are under contract.

24 Ms. Kumor: Yes.

25 Ms. Guthrie: So there are two

1 different ideas I think that are coming together here.

2 Ms. Kumor: Okay, okay.

3 Ms. Guthrie: So under contract, if no
4 expenses were incurred before the contract, we will pay
5 up to 50 percent, split the cost with what has been
6 expended since the contract time. As a regular
7 practice, if an organization pays for typically
8 appraisals before a contract or before an award is
9 made, that is not going to go into the budget as an
10 expense eligible to be reimbursed by Clean Water. It
11 will only be eligible for their match.

12 Ms. Kumor: Oh, okay, thank you;
13 thank you.

14 Ms. Guthrie: Okay.

15 The Chair: Okay, every --

16 Mr. Walser: Any other questions?

17 The Chair: Yes.

18 Mr. Walser: Go ahead, Greer. Go
19 ahead.

20 The Chair: That's exactly where I
21 was going, Jason; thank you. Hearing no other
22 questions, we can move for a vote since this again it
23 does not need a second. So we will begin; Greer, aye;
24 Ann?

25 Mr. Walser: Aye, Jason; I'm sorry,

1 sorry.

2 Ms. Browning: Ann, aye.

3 The Chair: Amy?

4 Ms. Grissom: Aye.

5 The Chair: Judy?

6 Ms. Kennedy: Yes, I agree.

7 The Chair: Renee?

8 Ms. Kumor: Yes.

9 The Chair: Dale?

10 Ms. Threatt-Taylor: Aye.

11 The Chair: I heard Jason's aye;

12 John?

13 Mr. Wilson: Aye.

14 The Chair: David?

15 Mr. Womack: Aye.

16 The Chair: Wonderful, all in favor;

17 back to you, Jason.

18 Mr. Walser: All right, so the next

19 item on the agenda is the revised sections of the

20 policies to allow exceeding for the appraised value;

21 Nancy, back to you.

22 Ms. Guthrie: Okay, thank you; this is

23 an item that committee discussed that with staff that

24 sometimes there is a need paying above an appraised

25 value or the fair market value of property to complete

1 a greenway project, in particular, when it's that last
2 piece or simply the next property in line and there are
3 not a lot of other options as to where to run your
4 greenway or in the case sometimes with local
5 governments establishing a park or some other type of
6 open space, and the policy was originally developed
7 within the context of discussing eminent domain where a
8 landowner was not willing to sell it at an appraised
9 value and the policy was established to try and, you
10 know, give local governments a little more negotiation
11 and a little bit of ability to go above appraised value
12 in order to avoid eminent domain. As we worked through
13 this with the committee and through the discussions,
14 the feeling is still that the policy as it was
15 originally written was very broad in giving local
16 governments the ability to pay up to 20 percent over an
17 appraised value in any circumstance and so wanted to
18 narrow that down and make it more connected to the
19 greenway projects, to local parks where the local
20 governments or grant partner has fairly limited
21 options, and it's not they can just move on away from
22 that piece of property and go to find another willing
23 seller somewhere in town. So the committee recommends
24 revising an existing policy that again limits the
25 original broadness of the policy that allowed a

1 government to pay 20 percent over, but then also
2 expanding the ability to nonprofit organizations to
3 negotiate for greenway properties with landowners. So
4 in the board packet, the rewritten agenda, and I
5 believe Will just put it on the screen, but number 6 is
6 the focus that for greenways and acquisitions by
7 municipalities and counties the Clean Water staff may
8 reimburse 10 percent greater than the appraised value
9 not to exceed \$20,000. Any amount over this must be
10 considered by the Board of Trustees. This policy will
11 apply to greenway projects completed by nonprofit
12 corporations if it will avoid the use of eminent domain
13 by a local government and partner, and in doing that,
14 section 7 of the policy is no longer needed and number
15 5 becomes reworked a little bit to run more smoothly
16 into number 6. So let me take questions from members
17 on this item.

18 Ms. Browning: Nancy, this is Ann, just
19 a question. So is it the purpose of paying over
20 appraised value you still tied it to a board in the use
21 of eminent domain, so that's the intent there that it's
22 just for those circumstances and that we need to be
23 convinced that that's the purpose for the overpayment,
24 or how does that work?

25 Ms. Guthrie: This is for the greenways for

1 the nonprofit organizations. You know, it does need to
2 be that they do not have a willing owner paying above
3 the fair market value, will kind of convenience the
4 owner or help make that decision, and it should be in
5 partnership, yes, with local government that does have
6 the power of eminent domain, and we do want to avoid
7 just that litigation if we can. Otherwise, it's -- the
8 policies are very -- have been written very clearly
9 that nonprofits may not pay over appraised value, and
10 if so, Clean Water will not participate in any way. So
11 this is trying to get a little bit more negotiation
12 with the nonprofits when they are partnering with a
13 local government on greenways.

14 Ms. Browning: Ann again, and for the
15 local government, it's the 10 percent premium does not
16 necessarily need to be tied to eminent domain, or I'm
17 trying to understand that distinction seems to be made
18 when there's a nonprofit partner. Am I reading that
19 right?

20 Ms. Guthrie: Well, because the local
21 governments have that authority, whereas, nonprofits do
22 not, --

23 Ms. Browning: Right.

24 Ms. Guthrie: -- and I think part of
25 your earlier question also is I think are we going to

1 make them demonstrate that they are willing or they
2 were about to go into the process of eminent domain and
3 I think with this, and before staff were to approve the
4 amount over, we would certainly want to know what
5 communications there were. I think we would certainly
6 ask, you know, what the negotiations with the
7 landowners had been to that point. I do not envision
8 actually having anything, you know, drawn up like this
9 is going in the certified mail tomorrow if you don't
10 approve this, but I think definitely, and we do this
11 now, you know, ask back and forth of what
12 communications have you had, how is the negotiation
13 been going, what are the expectations, so without
14 putting that in a policy, I think that's very much part
15 of the discussion staff would have before paying and
16 certainly at any point this allows us to come to the
17 board whenever we are unclear.

18 Ms. Browning: Okay, great; that's
19 helpful; thank you.

20 Ms. Threatt-Taylor: Nancy, if I can ask a
21 question, you know, I think about Wake County and how
22 land prices sometimes can really be off the chain and
23 they have this great greenway systems, but I can
24 imagine there might be a property that the appraised
25 value is way up there a little bit. Can they bring the

1 project with the request for reimbursement just up to
2 the 10 percent even though there's some more, and
3 they're just figuring out how to get a donor to cover
4 that part or something like that, you know, or do they
5 have to come back to the board for the 12 percent is
6 over the appraised value or something like that?

7 Ms. Guthrie: That's a great question.
8 The way it is handled now is any amount over an
9 appraised value for nonprofits, Clean Water will not
10 participate at all, and I would see this policy going
11 forward as revised that if someone did want to go 15
12 percent, or I'll use your example of 12, it's so close,
13 but that is where staff does not have the authority to
14 go beyond that, but if the board cared to, then the
15 board with the public input with all of the different
16 views around why in certain areas of the state or in a
17 particular project it would be helpful to do so. This
18 would not limit the board from allowing Clean Water to
19 participate. It just would put a bright line where
20 staff would be authorized to go forward with the
21 project or pause and bring it to you all.

22 The Chair: Hearing no other
23 questions, Jason, I think we're ready to move to a
24 vote. So again, it's from committee, so it doesn't
25 need a second and I will call roll call or Greer with

1 yay; Ann?

2 Ms. Browning: Yes.

3 Court Reporter: Excuse me. This is the
4 court reporter. There's static. I'm not hearing the
5 last two after Greer and then Ann. The next two were
6 really muted.

7 Ms. Grissom: Yes, I heard the static
8 as well. This is Amy, and I say yes, thank you.

9 The Chair: Thank you, Judy?

10 Ms. Kennedy: Yes.

11 The Chair: Renee?

12 Ms. Kumor: Yes.

13 The Chair: Dale?

14 Ms. Threatt-Taylor: Yes.

15 The Chair: Jason?

16 Mr. Walser: Yes.

17 The Chair: John?

18 Mr. Wilson: Yes.

19 The Chair: David?

20 Mr. Womack: Yes.

21 The Chair: Okay, that is all of the
22 trustees. Thank you very much, everyone and Jason,
23 before we move onto the next item, which is 1D, we do
24 want to bring up two of the conflicts of interests or
25 appearance of conflicts -- conflicts of interest. On

1 project 2019-004, the Blue Ridge Conservancy, Ann is
2 recusing herself from that and on item 2019-047, the
3 Nature Conservancy project, Dale is recusing herself
4 from that one, and so I'll turn it back to you, Jason.

5 Mr. Summer: Jason, this is Will
6 Summer. Can I let you know two more folks that have
7 joined on from the public before we continue, please?
8 Charlie Brady and Eric Heigl, both from Blue Ridge
9 Conservancy, have been on since the beginning and were
10 muted when were announcing, so I just wanted to let
11 everybody know they are out there as well; thank you;
12 sorry for the interruption.

13 Mr. Walser: Thank you; staff is
14 getting ready to take over anyway. We have some --
15 some funds left, and I'll let staff tell you to the
16 penny how many funds we have to allocate today, so
17 these are 2019 funds from last year that we have left
18 to allocate, and I believe staff's going to take over
19 and tell us how much we have. The acquisitions
20 committee did look into this, looked into how best to
21 proceed, and I'm going to let the staff sort of walk
22 you through where our thinking is now, but we do
23 anticipate a healthy and hardy conversation about this
24 moving forward, so, staff.

