

BOARD OF TRUSTEES
CLEAN WATER MANAGEMENT TRUST FUND

MINUTES OF MEETING

on

MONDAY, FEBRUARY 10, 2014

9:00 A.M.

ROOM 1210 GREEN SQUARE BUILDING
217 WEST JONES STREET
RALEIGH, NORTH CAROLINA



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A P P E A R A N C E S

CLEAN WATER MANAGEMENT TRUST FUND BOARD OF TRUSTEES:

TROY KICKLER, CHAIRMAN

BRYAN GOSSAGE, EXECUTIVE DIRECTOR

FRANK BRAGG

ROBIN S. HACKNEY (appearing telephonically)

KEVIN MARKHAM

JOHNNY D. MARTIN

WILLIAM TOOLE

CHARLES VINES

FREDERICK BEAUJEU-DUFOUR

GREER CAWOOD

ATTORNEY GENERAL'S OFFICE:

MARY L. LUCASSE, SPECIAL DEPUTY ATTORNEY GENERAL

CLEAN WATER MANAGEMENT TRUST FUND STAFF:

BILL CROWELL

NANCY GUTHRIE

LARRY HORTON

TERRI MURRAY

PENNY ADAMS

TOM MASSIE

BERN SCHUMAK

WILL SUMMER

A G E N D ACOMMENCEMENT

- 1) Call to Order - Chairman Kickler
- 2) AG's Office Remarks - Mary Lucasse
- 3) Executive Director's Remarks - Bryan Gossage

OLD BUSINESS

- 1) Consideration of Requests on Existing Contracts
- 2) Grant Programs Committee Recommendations
- 3) Administrative Committee Recommendations

NEW BUSINESS

- 1) Review and Approval of 2013 Greenway & Restoration Applications submitted to CWMTF (Action Item)
- 2) Review and Approval of 2013 Acquisition Planning Application submitted to CWMTF (Action Item)
- 3) Approval of Stewardship Management Proposals for 2013 - 2014 (Action Item)
- 4) Approval of Request for Stewardship Management Proposals for 2014 - 2015 (Action Item)

PUBLIC COMMENTS

T A B L E O F C O N T E N T S

Proceedings	5
Certificate of Reporter	262
<u>EXHIBITS</u>	
None	

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P R O C E E D I N G S

CHAIRMAN KICKLER: If everybody could take their seats, I'd appreciate it. I'd like to call this February 10th, Clean Water Trust Fund -- Clean Water Management Trust Fund Meeting to order.

Before we get started and take the roll call, I wanted to say that the past two and a half to three months have been very busy months for the Clean Water Trust Fund Board and the Clean Water Trust Fund staff, and so I wanted to personally say thank you to the board for the committee work that you will hear later. I'll say thank you to the committees. I also say thank you to the full board for their preparation for today. And then I wanted to personally thank the Clean Water staff for all of their hard work. At the committee meetings they would always show up with a smile and would take phone calls even when they knew who was calling before answering the phone. So, anyway, I just wanted to personally say thank you for your diligence.

I'd like to take the roll call at this time. When I call your name please say, please indicate that you are in attendance for the record. I am Troy Kickler, the Chairman, and I am in attendance.

CHAIRMAN KICKLER: Frank Bragg?

1 MR. BRAGG: Here.

2 CHAIRMAN KICKLER: Greer Cawood?

3 MS. CAWOOD: Here.

4 CHAIRMAN KICKLER: Fred Dufour?

5 MR. DUFOUR: Here.

6 CHAIRMAN KICKLER: Robin Hackney?

7 (No response.)

8 CHAIRMAN KICKLER: Johnny Martin?

9 MR. MARTIN: Here.

10 CHAIRMAN KICKLER: Bill Toole?

11 MR. TOOLE: Here.

12 CHAIRMAN KICKLER: Charles Vines?

13 MR. VINES: Here.

14 CHAIRMAN KICKLER: Kevin Markham?

15 MR. MARKHAM: Here.

16 MS. LUCASSE: I would just mention for the
17 record that Robin is going to be participating by
18 telephone. So we have a quorum without her, and
19 she'll be joining us for the deliberations, but we
20 need to get a piece for the phone. So after we get
21 going, Penny is going to go back to Archdale, get the
22 phone that she needs, and then we'll connect her by
23 telephone.

24 As always, we really appreciate everybody
25 making sure that the court reporter is getting your

1 motions and comments. And if there's any hesitation,
2 she will speak up and ask us to repeat things. So
3 thank you all.

4 CHAIRMAN KICKLER: Okay, moving on to the
5 next item. I have to ask before every meeting if
6 there is a conflict of interest or the appearance of a
7 conflict of interest to make sure that all Trustees
8 are in compliance with General Statute 138A-15. I
9 will read that statute for the record. "General
10 Statute 138A-15 mandates that the Chair inquire as to
11 whether any Trustee knows of any conflict of interest
12 or the appearance of a conflict of interest with
13 respect to matters on the agenda. If any Trustee
14 knows of a conflict of interest or the appearance of a
15 conflict of interest, please state so at this time.

16 MR. VINES: Mr. Chairman, I'd like to make a
17 statement here on a conflict or appearance of a
18 conflict. Project 213, 2013-416 is a Mitchell County
19 project. Just to make you aware, I talked with Mary
20 this morning to make sure that there weren't any
21 conflict or appearance of conflict. That project is a
22 project that's going on in the county. I am aware of
23 that project and have not been involved with that
24 project nor do I have any input or review of that
25 project in any way whatsoever. And Mary feels, as I

1 do, that it's not really a conflict, but I wanted to
2 make that known to be in the minutes and to anybody
3 else that inquires into that.

4 CHAIRMAN KICKLER: Okay, thank you. Are
5 there any others?

6 (No response.)

7 CHAIRMAN KICKLER: Okay. As a reminder, as
8 we go along in the board meeting if you recall that
9 there is a conflict of interest or there may be the
10 appearance of one, you can state so at that time. But
11 thank you, Mr. Vines, for that explanation.

12 MR. VINES: Yes, sir.

13 CHAIRMAN KICKLER: Make sure that your cell
14 phones are turned off or put on silent as we go
15 forward so we don't have any unnecessary
16 interruptions.

17 Moving on to our next item, which is the
18 revisions, additions and adoption of the agenda. Is
19 there any discussion or any comments regarding the
20 agenda for the February 10th Trustee meeting?

21 MR. GOSSAGE: The Trustees will find at
22 their place probably in a blue folder for agenda item
23 of new business - 1b and old business - 2b and 2c.
24 You have changes and corrections, including a spread
25 sheet. And the highlighted areas, the areas

1 highlighted in yellow, are the areas that have been
2 revised. And staff will explain in detail as we get
3 to those agenda items.

4 CHAIRMAN KICKLER: Are there any other
5 comments or questions?

6 (No response.)

7 CHAIRMAN KICKLER: If there are no other
8 questions or comments is there a motion to accept the
9 agenda for the February 10th meeting?

10 MR. BRAGG: So moved.

11 MR. VINES: Second.

12 CHAIRMAN KICKLER: Okay, we have a motion
13 and a second. All those in favor of accepting the
14 agenda say aye.

15 TRUSTEES: Aye.

16 CHAIRMAN KICKLER: All those opposed, say
17 no.

18 (No response.)

19 CHAIRMAN KICKLER: The agenda has been
20 adopted. Moving on to the next item of business, and
21 that's the review and approval of the minutes of the
22 December 2013 meeting. I noticed a few things that
23 needed to be changed. It won't change the meaning, I
24 don't think, but I think it would be necessary to
25 change them.

1 The first item would be, and this is just
2 some spelling errors and then for a point of
3 clarification. I think one thing that needs to be
4 changed from pages 8 to 11 is the spelling of Deputy
5 Secretary Skvarla's last name to S-k-v-a-r-l-a.

6 On page 134 to page 135 on the first part of
7 the minutes change Pearsall spelling P-e-a-r-s-a-l-l,
8 Pearsall. And going on to the second part, on page 76
9 -- I'm sorry, 77 -- well, 76 and 77 sometimes Trustee
10 Hackney is referred to as Mr. when it should be Ms.
11 If those changes could be made.

12 And then on page 102, and I'm doing this
13 because I think names are important, then on page 102
14 I believe -- I believe on page 102 where it says "Ms.
15 Hackney" that should be Ms. Guthrie. I do think that
16 she was responding. Yes, she was responding to a
17 Trustee's question.

18 And then on page 94, the first section, the
19 first 94, the second paragraph of page 94 under the
20 Chairman's comments this is phonetic, where it says
21 "omnience" I was saying "opinion." Omnience should be
22 opinion. And that -- And for a point of clarification
23 for the record on page 59 under the first section,
24 page 59, under the Chairman's comments in the second
25 paragraph there which starts with the words, "And also

1 in regards to regional diversity," in between the
2 words "project and happens" whether that could be in
3 brackets. Maybe I don't recall and, you know, I
4 haven't heard the audio, but the intent was this.
5 After the word "project" the word "simply" should be
6 inserted before project and happens and the word
7 "don't" inserted between "I and think" in the third
8 line of the second paragraph. So it reads, "Also in
9 regards to regional diversity I mean in my mind
10 because the project simply happens to be in the
11 central part of the state, I don't think it should be
12 funded for that reason." So just for the intent of
13 that.

14 So those are some of the things that I
15 noticed in the minutes, so I will open it up. Are
16 there any other corrections that need to be made?

17 MS. CAWOOD: Chairman?

18 CHAIRMAN KICKLER: Yes.

19 MS. CAWOOD: Yes, Mr. Chairman, I want to
20 apologize to the court reporter because I was on the
21 phone for this, so it was hard to get all of my
22 comments. There are a number of indiscernibles in
23 comments that I made. If I can just put forth what
24 was said at that point.

25 On page 65 of Volume I, the first

1 indiscernible should read, "Second to comment." And
2 then at the bottom of that page the paragraph where it
3 starts, "To see that it really puts" it should say,
4 "in context to talk about the land that we've
5 protected in the past that has already been funded
6 because really it's a priority on getting the money
7 for lands that are contiguous to other lands that have
8 been protected and purchased by state funds. So
9 stating that background might be helpful with the
10 intent of those comments."

11 And then also in that section on page 116
12 there are some more indiscernibles there. And what
13 that should read is at the start of after the word
14 "because we did a lot of funding of agencies, priority
15 4 is pretty low on their priorities. I'm thinking it
16 might make better and make more sense," and then the
17 rest of the paragraph is correct. So that's all I
18 have, Chairman.

19 CHAIRMAN KICKLER: Are there any other
20 corrections?

21 (No response.)

22 CHAIRMAN KICKLER: If there are no other
23 corrections or comments, is there a motion to accept
24 the minutes of the December 2013 meeting as amended?

25 MS. CAWOOD: So moved.

1 MR. MARTIN: Seconded.

2 CHAIRMAN KICKLER: Trustee Cawood made a
3 motion to accept. Johnny Martin made a second.

4 All those in favor of accepting the December
5 2013 minutes as amended say aye.

6 TRUSTEES: Aye.

7 CHAIRMAN KICKLER: All those opposed say no.
8 (No response.)

9 CHAIRMAN KICKLER: The amended minutes have
10 been adopted. Now, the next order of business is the
11 Attorney General's Office remarks, so I'll turn the
12 time over to Ms. Mary Lucasse.

13 MS. LUCASSE: I wanted to bring you up to
14 speed on some of the projects that I've been working
15 on since our last meeting and the projects that are on
16 my to do list to work on from this point forward.

17 And this is really just in the interest of
18 transparency. A lot of the time you come to the
19 meetings and you have the agenda and things before
20 you, but sometimes there are things that I am aware of
21 that are happening that I want to alert you to, even
22 though there is nothing that you need to do about it
23 right now.

24 For example, it has come to staff's
25 attention that we have an easement going back to 2004

1 that has been recorded, and that's fine. However, in
2 its language it refers to a memorandum of
3 understanding between the easement holder and the
4 Clean Water Management Trust Fund that upon review
5 turned out never to have been signed. So I'm working
6 with them to draft an agreement that will be signed
7 and there's no dispute with anybody but will make a
8 writing that then can fix that situation.

9 In addition, it's come to our attention that
10 a lawsuit has been filed, and Clean Water Management
11 Trust Fund is not a party to that relating to an
12 easement that was purchased in our 2007 funding cycle.
13 So that's something that Bryan had become aware of and
14 brought that to our attention, and we're monitoring
15 that. But it's not something that's risen to be
16 something we've needed to address proactively at this
17 point.

18 The third big project that I guess is on my
19 list is Will has brought to my attention the fact that
20 we have some concern, and the land trust has a concern
21 about whether an easement is being inappropriately
22 subdivided, and I need to start working on that and
23 just do some investigative work with the easement or
24 the land trust that is responsible for that easement
25 and we'll keep moving with that. None of these things

1 are rising to the level that the Trustees need to do
2 anything, but they are certainly things that I've been
3 working on with staff or that have come to my
4 attention through staff that I'll be working with over
5 the next month or so. Any questions?

6 (No response.)

7 CHAIRMAN KICKLER: Okay, thank you. I'll
8 turn the time over to Executive Director Bryan Gossage
9 for his remarks.

10 MR. GOSSAGE: Well, good morning. Thank you
11 all for coming today. To our Trustee Greer, this is
12 the room we meet in.