25 Ms. Guthrie: This is Nancy Guthrie

1 again, and I will start this off. Just as a little bit
2 more of a background for the members who are not on the
3 acquisition committee. In September, the acquisition
4 committee created a provisional list that at that time
5 everyone thought was deep enough. It was about five
6 million dollars beyond what the committee had during
7 that day, but a few of the projects from that list
8 found other funds and do not need to be funded and then
9 two projects that were funded also have received funds
10 from other sources. So we find ourselves now with some
11 additional funds, and I'm looking up the exact amount,
12 and I will get that for you in just a minute, but at
13 the end of April, the acquisition committee discussed
14 the options on what should -- how these funds should be
15 handled and decided at that time to recommend adding
16 project 2019-004, the Blue Ridge Conservancy Middle
17 Fork Greenway Project, to the provisional list and this
18 is a project that was reviewed in September. It was
19 not added to the provisional list at that time because
20 the list stopped just short, again, of everything that
21 had been reviewed. It is a viable project the
22 landowner is ready to move forward with it, so the
23 committee felt that that was a good project to add to
24 the list, and I'm still trying to get a file to open as
25 it is slowly doing so. The committee also decided in

1 the end of April to hold off on other options for the
2 remaining funds and maybe have that discussion today,
3 so I now have the exact amount to the penny for you.
4 The balance remaining today is \$255,781.59, so
5 \$256,000. We will receive license plate revenue for
6 May and for June. It's very difficult for us to know
7 what amount that will be. Previously, it could have
8 been estimated to be about \$300 to \$350,000 per month,
9 so, you know, up to \$700,000 in addition would have
10 been a comfortable estimate in the previous years. At
11 this point, we don't know that exact amount, but it
12 will be -- we are hopeful, you know, some amount that
13 could be put toward a few more projects or a project or
14 two and make another meaningful acquisition project
15 this fiscal year. So the way this is looking right now
16 is to continue with the committee recommendation of
17 adding the Middle Fork Greenway project to the
18 provisional list. That project is about \$219,000,
19 which would leave the committee today I'm going to say
20 \$36,000 plus the license plate revenue for the next two
21 months and staff is prepared to discuss not only the
22 Bridge Ridge Conservancy application but the other
23 projects that were reviewed and did not -- was not put
24 on the provisional list and help you all think through
25 what the committee and the board wants to do with the

1 remaining funds and, you know, I'll just -- the last
2 thing I'll say is if you remember back to the funding
3 meeting, that was the day where the budget for Clean
4 Water was very much in flux. There was a lot of
5 questions, how deep we should go on the provisional
6 list, so the committee reviewed quite a few projects
7 and then made a more conservative provisional list
8 based on just what was available at that time and again
9 it has turned out that we now have some more room that
10 we could add more projects and, Jason, I do not know if
11 you want to go ahead and have the discussion or
12 presentations or just --

13 Mr. Walser: Yeah, but --

14 Ms. Guthrie: -- let us know how you
15 want to discuss your options.

16 Mr. Walser: Unless there are any
17 objections, I think we had anticipated having the
18 discussion about the projects that were there on the
19 cusps and the 69 through 71 range. I think Damon and
20 Justin were prepared to present, I think, more
21 information would be -- would be better and lastly, I
22 guess it's worth sharing now that we discussed at one
23 of the meetings possibly just holding onto this money
24 and moving it forward to the next funding cycle, and we
25 have decided in the acquisition committee, but of

1 course the board could decide something different. We
2 had decided it might be better to go ahead and extend
3 all of the funds that we have available to us unless
4 there might be funds miss or not miss, reappropriated
5 for other compelling emergency needs in the state
6 government. So we're thinking that we probably would
7 be well-advised to fund as many projects as we possibly
8 could right now. With that, I think unless anybody has
9 objections, I would recommend that we turn it over to
10 staff to review the projects on the cusp.

11 Ms. Guthrie: So the first one there
12 will be Damon with the Blue Ridge Conservancy Middle
13 Fork project.

14 Mr. Hearne: All righty, you all let me
15 know if you can see the slides. I assume it's coming
16 through.

17 Ms. Guthrie: I've got them, yes.

18 Mr. Hearne: So reviewing 2019-004
19 Blue Ridge Conservancy's Middle Fork Greenway Section 3
20 acquisition, they're asking for \$219,519 to acquire 11
21 acres. This is in Watauga County between Boone and
22 Blowing Rock. Blowing Rock is down here. Boone is up
23 here on the greenway and that reflects to get into
24 those details. It is a little bit --

25 The Chair: Wait a second, Damon. We

1 have a few people who don't have their computers muted
2 or their phones muted, so if everybody could just make
3 sure they're muted; all right, thank you.

4 Mr. Hearne: Thanks; okay, so a little
5 bit a zoom in map, you can see the property location
6 here about halfway between Boone and Blowing Rock along
7 the Middle Fork New River. This will be 11 acres in
8 fees and Clean Water and municipal funds. It would
9 allow extension of the Middle Fork Greenway and a
10 continuation from -- nearly a continuation from current
11 existing projects and adjacent to previous Clean Water
12 projects, and we also need to protect it by declaration
13 of restrictive covenants or other approved conservation
14 agreements and ultimately transferred to Watauga
15 County. The property, as you can see, lies between and
16 across or along the side of US 321 and across both
17 sides of the North Fork New River. I'll advance to the
18 slide that has a draft schematic of the potential trail
19 and a couple of reserve rights pieces here. You can
20 see the bullet point of reserve rights, which are
21 parking on existing fill area, as well as a picnic
22 pavilion and kiosk, and that's this gray area here that
23 a previous landowner got a permit to fill up to the
24 height of the road. You can't really tell from the
25 ariel photography, but the bottom land here is maybe

1 10, 12, 14 feet below the roadway, and so this is a
2 very convenient and good pull off site right here that
3 would be used for -- for some amenities. The greenway
4 would run along the stream. There may be some benches
5 and passive picnic and access points along the stream.
6 There would definitely need from the stream
7 restoration. The stream is kind of fairly close to the
8 trail location and that would be pulled back a little
9 bit, and this area would be, right here in the middle,
10 if not a little bit longer than that would be restored
11 and stabilized. They also hope to, when the funds and
12 times available, to build the universal access fishing
13 pier somewhere on this property and have the right to
14 loop in bridge abutments that would get the trail from
15 this property on down the road. They are in the middle
16 of, and have been successful in raising funds for
17 design and permitting for the bridges required along
18 this section, and when this property is closed, they
19 would be able to, well, basically show they're ready to
20 start engineering designs and work, but of course, they
21 don't want to spend money on designs and plans for a
22 section of greenway that can't be built yet, so once
23 they acquire this property, then they'll move forward
24 with those plans. So Middle Fork New River is a water
25 supply for moderate drinking waters, surface

1 classification and wild trout water. It's about 1,520
2 feet. It will allow for the extension of the Middle
3 Fork Greenway around just above -- all the 1,600 feet
4 of trail would be added. This is a picture of the last
5 section of the Middle Fork Greenway before it goes
6 across a bridge onto our 2018 property and then onto
7 the property we're on, so you can see what the greenway
8 looks like just before it ends or the current ending.
9 They've got a mile completed and 2.2 miles in a
10 construction phase. Here's the greenway schematic
11 between Boone -- Boone and Blowing Rock, and the star
12 is the property here. So it would be accessed on a
13 regular basis, of course, with people walking on the
14 greenway daily and Blue Ridge Conservancy and other
15 routes may do guided hikes or App State some class
16 research out there. It's kind of high threat just
17 because of the commercial corridor in this area being
18 actively marketed \$519,000 project in total with
19 Watauga County putting in the matching funds; any
20 questions on that one? All right, I'll turn it back
21 over to you all.

22 Mr. Walser: Okay, what is the next
23 project you're able to review for us?

24 Ms. Guthrie: The next project on the
25 list is submitted by Wildlife Resources Commission

1 Clemons Tract, and Justin will have a presentation on
2 this one.

3 Mr. Mercer: Thank you, Nancy; this is
4 Justin Mercer. Let me get the presentation pulled up
5 here and, of course, now would be the time where my
6 PowerPoint stops working, so give me just a moment. I
7 apologize.

8 Mr. Walser: Well, as you pull that
9 up, let me apologize. I went in to get a bottle of
10 water and Stanley was having lunch, and I thought I had
11 the mute button on. I apologize for being disruptive
12 before. This is -- such is technology.

13 Mr. Summer: Nancy, do you want to say
14 something about the Triangle -- I mean the Nature
15 Conservancy Project, which is the next one while
16 Justin's working on pulling up that?

17 Mr. Walser: He's got it pulled up
18 now. Lets take it in order.

19 Mr. Summer: Well, Justin I'll put it
20 up for you and run it from here if -- if that works.

21 Mr. Mercer: Okay, it looks like it's
22 here now. All right; all right, can everybody see my
23 first line here?

24 Speaker: Yes.

25 Mr. Mercer: Okay, perfect, so sorry

1 about that; I had everything pulled up and ready to go,
2 and it decided not to work for whatever reason. So
3 here we have project 2019-034, the North Carolina
4 Wildlife Resources Commission with the Clemons Tract at
5 Columbus County Gamelands. Quick note about this one,
6 you'll see some numbers crossed out here. We don't
7 ordinarily or we wouldn't ordinarily make a bunch of
8 changes after our original funding meeting, but in this
9 case, the Wildlife Commission has resubmitted the
10 application for consideration in 2020, and in doing so,
11 they came up with some additional matched funds and in
12 having conversations within the last week, they were
13 content with having the lower request presented to you
14 all today, so the original request for this project was
15 \$75,000. That has now been reduced to a request of
16 \$54,000 out of a \$180,000 total to acquire 100 acres.
17 The project is located in Brunswick County right near
18 the South Carolina line. We have this red star right
19 in the center. There's another project just downstream
20 of this one that was the Nature Conservancy's River
21 Stone Jenrette Tract, which I believe was recently
22 funded from the provisional list, but right here is the
23 Clemons Tract that we are looking at now. A little bit
24 better zoomed in picture here, you can see the tract
25 outlined in yellow directly adjoins a piece of Columbus

1 County Gamelands and for this project WRC would protect
2 100 acres in fee using Clean Water Management trust
3 fund and federal funds. It will be managed by the
4 Wildlife Commission as part of Columbus County
5 Gamelands and a 100 foot stream buffer in all other
6 qualifying portions of the property will be dedicated
7 under the State Nature Preserves Act. For those of you
8 that may not be familiar with how WRC manages their
9 properties, they typically have a predefined management
10 plan of some sort for a given parcel that they follow
11 and so this one will be no different. They'll have a
12 management parcel for the larger or management plan for
13 the larger Gamelands unit as a whole. It's also worth
14 mentioning right here that just to the east of this
15 project shown kind of roughly in red here is another
16 parcel that is currently owned by the state of North
17 Carolina, but not assigned to any specific agency for
18 management. The hope is that if the Wildlife
19 Commission can acquire the Clemons Tract that having
20 that bridge between existing state of North Carolina
21 property and existing gamelands, they'll be able to get
22 that parcel officially assigned to the Wildlife
23 Commission and essentially increasing the publicly
24 accessible gamelands by an additional 100 acres beyond
25 what we're being asked to fund here. The Waccamaw

1 River borders much of the tract just under a mile of
2 stream frontage or river frontage, the Waccamaw River
3 being class C and swamp waters, and there are
4 exceptional wetlands identified along the tract. The
5 entire 100 acres is classified as wetland. The
6 Waccamaw River or sorry, Waccamaw island, savannah and
7 bottom lands natural area, as well as the Waccamaw
8 River aquatic habitat are both rated exceptional.
9 There are eleven known element occurrences including
10 sand and mud bar, blackwater draw down subtype, pod
11 lance and Waccamaw spike all of which are defining all
12 of which are defining element occurrences for one of
13 the two natural areas on site. I also have the state
14 threatened Waccamaw River Spider Lily and Cypress-Gum
15 Swamp, Blackwater subtype, as well as several other
16 element occurrences including additional subtypes of
17 Blackwater bottomland, forest, and sand and mud bar.
18 This site will be open to the public access as a public
19 gamelands. When I showed the map earlier, it looked
20 really wet out there. That photo must have been taken
21 after a big storm, because the roads are certainly
22 navigable; however, the vehicular access will be
23 limited to management by the Wildlife Commission. A
24 gate will be placed right at the edge of the property
25 so folks can drive up and park right at the gate and

1 then access the property on foot or by water from the
2 Waccamaw River. Interesting on this one, as far as the
3 threats, I have noted here the presentation that the
4 property is likely to be put on the market if WRC does
5 not purchase. In fact, the landowner is actively
6 waiting to put it on the market pending a decision from
7 Clean Water as to whether or not we will fund this
8 project, so pretty obvious there that if this property
9 is not funded, that it will be on the open market. I
10 did go ahead and update the numbers here to reflect the
11 change in budget. Total project cost is \$180,000 with
12 70 percent match coming from the federal aid and
13 Wildlife Restoration Act also known as the Pittman-
14 Robertson Act and one last thing with the summary here,
15 it did score a 70 and it's worth noting that the
16 changes to the budget are not reflected in the score at
17 this time; any questions?

18 Mr. Summer: Well done, Justin; thank
19 you.

20 Ms. Guthrie: Okay, thanks; this is
21 Nancy Guthrie, again. The next project on the list
22 that you have is the Nature Conservancy 421 Sandridge
23 Tract. This is a tract that has very high natural
24 heritage value. The Nature Conservancy has been
25 working for quite some time with the owner and working

1 on this tract; however, when we talked with them about
2 the possibility of a reduced amount of the provisional
3 funds, they let us know that the landowner and TNT are
4 just not at a point right now to come to an agreement
5 on purchase price, and they feel it's better to keep
6 their 2020 application in for this project, give this a
7 few more months for negotiations and essentially with
8 -- requested that we just move onto the next project
9 and not give them a smaller grant, so we will do that,
10 and the next project to consider is 2019-065, the
11 Triangle Land Conservancy Little Beaverdam Creek. You
12 can also see this is a 1.2 million dollar request. We
13 will not have that amount of funds available. Though
14 we have talked with Sandy Sweitzer and Leigh Ann
15 Hammbacher both of who are on the call today about
16 the possibility of reduced award and being able to
17 maybe reduce the scope or to make up those funds and
18 still have a meaningful project and that seems very
19 doable. Justin has a presentation on this, and he will
20 also cover an option for scaling this back. I'll let
21 Justin give the presentation.

22 The Chair: Justin, while you are
23 getting that pulled up, we've got some knocking noises
24 in the back, so again, a reminder for people to go on
25 mute unless they're speaking, please.

1 Ms. Guthrie: Greer, I apologize. That
2 is actually a contractor at my house, so I will ask him
3 to take a pause if it gets really bad, but I'll go on
4 mute.

5 The Chair: Thank you, Nancy.

6 Mr. Mercer: All right, thank you,
7 Nancy and Greer; this is Justin Mercer again. I've got
8 the presentation pulled up for project 2019-065
9 Triangle Land Conservancy is requesting 1.2 million
10 dollars out of just under 4 and a half million to
11 acquire 365 acres known as Little Beaverdam Creek
12 Slopes. This project is located in Wake County near
13 Falls Lake right near the somewhat close to the
14 Granville County line and Durham over here. A little
15 bit better view here, we can see kind of the extent of
16 Falls Lake here with all of the vast conservation area
17 shown in green around it and our subject parcels here
18 in red. Triangle Land Conservancy would protect 365
19 acres in fee using a combination of Clean Water, local
20 government and private funds. Triangle Land
21 Conservancy did actually purchase 46 acres of match
22 property in December 2018, which is this parcel right
23 down here. They would seek to place a Clean Water
24 easement on 270 plus acres of this, which would include
25 this area down here to have a state health easement and

1 then a Wake County easement would overlap on all
2 acreage. They have requests of a number of reserved
3 rights with this tract including mountain biking, but
4 originally they requested a one-time thinning of
5 loblolly pines followed by a one-time harvest that has
6 shifted a little bit as some additional activities have
7 taken place on property since this project was
8 originally put in front of us. The property is owned,
9 currently owned by a timber management company and they
10 have actually done some thinning since then, which has
11 actually reduced the need for restoration efforts.
12 They would still like to conduct some limited
13 restoration activities, but would not be doing the kind
14 of wholesale clear-cut and replant strategy that we
15 originally discussed. They've also requested the right
16 to build a non-motorized boat access, provide access to
17 the pond here in the middle, which is owned by a
18 separate landowner and then potentially build some rest
19 room facilities and parking in some of the match areas.
20 Knowing that we are -- it's unlikely that we get to the
21 full 1.2 million dollar request with the available
22 funds, Triangle Land Conservancy has provided us with a
23 potential match or sorry, phased or scaled back
24 scenario, that it's worth noting that this is just a
25 projection at this point, and we don't really know the

1 exact acreage or the exact amount of money until the
2 license plate revenue comes in. That being said, this
3 particular scenario would have us right around 164
4 acres or so. This would include all of the known
5 natural heritage values on the tract. There's a
6 natural heritage area, which we'll discuss in just a
7 minute that kind of follows the creek down through
8 here. So this scenario would protect all of that as
9 well as a fairly significant amount of riparian buffer.
10 They would request the same limited vegetation
11 management for restoration purposes. This would not
12 include any clear cuts. It would primarily involve
13 going into some of these areas that have historically
14 been managed as pine plantation, doing some under
15 restored plantings of hardwoods, potentially creating
16 some pocket grassland areas in places that are already
17 open and suitable, but again, would not go to the
18 extent of clear cutting and starting from scratch.
19 Again, I will note that the final numbers, as far as
20 acreage in the exact boundary, will be sort of
21 negotiated in and managed by Nancy as part of the
22 contracting phase should this project be funded. One
23 of the things that was mentioned in September was that
24 we didn't have a or I didn't include a lot of pictures
25 originally of the pine stands and unfortunately the two

1 pictures I have here I can't say that they were from
2 the exact same spot but this is kind of what that area
3 of pines looked like last spring when I first went out
4 and saw the project. I mentioned that the property had
5 been thinned a little bit, so this is more along the
6 lines of what things look like now, much further along
7 the way towards being able to restore this to some sort
8 of native forest type in the long-term. Repairing
9 buffers, there are a number of different tributaries
10 and Little Beaverdam Creek itself on the property,
11 which is a water supply for a critical area. Buffers
12 will protect almost 10 miles with 26 acres of wetland.
13 The Little Beaverdam Creek slopes natural area is rated
14 high with two known element occurrences including the
15 state threatened Douglas Bittercrest, which is a
16 defining element occurrence and the Piedmont Mesic
17 Forest, Piedmont subtype. The tract will be open as a
18 publicly accessible nature preserve. TLC is
19 coordinating closely with Wake County Parks and
20 Recreation, as well as some other groups to offer
21 public access. They'll offer occasional guided hikes,
22 and the opportunity exists for some other potential
23 partnerships to offer other educational activities.
24 The area is seeing rapid residential development. The
25 other picture or the picture I have here of the houses

1 is the Yardley Subdivision, which is directly adjacent
2 to the match tract that TLC purchased in 2018, so there
3 is readily available evidence that this area is
4 developing and being in Wake County and in close
5 proximity to Falls Lake is extremely likely that this
6 area will continue developing for the foreseeable
7 future. The total project cost is 4.4 million dollars
8 with 73 percent match coming from the landowner market
9 sale, Wake County parks and open space bonds, and the
10 Upper Neuse Clean Water Initiative, and with that, I
11 will take any potential questions.

12 Mr. Womack: This is David Womack. I
13 was trying to follow your math, and I was -- so if we
14 do the partial, it's down from originally the 245 acres
15 to 145 acres. I was trying to follow the math on the
16 reduction in the number acres that we'll be putting --
17 we'll be preserving if we do the partial match --

18 Mr. Mercer: Yes, sir; the original
19 acre -- or the original -- or the entire project is 365
20 acres. Their kind of phased scenario was sort of
21 operating off the loose idea of maybe getting around a
22 half a million dollars, which will be, I think it was
23 something like 42 percent of the original request, and
24 based on that, based on getting 42 percent of the funds
25 from us, they felt like they could probably get 45

1 percent of the project done, with making up match in
2 other areas, so the 164 acres was roughly 45 percent of
3 the total acreage.

4 Mr. Womack: Okay, and just in
5 thought, the narrative led me to believe that if we do
6 the partial, if it's 45 percent of the acreage, it will
7 be more than 45 percent of the critical habitat and
8 natural heritage acreage, is that correct?

9 Mr. Mercer: Yes, sir; the plan here
10 has been described to us is that if they were given a
11 partial award, they would go ahead and protect the most
12 significant parts of the property with this initial
13 award and then would keep their application in for 2020
14 potentially to phase the rest of it, and should it
15 score high enough and should the board decide to fund a
16 subsequent phase, but you are correct that the -- sort
17 of the most important things, as far as at least as far
18 as getting the natural heritage elements protected
19 would certainly be included in this first phase.
20 That's not to say that the rest of the riparian buffers
21 on the tract are not important, but protecting one
22 tributary on this property is not necessarily any
23 different than protecting another, so they would be
24 sort of prioritizing the most significant areas of the
25 property.

1 Mr. Womack: Okay, thank you.

2 Mr. Walser: And along the same lines,
3 this is Jason speaking, Jason Walser; the UNCWI, or
4 whatever that acronym is, from Wake County, have they
5 signed off on continuing to participate with this
6 proposed phasing?

7 Mr. Mercer: So that is one of the
8 things that will potentially come into play with a 2020
9 application. The UNCWI funds that they have committed
10 a portion of their funds, but it's one of those things
11 where sometimes other organizations wait to see what
12 we're going to do before they fully commit. So the
13 hope is based on what Triangle Land Conservancy has
14 told me, the hope is that if we commit a portion of
15 funds, then maybe that will encourage some of the other
16 funders to come through with their own commitments. It
17 sounds like based on what I know that it -- this
18 project fits very well with what those other funding
19 organizations missions are. It's just a matter of them
20 wanting to know that it's a viable project from a
21 funding standpoint otherwise, so there are high hopes
22 that should this project get even a portion of the
23 funds from Clean Water that those other funding sources
24 will be pretty quick to follow.