13 MS. CAWOOD: Thank you.

14 MR. GOSSAGE: And as you may be aware, the
15 Clean Water Trust Fund is moving. And I want to just
16 use this opportunity to physically show you, as much
17 as I can, to the building right across the street, the
18 Natural Resource Center, NRC, is the building that
19 we'll be in. So if you've come over the last two
20 years to the Archdale Building, as of Thursday we will
21 no longer be there. We will be right across the
22 street on the fourth floor.

23 To get to a meeting with staff you'll need
24 to come to this building, and you'll come in just the
25 way that you did this morning through the front doors.

1 And then you'll go up to the fifth floor where there's
2 a receptionist and they will direct you across the
3 skywalk, which is right here (indicating), and staff
4 will meet you and take you in through a card read,
5 past a card reader door. So I wanted to let you all
6 know that.

7 We talked about most of the revision
8 material that you all have. You also have a budget
9 document in your blue folder that you'll see, and
10 you're probably getting used to seeing at each
11 meeting. And we just put that there for your
12 information. Today it does have a number at the
13 bottom that is the 2.66 million that you'll be working
14 with.

15 And, lastly, and I wanted the Chairman to
16 recognize something I don't think that he noticed.
17 And that is that we redid the --

18 CHAIRMAN KICKLER: I did notice it.

19 MR. GOSSAGE: -- you did notice it? Wow.
20 We redid the blocking gavel (indicating). Will, in
21 fact, did that.

22 CHAIRMAN KICKLER: I noticed it.

23 MR. GOSSAGE: And specifically we had the--

24 CHAIRMAN KICKLER: That I did not notice.

25 MR. GOSSAGE: Okay, well, there you go.

1 CHAIRMAN KICKLER: Thank you.

2 MR. GOSSAGE: So it's engraved with your
3 name, and when you depart, whenever that may be,
4 there's no rush, but you will be free to take your
5 gavel with you.

6 CHAIRMAN KICKLER: Well, thank you very
7 much.

8 MR. GOSSAGE: And that is all I have.

9 CHAIRMAN KICKLER: Okay. Well, we'll move
10 on to old business. The first item of business is
11 consideration of requests on existing contracts.
12 Request to amend easement to allow for access to
13 drinking water wells in Caldwell County, the Donahue
14 Creek Acquisition (2004A-002).

15 MS. GUTHRIE: And Tom Massie is going to
16 bring us up to date.

17 CHAIRMAN KICKLER: Okay.

18 MR. MASSIE: Thank you, Nancy. Again, I
19 call your attention to the board packet to the agenda
20 item old business number 1. As the Chairman said,
21 this was a grant we made in 2004 to Caldwell County to
22 purchase 290 acres for a drinking water supply on
23 Donahue Creek in Caldwell County in the Yadkin Valley.

24 In 2011 Caldwell County sold that property
25 to DCP Happy Valley, LLC, some private individuals who

1 were in several other businesses. During the course
2 of Caldwell County's ownership they went ahead and
3 drilled some test wells for drinking water supplies,
4 between 15 and 22. The map up here shows you
5 essentially the 290 acres that was purchased in the
6 tan and the blue. Everything in blue is the riparian
7 areas. There were between 17 and 24 test wells
8 drilled all over the property from the southern end of
9 the property to the northern end which is much further
10 up the watershed and much more steep in terrain.

11 The five wells that DCP is asking access to
12 are illustrated in green in this slide. This project
13 came in front of the board in June of last year, 2013,
14 asking for permission to access this well. At that
15 time the board chose not to provide access to the
16 wells.

17 The current proposal in front of us requests
18 access to the five wells, a 30-foot right of way
19 through the easement. Of the five wells, the well
20 that you can see furthestmost on the left is the
21 closest to the Donahue Creek. It's approximately 50
22 feet away from the stream. The rest of the wells vary
23 from 50 feet to 290 feet within the 300 foot buffer.
24 The exact distances are 50 feet, 160 feet, 190 feet,
25 265 feet and 290 feet within the 300 foot buffer.

1 What Happy Valley has proposed is to provide
2 15 acres in the upper end of the watershed and is the
3 area shaded in green and inside the yellow at the
4 upper left-hand side of the property there on up
5 towards Turkey Top Knob Mountain, to trade that for
6 the 30-foot right of way. Now, the 30-foot right of
7 way when we ran the calculations amounts to three
8 acres. They're proposing a 5 to 1 match of 15 acres
9 of the head waters of Donahue Creek for access to that
10 30-foot right of way.

11 In addition to that proposal is to allow
12 them to go ahead and do the necessary improvements to
13 put in a well house, put in wells themselves, put in
14 the electrical work and to run the pipeline which will
15 be done on top of the ground without any trenching.
16 We have another couple of pictures here to give you
17 some ideas. Here's a picture of the well sites
18 themselves. Well, this actually shows -- If you see
19 all the little red triangles, those are some of the
20 test wells throughout the entire watershed that we
21 checked. And you can see the five green dots are
22 wells that we're talking about. Next slide please,
23 Terri.

24 And, actually, they're already existing
25 roads in here. These are old logging roads that were

1 used by the well drilling company when they went in
2 there and put in the test wells. The upper left-hand
3 corner you can see one of the test wells. It's right
4 on the edge of the old logging road. The same here in
5 the upper right you can see the logging roads that go
6 through there. No test on the lower left, and then
7 you can see actually the truck that was coming on one
8 of the roads to the test well.

9 We're talking about no significant
10 environmental damage to access to these wells.
11 They're all outside 50 feet away from the stream
12 itself, and any connecting line will be in these
13 existing runs that are already in the property
14 themselves. There's a water plant as well as a
15 treatment plant that will be built outside of the
16 Clean Water easement onto this property.

17 But in addition to that the question was
18 asked by one of the Trustees to me on Friday would
19 this have a significant impact on the groundwater
20 within this valley around Donahue Creek itself. And I
21 talked to Bern who is a hydrologist, and we think that
22 there will not be a significant impact. But before it
23 could be permitted as a public drinking water supply
24 you have to go through a 24-hour pump test. Right now
25 the preliminary tests show that the five wells average

1 about 265 gallons per minute. If it's going to be
2 permitted for a public drinking water supply they
3 would have to run at least a 24-hour pump test to see
4 what the draw down level before they would permit it.
5 And then they would determine the amount of gallons
6 that could be drawn from the subsurface water to
7 determine whether or not it was going to deplete the
8 aggregate. So they would make that decision through
9 the permitting process.

10 So with that, I'll be happy to try to answer
11 any questions. Mr. Joe Doll with DCP Happy Valley is
12 here. If I can't answer the question I'm sure that he
13 would be happy to try to answer any that the Trustees
14 might have.

15 CHAIRMAN KICKLER: Are there any questions
16 for Tom? Yes, Frank.

17 MR. BRAGG: Mr. Chairman, I had the
18 opportunity to talk with the owner of this property on
19 two occasions. And after hearing what's proposed, I
20 think it's a good idea. But there's another piece of
21 it that I think has a lot of merit. Upstream they
22 have purchased roughly 55 to 70 acres. And in the
23 course of talking to the owner I asked what was the
24 extent for use of that property. It's rugged land.
25 It's a fabulous watershed and being the land

1 conservationist that I am I said, "How about putting
2 it under easement?" He said, "Well, that is probably
3 going to be what will happen with that land because
4 can't do much else with it."

5 So on my second chat with this owner I asked
6 about this again, and he said, "That is our intent."
7 So I'm very comfortable with the 15 acres as a trade
8 off for the access with the intent of the foothills
9 getting a permanent easement on this land upstream.
10 So I am in support of this motion.

11 CHAIRMAN KICKLER: Did you have a question,
12 Trustee Martin?

13 MR. MARTIN: I just have one question. What
14 is the -- Where is the pipe going? Is this for public
15 water supply or is there a private use? What's the
16 expected use of the water that the groundwater wells
17 will feed?

18 MR. MASSIE: That really hasn't been
19 determined yet, Mr. Martin. Discussions are still
20 going on. As Mr. Doll says, "It's kind of a catch
21 22." When you're working on your business plan you
22 don't want to tie yourself down exactly until you know
23 exactly what you're asking for in your business plan.
24 They don't know if it's going to be a public water
25 supply, they don't know if they're going to use it in

1 their agricultural operation or if it may be used for
2 something else at a later date. I don't think they
3 have any plans to use these wells immediately at this
4 point in time until they decide exactly what they do
5 want to do with it. Now, is that correct, Mr. Doll?

6 MR. DOLL: That's a pretty good statement.
7 It's kind of hard to go out and advertise what you'd
8 like to do. I've had some conversations with the
9 county commissioners about whether it's useful for
10 public water. If it is it's going to be way off in
11 the future. They surely don't want to be tied up in
12 any manner with it at this point. We have left it
13 open pretty much so that the public water can be
14 revisited. Right now we're just trying to see if we
15 could find something that was economically viable that
16 we could create some jobs and help the community.

17 CHAIRMAN KICKLER: Are there any other
18 questions?

19 (No response.)

20 CHAIRMAN KICKLER: Before we go further, I
21 want to remind everyone that it's -- if you could ask
22 if guests could speak before we open it up for our
23 guests to speak, I would appreciate that very much.
24 Yes, Trustee Toole?

25 MR. TOOLE: What's your recommendation, Mr.

1 Massie?

2 MR. MASSIE: Staff does not have a
3 recommendation. The staff recommended in June that we
4 approve this, but at this point in time staff does not
5 have a recommendation today.

6 MR. TOOLE: Why?

7 MR. MASSIE: Well, maybe the Chairman has a
8 recommendation, but I have not heard the Chairman or
9 the Executive Director say what our position is.
10 Maybe the Chairman or the Executive Director has a
11 recommendation, but I have not been apprized whether
12 the staff has a recommendation.

13 MR. GOSSAGE: We didn't feel it was staff's
14 place to make a recommendation, but it's up to the
15 board to make that decision.

16 MR. TOOLE: Okay. I agree that it's up to
17 the board to make a decision, but you all are the
18 experts. And so I appreciate recommendations from
19 staff, whether we follow it, that is a different
20 question. But I do find great value in that
21 recommendation.

22 MR. GOSSAGE: Mr. Chairman, if you'd like a
23 recommendation from staff we can --

24 CHAIRMAN KICKLER: I had a question. It
25 seems like this tract has a long history, and I was

1 wondering if staff could elaborate some on that
2 history. How did we get to this point basically?

3 MR. MASSIE: Well, Caldwell County
4 originally made an application to the Trust Fund.
5 They were looking at developing the eastern part of
6 Caldwell County in Yadkin Valley providing the public
7 water supply source.

8 They came to us and asked us to help buy the
9 land for a reservoir. Then they decided they wanted
10 to see if they could get enough ground water from the
11 wells out there, the test wells to supply a public
12 water supply then. The board of commissioners
13 subsequently changed hands to the new board, and the
14 new board decided that they did not want to develop a
15 public water supply in that part of Caldwell County.
16 And they, in turn, put the property up for sale at
17 which DCP Happy Valley purchased the land. And
18 subsequently they have been talking to us now for a
19 year and a half, almost two years, to see if they
20 could get access to these test wells that were in
21 there to start working on developing another plant.
22 Consequently that's how it came to the board in June
23 and back to the board now in February.

24 MR. TOOLE: Okay.

25 MR. MARKHAM: Mr. Chairman?

1 CHAIRMAN KICKLER: Yes.

2 MR. MARKHAM: Since I was on the previous
3 board that was asking these questions, I believe that
4 with the additional information that staff has
5 provided it answers the questions that I had at the
6 time, and that I am satisfied that this will not cause
7 environmental degradation of the existing buffer. The
8 presence of the existing subcultural access roads, the
9 distance of the wells from the stream I think
10 satisfies my concerns. I would move that we accept
11 the amendment to the easement to allow for this access
12 in exchange for the 15 acres of additional buffer.

13 CHAIRMAN KICKLER: Okay, let's see if I've
14 got this right. Trustee Markham moves to accept the
15 amendment to the easement in exchange for the
16 additional 15-acre buffer; is that correct?

17 MR. MARKHAM: Correct.

18 CHAIRMAN KICKLER: Is there a second?

19 MR. BRAGG: Second.

20 MR. DUFOUR: Second.

21 CHAIRMAN KICKLER: Is there any discussion
22 on the motion? For the record, who seconded it?

23 MR. BRAGG: Me.

24 CHAIRMAN KICKLER: Trustee Bragg. Is there
25 any discussion or any comments regarding the motion?

1 MR. MARTIN: So there will be some tests
2 done to be sure that before this is permitted that
3 whatever -- I just want to understand that there will
4 be some tests done to be sure that there will not be
5 measurable impacts to this stream from a water supply
6 aspect.

7 MR. MASSIE: If it's a public water supply,
8 then the state has to permit it, so they will test it.
9 Now if they're using it for private use, it's not a
10 public water supply, then they don't have to test it.

11 MR. DOLL: Mr. Chairman, can I make a
12 comment?

13 CHAIRMAN KICKLER: Well, I have one
14 question.

15 COURT REPORTER: Who was just speaking?

16 MR. DOLL: (Raises hand.)

17 COURT REPORTER: Mr. Doll?

18 CHAIRMAN KICKLER: These wells, the five
19 wells, is it all or nothing, or is it two may be used
20 for private and three may be used for public?

21 MR. MASSIE: I don't know the answer to
22 that.

23 CHAIRMAN KICKLER: We don't know? Is that a
24 -- Is that a possibility? Is that a scenario?

25 MR. MASSIE: Possibly.

1 CHAIRMAN KICKLER: Okay. Yes.

2 MR. TOOLE: I did have some concern about
3 the possible impact of water withdrawal, groundwater
4 withdrawal on the stream. In North Carolina,
5 particularly in the Piedmont, 60 percent of surface
6 water comes from groundwater recharge. That's a rough
7 number that's pretty reliable.