25 Ms. Threatt-Taylor: That's what I kind of

1 felt too. I was thinking about open space with county
2 open space that if funds are used now, quickly with
3 this we don't lose the Wake County's fund. I'm worried
4 about local government seeing money being snatched back
5 and polled, and I've been there before when all of a
6 sudden things that were obligated in dire straits,
7 folks begin using an eraser when it was written in ink.
8 I don't know how they did it and so being able to move
9 forward on something like this might hold if this was a
10 one-time response because it will be a long time before
11 Wake County passes probably another open space bond,
12 you know, since it just did it, so I'd hate to lose out
13 on that money. One other thing, what I don't see on
14 the maps is the topography. If I'm remembering
15 correctly, that's some beautiful rolling topography up
16 in there, elevation differences up in that area, right?
17 Is that -- I don't -- you might not know, Justin.

18 Mr. Mercer: You're right, especially
19 in the areas where there are existing hardwood buffers.
20 There's a fair amount of topographical change for this
21 part of the state, and so especially in those hardwood
22 areas, it's a really pretty place.

23 Ms. Threatt-Taylor: I would hate to see that
24 developed. I know -- I could just imagine the sediment
25 that would be going into that water supply if houses

1 are put on that.

2 Mr. Walser: All right, let's move on
3 to the next project, which I guess is the Three River's
4 Land Trust.

5 Ms. Guthrie: Well, Jason, this is
6 Nancy --

7 Mr. Walser: Okay.

8 Ms. Guthrie: -- and I would like to
9 suggest that because the Triangle Land Conservancy that
10 tract is a 1.2 million dollar request and they have
11 worked out a scenario to scale that back that maybe we
12 pause and see if the idea of the Blue Ridge
13 Conservancy, the Wildlife Resources Commission and
14 partial funding of the Triangle Land Conservancy Little
15 Beaverdam Creek would be kind of the best options to
16 maybe discuss funding those. I really do not think
17 that we need to go beyond Triangle Land Conservancy in
18 the amount of funds that we would have available.

19 Mr. Clark: Objection, that would
20 certainly -- those three projects are approved. It
21 would certainly exhaust the potential funding that we
22 would have currently available until we see some
23 license plate revenue.

24 Speaker: I'm sorry. I think I knew
25 that. I just thought that we were doing all of the --

1 in the same score.

2 Mr. Clark: Okay, sorry about that.

3 Ms. Grissom: I have a few questions.

4 This is Amy. When we left the acquisition committee
5 last time, it was the recommendation of the staff that
6 we would not consider partial funding of any projects
7 on the provisional list and I believe it was John who
8 made the request to, you know, have presentations so
9 that we could review the ones that were on the list
10 that had scored 70 and I guess 69 because Middle Fork
11 was 71, and it seemed like people were sort of okay
12 with that, so it was my understanding that we were
13 going to review on down the list and there was no
14 discussion at the last committee meeting about asking
15 for amended applications. So I just -- I have a little
16 bit of concern about that. I just -- I feel like, you
17 know, when we funded projects, we funded like the first
18 what 26 of the 66 projects that we had. So there's,
19 you know, the vast majority of the projects that, you
20 know, that the applications that we had from 2019 they
21 aren't having the option to amend and, you know, not
22 that we would want to get into rescoring everything,
23 but it seems like all of the ones that you presented
24 already have 2020 applications in and were being
25 presented 2020 application material when we're working

1 on the 2019 budget.

2 Mr. Mercer: I would just add that
3 that was only -- that wasn't necessarily based off of
4 the 2020 applications. It was more a conversation that
5 I had with those two outfits last week to make sure
6 that I could present to the trustees the most up-to-
7 date information possible. So neither one of the
8 projects that I presented really changed their
9 application for 2020 with the exception of the budget
10 for the Clemons Tract and with it being a lower
11 request, I thought that it was something that the board
12 may be interested in hearing but that, to my knowledge,
13 is the only change aside from having discussion with
14 Triangle Land Conservancy as to what a partially funded
15 project might look like, and Nancy and Walter may have
16 had additional conversations if they want to -- they
17 want to chime in.

18 Mr. Summer: Yeah, I'll chime in,
19 Justin. I think one of the differences is the last
20 time the committee met was, the committee was clear
21 about funding Blue Ridge Conservancy because that was a
22 whole project. There was some concern about Wildlife
23 Resources Commission because there was some thought
24 that they maybe had their money somewhere else.
25 Clearly, they don't, but the other thing that happened,

1 Amy, was sort of the idea that it would probably be
2 good to expend most of our funding for the year. I
3 think last time the committee met, it was thought that
4 we would take whatever was left after funding Blue
5 Ridge Conservancy and maybe Wildlife Resources and just
6 roll it into the next fiscal year because we weren't
7 going to be able to fund any other project wholly that
8 was next on the list, but now, you know, what we're
9 hearing is that if there are good projects or parts of
10 projects that are good that could be funded, it might
11 be wise to go ahead and fund those. So that led to the
12 discussion with Triangle Land Conservancy about
13 Beaverdam. So that's the difference, I think, one of
14 the differences from the last time we met as a
15 committee.

16 Ms. Grissom: Yeah, that was just a
17 surprise to me, because I had no expectation that there
18 was going to be an amended presentation. I thought we
19 were just going to get the presentations that we had
20 from last time, and I'd still like to see the other
21 presentations with the materials that we got from Will
22 to prepare for this meeting. We got six or seven from
23 Will that would be reviewed, so I would still like to
24 see those.

25 Mr. Wilson: Hi, it's John here. So I

1 don't recall specifically making the request that we go
2 all the way down through 69. I may have but I would be
3 okay stopping either now with this TLC presentation
4 that we just saw or maybe for the sake of fairness also
5 including the final 70, the Three Rivers Project. If
6 Amy would like to see the 269, great, I'm all for it,
7 but I do have a question regarding the TLC modified or
8 possible modification. Don't we have a lot of
9 precedent of when we get to the end of a provisional
10 list -- haven't we funded partial projects before?
11 Haven't we done this sort of dialogue with applicants
12 and said, you know, we only have X percentage of
13 funding available to you off of the provisional list?
14 Can you make this project work?

15 Ms. Guthrie: Yes, this is Nancy.
16 That's exactly what happens at the end of each year as
17 we get to the end of the provisional list and had
18 Triangle Conservancy said no to that, then I would go
19 and consider, you know, have the same conversation with
20 the next on the list, but this is, in fact, what
21 happens when we get down here at the end of the year on
22 the provisional list.

23 Mr. Wilson: I'm sure Triangle Land
24 Conservancy and Clean Water staff have talked about
25 this, but isn't there also the possibility that by

1 Triangle Land Conservancy trying to make the dollars
2 that we have available work towards acquiring the most
3 important, the most significant parts of that project,
4 could it potentially negatively impact their score on
5 the remaining project for 2020?

6 Ms. Guthrie: It could and we did have
7 that conversation with them, you know. They're aware
8 of that. The other possibility on the much more
9 optimistic side, which we just don't know in this
10 climate, is that they would be able to then
11 aggressively fund-raise or use Clean Water's leverage
12 and even reach into some of the remaining areas and
13 reach beyond just what kind of perfect percentage or
14 proportional to our budget would allow them to fund, so
15 I think part of their thinking also was to take this,
16 try to use it at leverage to other organizations, see
17 if they can't make up some of the difference.

18 Mr. Wilson: Okay, thank you, and
19 again I'm fine seeing additional presentations, one or
20 three, whatever Amy or anybody else wants. I'm fine
21 stopping now, but I'd be perfectly happy to see a
22 couple more presentations.

23 Ms. Grissom: John, just to
24 clarify, I don't know that you did at the committee
25 meeting suggest 70 and 69, you know, projects there. I

1 do remember you just saying, you know, let's see some
2 more and I guess I just assumed we would see all of
3 those since they were the presentations that were sent
4 in advance of this meeting as if all of those would be
5 reviewed.

6 Mr. Wilson: Okay.

7 Ms. Guthrie: So we did send everything
8 that was presented previously, but, staff, we will
9 leave it up to Jason or Greer for some guidance on
10 where to move from here.

11 Mr. Walser: So I guess the first
12 question is, the easy question, again this is not
13 coming as a recommendation from acquisition committee
14 and for our reporter, this is Jason speaking. I guess
15 the first question is, are we settled on the first two,
16 which were higher ranked? And we had already discussed
17 funding if possible, which would be the Greenway, The
18 Blue Ridge Conservancy, and the Wildlife Resources
19 Commission tract in Brunswick County. Are we okay with
20 both of those?

21 Mr. Wilson: I think we are from what
22 I can hear.

23 Mr. Walser: Is there any opposition
24 with moving forward with those two?

25 Mr. Womack: Hello, this is David.

1 I'm fine moving forward with those two.

2 Mr. Walser: Okay.

3 Ms. Grissom: This is Amy. I agree.

4 Mr. Walser: Okay, so we'll make that
5 recommendation in a little bit. The next one is, do we
6 want to look at the other score of 70, which is the
7 Three River's Land Trust Dassow Tract. I think that
8 looking at two others with a lower score, which we've
9 already reviewed may not be of any great benefit at
10 this point, but I do think with the similar score, it
11 might be worth taking a few minutes to at least discuss
12 that, if you're not prepared to fully review it;
13 thoughts on that; any other thoughts?

14 The Chair: I concur, Jason. It's
15 Greer. I think that's a good idea.

16 Mr. Walser: Okay, so if staff is
17 willing and able to give us a little review of the
18 Dassow Tract from Randolph County, that would be I
19 think helpful.