8 So if the withdrawal from the groundwater
9 wells was too high, you could have an impact upon the
10 stream, but as I was talking to Mr. Massie about this,
11 the production was expected to be around 620 gallons
12 per minute. Recharge when they tested was closer to,
13 what did we say, substantially greater than that. I
14 forgot what it was. So it seemed to me that the
15 impacts wouldn't be of such consequence that you'd
16 worry for the stream in this particular instance.

17 But I think that the question is pressing
18 that we -- because we're concerned about surface water
19 we have to be alert to impacts of our decisions on
20 groundwater because groundwater is so important to
21 surface water, and we found that out in these last two
22 droughts.

23 MR. MARTIN: Well, it also brings up the
24 concern about is this ultimately going to be used for
25 public versus private water use. So to me, that's

1 another thing that I wish we had more of a feel about
2 where that was going.

3 MR. TOOLE: Well, I know a little bit about
4 the public versus private water use. So public is
5 defined as where you've got, I think, more than 20
6 residential users. I've forgotten the number, but
7 it's something like that. And then if you had a
8 little trailer park that was less than, pick a number,
9 it's about 20, that would be considered a private
10 water use, as would be a single big industrial user.
11 That would still be private use.

12 But if you had a single big industrial user
13 that generated, pick a number, 50 jobs, hurray! So
14 even though it's a private user, so that's the
15 balance.

16 CHAIRMAN KICKLER: Are there any -- Let's
17 make sure we stick to the motion that's on the table
18 right here. Are there any questions regarding the
19 motion that's on the table, the motion that has been
20 seconded as well. And that's move to accept the
21 amendment to the easement in exchange for the
22 additional 15-acre buffer. Is there any more
23 discussion about that motion?

24 (No response.)

25 CHAIRMAN KICKLER: All those in favor say

1 aye.

2 TRUSTEES: Aye.

3 CHAIRMAN KICKLER: All those opposed say no.

4 (No response.)

5 CHAIRMAN KICKLER: They ayes carry. Let's

6 take a couple minutes break so Penny can contact

7 Trustee Hackney and she can participate in the

8 remainder of our meeting.

9 (Brief recess was taken from

10 9:36 a.m. to 9:45 a.m.)

11 CHAIRMAN KICKLER: Okay, if we could

12 reconvene quickly, I'd appreciate it. I think we have

13 Trustee, Robin Hackney, on the phone. Robin, are you

14 there?

15 MS. HACKNEY: Yes, I am.

16 CHAIRMAN KICKLER: Okay, thank you. I'm

17 sorry you couldn't be here with us today. I hope you

18 feel better soon, but I'm glad you're willing and able

19 to participate via phone call. Thank you very much

20 for that.

21 Before we go forward, Tom said he needed to

22 make a correction on a geographical identification.

23 MR. MASSIE: Thank you, Mr. Chairman. Yes,

24 I misspoke. I believe I called it Turkey Knob

25 Mountain, and it's actually Turkey Hen Mountain.

1 CHAIRMAN KICKLER: Okay, thank you. And
2 before we get into the Grant Programs committee
3 recommendations, I'm going to allow Executive Director
4 Bryan Gossage to interject a few comments.

5 MR. GOSSAGE: Thank you, Mr. Chairman. I
6 think we've made an organizational change, which you
7 all were notified of, but in the time since that was
8 made I think I've become so quickly comfortable with
9 Bill (indicating to Mr. Crowell) helping out at Clean
10 Water that I neglected to officially mention that he
11 has taken on the Deputy Director responsibilities at
12 the Clean Water Management Trust Fund. And Bill, of
13 course, is joining us here today and brings a wealth
14 of experience as the Director of the Albemarle-Pamlico
15 National Estuary Program. Did I get that right?

16 MR. CROWELL: It's partnership now. It used
17 to be program.

18 MR. GOSSAGE: All right, partnership. So I
19 just wanted to recognize Bill and let you all know
20 that he is part of the Clean Water team. If you
21 haven't spoken with him already, please take an
22 opportunity to do so whenever you have a chance to
23 pick his brain. And I think he's going to bring a
24 great deal of value. And by leveraging the resources
25 in that way as opposed to -- so he will be sharing his

1 time with APNEP and with Clean Water. And by
2 leveraging our resources in that way, that allows us
3 more resources to put out into grants. And so as
4 you're working your way down the list, that is a
5 contribution that Bill has already made. Thank you.
6 Thank you, Mr. Chairman.

7 CHAIRMAN KICKLER: Thank you. Moving on to
8 the next item of business, the Grant Programs
9 Committee recommendations. Before we get into
10 questions and answers about that, Will Summer has a
11 presentation of the criteria. Hopefully you've had
12 time to review the criteria and ask staff questions.
13 But while Will is getting ready I wanted to say a few
14 comments about the criteria.

15 One, applicants will have an explanation
16 like a guide to fill out the -- to fill out the
17 applications, so the criteria is not exhausted with
18 examples and so forth. And the Criteria Committee
19 tried to make it, we made a point to align the new
20 criteria, the merged criteria with the statute. And
21 you can see that in the first page or two of the grant
22 criteria recommendations.

23 And there was a great effort to give each
24 type of project, whether that be riparian buffers,
25 riparian greenways, natural heritage or historic and

1 cultural projects, to give them an opportunity to
2 score high, to be treated as a good project in and of
3 itself. In other words, to make sure that the merged
4 criteria didn't skew it towards one type of project
5 out of the four. There was an effort to do that as
6 well. And then there was also an effort to encourage
7 applicants to think more comprehensively, to think
8 more wholistically about their projects. And you can
9 see that in the additional resource benefits section.

10 And then there was also to further express
11 North Carolina's interest in military bases and the
12 board's interest in military buffers and to show a
13 relationship of reciprocal interest in the military's
14 presence in North Carolina. There's a section, I
15 believe it's section II, that also reveals that
16 concern.

17 So I will turn the time over to Will to
18 deliver a short presentation. And I ask that if you
19 have questions, and I encourage you to ask questions,
20 but maybe Will might answer your questions in the
21 presentations. So I ask that you give him some time
22 to deliver the presentations. Yes, sir?

23 MR. BRAGG: Who was on the committee, just
24 so we know?

25 CHAIRMAN KICKLER: Okay. The Grant Criteria

1 Committee consisted of it was me. There was also
2 Trustee Cawood and Trustee Markham. So I'll turn it
3 over to them.

4 MS. CAWOOD: And, Mr. Chairman, just because
5 Mr. Bragg brings up a great question and something
6 that we found very useful was I don't know if
7 everybody knows, but Trustee Markham had been on the
8 former Clean Water Management Trust Fund, and I -- and
9 Troy had been on the Natural Heritage Trust Fund. So
10 it really helped us as a committee to have the
11 background as we came towards it.

12 CHAIRMAN KICKLER: Thank you.

13 MR. SUMMER: Thank you, Dr. Kickler. Next
14 slide, please, Terri. So what I'm going to talk about
15 is briefly I'm going to touch on the legislative
16 purpose and criteria. As Dr. Kickler mentioned, this
17 is what really drove the process.

18 COURT REPORTER: Mr. Summer, could you
19 please slow down some?

20 MR. SUMMER: My apologies. The next thing
21 I'll talk about is the overall goals of the committee,
22 and then you have a brief explanation of the criteria
23 and the scoring system. Next slide, please. They're
24 also up on the second page of agenda item, OB-2a. I
25 put them up there to say that the legislature

1 establishes nine purposes, and here they are. The
2 last two, 8 and 9, those are new purposes. That was
3 part of the reason why we had to get together and
4 revise the criteria to take into consideration the new
5 purposes that were given to us. Next slide, please.

6 So these 9 purposes suggest that Clean Water
7 Management Trust Fund fund three broad project types:
8 land protection, via easement or acquisition and that
9 takes into consideration riparian buffers, riparian
10 greenways, military buffers, and the new ones, natural
11 heritage and historic and cultural properties.

12 In addition to that there's also design
13 construction type projects, which is now restoration
14 and innovative stormwater, as well as the fifth
15 purpose was to ask the board to fund projects for the
16 purposes of planning for water quality improvement.

17 For the purposes of what I'm going to talk
18 about today we're just focusing on land protection,
19 via easement or via acquisition because that's where
20 things have changed. The other ones are from the past
21 that we're going to go forward with what had been done
22 in years past, and Larry will talk a little bit about
23 that next. Next slide, please.

24 So in addition to the purposes, the
25 legislation establishes 11 criteria. And it says,

1 "The Trustees shall develop criteria for awarding
2 grants under this article." Again, there's the
3 criteria. Next slide, please, Terri. Eleven
4 criteria, and the last three, 9, 10 and 11, are new.
5 And basically they address the preservation of land
6 with outstanding natural or cultural heritage values
7 and historical and cultural sites. Next slide.

8 So the major goals of the committee were to
9 incorporate the natural heritage and historic and
10 cultural projects into our existing criteria and
11 ensure that the letter and the intent of the
12 legislation is followed as evident in the criteria,
13 and ensure that the scoring system is objective and
14 transparent. Next slide.

15 There's a few more specific goals that we
16 were given after the first committee meeting as staff.
17 One was to remove redundancies in the criteria. The
18 old criteria, which is where we started, had places
19 where a 303(d) stream was credited in one section and
20 it might also be credited down in another section.
21 And we wanted to simplify it. Also give each of the
22 different resource areas equal footing in the criteria
23 such that a water quality project and natural heritage
24 project and historical project might all have an equal
25 shot of being funded if they were the best of their

1 class.

2 Also give additional consideration for the
3 projects that benefit more than one type of resource.
4 So if you had a project that was a great water quality
5 buffer but also had some historical and cultural
6 significance or also had some natural heritage
7 benefit, we'd want to give it a little bit of extra
8 points so that we can kind of take care of two birds
9 with one stone. Also, where possible, check in with
10 other agencies to ensure that our values accurately
11 reflect the resource. And we did talk with folks from
12 natural heritage, the Department of Cultural
13 Resources, as well as folks from the Division of Water
14 Resources on that.

15 This is the overall structure of the
16 criteria. This more or less follows the first page of
17 your agenda item. Section I is the primary resource
18 significance, and this is where we look at the
19 specific benefits of each of the four resources that
20 we're going to fund. So riparian buffers, riparian
21 greenways, natural heritage and historic properties.
22 Each of these is worth 50 points, or roughly 50
23 percent of the score. Let me get into that in a
24 little bit. I'll back off of that and just go for the
25 broad overview.

1 The second section is military buffers. And
2 that's really just based on the location and proximity
3 of the base. The third section is other public
4 benefits, be it recreation or education. And as you
5 see in all of these first four sections underneath
6 I've got C1, C2, C3 and etcetera. These are the
7 various criteria that these sections consider.

8 The last two sections, Section IV. Readiness
9 talks about the landowner's interest and where the
10 funding status is. And Section V. is Value, and that
11 talks about the matching resources. These two don't
12 specifically address any of the criteria. However,
13 they address the, I guess, stewardship of the taxpayer
14 funds. Is a project ready to go, or are we going to
15 spend money and have it sit out there for a year
16 waiting, or is it we're going to put our money in and
17 then six months from now this project is going to be
18 closed and done. The money is spent and the benefits
19 are on the ground. And the other is how much other
20 money from other sources other than the state is
21 coming into the picture to add value to what we do and
22 leverage our funds. Next slide, please.

23 So this is the scoring of the criteria. The
24 primary resource benefit is worth 50 points, and
25 that's whether it's riparian buffer, riparian

1 greenways, natural heritage or historical and
2 cultural. There's another five points that comes from
3 the additional resource benefit, and I'll explain a
4 little more about that in a moment. The military
5 buffer section is worth five points. Under other
6 public benefits, recreational use is worth five points
7 and public education is worth five points. Under
8 readiness, landowner interest is worth five points and
9 funding status is worth five points. And, finally,
10 the matching resource section is worth 20 points. And
11 since that's out of a total of 100 points it's also
12 equivalent to the percent. So 50 percent comes from
13 the resource significance and so forth. Next slide,
14 please.

15 Now, I'm going to apply a little elaboration
16 on the resource significance and the matching value
17 just because it's not a purely additive point total
18 like the other sections are, and I'll explain that in
19 just a moment. Next slide, please. So for the
20 scoring in Section I, this is the primary resource
21 benefits, there's four categories and each of them is
22 worth 50 points. If you just simply added them up and
23 you had 200 points in that section, that doesn't
24 exactly work to a 100 point scale.

25 The other issue with that is it would give

1 project mediocre scores. Let's say a project scored a
2 20 out of 50 on riparian buffers and a 20 out of 50 on
3 natural heritage and so forth, you might get a score
4 that really wasn't that great for any one thing, but
5 it would get 80 points there; 20 plus 20 plus 20 plus
6 20. And that might outweigh let's say the single best
7 example of a natural heritage project that might be
8 worth 50 points. And when we considered that, the
9 Trustees decided they really didn't want to go down
10 that road because you really want the best of any one
11 resource to be competitive, but you still want to get
12 these added benefits.

13 So the way it's going to work is the full
14 weight, the highest scoring of the four categories is
15 awarded for that Section I. And any scores or any
16 points that were accumulated in the other three
17 categories were given a partial score to a worth of 5
18 points for the added benefits. And I'll go through an
19 example on the next slide.