20 Mr. Mercer: All right, let's get it
21 pulled up here.

22 Mr. Walser: Thank you, Justin.

23 Mr. Mercer: All right, again, this is
24 Justin Mercer. We have project 2019-058 Three Rivers
25 Land Trust is requesting \$339,000 out of \$540,000 to

1 acquire 100 acres or I should say to protect 100 acres
2 known as the Dassow Tract on Talbots Branch. This
3 project is located in Randolph County near the Birkhead
4 Mountains Wilderness area just to the southwest of
5 Asheboro. We can see a little bit better right here.
6 We've got the parcel shown in red surrounded by other
7 conservation lands most of which is part of the Roaring
8 National Forest. Also as shown here and I'll mention
9 it again in a minute parts of the Uwharrie Trails shown
10 crossing over onto this property. Here we have the
11 property. Three Rivers would protect 100 acres under
12 easement using Clean Water and private funds. This
13 project was -- the property was actually purchased by
14 Three Rivers in March 2019, so purchased prior to our
15 original funding meeting back in September and so this
16 would be an easement only project in which the land
17 trust is requesting partial reimbursement based on
18 easement and value. Talbot's Branch does run through
19 the property, which is Class C waters, really, a pretty
20 little stream running through here. My pictures don't
21 quite do it justice. I will admit though that the trip
22 down to the creek wasn't bad, but going back up the
23 hill was not something that I'm in a hurry to do again,
24 some steep terrain in this area for my region. Buffers
25 would protect roughly 4,400 linear feet and the -- it's

1 worth mentioning the highest scoring riparian buffer
2 value on this tract is a drinking water susceptibility
3 rating of higher. The entire property is part of the
4 Birkhead Upland Forest Natural Area, which is rated
5 exceptional by the Natural Heritage Program. It is
6 worth mentioning that we've seen this application on a
7 number of times including in 2018 where it didn't score
8 particularly well because the -- we were told and Three
9 Rivers Land Trust was told, that the landowner had
10 actually sold -- already sold the timber on the project
11 or on the property, so unfortunately, we were unable to
12 score it for natural heritage at the time, but
13 evidently that was the result of some sort of
14 miscommunication from the landowner. He had, in fact,
15 not sold the timber, but that's one of the reasons why
16 Three Rivers was in such a hurry to go ahead and
17 purchase this for a Clean Water decision. So the
18 timber is still in place. We were able to score it for
19 natural heritage this time. There are five known
20 element occurrences including Dry Oak Hickory Forest,
21 Piedmont Subtype; Piedmont Monadnock Forest, Typic
22 Subtype; and Piedmont Alluvial Forest; in addition to,
23 Mesic Mixed Hardwood Forest, Piedmont Subtype, and Dry
24 Mesic Oak Hickory Forest, Piedmont Subtype. The
25 property will be opened to the public with access via

1 the Uwharrie Trail. As I mentioned a few minutes ago,
2 parts of the trail do run through this property, as you
3 can see right here. There wouldn't really be access to
4 the or facilitated access to the entire property, but
5 certainly through this area that has part of the
6 Uwharrie Trail, they would keep this opened, which is
7 one of the reasons for acquiring the property since
8 this historic trail does run through here, and they
9 want to make sure that it is permanently available and
10 open for public use. The land trust will conduct
11 occasional guided hikes on the site and again, as I
12 mentioned before, the landowner did intend to harvest
13 the timber, so Three Rivers went ahead and purchased
14 the property in March of last year. Total project cost
15 is \$540,250 with 37 percent match largely coming from a
16 landowner bargain sale and with that, I will take any
17 questions.

18 Ms. Grissom: So I just would like to
19 point out that it's for service land, but it's not just
20 for service. It's actually wilderness area of the
21 Uwharrie National Forest that borders this property on
22 three sides, so it has the highest level of protection
23 from the forest service and there weren't any pictures
24 of vegetation. I mean, did Natural Heritage make it
25 out there to do a botanical survey throughout the year?

1 Mr. Mercer: So they have gone out
2 there before. The only or the only occurrences that I
3 identified were community occurrences, which is --
4 which were the forested pictures, but they did not
5 identify any specific individual species on that tract
6 that are particular species that they track or are
7 threatened or rare.

8 Ms. Grissom: Yeah, that just seems
9 surprising to me, because when you look at the overall
10 ariel view, I mean it's all intact forest. There's
11 been no disturbance there other than the National
12 Recreation Trails, and they've been there since the
13 '70s.

14 Mr. Walser: So this is Jason. I have
15 a quick question. Did they apply for 2020 for this
16 property?

17 Mr. Mercer: They did not. I think
18 and I can't specifically speak for them, but given that
19 it was -- the application had been submitted three or
20 four times previously, the score of 70 on this one is
21 the highest score that it's received out of any of
22 those submissions, so given the fact that they had
23 submitted a number of times and had not been funded
24 combined with the fact that they did already purchase
25 it, and so the immediate threat was reduced. I believe

1 that's likely why they did not submit it again this
2 year, though it would have been eligible had they
3 chosen to submit it again.

4 Mr. Womack: Any thoughts or
5 questions?

6 Ms. Grissom: So we don't know if they
7 took out a loan or got private money or what?

8 Mr. Mercer: I do not know the
9 specifics, but they -- all I know is that they opted
10 not to resubmit in 2020.

11 Ms. Grissom: Okay, and they didn't give
12 additional information prior to this meeting where
13 funding decisions are being made, no contact then?

14 Mr. Mercer: No, we didn't. I did not
15 reach out. We -- the guidance I got was not -- did not
16 anticipate getting this far down, but I could reach out
17 to Crystal now if it would help the process.

18 Ms. Guthrie: I will -- this is Nancy.
19 I think on that, since it has been purchased, whatever
20 their source of funds, we don't ask people ever
21 directly if you own it, and we purchase a conservation
22 easement, what will you do with that money so, you
23 know, there's no connection to the source of funds that
24 were used to purchase it. It would just be whatever
25 future projects they have. It just would may or may

1 not directly go to this and that's just not --

2 Ms. Browning: I don't know if anyone
3 else has trouble, but Nancy's screen was freezing and I
4 only heard every few words.

5 Speaker: Mine froze for a minute.

6 Ms. Guthrie: My comment is since they
7 own this, we came out to them -- we can certainly do
8 that, but it's not a project that they have to put
9 together. It's simply a taking reimbursement using
10 that money for a future project, not for the project in
11 front of us and just that we don't kind of inquire on
12 the back end the financial how people use money that
13 they are given to reimburse a property they already
14 own.

15 Mr. Wilson: Hi, it's John. Nancy,
16 could you or someone just briefly explain to us how
17 this Three Rivers Project ended up at the bottom in
18 terms of the tie breaker with the other four projects
19 scoring 70?

20 Ms. Guthrie: I would have to look back
21 at the details of this, which I don't have in front of
22 me, but I will say the first tie break is the resources
23 score and then the second is the match source and
24 percentage and then public access, but on this one, all
25 of these have some level of public access, so it would

1 be the combination of the other projects having higher
2 resource value and a greater score on the match.

3 Mr. Wilson: Okay, thank you.

4 Ms. Guthrie: Tiebreakers are hard. I
5 had to come up with a system, but yeah, 70 indicates
6 all of these are solid projects with the scoring system
7 that was put in place.

8 Mr. Wilson: Both of these projects
9 are great projects. There's no doubt. They're both
10 really good projects, so does anybody have a strong
11 feeling?

12 Mr. Womack: Jason, this is David
13 Womack. Just for the purposes of discussion, I'd like
14 to put a motion on the floor and if it survives a
15 second, I'd like to put some discussion for the motion.
16 I'd like to make a motion that we partially fund the
17 Triangle Land Conservancy's request for funding for the
18 piece there by the -- yeah, I think it was a Bear Creek
19 or the one right by the --

20 Mr. Walser: Beaverdam Creek?

21 Mr. Womack: Yeah, thank you.

22 Mr. Walser: Do we have a second to
23 that motion?

24 Ms. Threatt-Taylor: Second.

25 Mr. Walser: That's the funding for

1 Beaverdam Creek? Okay, second; who was that, Dale?

2 Ms. Threatt-Taylor: Dale.

3 Mr. Walser: Okay, if --

4 Mr. Wilson: What is the reasoning for
5 making a motion? I agree 100 percent. I think this is
6 a toss up and it's obviously a direct result of what we
7 face every year, which is just not, you know, too many
8 projects and not enough money. I think that the reason
9 I would like to see the Triangle be served is number
10 one, that area is on steroids. It's busting loose in
11 every which a way that you can imagine and if we can
12 just get a stake in the ground up there and make some
13 kind of commitment. I think we -- that commitment may
14 be leveraged to other organizations or to an existing
15 partners in that stakeholder, you know, to step up and
16 fund it a little bit more, so I think it can be used as
17 leverage, and I think it's important to consult that
18 area. The urgency outweighs things in my mind.

19 Mr. Walser: Thank you, David, and
20 Greer, I want to apologize to you for usurping. I was
21 thinking this was an acquisition committee. This is a
22 full board discussion, so I should have let you take a
23 second and call for discussion, so I'm going to let --
24 I'm going to turn it over to you for now on. I'm
25 sorry, Greer.

1 The Chair: This is Greer. Jason, no
2 problem whatsoever and actually it is under
3 acquisition, so you are correct in moving the way you
4 are.

5 Mr. Walser: Okay, well, thank you.

6 The Chair: I just want to thank
7 David for his thoughtful comments, which I agree with.
8 I'm glad that we -- Amy, thank you for bringing it up
9 so that we saw the other projects scored 70, but I
10 think David's thinking and mine are right in line, so
11 thank you for that, David.

12 Ms. Browning: I would just like to say,
13 David, too and, Greer, I totally get the threat from
14 development and the higher values of land, and I
15 totally get that there are worthy projects that have
16 been owned by timber companies and have been heavily
17 forested. Like I am -- I am all about that. I also
18 both see that, you know, there is a threat, and I think
19 it's a shame that, you know, multiple years that we
20 can't preserve this historic section of the trail and
21 the only wilderness area in the Piedmont but, you know,
22 because that's a threat and a resource that, you know,
23 is important as well, but that's it; thank you; thank
24 you all.

25 Mr. Walser: Thank you, Ann; others

1 who haven't weighed in if we move forward, we have a
2 motion and a second. We're still in the middle of
3 discussion. The motion, as you recall, is to fund
4 Little Beaverdam Creek with partial funding to the
5 extent we're able using an unspecified amount of
6 license plate revenue that we'll be receiving soon.

7 The Chair: I'd just like to amend
8 that motion to also include the funding of the North
9 Wildlife Resources Commission Clemons Tract. We're
10 going to need to do the Blue Ridge Conservancy on its
11 own, but if we could include both of those together in
12 this motion, I think it will make it simpler.

13 Mr. Walser: Thank you, Greer; do I
14 need a second to that amendment, I guess a second to
15 the amendment?

16 Ms. Kennedy: I will second that, Judy.
17 I second.

18 Mr. Walser: Thank you, Judy; thank
19 you, Judy.

20 Ms. Kumor: Jason, this is Renee.
21 Can you just then recap what these motions are going to
22 fund, and what they're not going to fund?

23 Mr. Walser: Sure, so I think we have
24 a motion to fund the Wildlife Resources Commission
25 Clemons Tract at \$54,000, which is a Brunswick County

1 acquisition of approximately 100 acres and --

2 Ms. Kumor: Thank you, yeah, okay.

3 Mr. Walser: -- partial -- partial
4 funding of around 164 acres on the Little Beaverdam
5 Creek Triangle Land Conservancy application, which
6 would have most of the Natural Heritage Value. I'm
7 going to get my percentages along about the 42 percent,
8 45 percent, but effectively, the 164 acres is out of a
9 phased project of 365 acres total and we probably would
10 be funding it, I guess, based on appraised value
11 somewhere left in a half million dollars depending on
12 what the license plate revenues come in at. Is that a
13 correct description of our motion, Greer, and others
14 who have made it, David?