20 So the way that added benefit works is once
21 the highest of the four gets its full credit, the
22 other ones get a reduced credit. And if it scores
23 between zero and 25 it gets one extra point. If it
24 scores greater than 25, it gets two extra points up to
25 a maximum of five points. So if we had an application

1 that had the highest score in the natural heritage
2 category it might look something like this. So your
3 riparian buffers, you've got 35 out of 50. Your
4 riparian greenways you got 20 out of 50. For natural
5 heritage you got 45 out of 50, and for historic and
6 cultural this particular site didn't have much to
7 offer. The highest score would go to the natural
8 heritage, so it gets all 45 points because that's its
9 highest score. It gets a reduced value for the other
10 three categories giving a total score of 48. Next
11 slide.

12 CHAIRMAN KICKLER: Will, sorry to interrupt.
13 One thing I wanted to say or remind is the applicants,
14 with this suggested criteria, applicants are
15 encouraged to fill out each section so they can get as
16 many points as possible. However, it's not required,
17 but there's just a possibility it may get five
18 possible points. And that effort was to get people to
19 think more -- the inclusion of that added benefits
20 section was to get applicants to think more
21 wholistically about their projects. But I just wanted
22 to interject that.

23 MR. SUMMER: And that's an excellent point.
24 Thank you.

25 CHAIRMAN KICKLER: It's encouraged but not

1 required for consideration.

2 MR. SUMMER: And now I'll skip ahead and the
3 other points in the application add up. They're
4 simply if you get five points, you get five points
5 added. Down in the last section, the matching
6 resources section, this section is worth 20 points
7 overall, and it gets a little bit of revision from the
8 old system. It follows the same pattern. So the old
9 system awarded points for a match in two categories
10 based on the percentage of match, and that was where
11 you got 10 out of your 20 points in the old system and
12 the source of the match, and that's where it got the
13 other 10 out of 20 points in the old system. And the
14 way it was valued is the cash match had the highest
15 value through several categories, and other state
16 funds had the lowest value in private sources, local
17 or federal sources rather than just leverage other
18 state funds to get the most leverage out of our
19 efforts.

20 So the new system reflects about the same
21 but does it with a simple weighted value. So if it's
22 a cash match or a nonprofit or any other private
23 funds, you take the percentage of the match times .22.
24 If it's bargain sale and donated easements, the
25 percentage times .18. Federal and local government

1 funds the percentage times .14. Other state funds the
2 percentage times .10. And the way this works out is
3 if you had kind of a ceiling is if you have a 90
4 percent cash match, which is a very high bar to set,
5 you would get all 20 points in this category, and
6 that's how the math works out. Next slide, please.

7 So here's an example. Here's an example
8 where the request is for \$40,000 from us with matching
9 resources coming in the form of cash from a land trust
10 for \$20,000, bargain sale from the landowner for
11 \$20,000, and a federal grant for \$20,000. So it's a
12 total of \$100,000. Our part is 40 percent of that,
13 and the match is 60 percent of that. So the part that
14 comes from the land trust is given the highest
15 multiplier and gets 4 points for that. The bargain
16 sale, it's the same match percentage but because it's
17 a lower multiplier you get a few lower points for
18 that. Federal and local government funds, a lower
19 multiplier still, lower points, and nothing from other
20 state funds. So the total is 10.8, and it's rounded
21 up to 11 points.

22 Just to let you know how this might
23 functionally work, if the same project had the same 60
24 percent overall match percentage but all the funds
25 were coming from cash instead of this mixture, you

1 would get 13 points instead of 11, so you'd get a
2 little benefit there by having a match that the
3 committee valued higher. On the other hand, if you
4 had a project with the same match percentage, but all
5 those funds came from other state funding sources you
6 would score 6 points. So that way it takes into
7 consideration both the source and the percentage
8 match. Next slide, please.

9 Final remarks and questions, and I'll open
10 it up. The criteria is a tool. It doesn't reflect
11 every possible consideration. It's for your benefit.
12 But Trustees in the past have always felt comfortable
13 using their judgment in moving projects up and moving
14 projects down based on things that the criteria
15 doesn't consider. And we all know now what the
16 criteria considers. So you can see there's some
17 things that are either hard to reflect in the criteria
18 or that just don't work well. But this is not to tie
19 your hands in the scoring order. Just as it's been in
20 the past, I assume that will go forward. You guys
21 have the ability to use your judgment to benefit this
22 system.

23 I will note that the only legislative
24 criteria not directly reflected is criteria number 5,
25 geographic distribution of funds. Historically this

1 has been considered by Trustees at the meetings. And
2 over the Fund's history the distribution has been
3 pretty even across the state.

4 The last point, these criteria allow us to
5 have a single acquisition application for all of the
6 four project types that we're going to fund in
7 acquisition. Now, that doesn't necessitate that you
8 consider them in one list when the time to fund it
9 comes. You can break them up based on what they're
10 best at and divide the monies up. Or you can put them
11 all on one list and not bother to break the funds up
12 and see how it goes. If the scoring system works
13 well, you may be able to do that, but it doesn't tie
14 our hands. It just simplifies the application process
15 for applicants and gives them more information and us
16 more information going into the funding. But that's a
17 decision you guys can make up until the day of
18 funding, really. So I wanted to make that clear, and
19 with that, I'll take any questions.

20 CHAIRMAN KICKLER: Let me turn it over. We
21 have some procedural things that we have to do. Let
22 me turn this time over to Greer.

23 MS. CAWOOD: Okay. And as one of the
24 committee members we just wanted to propose and bring
25 this to the board for your consideration in the hopes

1 that we will be able to move forward with the motion
2 to accept these so we'll be able to use these after
3 this meeting, so staff will be able to use them.

4 CHAIRMAN KICKLER: All right, thank you.
5 The committee has recommended approval of the
6 acquisition grant criteria, so are there any questions
7 about the grant criteria or any discussion about them?
8 Yes, sir.

9 MR. BRAGG: Well, was there any
10 consideration given for the higher awarding of points
11 for public use? It appears to me that if there are
12 criticisms of the work that we do at Clean Water or
13 the Land Trust do has said so much of our land is not
14 open to the public. And if there's a way to encourage
15 that by adding points for public use, then I would
16 like to know if you considered skewing the numbers
17 around to award more points for public access?

18 CHAIRMAN KICKLER: We, and other committee
19 members feel free, we did consider that. It's
20 reflected in public benefits, and that's in point 4
21 and 5 under Section III, letter A. reflects that
22 concern even when we were trying to consider
23 protecting a species or natural communities that are
24 targeted for pouching or harassment. That was also a
25 concern, public access in areas like that. So that

1 was definitely a concern of the committee.

2 MS. CAWOOD: And that also was one of the
3 first things that came up in looking at that to make
4 sure that it did get points, but also looking at the
5 value for the matching resources was another area that
6 we touched on.

7 CHAIRMAN KICKLER: Yes, sir.

8 MR. MARTIN: First of all I'd like to
9 commend the committee for the amount of work that
10 they've done to pull this all together. I think it's
11 very inclusive of, and I know that you mentioned this,
12 but as engineers and simple minds that we are, we like
13 to have it to where people can really tell what kind
14 of points that they're getting as well as they go, so
15 I'm glad to hear that. The only thing I would
16 recommend is like some of the things that are a little
17 bit more subjective and a little bit more difficult
18 probably to quantify if you, as part of the
19 application package, give some examples, I think that
20 would be helpful.

21 And the thing that kind of jumped out, and
22 this is where Troy and Greer's expertise come into
23 play like historical significance where you talk about
24 demonstrating significant influence versus observable
25 influence and things of that nature. So as part of

1 the application package if you could put like some
2 examples of that, I think it would be helpful to the
3 applicants.

4 CHAIRMAN KICKLER: Right. As mentioned
5 earlier, the application material would be more
6 specific. And with this guideline here there is,
7 speaking specifically with the historic and cultural,
8 the language here reflects some of the language of the
9 national register list. And there's also -- there's a
10 list of N.C. sites that are on the national register
11 as well. And to get on that register and to get a
12 certain ranking they have to be quality sites because
13 the national register of park services, for instance,
14 ranks both sites as, you know, a category, you know,
15 priority 1a, priority 1b, etcetera and so forth. So
16 there's already some guidelines out there.

17 And then also as you mentioned when you're
18 dealing with history, there are guidelines out there,
19 but history is also an interpretive discipline as
20 well. So I can see some of these sections might need
21 some explanation, not necessarily just checking a box
22 and saying you are a category A or B and maybe
23 possibly, you know, staff could consult and learn more
24 about those rankings. But there are rankings out
25 there that you can use as a guideline.

1 MR. GOSSAGE: And we'll make sure that there
2 is always an explanation and examples for the
3 application.

4 MR. TOOLE: Chairman Kickler?

5 CHAIRMAN KICKLER: Yes.

6 MR. TOOLE: I really want to thank you all
7 for the hard work you've put into putting together a
8 common application having gone through multiple
9 applications for college, to have a common application
10 is really great.

11 I do want to be sure we're encouraging the
12 behaviors we want because people are going to shape
13 projects and pick projects based upon these criteria.
14 And if you don't mind, I'd really like to go through
15 almost line by line to make sure I understand how all
16 this is going to occur, which will be -- I hope you
17 won't find it annoying, but I do need to understand.

18 So I'm starting on page 1 on the overview,
19 and particularly I'm interested in a comparison as
20 best we can do of these percentages: 55 percent for
21 resource significance as compared to what we did in
22 the past or what prior boards did in the past so I
23 understand how this is shifting behavior. And I know
24 for example you and I have spoken, and the Section V,
25 Value of 20 percent, previously that had been ranked

1 at about 12 percent. So that's a big chip, and I want
2 to be sure I understand the thinking behind that as an
3 example.

4 MR. SUMMER: Well, the value of 20 points
5 out of 100 that was basically decided on by the
6 committee. I'll have to ask them to speak to that.

7 CHAIRMAN KICKLER: Your general question is
8 what?

9 MR. TOOLE: My general question is if it's
10 true, and I don't know if it's true, but if it's true
11 that before there had been a 12 percent value placed
12 upon matching resources, and now we've kicked it up to
13 a 20 percent value. I want to be sure that's what we
14 want to do, and I want to understand the thinking of
15 why we made such a substantial change or such a
16 substantial change is proposed?

17 MS. CAWOOD: Maybe just as an overview and
18 not knowing how much background everybody has, with
19 Clean Water they had the criteria which was looked at
20 and scored, and the score was, what, 135?

21 MR. SUMMER: 165.

22 MS. CAWOOD: 165. And we thought it was
23 very important to get it down to 100 so it would be
24 something we could really work with in that sense.
25 With natural heritage trust fund there was not

1 criteria put forth to it, so it was based on a
2 recommendation in the priority that state agencies had
3 put forth. So it was really -- I mean, when you talk
4 about apples to oranges, that's about as apples to
5 oranges as you can get with the information.

6 So we took based on what Clean Water had
7 already had and worked with that with what natural
8 heritage and the input from the specialists there
9 could give us as to what would kind of make it more
10 apples to apples and what were the most important
11 things that both groups looked at when they were
12 determining if a project deserved consideration. So
13 that's a little bit of background possibly into it.

14 CHAIRMAN KICKLER: And about the percentage
15 of value in the old Clean Water criteria, there's a
16 link here with the percentage. We tried to go through
17 and eliminate some of the redundancies so we could
18 have a simpler application form, and those
19 redundancies have been eliminated. For example, in
20 the first place maybe that match value of 12 percent
21 might have actually been higher in the old Clean Water
22 criteria.

23 MR. MARKHAM: Mr. Chair?

24 CHAIRMAN KICKLER: Yes.

25 MR. MARKHAM: Also, since I was on the

1 committee, one of the thoughts that we had batted
2 around is that in these times with tighter budgets
3 from the state that we certainly wanted to put more
4 emphasis on value. We wanted to be able to take what
5 we do and leverage more. So it's really getting a
6 better value for the taxpayers. So that's why it's
7 now relative value is gone from the 12 to 12.5 percent
8 up to the 20 percent.

9 MR. TOOLE: I certainly get the whole
10 leverage idea. That's all we talk about here. Okay,
11 so then, I guess, just sticking with matching
12 resources for just a second, going back to Section V.
13 Value, we're giving greater value to cash than to
14 bargain sale and donated easements, and greater value
15 to those than to federal or local government funds.
16 And as between 1 and 2, why is a bargain sale where a
17 donor is taking a lick, why does that get less value
18 than cash?

19 CHAIRMAN KICKLER: We talked about that.
20 And the idea, as you picked up generally speaking, was
21 to encourage more creative thinking in getting and
22 acquiring of private funds for projects. And some of
23 the thinking behind the number 2 section with the
24 bargain sale and donated easements was thinking about
25 if the owner gets tax credits later on and for how

1 long.

2 MR. TOOLE: Well, I think those tax credits
3 expire.

4 CHAIRMAN KICKLER: Well, I'm trying to
5 understand the, I guess, the property law. Could they
6 get a tax deduction each year off of donating that
7 easement and so forth. That was a discussion that was
8 had, and then bargain sales, sometimes I wonder why,
9 what is the motivation for selling the land? Is it
10 not profitable for an entrepreneurial adventure? And
11 so, you know, do they want to sell the land because
12 it's a win-win, you know, a bargain sale. So that was
13 some of the thinking, my thinking in particular. I
14 don't know if you guys want to speak to that.