15 The Chair: It's Greer; sounds great
16 to me; thank you for this summation.

17 Mr. Wilson: Yeah, I'm good with that
18 summation.

19 Ms. Kumor: Okay, well thank you.

20 The Chair: If everybody is good,
21 I'll do the roll call. I'm a yes; Ann, Ann Browning?

22 Ms. Browning: Just Wildlife Resources
23 and the Triangle Land Conservancy; this is Ann again,
24 so this is -- we're voting now on just the Wildlife
25 Resources and Triangle Land Conservancy and not the

1 Blue Ridge?

2 The Chair: Yes.

3 Ms. Browning: Yes, aye.

4 The Chair: Great; thank you for
5 that clarification; Amy?

6 Ms. Grissom: I'm a team player, so I'm
7 voting yes.

8 The Chair: Thank you; Judith?

9 Ms. Kennedy: Yes.

10 The Chair: Renee?

11 Ms. Kumor: Yes.

12 The Chair: Dale?

13 Ms. Threatt-Taylor: Yes.

14 The Chair: Jason?

15 Mr. Walser: Yes.

16 The Chair: John?

17 Mr. Wilson: Yes.

18 The Chair: And David?

19 Mr. Womack: Yes.

20 The Chair: Wonderful; thank you,
21 everyone, and we have -- I'll turn it back to Jason for
22 our last piece of business with acquisitions.

23 Mr. Walser: Yeah, so the last piece
24 will be fully funding the Blue Ridge Conservancy
25 application for the Middle Fork Greenway. I don't have

1 the exact dollar amount in front of me, but roughly
2 \$219,000, which will be the application amount. Do we
3 have a motion to support that project as presented?

4 Ms. Kumor: I thought that -- this is
5 Renee. I thought that came from your committee as a
6 motion.

7 Mr. Walser: That's a really good
8 question, Renee. Staff, help me out here. I don't
9 think we did get an official recommendation on that.

10 Speaker: I don't remember making
11 it official.

12 Mr. Wilson: We did. The committee
13 did recommend. We did.

14 Ms. Guthrie: Jason, --

15 Ms. Kumor: Okay, thank you, Renee.

16 Ms. Guthrie: Yeah, this is Nancy. The
17 committee recommendation was to put the Blue Ridge
18 Conservancy project on the provisional list and hold
19 your options open, so you've covered the discussion on
20 the other options, but the Blue Ridge was a specific
21 recommendation from the committee.

22 The Chair: Great; well, I will call
23 for the roll call, and as we have mentioned before, Ann
24 Browning will not participate in this vote, so I vote
25 aye; Amy?

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Ms. Grissom: Yes.

The Chair: Judy?

Ms. Kennedy: Yes.

The Chair: Renee?

Ms. Kumor: Yes.

The Chair: Dale?

Ms. Threatt-Taylor: Yes.

The Chair: Jason?

Mr. Walser: Yes.

The Chair: John?

Mr. Wilson: Yes.

The Chair: And David?

Mr. Womack: Yes.

The Chair: Wonderful; thank you;

and, Jason, thank you for your leadership on the acquisition committee of the reports and recommendations and also, of course, for staff and great questions and information provided by trustee's questions, so I'm very grateful for all of those. As we move onto our second item, the executive committee report and recommendations, and Will is going to walk us through this, so I'll turn it over to you, Will.

Mr. Summer: Thank you so much; give me just one moment, and I will share just a few slides to make this a little easier. All right, so the

1 executive committee reviewed data for requests and
2 allocation for the past six years, as well as demand
3 for the current year and in short, by the number
4 acquisition had 69 percent and by amount requested 84
5 percent of the applications. We also did in the last
6 two columns an amount that's been adjusted based on
7 cap, so that the very large request didn't skew it, but
8 as you can see, that didn't really change it a whole
9 lot and the restoration innovative storm water and
10 planning combined for by number the other 31 percent
11 and buy amount requested 15 percent, so taking that
12 into consideration, as well as all of the previous
13 data, the executive committee came up with a
14 recommendation. It's a long recommendation, but I will
15 summarize the points here for the sake of simplicity.
16 Essentially, the executive committee recommends that 75
17 percent of the new revenue, the whatever we get from
18 license plates and appropriations, go to the
19 acquisition committee. From that, the acquisition
20 committee will then fund the donated mini-grants out of
21 that 75 percent. The restoration innovative storm
22 water and planning committee will get 25 percent and
23 between those three programs, the committee will then
24 decide how to allocate those resources based on the
25 strength of applications in each of the three programs

1 kind of at the time of review in the fall. Finally,
2 all of the returned unused funds that we receive back
3 from each of the programs will go back to the program
4 from which it came excluding the waste water funds,
5 which will be treated as new revenue and split 75/25 in
6 the same way that new revenue is spent, so all of that
7 said, the recommendation in long form of the committee
8 is on the screen and I will turn it back over to you,
9 Madam Chair; thank you.

10 The Chair: Thank you very much, so I
11 will ask if there's any discussion over this committee
12 recommendation? Hearing none, we might need a second,
13 so I will go through roll call. I'm a yea; Ann?

14 Ms. Browning: Yea.

15 The Chair: Amy?

16 Ms. Grissom: Yes.

17 The Chair: Judy?

18 Ms. Kennedy: Yes.

19 The Chair: Renee?

20 Ms. Kumor: Yes.

21 The Chair: Dale?

22 Ms. Threatt-Taylor: Yes.

23 The Chair: Jason?

24 Mr. Walser: Yes.

25 The Chair: John?

1 Mr. Wilson: Yes.

2 The Chair: And David?

3 Mr. Womack: Yes.

4 The Chair: Wonderful; thank you, and
5 we will move on to our third item of business, which is
6 the stewardship report, and, Marissa, I look forward to
7 you leading us through this.

8 Ms. Hartzler: I hope you all can see my
9 screen now. So this a -- again this is Marissa
10 Hartzler. This coming year, we always bring to the
11 board an update of the stewardship program to give you
12 an update on what's been going on, as well as for
13 several important action items dealing with the
14 stewardship endowment for the next funding year, and we
15 will have three action items to that end, as well as
16 some informational items. So I think before jumping
17 in, I just want to give a brief history of the
18 stewardship program, which I hope this time line will
19 help inform some of the discussion and so while Clean
20 Water was founded in 1996 and the first conservation
21 easement recorded in 1997, the stewardship program
22 wasn't always a part of Clean Water and this really
23 wasn't unique. Conservation easements are a relatively
24 new tool, and the entire conservation community has
25 really evolved and matured in the approach to

1 stewardship over the -- really the same time period as
2 we have, and so I think, you know, the years 2004 to
3 2008 were really important years for stewardship and
4 recognizing it as a necessary part of Clean Water
5 operation. You know, prior to that time, there were a
6 lot of easements recorded, and at that time, it was
7 actually a part of the acquisition, restoration and
8 greenway and even some of the infrastructure projects
9 like waste water would actually have easements that
10 were held by the state as part of those projects and
11 those easements are all very different. They could
12 have been a couple hundred square feet to thousands of
13 acres with very little conservation value to properties
14 with fantastic riparian buffer. They just all really
15 differed during that period of time and again, things
16 really started changing and moving with stewardship in
17 the early 2000's with important elements like the board
18 resolving to establish the endowment, recognizing that
19 we needed funding if we were going to monitor and
20 restore these easements in perpetuity and then in 2008,
21 first stewardship staff being hired and money being
22 deposited into the endowment and an important policy
23 decision that only acquisition easements would be state
24 held from that point on, and it's really at that point
25 in time that we start to see surge of programs that

1 resembles what it is today. Everything that's needed
2 to ensure the protection of the conservation values and
3 the easement is included in the grant contract through
4 funding for boundary marking, for title insurance, for
5 baseline documentation reports, and for putting money
6 aside in the stewardship endowment. All of this is
7 what we need to maintain and improve the conservation
8 values and honor the state's commitment to and the
9 investment in these values. So that's prior to today.
10 We have 333 properties enrolled in the stewardship
11 program, over -- just a little bit over 92,000 acres.
12 These properties are monitored on behalf of the state
13 by our partners, mostly land trusts, out of a
14 memorandum of agreement, because in the old days before
15 the endowment, they were given the money as a lump sum
16 directly for them to monitor on our path, or of course
17 after the endowment was established, we now belong to
18 that money and so they are reimbursed via contract. As
19 part of that work, we get reports and on an annual
20 basis, and we can react to issues that have come up
21 since the last monitoring report, as well as being
22 proactive, learn the landowner's plan, and even fund
23 some activities that prevent problems coming up again,
24 so these are management activities. I'll talk a little
25 bit more about these, but these help do things like

1 prevent unauthorized trespass, and other proactive
2 measures that will help protect the easement and, of
3 course, the majority of this is funded by the income
4 generated from the stewardship endowment. We do not
5 spend the principal. We only spend investment income
6 that is generated by that investment. I just want to
7 point out based on the land trust alliance
8 recommendation for stewardship staff, 333 properties
9 would be somewhere in the ballpark of three to five
10 full-time equivalent staffers, so I cannot overstate
11 the importance of our partners doing this monitoring on
12 behalf of the staff. We just -- we don't have those
13 positions. So how did we fare this year? Our partners
14 have until July to get their annual monitoring reports
15 in and I'm confident that we'll have 98 percent of
16 monitoring reports we'll have current. So that means
17 based on the Land Trust Alliance standard that we will
18 have a monitoring report within the calendar year. 75
19 percent of those have been received to date, and I'm
20 confident that another 22 percent will come in the next
21 few weeks even despite the situation with COVID. Only
22 2 percent really have extenuating circumstances and
23 will require some intervention, but 98 percent is a
24 really good rate for getting these reports in, and
25 within these reports that we've received, we've been

1 made aware of thirteen easement violations or threats
2 to the permanence of the conservation easement. The
3 majority of these have been third-party issues, such as
4 a third-party trespassing and damaging the property,
5 cutting trees, making new trails, or a third party
6 claiming a right that they may or may not have, may not
7 be theirs to claim, so we have a great partnership with
8 our land trust monitors and the landowners and many of
9 our staff here at Clean Water and even Hank Fordham
10 when we need legal counsel, and so I'm happy to say
11 that six of these have been resolved over the past year
12 and three should be resolved within the next few months
13 and, of course, unless I just jinxed it and we have
14 another four that are in process, so again, these are
15 all very different, but all treated very seriously and
16 we go through the steps to remedy these as quickly and
17 permanently as possible, and I don't want to leave this
18 slide on a sour note. We also have many of our
19 partners and landowners who are working to improve
20 conservation values and provide public access, so
21 another piece of the stewardship program is reviewing
22 plans. We were able to fund ten management projects
23 from the endowment for task ranging from marking
24 boundaries and putting in gates, even reforesting old
25 agricultural land that's within the riparian buffer and