15 MS. CAWOOD: I think that hits on it because
16 in the past it was just matching resources of what
17 percentage is a match from wherever, and we thought
18 that it was important to maximize are people putting
19 cash forward versus is it state money? Of course, a
20 lot of projects at Clean Water would have natural
21 heritage as their match and back and forth. And that,
22 of course, no longer exists since we're combined. And
23 so, as we said at one point, to really show that cash
24 is king when you bring it to the table and you bring
25 cash as your match, then that should override over

1 state funds or over federal funds.

2 MR. TOOLE: All right. So let me just
3 follow this through for just a second. So I've got a
4 piece of property and I want to put an easement on it
5 because I -- well, who knows why I want to do it. And
6 if I get paid real money by the nonprofit for that
7 easement, that means the nonprofit had to go out and
8 scavenge resources from someplace else. I come out to
9 the better because I'm the seller of the easement
10 because I'm getting cash. We want to encourage that
11 rather than have me donate that easement for the same
12 value and the nonprofit not have to go scavenge those
13 resources and be unable to apply them to a new
14 property because that's what this behavior, that's
15 what this is promoting. I'm not sure that's what we
16 want. I don't understand how a donated easement is of
17 less value than one from which I just got paid real
18 money for. It's better for me to get real money. I
19 get that, but I don't know how it's better for the
20 state.

21 CHAIRMAN KICKLER: So are you saying they
22 are of equal value or they are out of order?

23 MR. TOOLE: I don't think there's -- I don't
24 see a -- I don't yet see the difference between the
25 two.

1 MS. CAWOOD: And for the benefit of the
2 group, that was something that was discussed and we
3 grappled with is do we make a distinction in some of
4 this. So I completely hear what you're saying. We
5 did grapple with that, so would love other input.

6 MR. MARKHAM: Well, Bill, since you've got
7 the experience dealing with the tax issues, I guess
8 one solution, like you said is we want to make sure
9 we're encouraging the kind of behavior where we get
10 match is if you were to roll bargain sale into number
11 1, and so whether it's cash or donated value it would
12 receive the .22 multiplier and then we took categories
13 3 and 4 and just bring them up a notch, would that be
14 a comfortable recommendation?

15 MR. TOOLE: Yeah. I mean, look, I get the
16 difference between non-government funds and government
17 funds. And I am comfortable with that distinction.
18 But I do believe that where you've got an easement
19 holder who's taken a hit, that's got the same value to
20 the preservation component as if that easement holder
21 got paid cash. And, in fact, might be better because
22 that dollar might have been spent on something else as
23 opposed to -- I mean, I just don't want to encourage
24 people to start paying money willy-nilly. That's an
25 official term, willy-nilly.

1 So, yeah, I would prefer to wrap 1 and 2 in
2 the same multiplier, whatever it is, and then if you
3 want to move the number 3 and number 4 up a lick, that
4 would be fine.

5 MS. LUCASSE: So is that a motion to modify?

6 MR. TOOLE: Well, I don't know how best to
7 go through this because I have some other questions as
8 well. I want to be sure we're getting the behavior.

9 MS. CAWOOD: Also, as we look at that, I'd
10 love for us before we get to the overall motion for
11 Will to run some numbers because I don't want an
12 unintended consequence of us just moving the other two
13 up and then gives state funds a lot more bang versus
14 private than what we wanted. And you're probably
15 doing that right now, Will.

16 MR. SUMMER: I think what was proposed still
17 gives a step difference between each type, and so it's
18 still appropriate that cash and now bargain sale gets
19 the highest credit. Federal and local governments get
20 the next step down, and state funds are a step below
21 that. So one project relative to another there will
22 still be a difference that will come out of this point
23 system.

24 MS. CAWOOD: Thank you.

25 MR. TOOLE: And I do want to add that I

1 think giving state funds under the current proposal of
2 zero, well, if you get (indiscernible) as an example,
3 in addition to Clean Water, well, good because that's
4 a benefit to the state. Where I think a zero ranking
5 is is where you're not bringing anything extra.
6 That's when you should get zero there.

7 MR. MARKHAM: I think that was just the
8 example we used.

9 CHAIRMAN KICKLER: Yeah, that's just one
10 example of it. If they brought in some money then
11 they would get some points.

12 MR. TOOLE: Okay, okay. So, um --

13 MR. BRAGG: Bill, while you're looking at
14 that, Mr. Chairman, do we revisit this annually, or
15 can we make provisions as we go and as we learn?

16 CHAIRMAN KICKLER: Thank you for reminding
17 me of that. This can be revisited. I mean, we want
18 to do the best job that we can right now, but this can
19 be revisited, and it's not the Ten Commandments that
20 came down from the mountain, but we can do that.

21 MR. BRAGG: Just whenever we see a need to?

22 CHAIRMAN KICKLER: Right, correct, you know,
23 and then are we getting the outcomes that we desire.

24 MR. BRAGG: Right.

25 CHAIRMAN KICKLER: Again, we try to do as

1 good a job as we can initially up front, and then we
2 revise it. We revisit it, and we tweak it and we
3 correct it if needed and when necessary.

4 MR. GOSSAGE: Whatever the board adopts
5 today will, unless there is another revision and
6 change fairly quickly, this would be used for the
7 upcoming cycle, but then after that point, of course
8 the board is completely free at any point to revise
9 the criteria and change it for the following cycle.
10 And it may be that we go through a cycle and that in
11 and of itself helps to get feedback from applicants,
12 and we can see some real life examples work themselves
13 through the criteria and through the process and see
14 if there are things that the board wants to change at
15 that time.

16 CHAIRMAN KICKLER: Will, is it possible to
17 project on the screen a different scenario with 1 and
18 2 being merged because sometimes --

19 MR. TOOLE: We'll get to that in a minute
20 because there's some other things I want to think
21 about before we do the whole picture, if you don't
22 mind.

23 CHAIRMAN KICKLER: Are there any other
24 discussions or comments?

25 MR. TOOLE: Yes, sir.

1 CHAIRMAN KICKLER: Yes.

2 MR. TOOLE: I wanted to ask about Section --
3 on page 2, letter b. Integrated Ecological Networks.
4 And I understand the intent where you get more points
5 if you're adjacent to an existing conservation
6 property. If you're near one you get less, and if
7 you're relatively isolated, well, you don't get any
8 points. I get the concept of connectivity and, you
9 know, scale and all that. But here's what I'd like to
10 consider. I can imagine that a relatively isolated
11 from existing property that's 5000 acres is, that's a
12 big one. And yet under this scoring it would get zero
13 points, and that's not the intent.

14 And I do know for example looking at
15 romanette (ii) where it says near existing
16 conservation properties, I know that if you've got a
17 master plan and you're filling in the patch work and
18 you've got a big picture, and I get one over here on
19 the right and one over here on the left and there's a
20 lot of space in between but you've got an idea that
21 you're going to be going and filling in toward the
22 middle. We want to encourage that as well, but that's
23 not -- we're not giving credit for that approach.

24 And I want to be sure, and maybe there's no
25 way to do it, but I want to be sure we've thought

1 about it as best we can so that we can get those big
2 homeruns even if they're isolated because maybe
3 they're going to be stimulative. And that where you
4 do have a master plan and you've got a big vision and
5 you know you're going to fill in the quilt over time,
6 that fits our goals.

7 MS. CAWOOD: Speaking to that, that had been
8 part of the previous Clean Water criteria, and as we
9 looked at what had already been a part and had worked
10 in their calculations and the thought of, yes, the
11 quilt is great and we want to encourage the quilt.
12 But for the big, you know, projects that are so
13 amazing our hope was that they would get more points
14 on the a., the resource benefits, and so that would
15 give a bigger weight there. And, Will, tell me if I'm
16 wrong or Kevin or someone, but that they would be able
17 to get bigger points there and maybe on other places
18 to weight. And then also we talked about, again, that
19 this is just a tool that Trustees are given and that
20 we all have the right stuff up in c. and to say, yeah,
21 this might have scored a little bit lower on that, but
22 this is a big project that deserves our attention. So
23 that whole thing again is a tool.

24 MR. TOOLE: A tool as opposed to definitive,
25 yeah, I get that.

1 CHAIRMAN KICKLER: Yeah, we tried to give
2 the biggest number of points on the quality of the
3 project whether it's historic project, natural
4 heritage and so forth so these other sections wouldn't
5 kill it.

6 MR. TOOLE: Yeah. I guess we need to make
7 sure that we say this is a screening tool as opposed
8 to -- yeah, okay.

9 CHAIRMAN KICKLER: Yes.

10 MR. BRAGG: I have a question. Did the
11 committee take into consideration the proximity to
12 urban core? And while one man's strategy is another
13 man's tragedy, I mean, it's the best we have. So in
14 urban areas our projects are not going to score as
15 well with water quality and with a lot of areas that
16 are relatively speaking to the board pristine areas of
17 the state, but they were important to us. And I want
18 to know what criteria was used to determine it.

19 CHAIRMAN KICKLER: We did consider that.

20 MR. SUMMER: If I might interject. That's
21 addressed in a few ways. One is -- And that's an
22 issue we've wrestled with. In the water quality
23 section the things that scored the highest are the
24 most pristine streams in need of protecting or in need
25 or preservation and the most degraded streams in need

1 of attention. So the 303(d) streams which are going
2 to fall inside your municipal areas, they get the full
3 credit or near the top credit in that section. So
4 that's one way that the urban areas kind of get back
5 in the game. One is urban areas have big
6 municipalities, big tax bases. They have programs to
7 be more competitive with the match.

8 And the third way is in the greenway
9 section, in and of itself, one of the categories is
10 how many people does -- you know, if it's a greenway
11 type project, how many people does the greenway serve,
12 and the greater number of people it serves the higher
13 points it gets there. So it's a spectrum but there
14 are ways that urban projects are going to be
15 competitive.

16 And one other way, that they'll be more
17 competitive than they were in the past is one of the
18 metrics that used to be in the scoring system was a
19 cost break. And that, you know, obviously hurt your
20 Wake County and Mecklenburg because the property is
21 just very expensive. That's no longer part of the
22 metric, so they're as competitive if not a little more
23 than they might have been in the previous cycles. So
24 I think those are a few ways those concerns are
25 addressed.

1 CHAIRMAN KICKLER: Any others? Yes, sir.

2 MR. TOOLE: Greenways, since you brought
3 them up, I'm torn on this and I don't know the answer,
4 but I know we don't like impervious surface on
5 greenways. But, you know, my mom's 84 and she's got a
6 bad hip and she loves nature. And I can't take her on
7 some of these greenways, and so I'm really -- I don't
8 have answers on this, but we're certainly not giving
9 anything for the wheelchair surfaces. You know, if
10 you're over a 60 percent impervious surface you don't
11 get anything. Again, I don't know what to say about
12 it except for some of these greenways are going to be
13 really valuable for those folks who are missing
14 access.

15 MR. BRAGG: I think I can answer that. In
16 Mecklenburg County all park and rec greenways are
17 nicer paved trails than where I grew up, I can tell
18 you that. They're ten-feet wide and paved, but what I
19 think we look at at Clean Water and what Land Trust
20 look at are more nature preserve type projects where
21 that pavement is not appropriate. And if you look at
22 Mecklenburg County at the large nature preserves there
23 are no paved trails there. There are only walking
24 trails, but there are plenty of paved trails in
25 Mecklenburg County because they are all handicapped

1 accessible. I'm sure that's the case in Wake County;
2 is that true in Wake?

3 MS. GUTHRIE: It is.

4 MR. BRAGG: So it varies.

5 MR. TOOLE: I mean, as long as that's the
6 decision that the board is just not going to fund
7 those and that's the decision, but I want to be sure
8 that it's a conscious decision.

9 MR. BRAGG: If I might add one other thing.
10 For an example, Mecklenburg County wants to have their
11 paved trails go up the creek. And that is in contrary
12 to the conservation easements that exist in some of
13 these areas, so it's a conflict. But the Land Trust
14 so far has said "no, paved trails are not appropriate
15 for pristine lands that are permanent."

16 MS. CAWOOD: And to that point something
17 else that we've talked about a good bit is you have
18 the whole public access, public benefit which you
19 spoke to a little bit before. That would in all of
20 these discussions would come up. But the public
21 benefit was the conservation benefit and the balancing
22 act that has to occur with that.

23 CHAIRMAN KICKLER: Will, do you want to make
24 a comment?

25 MR. SUMMER; If you don't mind, I think I've

1 got a clarification that will make it more comfortable
2 with that. This is a pretty big document as it was,
3 so perhaps we didn't explain it as well as we could
4 have. But that particular criteria of percent
5 impervious and riparian buffer, one assumption is that
6 all of the trail is impervious whether it's patch or
7 if it's asphalt. What this question gets into is
8 you've got 10 feet of trail and you're only protecting
9 a 30-foot corridor, then 30 percent of it is
10 impervious.

11 But if you've got a 10-foot trail and you're
12 protecting 100 feet of corridor, then 10 percent is
13 impervious, so it's really speaking to we're giving
14 money to protect a riparian corridor. How much of it
15 are you going to put pavement on, and how much of it
16 are you going to protect and leave unpaved? So it
17 doesn't discriminate against paved versus unpaved.

18 MR. TOOLE: You just get more corridor and
19 then you can dilute the rest which is the solution.

20 MR. SUMMER: Just to give you a little brief
21 history, prior to 2009 greenway -- and it's always
22 been part of the purpose but it was -- greenway
23 projects were considered regular riparian buffer
24 projects and they never scored well because they were
25 in urban centers and because we had an easement that

1 says don't do anything and you need to get people on
2 there. So you have to.

3 So in 2009 the greenways came up as a
4 separate Clean Water application, a separate section
5 which is where most of these questions came from. So
6 when the committee considered our new acquisition they
7 decided to keep greenways so that we could both
8 protect pristine trout streams and provide public
9 recreation to urban centers and not give them a hard
10 time about wanting to put ADA compliant facilities.

11 CHAIRMAN KICKLER: Thank you. Are there any
12 other questions?

13 MR. DUFOUR: Yes.

14 CHAIRMAN KICKLER: I'm sorry, yes.

15 MR. DUFOUR: I wanted to -- I was reading in
16 some of what came from the last meeting and when we
17 went over this application I don't see much of a plan.
18 I mean, I basically see a few trails here and there.
19 I'd be interested in seeing what the people applying
20 for the grant will be doing to improve this tract of
21 land if there is a greenway or a trail. But, you
22 know, for example, last time I remember we were
23 talking about describing a tract as kudzu, and it's
24 hard to justify money for a tract of kudzu. I mean,
25 it would be -- I would like these people to be able to

1 tell us what they are going to do with that tract of
2 land, how they're going to be managing it. Are they
3 going to be able to really get rid of all the
4 endangered species, what they're going to be actively
5 doing for wildlife on these tracts?

6 And I think it would be nice to be able to
7 put that in some of this section here and give some
8 points for that. Otherwise, they apply for the money
9 and they get the money and then they just get a tract
10 of land and don't do anything to it. And I think for
11 the future of the tract and for the generation to come
12 there won't be much left if these people don't do
13 anything to manage that land.

14 Maybe some logging. I don't know if logging
15 -- I know we have rules and regulations on logging,
16 but I would like to see something that explains the
17 criterias, a vision for the tract of land. That's
18 what I'm looking for. What vision do they have for
19 the tract of land?

20 CHAIRMAN KICKLER: Greer?

21 MS. CAWOOD: I think that we might need to
22 provide for the board under number 3, natural
23 heritage, the natural heritage classification is what
24 we received from the specialist there. And doesn't
25 that to staff get into is it a pristine perfect land,

1 is it a land that has how many rare species on it that
2 are either federally or state-recognized species, be
3 it animal or plant? So getting into I would say the
4 condition of the land and what value it is bringing to
5 the table kind of comes into number 3.

6 MR. DUFOUR: But what I'm saying is if
7 somebody was to be applying for a grant and the tract
8 of land wasn't so wonderful, if that person or that
9 organization were to give a plan on burning or
10 replanting or doing those kind of things to improve
11 actually the tract of land and bring it back to what
12 it's supposed to be, which we can have your mother in
13 a wheelchair on the tract and enjoying wildlife and
14 vegetation. I think that should definitely get some
15 type of points somewhere because it would definitely
16 bring a lot to the state and to the people of the
17 state.

18 CHAIRMAN KICKLER: I think some of what
19 you're talking about is addressed in Section III where
20 they get points if they're managing the land for
21 certain types of purposes.

22 MR. DUFOUR: Uh-huh (yes).

23 CHAIRMAN KICKLER: And then there are other
24 tracts, possible tracts that we'll be managing for
25 public access and then other sites will have limited

1 public access but they're preserving, the applicant is
2 preserving a native species. And then they get extra
3 points, they get more points if they will do something
4 for an educational purpose with that if there is
5 limited access, if there is a native species on there
6 that's threatened. So that concern is reflected in
7 Section III.

8 MR. TOOLE: Well, it does talk about
9 preservation and conservation, but I think that the
10 notion of active management is what Frederick is
11 proposing. That seems to be missing.

12 MR. DUFOUR: Yes.

13 MR. TOOLE: So perhaps a friendly amendment
14 that talks about to ensure their preservation,
15 conservation and active management for recreational
16 blah, blah, blah might be appropriate.

17 CHAIRMAN KICKLER: I'm sorry, where are you?

18 MR. TOOLE: I'm at Section III, natural
19 heritage.

20 CHAIRMAN KICKLER: Oh, natural heritage,
21 okay.

22 MR. TOOLE: I think that's what you were
23 talking about.

24 CHAIRMAN KICKLER: I'm sorry. I was looking
25 at the broad part.

1 MR. TOOLE: Oh, sorry, where are you?

2 CHAIRMAN KICKLER: Other public benefits.

3 Sorry.

4 MR. TOOLE: Oh, okay.

5 MR. BRAGG: Well, I think it's important not
6 to write in too many rules and regulations and
7 restrictions that will frighten away the landowners.
8 A lot of landowners are doing the best they can to
9 maintain what they have. And if you mandate the
10 removal of kudzu, which I have on my land, it's
11 expensive. And we don't want to set up situations
12 where we discourage the landowner.

13 I know generally speaking easements have
14 wanted to preserve the hardwood forests in the south
15 that seem to be disappearing and being replaced by
16 pine trees. Most of the forestry students like to
17 grow trees faster, so preservation of hardwoods has
18 been important. But a lot of expensive management can
19 be a discouragement for landowners of various
20 easements.

21 MR. TOOLE: Chairman Kickler, I have one
22 last question. In Section III, other public benefits.

23 CHAIRMAN KICKLER: Okay.

24 MR. TOOLE: The recreational uses section,
25 the first point where it says, "Recreational area that

1 supports a purpose of Clean Water Management Trust
2 Fund," shouldn't that also say also of the natural
3 heritage fund, "and is managed for tourism"? I was
4 struggling with the notion of tourism for just a
5 moment, and I'll tell you why. The Clean Water
6 Management Trust Fund helped fund a thread trail over
7 in Gaston County kind of in a remote corner of the
8 county. And you can go by there every day of the
9 week, weekdays as well as weekends, and the parking
10 lot is packed with people, which I never would have
11 predicted.

12 And so that is not tourism, per say, because
13 I think tourism means you're marketing the place to
14 outside of the state. I don't know what tourism
15 means. Is that tourism, I guess maybe is the more
16 pertinent question? We've got people coming up from
17 South Carolina to go walking on that trail. We've got
18 people coming from I don't know where to walk on that
19 thing because it's one of the few access points on the
20 Catawba River that's public, which is why it's so
21 popular.

22 CHAIRMAN KICKLER: I think, I mean, tourism
23 is a broad term that has subcategories within it, and
24 I would think state parks, I mean, that's an aspect of
25 tourism. Maybe you're thinking about people taking

1 vacations.

2 MR. TOOLE: I don't know but, you know, I
3 would be more comfortable with it saying if it's
4 managed for active public use. That I'd be more
5 comfortable with than saying tourism because tourism
6 just seems to have some public relations campaign
7 associated with it.

8 CHAIRMAN KICKLER: Well, the point of this,
9 and I don't know about Natural Heritage Trust Fund
10 because the board was dissolved, and the mission has
11 been incorporated into Clean Water now. So, I mean,
12 it no longer exists. It's been dissolved.

13 MR. TOOLE: Okay, all right.

14 CHAIRMAN KICKLER: And the purpose of Clean
15 Water includes the mission of the former Natural
16 Heritage Trust Fund. And then also the point of this
17 was to make sure that, again, that balancing act of
18 where there are things that -- there are species,
19 there's land that needs to be protected. But we ask
20 the question, "Who's paying for it?" So it is -- The
21 concern was -- The suggestion was to reflect the
22 committee's concern that the public had access and be
23 able to use the properties, and we suggested the
24 scores that's there.

25 MR. TOOLE: No, I'm not talking about the

1 scores. I'm just trying to understand what's meant by
2 tourism.

3 CHAIRMAN KICKLER: So maybe tourism is the
4 wrong word?

5 MR. MARKHAM: Bill, if I could, maybe
6 ecotourism may be a better term.

7 MR. TOOLE: Or active public use is what I
8 think is generic enough. But, I mean, ecotourism
9 means me going down to Costa Rico, and I don't think
10 that's what we're talking about. Well, I don't know
11 if that's what we're talking about. I don't know if
12 we're trying to say that this is -- So if this is
13 going to be used as a tourism generating magnet and
14 creating jobs and keeping people heads in beds and all
15 that, I start getting uncomfortable.

16 MS. CAWOOD: Possibly we can ask staff
17 because this was a phrase that was part of the old
18 Clean Water application, so possibly ask Nancy or Will
19 or another staff member. When you all looked at the
20 word tourism for people in the application, like you,
21 I think of the broad it's open and people can go on,
22 it's a magnet to the area. I think of it in the broad
23 sense.

24 MR. SUMMER: Yeah, I think I would make the
25 distinction that, and I think active public use would

1 probably work. The distinction was, you know, an
2 Umstead is meant to draw people there to recreate;
3 whereas, the TLC Johnston Mill Preserve is meant to
4 protect the resource but it's open and loved as well,
5 you know. Maybe they're not quite the same, but one
6 is slightly different. But from the discussion Nancy
7 and I have had, replacing tourism with active public
8 use, was that your suggestion?

9 MR. TOOLE: Yes.

10 MR. SUMMER: It's equivalent to me, so as
11 staff I've got no issue with it.

12 MR. TOOLE: Thank you. Again, I think you
13 all did a fabulous job of taking a variety of inputs
14 harmonizing and then condensing to 100 points as
15 opposed to 160.

16 MS. CAWOOD: Other questions?

17 MR. DUFOUR: Yes. Finally, in Section III,
18 point B., number 3. possible educational actions to
19 follow. I mean, nobody has to do anything. I mean,
20 everybody is going to check that and say, well, it's
21 possible it should be there for the next 30 years.
22 Why do we get a point for that? I mean, I want people
23 to be responsible and say, yes, there will be
24 education or no. But possible? Nobody's going to say
25 no to education component. Everybody's going to go to

1 number 3 and say there's going to be some. We don't
2 know how, but we're going to find a way sometime,
3 somehow and at least we get one more point.

4 MR. TOOLE: Yeah, how is --

5 MR. SUMMER: That's an excellent question.
6 And that question came from previous applications, and
7 there's a few questions that are like that. We
8 generally make them earn that, so if you check that,
9 you know, and you've got field reps in the field who
10 will say, yes, they're working with the City and
11 they've got a plan, it's a few years out. Or, no,
12 there's no substantial evidence that they're really
13 going to do that. So every question we ask is always
14 backed up by staff and field reps. That's an
15 excellent question.

16 CHAIRMAN KICKLER: Thank you, thank you.
17 Application staff will go out and double check to make
18 sure that they just didn't fill out the blanks. Yes?

19 MR. MARTIN: Just one thing speaking to
20 Frederick's point, I thought that this would be a
21 place if you guys wanted to add the level of
22 management that someone might propose that this would
23 be an area that you could take this B., and since
24 you're talking about really how much they're using it
25 for education you could add some sort of management

1 aspect to this area as well since, you know, that
2 might be an area that we don't have to do a lot of
3 changing but we could put in a management aspect
4 within this part as well to kind of meet some of the
5 concerns that Trustee Dufour had.

6 MR. DUFOUR: That would be good.

7 CHAIRMAN KICKLER: Any other comments,
8 questions, discussion? Okay.

9 MS. LUCASSE: Okay, as I understand it, the
10 motion before us is that the committee has recommended
11 adoption of the Acquisition Grant Evaluation Criteria.
12 From the discussion it appears that somebody may
13 choose to make a motion to amend the motion as
14 follows: One, Section V would be amended to reflect
15 that the value be combined for cash and donated
16 easements, that's Sections 1 and 2, so that both
17 receive a .22 multiplier.

18 The second discussion that we've had is
19 whether in Section III after Clean Water Management
20 plan it would simply say managed for active public
21 use, as opposed to for tourism. And then I was just
22 asking for clarification from Commissioner Martin as
23 to what the language would be for his proposed
24 amendment, and that would be Section III a new C.
25 which would be for an active management plan?

1 MR. MARTIN: Right, for what I think
2 provides public or scientific education and is
3 actively, is actively managed. And then within each
4 one of the 1 through 4 we could write, you know, do a
5 couple of descriptors about the level of management
6 that they are planning another section to do.

7 MS. LUCASSE: Now this would be an amendment
8 to Section III.B.

9 MR. MARTIN: Right.

10 CHAIRMAN KICKLER: Okay, so we're not adding
11 to it or anything like that?

12 MR. MARTIN: No, no, no, no, sir. No, sir.

13 CHAIRMAN KICKLER: Okay.

14 MS. LUCASSE: Does that reflect the
15 amendments that came out through the discussion from
16 the committee?

17 MR. TOOLE: Yes, thank you.

18 MS. LUCASSE: So at this point what we need
19 to --

20 MR. VINES: Mary, can I ask one thing? We
21 moved -- We moved 2 up. On Section V we moved 2 up
22 but you didn't mention anything about moving -- about
23 moving 3 and 4, just 2 and 3.

24 CHAIRMAN KICKLER: Well, that's what we're
25 talking about.

1 MS. LUCASSE: Okay, and I didn't capture
2 that.

3 CHAIRMAN KICKLER: So we have to decide what
4 level.

5 MS. LUCASSE: Yeah, does the --

6 CHAIRMAN KICKLER: Or does it move them up a
7 lick. What is the lick?

8 MS. LUCASSE: What is your preference?

9 MS. CAWOOD: That's what I had asked Will.
10 If we moved those to the point .18 and the .14
11 respectively, would that throw us off with federal
12 getting the --

13 CHAIRMAN KICKLER: Would that strongly
14 encourage?

15 MS. CAWOOD: And it wouldn't is what I
16 remember Will saying.

17 CHAIRMAN KICKLER: Creative fundraising, if
18 you will, private donations.

19 MR. SUMMER: I think the way, the way it was
20 initially set up was a 50 percent match for each of
21 the categories provided two points of separation. So
22 if we jump them up like you're suggesting, they would
23 still have two points of separation, and I think that
24 would work fine from our perspective.