1 quite a few projects removing invasive species from the
2 property. In addition, we reviewed and approved nine
3 restoration plans, mostly ones that focused on
4 converting planted loblolly pine or natural mixes. Per
5 the board's recent trail policy, we have reviewed and
6 approved a dozen trail and amenity plans that will get
7 these properties open to the public for their enjoyment
8 and just so you don't think we approve everything, one
9 plan was actually denied due to it not being compatible
10 with the conservation value protection. In addition to
11 our annual stewardship work, we had several long
12 projects -- long-term projects that have been going on
13 that have really been aimed at those easements that
14 were recorded in the pre-stewardship days. We have
15 such a great standard for the projects that are being
16 recorded now, and moving forward we want to, you know,
17 bring some of those best practices to these older
18 easements and this process really began in earnest and
19 took place over 18 months and it started with bringing
20 our records to a digital platform and creating a
21 database. As Terry could tell you, we have hundreds of
22 archives boxes with all of our documents but, you know,
23 we did not have a digital collection and so, again,
24 over that 18 months, we were able to get all of our
25 files electronically on our server, accessible, and

1 able to be referenced when needed and, of course, this
2 also allowed for the generation of a database listing
3 out all of these agreements and so really for the first
4 time, it allows us to share stats on how many easements
5 Clean Water has and really look at the impact of all of
6 this funding has been. So for easements held by the
7 state of North Carolina, we have 760 that span 85
8 counties of the state, and these easements, because
9 they're held by the state, they have enforcement
10 responsibilities invested in the state. It's really
11 the state's responsibility to ensure that these are
12 enforced and upheld and again, this is of course in
13 acquisition, but also for older easements it could be
14 restoration, greenway, or even infrastructure projects.
15 In addition, we also have 500 agreements where the
16 state has been named as a third-party enforcer. So
17 another partner holds the easement, maybe a land trust
18 or a local or county government, but then the state is
19 granted the ability to enforce the easement if we feel
20 that it is not being done. So we have a lesser role in
21 these, but still many documents, 500 agreements in 69
22 counties. So in all, we have agreements in 92 of North
23 Carolina's 100 counties, which is quite impressive, and
24 I'm sure if you're sort of doing the math from the
25 previous slides, you know that I said that we have 333

1 properties enrolled in the stewardship program, and so
2 this means that we have 400 properties that are not
3 enrolled in stewardship, but the state holds the
4 conservation easements. So this means that we're not
5 getting monitoring reports. We're not paying anyone to
6 monitor on behalf of the state. In fact, we don't even
7 have the funds set aside to do so if we could identify
8 and monitor, and this may not mean that the properties
9 are forgotten. Many of them are owned by local or
10 county governments who they may have staff that, you
11 know, have turned over over the years. They may not be
12 aware of the easement, but they're ensuring that these
13 properties are maintained for public access. Maybe
14 they're public parks. They have a lot of visitors.
15 It's just that we're not getting report on the
16 conservation easements. So with this list developed of
17 all of the agreements that have been generated through
18 Clean Water projects, this allowed us to sort of start
19 on phase 2 of our project, which has been going on for
20 about the past year. We've been mapping our easements
21 and this has been in large part thanks to the help of
22 our part-time GI staffer extraordinaire, Jim Salley,
23 who's on the call today, so thank you so much for your
24 help, Jim, because, you know, you're helping us that's
25 really made this long awaiting project a reality. In

1 addition to Jim's hours reading and mapping legal
2 descriptions, we've also had an extraordinary amount of
3 help from our colleagues at Natural Heritage because
4 they've actually taken the maps easements and added
5 them to their publicly available data, so for example,
6 if a road's proposed and it might impact a Clean Water
7 easement, the project consultant becomes aware of it
8 and we can mitigate that impact, maybe find another
9 route, or prepare for an easement amendment. So again,
10 with Jim and Natural Heritage Program's help, we've
11 been able to totally map 12 counties for a total of
12 42,000 acres of Clean Water's conservation easement
13 protection and at least another 8 counties the initial
14 work has been done, we just have to finalize them. I
15 guess pushed out and made public. So this is obviously
16 a huge step for stewardship knowing, having a list of
17 all of the documents, being able to tie that to
18 conservation areas on the ground and I think also it's
19 great for really telling the story and showing the
20 impact of Clean Water's work over the years. So with
21 all of this work completed and much of it still
22 ongoing, I just wanted to touch on some of my goals in
23 stewardship for the next year and definitely can pause
24 here and welcome your questions or feedback. First of
25 all, from where I sit, mapping must continue until we

1 complete the phase. We should in short order have
2 about 20 percent of our easements mapped and it will be
3 a huge undertaking to finish the remaining 80 percent,
4 but I know we're going to get there. I'm really
5 motivated to finish that project. In addition, I think
6 we need to take stock and make sure that all properties
7 that could be monitored through a memorandum of
8 agreement in which a partner really did commit to
9 monitoring should be monitoring and should be upholding
10 that obligation. In addition, there are some
11 properties where it may be worthwhile to, through the
12 policy that the board approved last year, actually
13 allocate some retired principal in order to monitor
14 those. That would allow us to set aside funds in the
15 endowment and pay an organization annually to do the
16 monitoring on behalf of the state. As we know, 98
17 percent of those reports come in, so we know that it's
18 a tool that works. We have about \$130,000 of
19 unallocated principal in the endowment right now, and
20 so I don't want to oversell this. Adding properties to
21 MOA's or allocating funds is not going to capture all
22 400 properties that are not monitored and again, using
23 that standard from Land Trust Alliance, you know,
24 monitoring 450 would take probably five full-time
25 employees in order to do that, so having Clean Water

1 staff as a means is just not possible given current
2 capacity. So instead, we're planning to institute a
3 landowner contact program. We'll be able to spend the
4 conservation easement, the map to the landowner, the
5 land managers and get a sense from a survey of what
6 reserved rights they have exercised and what they plan
7 to do. This will go a long way for reminding property
8 owners of these easements, and while it won't be
9 possible to visit all of them, certainly, it will help
10 identify properties that would be ideal for a follow-up
11 visit, some additional oversight and potential
12 corrections of any violations that may have popped up.
13 So, again, we were able to make a lot of stride in
14 stewardship with the creation of the stewardship
15 endowment and we have so many fantastic best practices
16 for easements recorded after that time. This did not
17 reach back and help us monitor any of the easements
18 that were recorded prior to them, but we have now a
19 sense of what properties those are and at least a road
20 map for reestablishing some contact and learning more
21 about these properties. So again, I'm happy to pause
22 here. I threw out two years worth of research at you,
23 so I'm happy to answer any questions.

24 The Chair: Thank you so much,
25 Marissa; any questions for Marissa?

1 Mr. Walser: Well done.

2 Mr. Clark: This is Walter. I just
3 want to thank Marissa for sort of seeing the problem
4 and attacking it head-on and coming up with a strategy
5 and a plan for dealing with it, so kudos, Marissa;
6 thank you so much.

7 Ms. Hartzler: It's really -- it has
8 been a team effort for sure. All right, so this is
9 Marissa again. In that spirit, I will then move to the
10 first action item on the stewardship agenda, which is
11 the allocation of monitoring funds. So as I mentioned,
12 a little bit of echo, sorry about that; so as I
13 mentioned, last year around this time, the board
14 approved a policy to enable the allocation of
15 uncommitted endowment funds to projects that did not
16 have endowments set aside for them and so we have one
17 of those projects in front of us today. It is 2007-
18 402, which was an Ellerbe Creek Watershed Association
19 restoration project on Ellerbe Creek. This is one that
20 was, if you remember the time line was right about the
21 time that the policy change came about, and so these
22 are five restoration easements that are actually held
23 by the State of North Carolina, as opposed to an
24 outside partner. And so these five easements, it's a
25 real interesting situation because there are a mix of

1 local government, land trusts, and private landowners
2 involved in this project. And so this is a really
3 interesting test case for allocating monitoring funds
4 for rehabbing these easements, getting all of the
5 documents in order, and then setting aside some funds
6 for Ellerbe Creek Watershed Association to monitor
7 these on behalf of the state in perpetuity. They have
8 agreed to do so and we've used our standard stewardship
9 calculator to come to a dollar amount of approximately
10 \$576 a year. In order to set aside funds within the
11 stewardship endowment, we multiple that by 25, and so
12 that leaves us with about \$14,000 that we would set
13 aside in the stewardship endowment for these five
14 easements. They would send us monitoring reports
15 annually, and we've also already discussed talking
16 about getting current condition reports, and boundaries
17 marked, and where we can be making sure that they can
18 be monitored effectively, so the total, again, \$14,418
19 of the \$130,000 that we have currently sitting in the
20 endowment. In case you are curious where those funds
21 came from, those were stewardship funds that were
22 assigned to a project in the past that is no longer
23 monitored because the land was later conveyed to the
24 state, and so it's managed by state parks for Wildlife
25 Resources Commission and we don't require the partner

1 to monitor those any longer, and so the funds didn't
2 restore to the endowment. So there would be nothing to
3 deposit, nothing changed, other than these \$14,000
4 would assigned to Ellerbe Creek Watershed Association
5 and added to their annual monitoring contract; so happy
6 to pause here and take any questions.

7 Ms. Browning: This is Ann Browning;
8 just curious how you prioritized this project over the
9 many others that you could have chosen?

10 Ms. Hartzler: Sure, absolutely; this
11 was an instance of actually -- the Land Trust coming to
12 us and wanting to help solve this situation. I was
13 really excited for it, because I think it is definitely
14 in a high risk area, obviously being in the middle of
15 Durham; there's a lot of neighboring landowners against
16 these properties, and so when you do have a lot of
17 neighbors, that's when you can have violations of the
18 contribution easement for sure. And I think the fact
19 that there are five different landowners for these
20 easements, all sort of from different entities, it
21 really does provide a nice test case for how Clean
22 Water can go back and bring these up to our current
23 standards. It's always really nice, too, when you have
24 a willing partner already identified. That's helpful.

25 Ms. Browning: Thank you.

1 Ms. Hartzler: Thank you.

2 Ms. Kumor: Madam Chairman, would you
3 accept the motion that we approve request to commit
4 \$14,418 of the allocated stewardship for Ellerbe Creek
5 Watershed Association? These is Renee.

6 The Chair: Thank you, Renee; I would
7 love that. Do we have a second?

8 Ms. Browning: Ann second.

9 The Chair: Wonderful; thank you,
10 everyone; so we will go through the roll call. I'm a
11 yea. Ann is obviously a yea.