25 CHAIRMAN KICKLER: Okay, so two points.

1 MS. LUCASSE: So we're going to actually
2 collapse the four categories into three. The first
3 two, cash and bargain sale would have a multiplier of
4 .22. The new second match source which is federal and
5 local government funds would have a .18 multiplier.
6 And the third match source, other state funds, would
7 have a .14 multiplier. And that's the proposal to
8 amend that section.

9 MR. TOOLE: That's my amendment, so moved.

10 CHAIRMAN KICKLER: So all of these have been
11 friendly amendments, so I would like for clarity sake
12 that we vote on each amendment individually for the
13 record so each amended motion will be on the record.

14 MS. LUCASSE: So right now, Bill, you've
15 made a motion to amend Section V, as I've just said.
16 Is there a second to that motion?

17 MR. DUFOUR: I second.

18 COURT REPORTER: Who seconded?

19 MR. DUFOUR: I did.

20 CHAIRMAN KICKLER: Is there any discussion
21 on moving 2 up to 1 and cash/nonprofit/private funds,
22 bargain sale/donated easements gets the .22
23 multiplier. Federal and local government funds gets
24 the .18 multiplier, and other state funds in the
25 Section V. Value section gets .14. That's the motion.

1 Is there any discussion on the motion?

2 (No response.)

3 CHAIRMAN KICKLER: All those in favor say
4 aye.

5 TRUSTEES: Aye.

6 MS. HACKNEY: Aye.

7 CHAIRMAN KICKLER: Thank you, Trustee
8 Hackney. All those opposed say no.

9 (No response.)

10 CHAIRMAN KICKLER: The ayes carry. The
11 second amended motion?

12 MS. LUCASSE: Is to amend Section III,A.1.
13 to read: "Recreational area that supports a purpose
14 of Clean Water Management Trust Fund and is managed
15 for active public use" and will receive 5 points. The
16 motion is to amend that section to read as I just
17 stated.

18 CHAIRMAN KICKLER: Is there any discussion
19 on the amended motion?

20 MS. LUCASSE: Well, we don't have a second
21 yet.

22 CHAIRMAN KICKLER: Oh, sorry. Is there a
23 second?

24 MS. CAWOOD: Second.

25 MR. VINES: Second.

1 CHAIRMAN KICKLER: Is there any discussion?

2 MR. MARKHAM: Yes. How would we distinguish
3 between that and the next category where we discuss
4 game lands, which are also managed for active public
5 use?

6 MR. TOOLE: I gave some thought to that, and
7 I think for me the difference is game lands and land
8 trust preserves are somewhat more restricted access
9 than my concept of active public use. So that's my
10 non-sophisticated answer.

11 MR. MARKHAM: So I think as long as
12 applicants are clear on the distinction and staff is
13 clear when they evaluate. I understand the
14 difference, but just making sure that we're clear when
15 we do put these applications out, put the grant
16 applications out.

17 MR. SUMMER: In terms of the types of
18 projects we've seen in the past, I'm sure now that
19 we've classified it something interesting will come
20 along. Looking backwards, I'm comfortable with the
21 language.

22 CHAIRMAN KICKLER: Fred, did you second that
23 amended motion?

24 MR. DUFOUR: No.

25 MR. VINES: I did, Mr. Chairman.

1 CHAIRMAN KICKLER: Who did?
2 MR. VINES: I did.
3 CHAIRMAN KICKLER: Okay.
4 MR. DUFOUR: I don't mind doing it.
5 CHAIRMAN KICKLER: I just wasn't sure.
6 Okay, Trustee Vines seconded the amended motion. Is
7 there any other discussion on that amended motion?
8 (No response.)
9 CHAIRMAN KICKLER: All those in favor say
10 aye.
11 TRUSTEE: Aye.
12 CHAIRMAN KICKLER: All those opposed say no.
13 (No response.)
14 CHAIRMAN KICKLER: The ayes have carried it.
15 Now we have another amended motion.
16 MS. LUCASSE: And I understand this is the
17 motion proposed by Mr. Martin that under Section
18 III.B. we add into the bold heading of Provides Public
19 or Scientific Education and is "Actively Managed" and
20 add in that phrase to each of the criteria underneath
21 that as well.
22 MS. CAWOOD: Can I -- It should be "or" not
23 an "and."
24 MS. LUCASSE: Okay.
25 MS. CAWOOD: I think that can have

1 unintended consequences if you're asking for public
2 education and actively managed, I think that gets to
3 Mr. Toole's concern.

4 MR. MARTIN: Yeah, and then just trying to
5 think of staff. While everything else was going on I
6 was trying to think of what could we put in for
7 management for the different criteria. And, again,
8 this is just thinking off the top of my head for 30
9 seconds. So for number 1 it would be like a written,
10 and they have a written funded management plan. Two
11 would be a written management plan; three, a verbal
12 commitment to a management plan or, you know, in-house
13 staff. And then number 4 would be no management plan.

14 CHAIRMAN KICKLER: What was the first one
15 again?

16 MR. MARTIN: A written funded management
17 plan.

18 MS. LUCASSE: So that was the motion.

19 CHAIRMAN KICKLER: Is there a second?

20 MR. DUFOUR: I'll second it.

21 MR. MARTIN: I high-jacked his motion.

22 CHAIRMAN KICKLER: Is there any discussion
23 on this third amended motion. Can you re-read that so
24 we -- it's very clear?

25 MS. LUCASSE: Sure. Section III.B. will now

1 read, "provides public or scientific education or is
2 actively managed." 1. underneath that would include
3 that it be part of an organized educational effort
4 open to public or educational instruction or includes
5 a written and funded management plan. Section 2.
6 would say passive interpretation trail or includes a
7 written management plan. Section B.3. would say
8 possible educational actions to follow or a verbal
9 commitment to a plan, a management plan. And 4. would
10 have no educational component or active management
11 plan.

12 MS. CAWOOD: Mr. Chairman, as a member of
13 the committee and thinking of how much time we've
14 spent on all these different areas and not being able
15 to have staff input as to what the consequences might
16 be, this one makes me a little bit uncomfortable
17 because it is -- and, Johnny, you do great work in 30
18 seconds. I've seen it. Your statement was very well
19 thought through, but I'm a little concerned in adding
20 a completely new concept that we don't have examples
21 of what -- like we would look at past applications and
22 what they meant and how the scoring would change. I
23 would like to ask the indulgence of the Trustees that
24 this be an area that we ask staff to go back and look
25 at and possibly amend our criteria at a later board

1 meeting so that we can understand what this might be
2 so that we do get the projects that we're wanting to
3 be able to use the state funds. So, Mr. Martin, can
4 we add that? Is that my motion seconding or third?

5 MS. LUCASSE: Well, actually, you're
6 discussing it and recommending that it not be
7 approved.

8 MS. CAWOOD: Okay.

9 MR. TOOLE: Well, isn't that a motion to
10 table and we re-evaluate it?

11 MS. LUCASSE: I think that was just a
12 comment by the Trustee.

13 CHAIRMAN KICKLER: Is there any other
14 discussion?

15 (No response.)

16 CHAIRMAN KICKLER: Staff, offhand can you
17 think of any unintended consequences?

18 MR. SUMMER: Well, I like the notion of it.
19 As I'm sitting here thinking of how we would implement
20 it, one issue is that our easement is pretty specific
21 with what you can and can't do. And step 1 is if
22 active management something that we want to propose
23 within our riparian buffer area, we would have to have
24 a big discussion about that.

25 I think it's workable, but perhaps to

1 satisfy all sides, and I'm writing the application as
2 we speak, to post this writing. If I were to put a
3 short discussion question: What is your management
4 plan for this property? And to what degree is it
5 ready to go? Then we would have the information. The
6 Trustees could see it in the application at the June
7 meeting or even at a later meeting it's something that
8 either the criteria might be revised to reflect, or it
9 could be one of those aspects that the Trustees
10 discuss at the meeting, you know, as one of those
11 extra things that isn't reflected in the criteria.
12 But if I ask the question we will have the information
13 going forward and that will allow us to think about
14 the criteria more.

15 MR. MARTIN: I will withdraw my motion.

16 COURT REPORTER: Who said that?

17 MR. MARTIN: That was me, Johnny Martin.

18 MS. LUCASSE: And does the second also agree
19 to withdrawing the motion?

20 MR. DUFOUR: Well, if we can talk about it
21 at the next meeting. I mean, I don't want to be
22 removing it or forgetting about it.

23 MR. GOSSAGE: We can absolutely put this on
24 the agenda for the next meeting.

25 MR. DUFOUR: I mean, you know, you can think

1 about it as to what would be feasible and not
2 feasible.

3 CHAIRMAN KICKLER: But it wouldn't be part
4 of the 2014 application cycle.

5 MR. DUFOUR: Or in the long range.

6 CHAIRMAN KICKLER: Okay, okay. I just
7 wanted to make sure.

8 MR. DUFOUR: It's on the table now, and we
9 can talk about it at the next meeting. If we can have
10 that ready for the next cycle, then that's fine. Just
11 want to make sure that we're starting to look into
12 that aspect of the grant application.

13 CHAIRMAN KICKLER: Okay. The motion has
14 been withdrawn. So is there any more -- Well, is
15 there any discussion on the amended acquisition grant,
16 the acquisition grant criteria? We have approved two
17 amendments to it. Is there any other discussion?

18 (No response.)

19 CHAIRMAN KICKLER: All those in favor of
20 approving the amended acquisition grant evaluation
21 criteria, please say aye.

22 TRUSTEES: Aye.

23 CHAIRMAN KICKLER: All those opposed say no.

24 (No response.)

25 CHAIRMAN KICKLER: The amended acquisition

1 grant evaluation criteria has been approved. Now we
2 will move on to the remainder of old business, Section
3 2, grant programs committee recommendations. And we
4 will look at these individually as they are listed
5 underneath. The first one underneath acquisition
6 criteria, the first one is stream restoration
7 criteria. And I'll turn it over, the time over to
8 Greer.

9 MS. CAWOOD: Yes, Mr. Chairman. I'd like to
10 move that the board accept the committee
11 recommendations for grant program, our stream
12 restoration criteria for the 2014 grant cycle.

13 CHAIRMAN KICKLER: Thank you. Staff went in
14 to this and removed references to stormwater as no
15 longer in the new Clean Water board's admission. It
16 does not fall under its authority. So references to
17 that have been made.

18 And the suggestion is that we approve --
19 that we continue to use existing clean water stream
20 restoration and planning criteria -- or stream
21 restoration criteria. And then the Criteria Committee
22 will meet, and I forget the exact date, but it plans
23 to meet the end of February to start evaluating these
24 criteria so action can be taken on the new criteria
25 for subsequent cycles so, you know, we'll have that

1 done up front hopefully and we're not waiting until,
2 you know, a few months before applications are due.
3 So given a little bit of the historical context of
4 that, is there any discussion on continuing to use the
5 stream restoration criteria?

6 MR. TOOLE: Chairman Kickler?

7 CHAIRMAN KICKLER: Yes, sir.

8 MR. TOOLE: I have one question for staff, I
9 think. On the planning project section (d) "if a
10 project does not protect pristine waters or restore
11 degraded waters, deduct 5 points," what's the thinking
12 behind that? I can see where you've got like a
13 mediocre stream. If you don't protect it it's going
14 to degrade and then, you know, an ounce of prevention
15 is worth a pound of cure kind of idea. So I just, I
16 mean, I struggle with this. So what's the thinking
17 behind that deduction of 5 points?

18 MR. HORTON: Chairman Kickler?

19 CHAIRMAN KICKLER: Yes.

20 MR. HORTON: As a practical matter, actually
21 we very rarely use that. Just any project that comes
22 into us is going to need something, so as a practical
23 matter, and that may be something that the committee
24 may want to consider is just to take that out or just
25 leave it in just in case. It's an anomaly kind of

1 thing. Can we say, oh, this is really not doing
2 anything, so just leave it in? Or as a practical
3 matter --

4 MR. TOOLE: So you all have never really
5 used it to speak of?

6 MR. HORTON: I have not. This is my only
7 cycle, let me qualify that a little bit, for scoring
8 these projects. Before me Kevin Boyer did this, and I
9 can't say (indiscernible) --

10 COURT REPORTER: Mr. Horton, would you
11 please repeat what you just said?

12 MR. HORTON: This is my only cycle so far
13 for evaluating restoration projects, so I can't speak
14 to whether or not that item (d) has ever been used in
15 another cycle.

16 CHAIRMAN KICKLER: For a point of
17 clarification we're just considering stream
18 restoration projects, correct, although they're both
19 listed on the same paper? Yes.

20 MR. HORTON: You could -- The board could
21 consider both (b) and (c) at this time because (c),
22 the planning criteria, is also a part of the same
23 document that is in your board packet. And the way
24 that works is when you go into item 1, Objective, if
25 you're looking at the evaluation criteria, you would

1 just select is this a stream restoration project? And
2 if so, the 0 to 45 part would be scored as a stream
3 restoration with items (a) through (h). And if it's
4 not a stream restoration project per say, whether it's
5 going to be design and construction and so forth.
6 It's just a planning project. Then you would use that
7 second part of item 1, planning project. And the
8 planning project would be evaluated using items (a)
9 through (d). So everything after that, the targeted
10 areas, significance of waters, and so on and so forth,
11 everything after that, all those other evaluation
12 criteria would apply to whichever project it was.
13 They would apply to the restoration project, if that's
14 what the project was. If not, they would follow and
15 apply to the planning project. So the board could
16 consider both (b) and (c) as one thing.