12 The Chair: Amy?

13 Ms. Grissom: Yes.

14 The Chair: Thank you; Judy?

15 Ms. Kennedy: Yes.

16 The Chair: Renee, of course, made
17 the motion.

18 The Chair: Dale?

19 Ms. Threatt-Taylor: Yes.

20 The Chair: Jason?

21 Mr. Walser: Yes.

22 The Chair: John?

23 Mr. Wilson: Yes.

24 The Chair: David?

25 Mr. Womack: Yes.

1 The Chair: Wonderful; well, thank
2 you, everyone, and Marissa echo Walter's comments; just
3 great, great work, and thank you very much. And in
4 echoing comments, just again want to bring up what Reid
5 did and his comments, Walter, with your leadership and,
6 staff, in keeping things rolling so smoothly through
7 this very disruptive period to say the least. A
8 special call out to Deputy Director Will Summer who
9 also should have the title Chief Technology Officer,
10 because I know I certainly would not be able to
11 participate in the ways that we have and ways we've
12 needed to pivot in this current situation, so thank
13 you, Will, for all you do to support us in your
14 technology focus along with everything else that you
15 know how to do so well. I would love to leave it over.
16 If there are any additional comments --

17 Ms. Hartzler: The last piece of the
18 stewardship -- I apologize. This is Marissa again.
19 The last piece of the stewardship report is on the
20 stewardship endowment and yes, definitely I think this
21 endowment report reflects some of those strange times,
22 as I'm sure we're all probably expecting. So this is
23 the point where I'm going to present sort of how the
24 stewardship endowment has done over the past year, as
25 well as we will have two action items for the board to

1 approve along the spending cap for next year on
2 stewardship, as well as the endowment deposit and
3 withdrawal. So I apologize for this first part. This
4 represents March 19 -- March 2019 through March 20 --
5 2020, so the last time you saw the stewardship
6 endowment, we were here. We had a lot of growth, and
7 I'm sure nobody is surprised, a lot of decline. So
8 from this time last year, the stewardship endowment
9 lost \$75,000, so we now sit at about \$974,000 of
10 investment income, and again, not a total surprise, and
11 these fluctuations in the market is why we don't use
12 the time period of one year to make funding decisions.
13 Instead, the chart that you should now see on your
14 screen is a thirty six month total value chart and so
15 this reaches all the way back to April 2017, again,
16 through current -- through March, 2020 and you will see
17 that the trend of the endowment is still up. The
18 thirty six month total average is 4.65 million and that
19 is \$479,000 greater than this time last year. So,
20 obviously, the market is going to continue to
21 fluctuate, as I'm sure everybody is expecting, and it
22 really is this, you know, 36 month window that helps
23 us, you know, see the bigger picture and make decisions
24 based on those numbers instead of the short term. So
25 using that 4.6 million dollar 36 month total average of

1 the stewardship endowment which is this big pie, per
2 the board policy, again was set this time last year, we
3 are recommending a spending cap of 4 percent of the
4 total value. So that is \$186,000 that we would spend
5 on stewardship in the coming fiscal year, and that is a
6 very workable amount. Our monitoring obligations for
7 next year, the \$150,000, we also, as I mentioned
8 before, fund some management projects that help us
9 further protect the easements. Our call for proposals
10 was just under \$40,000, so actually increased this
11 \$10,000 over last year because we have a definite need,
12 some really great projects proposed. It will be very
13 difficult to narrow it down just to \$30,000. Then that
14 leaves us with about \$5,000 contingency with a new name
15 and a new logo coming. It's very interesting to think
16 about ordering some boundary marking signs to post
17 conservation easements, so that can be one example of
18 how some leftover funds are spent. So we'll come back
19 to an action item on the 4 percent spending cap, but I
20 just wanted to give you a look at sort of where we are
21 with the stewardship accounts, as well as what our
22 commitments are going to be for next year. So, again,
23 our Land Trust partners have until July to get all
24 monitoring reports in and get reimbursed on their
25 current contracts. So because all of that money is

1 committed, should it all be spent, we will end the year
2 with \$48,000 in the stewardship account. We know that
3 we have monitoring expenses next year of \$150,000,
4 management funds proposed at \$30,000, and so that
5 leaves us with an amount to withdraw from the
6 investment income of the endowment at \$132,000, because
7 we do not -- we only withdraw from the investment
8 income. In addition, we had a number of privates close
9 in the past years, so this is the fun moment where we
10 get to celebrate those and also move their stewardship
11 endowment into end of the account. So we had a number
12 of projects that you can see were secure that added
13 \$191,000 so that we would deposit that into the
14 principal of the endowment. So when all is said and
15 done between easements we had prior to this plus five
16 easements for Ellerbe Creek Watershed Association, and
17 these easements you should see here on this list; we'll
18 have 350 properties enrolled in stewardship at 96,000
19 acres. There is a lot on this slide, so bear with me
20 on this. When we deposit money into the stewardship
21 endowment and withdrawal money, we try to do so in a
22 manner that balances the investment list per the
23 balance allocations the board agreed to with the
24 Treasurer's office. So we're trying to invest, you
25 know, greatly uncertain time with fluctuating markets

1 in the stock market, credit balances, as best we can.
2 So we're proposing to deposit the \$191,000 of
3 additional principal from the recently closed projects
4 directly into the equity investment fund. I'm sure
5 it's no surprise that that is where we took the biggest
6 hit, so depositing additional principal will help bring
7 this back up to its target. Though the investment
8 income that we need to fund stewardship activities next
9 year, we would withdraw from all three of the
10 investments; \$60,000 from the bond investment fund;
11 almost \$40,000 from the short-term investment fund, in
12 fact, all of the investment income from the short-term
13 investment fund; and \$32,000 from the investment income
14 of the equity investment fund to get back 130 some
15 thousand dollars that we need to fund stewardship
16 through the next year. In doing so gets us very close.
17 That's what this pie chart is. The first number you
18 see for each slice is where the investment will be with
19 this plan, and then the target in parenthesis. So you
20 can see that the bottom of the next slide will be right
21 at 8 percent where it should be. The short-term
22 investment fund will be a little high at 23 percent.
23 It should be at 22 percent, and the equity investment
24 fund will sit at 69 percent when it should be 70
25 percent. This is the closest that we can get to these

1 allocations without starting to move around principal.
2 It just doesn't feel like in this time of, you know,
3 market fluctuations that we should really drill into
4 moving funds between the accounts because, you know,
5 who knows what the next month, next couple of months
6 will -- where we will end up. So we're proposing this
7 breakdown. It's very close to the agreement with the
8 Treasurer's office and I suspect these will change
9 greatly over the next few months, anyway. So again,
10 sorry that was a lot thrown at you at once, but the
11 result is that we have two action items, the first of
12 which is to approve or not approve or amend the
13 recommendation for 1 percent of the 36 month total
14 average to spend next year on stewardship. Then, also,
15 the action needed to deposit \$191,000 into the
16 endowment principal, withdraw \$132,000 investment
17 income, and to structure this transfer so that the
18 allocation of funds is per the target previously set by
19 the board and the Treasurer's office. I'm happy to
20 take any questions you have on that.

21 Speaker: I think that was pretty
22 close getting to that target that, yeah, that's some
23 good Carolina math right there almost.

24 Ms. Hartzler: Definitely a lot of
25 uncertainty in the market, so we did receive the April

1 statement, but not in enough time to update these
2 materials, so at least one spoiler alert is April went
3 back up. Who knows what the following months will
4 hold.

5 The Chair: Are there questions or
6 comments for Marissa? Okay, we have two action
7 items. Would anyone like to move that we approve the
8 stewardship spending?

9 Mr. Walser: Jason would like to make
10 that motion.

11 The Chair: Thank you, Jason; do I
12 have a second?

13 Mr. Womack: I'll second, David.

14 The Chair: Thank you, David; okay,
15 we'll go through roll call, and I think I'm going to be
16 hearing the roll call in my sleep tonight. I'm a yea;
17 Ann?

18 Ms. Browning: Yea.

19 The Chair: Amy?

20 Ms. Grissom: Yes.

21 The Chair: Judy?

22 Ms. Kennedy: Yes.

23 The Chair: Renee?

24 Ms. Kumor: Yes.

25 The Chair: Dale?

1 Ms. Threatt-Taylor: Yes.

2 The Chair: Jason, you made the
3 motion, so of course you're a yea.

4 The Chair: John?

5 Mr. Wilson: Yes.

6 The Chair: David, the same, since
7 you seconded it; great; we have one more action item
8 under 3B and this is -- would entertain a motion to
9 approve the deposit to the endowment principal and
10 withdraw the investment income.

11 Ms. Kennedy: I will make that motion,
12 Judy Kennedy.

13 The Chair: Thank you, Judy; do I
14 have a second?

15 Ms. Threatt-Taylor: Dale will second it.

16 The Chair: Thank you, Dale; so we
17 will go through our roll call. I'm a yea; Ann?

18 Ms. Browning: Yea.

19 The Chair: Amy?

20 Ms. Grissom: Yes.

21 The Chair: Judy, thank you for the
22 motion.

23 The Chair: Renee?

24 Ms. Kumor: Yes.

25 The Chair: Dale, thank you for the

1 second.

2 The Chair: Jason?

3 Mr. Walser: Yes.

4 The Chair: John?

5 Mr. Wilson: Yes.

6 The Chair: David?

7 Mr. Womack: Yes.

8 The Chair: Excellent; thank you,

9 everyone; again, Marissa, thank you for all your work
10 on that; all of the staff from Clean Water, as always,
11 we can feel so good about the work that they do to
12 prepare the trustees for our meetings, so very
13 grateful. I will just open it up if any trustees have
14 anything else they'd like discussed at this time;
15 great; Walter, anything that you would like to say
16 before we adjourn?

17 Mr. Clark: Greer, here I am; just a
18 big thank you to all of the trustees for taking the
19 time and being patient with us as we've kind of waded
20 through making these meetings happen, and again, a big
21 shout out to Will. Because of his technology
22 expertise, we pulled it all together, and it takes your
23 participation, so thanks again for all of you.

24 The Chair: Wonderful, everyone; our
25 meeting stands adjourned; thank you, everyone. Be safe

1 and healthy.

2 (The proceedings were concluded at 3:48 P.M.)

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NORTH CAROLINA

WAKE COUNTY

C E R T I F I C A T E

I, Diane C. Byrd, Notary/Reporter, do hereby certify that that this Board of Trustees Meeting was taken by me and transcribed under my direction and that the one hundred nine pages which constitute this Board of Trustees Meeting are a true and accurate transcript.

IN WITNESS THEREOF, I have hereunto set my hand this 2nd day of June, 2020.

Diane C. Byrd

Diane C. Byrd
Notary Public
Certificate No.: 19933130099