17 MS. CAWOOD: So I'll amend my motion that
18 the board accept the committee recommendation for both
19 2.(b) and (c).

20 CHAIRMAN KICKLER: Thank you.

21 MR. MARTIN: Just one question for my
22 general knowledge. So -- So as far as the zero to 45
23 points that's kind of listed under 1, I'm assuming
24 that all those things support restoration projects.
25 Zero to 45 points is Items (a) through (h) all given

1 equal weight of the 45 points, or is there a specific
2 weighting that each one of those individual little
3 criteria is given?

4 MR. HORTON: There is specific -- And if the
5 board would like, I would be glad to go through that
6 and tell you how those, how the zero to 45 has been
7 divided up amongst those (a) through (h) if you want
8 to get down to that level.

9 MR. MARTIN: Just a general idea would be
10 fine. You don't have to go into a lot of detail.

11 MR. HORTON: Um, well, it's hard to give a
12 general idea. It won't take that long. Item (a)
13 Links to other conservation projects is scored from 0
14 to 5. The level of work that's done whether it's
15 restoration versus enhancement is scored 0 to 10.
16 Cost benefit based on cost per foot is scored 0 to 10.
17 Sediment delivery reduction is scored 0 to 8. And (e)
18 and (f) are scored together; they're scored from 0 to
19 5. Watershed stability is scored 0 to 7. And
20 maintenance responsibility would also be scored 0 to
21 7. It depends on whether that applies to the project
22 or not generally.

23 MR. MARTIN: And for the planning projects
24 since they're also -- I'm assuming that that's --

25 MR. HORTON: Yes. Item (a) would be scored

1 0 to 15, item (b) 0 to 15, and item (c) 0 to 15. And
2 item (d) of course is (indiscernible).

3 MR. MARTIN: Okay, thank you.

4 CHAIRMAN KICKLER: Are there any other
5 questions, comments regarding stream restoration and
6 planning criteria?

7 MR. TOOLE: I did have one last question.

8 CHAIRMAN KICKLER: Yes, but before that, I
9 was just reminded that staff did pass out the amended
10 criteria that does have the delineation of points.
11 Yes, sir.

12 MR. TOOLE: And if I'm out of line, let me
13 know. Item 8, Innovative Procedures or Technologies,
14 that applies to any project? Or these criteria -- I
15 guess, I guess you don't get anything for using the
16 "old tried and true;" is that right?

17 MR. HORTON: You don't get anything extra.
18 For that -- For that Item 8 if you were just using the
19 old tried and true you would get a zero.

20 MR. TOOLE: All right, so here's my
21 question. If tried and true really works well, why do
22 we want to go out and try and do something new and
23 different that's untested?

24 MR. HORTON: The thought behind this was, I
25 believe, that the tried and true works very well, and

1 that's great. But if you don't try something -- you
2 should try some innovation at least to see how it
3 works, then you'll know. Anyway, that was the
4 thinking behind it.

5 MR. TOOLE: Okay. It's only 5 points, so I
6 guess it doesn't really matter. Okay, thank you.

7 MR. MARTIN: I can add to that, too, just
8 given my background is that, you know, there's a lot
9 of innovation. Just to point out that we are getting
10 some benefits out of trying new and innovative
11 procedures. I'll just speak from the project
12 stormwater management prospective, you know, tried and
13 true is a detention basis. Whereas, innovative 15
14 years ago was let's start looking at rain gardens and
15 more onsite kind of things. So there is some benefit
16 to having this kind of criteria in here as well.

17 MR. TOOLE: Okay.

18 CHAIRMAN KICKLER: If there's no other
19 discussion or questions, I'll call for a vote. All
20 those in favor of continuing the use of existing
21 stream restoration criteria and planning criteria for
22 the 2014 grant cycle please say aye.

23 TRUSTEES: Aye.

24 MS. CAWOOD: We're ready to move to our last
25 point then.

1 CHAIRMAN KICKLER: No, not yet. All those
2 opposed say no.

3 (No response.)

4 CHAIRMAN KICKLER: The ayes carry the Stream
5 Restoration Criteria and Planning Criteria for the
6 2014 grant cycle have been approved. Now, moving
7 along on the next item of business. I'm sure we've
8 all had time to look over this, I turn it over to
9 Greer for the Innovative Stormwater criteria.

10 MS. CAWOOD: Yes, and on this, again, this
11 is something that the committee is going to look at
12 further, but we want to just be able to use the 2014
13 criteria for this next cycle. And so we ask that on
14 the Innovative Stormwater criteria for the 2014 grant
15 cycle that the board move to accept the committee
16 recommendations.

17 CHAIRMAN KICKLER: And for a point of
18 clarification, the stormwater project was removed from
19 Clean Water Trust Fund, but the innovative stormwater
20 aspect of it still remains. And, again, the Grant
21 Criteria Committee will be looking, hopefully looking
22 at this criteria in the subsequent weeks in February.
23 Is there any discussion or questions about the
24 innovative stormwater? Yes, sir.

25 MR. MARTIN: Just one. So I'm assuming that

1 probably any kind of cost share, and I'm just thinking
2 about how the staff would grade these projects. So
3 I'm assuming cost share would probably come under the
4 applicant's commitment to the project is where that
5 would be, that would come into play?

6 MR. HORTON: Yes.

7 MR. MARTIN: Okay.

8 CHAIRMAN KICKLER: Any other questions?

9 (No response.)

10 CHAIRMAN KICKLER: All those in favor of
11 continuing Clean Water Innovative Stormwater criteria
12 for the 2014 grant cycle, please say aye.

13 TRUSTEES: Aye.

14 CHAIRMAN KICKLER: All those opposed please
15 say no.

16 (No response.)

17 CHAIRMAN KICKLER: The Innovative Stormwater
18 -- the existing Innovative Stormwater criteria has
19 been adopted.

20 The next item of old business is Number 3,
21 Administrative Committee Recommendations. So I will
22 turn it over to the chair of the Administrative
23 Committee.

24 MS. CAWOOD: Thank you, Mr. Chairman. And
25 first I'd like to begin by thanking my committee

1 members, Johnny Martin and Charles Vines provided
2 great input and background on our committee's work.
3 This is -- Just so everyone knows, this is the first
4 step of what we're looking at. We thought that, you
5 know, with the merger of the two funds and also it's
6 always good policy to go back and look at policies and
7 procedures that have been in place to see, number one,
8 they're appropriate to our new mission, but then also
9 to make sure that they're working as they were
10 intended and to give staff good guidance on that.

11 So the two issues that we found that really
12 needed to be addressed prior or at this board meeting,
13 the first of which is the Decision Matrix. And I'll
14 ask Nancy just to talk about some of this. The main
15 thing there was some, you know, just aspects of it
16 that weren't really in use. There were some changes
17 based on our committee's structure. So I'll turn it
18 over to Nancy to give you a quick overview.

19 MS. GUTHRIE: Okay, thank you. The Decision
20 Matrix is a tool that Larry and I use very frequently
21 to keep the projects moving once they're under
22 contract. And on a daily basis we're getting
23 questions about someone's match percentage needs to
24 change and output of the project may be shifting.

25 So the Decision Matrix was a way of really

1 capturing where is it appropriate for staff to make
2 decisions to keep the project moving quickly? Where
3 is it getting into a middle ground of really needing
4 some input from the board -- from the board chair.
5 And then where projects are just changing so
6 significantly they need to come back to the full board
7 and be reconsidered. The Decision Matrix never tells
8 us which decision to make, whether to approve the
9 request or not, but it just gives you which level:
10 staff, chairman or board needs to make the decision.

11 In the board packet agenda item Old Business
12 3.a. there are three sheets which represent each of
13 those levels. So to go through these quickly, at the
14 staff level, the staff can never increase funds to a
15 project. If a project -- When the match comes in, we
16 try very hard to hold that to the original match
17 percentage.

18 So if someone's match percentage decreases
19 up to 10 percent, staff can make a decision to go
20 ahead and fund the project as contracted. A change in
21 scope output, this may be a few less linear feet of
22 the stream that's repaired, or once it was surveyed
23 there were fewer acres on the ground. A change in
24 unit cost, again, someone puts in a project with an
25 estimate of a per acre cost, the appraisal changes

1 that value.

2 And then often in one budget line there will
3 be excess funds and there will be under and another.

4 At this level staff can look and see if it's 10 to 20
5 percent of the total award that we need to move from
6 an already approved line item to another one, staff
7 can make that decision and keep the project moving.

8 For this committee looking at it did not make any
9 changes at the staff level, so that's just to give you
10 a quick tour of what the changes can be.

11 If you look over at the next level, the
12 middle level is the Chairman. There were a few
13 changes here for clarification on the percentages
14 because the actions here are the same; looking at the
15 decrease and match, looking at the difference in
16 output, etcetera. There has been an item here where
17 the Chairman can consider reallocating a budget item
18 or a budget to a new line item that implements the
19 intent and the scope of the project. So this would be
20 a line item that was not considered or not approved at
21 the award date but later it makes the project. It's
22 part of the project. It helps implement the project
23 so the Chairman can say we can take some funds from
24 another item and move it down to this new line item.
25 And, again, it's got to be within the scope of the

1 intent of the original project. That was the major
2 change at the Chairman level.

3 And also previously this is where the
4 structure of the committee changes. The previous
5 structure of the board there were co-chairs on all of
6 the funding committees, and that doesn't exist with
7 the new structure. So the committee just needed to
8 bring that up to date.

9 The Decision Matrix level for the full
10 board, I don't believe there were changes at this
11 point either, but this is where the changes are
12 becoming significant, and the board needs to look at
13 is this the same project? Are you still getting the
14 value that you approved originally?

15 So this is a, like I said, a tool that has
16 really been helpful. You have a long time between
17 some of your board meetings, so having these lower
18 levels of approval when in some pretty well-defined
19 parameters really just helps the administration of the
20 grant contracts. And so Greer, I'll turn it back over
21 to you.

22 MS. CAWOOD: Great, and I would ask the
23 board to move to accept the Administrative Committee's
24 recommendations on the changes in the Decision Matrix.

25 CHAIRMAN KICKLER: Is there any discussion

1 regarding the Decision Matrices?

2 MR. VINES: Mr. Chairman, a quick comment.
3 We looked at this like we're trying to keep the
4 projects moving forward instead of having to come back
5 to the board every time because previously for us to
6 move to reallocate a line in between the various
7 levels we had to go through -- we were trying to cut
8 down on the amount of time we was having to go between
9 when a change is requested and when the board meets
10 again. So we're just trying to keep the projects
11 moving forward so it's not delayed. That's how we
12 looked at it, and that's the way we did it.

13 CHAIRMAN KICKLER: Thank you. Any other
14 comments or questions?

15 MR. MARTIN: And I'll just give an example
16 of why that one thing happened. I was involved with a
17 project where we had like a list of ten BMPs in the
18 original thing, and once we got into the design a
19 couple of them were not feasible, so we proposed new
20 BMPs. And since it was a new line item we had to wait
21 six months for the board to approve that. So it was
22 just a way to -- we weren't really changing the
23 project so much, but the fact that it was a different
24 BMP was enough to throw us into we had to wait for the
25 whole board approval. So that was -- I just wanted to

1 give you some reasoning why we wanted to change that
2 to sort of the mid level.

3 CHAIRMAN KICKLER: Okay, thank you for that
4 insight. Any other comments or questions?

5 (No response.)

6 CHAIRMAN KICKLER: All those in favor of
7 approving the Decision Matrices, say aye.

8 TRUSTEES: Aye.

9 CHAIRMAN KICKLER: All those opposed say no.

10 (No response.)

11 CHAIRMAN KICKLER: The ayes have approved
12 the Decision Matrices. Now, the next item on old
13 business under Administrative Committee
14 Recommendations deals with transaction funds for state
15 agencies. And I'll turn it back over to the chair of
16 the Administrative Committee.

17 MS. CAWOOD: And we, as kind of a little
18 background for you, and this is another issue where
19 the handling of what Natural Heritage Trust Fund did
20 as it related to state agency applications to the fund
21 versus what Clean Water Management Trust Fund accepted
22 were completely different. So we needed to come to
23 some thought and some agreement on what would be
24 fairest, what would again be most transparent in
25 looking at this issue.

1 So to give you the background, the Natural
2 Heritage Trust Fund Board allowed state agencies for
3 their transaction cost to be -- to be absorbed with a
4 grant. Clean Water Management Trust Fund allowed that
5 for nonprofits and for local entities but restricted
6 that and did not give that money towards state
7 agencies.

8 So our thought and I'll ask my committee
9 members to chime in wherever that they see
10 appropriate. First we saw that there was one agency
11 who would be impacted. One state agency that would be
12 impacted the most with this which is Cultural
13 Resources because they did not go to Clean Water for
14 funds. They only went to Natural Heritage Trust Fund
15 for funds, so they would be impacted in this way.

16 As it happens, committee member Martin asked
17 the question of, well, with our new charter, so to
18 speak, will there be other agencies that might ask for
19 funds that hadn't in the past. And we wanted to do a
20 policy that's just clean and straightforward so that
21 people would know when they're making applications
22 what the thoughts would be.

23 And we came up with the kind of middle
24 ground of looking at paying transaction costs of up to
25 \$25,000 for state agencies. And that came about

1 because one state agency in the past that has asked
2 for funds from Clean Water quite a bit, they always
3 came down to \$25,000. That also is the amount of
4 mini-grant funding that Clean Water has done in the
5 past. So that is the rationale behind that. And,
6 Johnny or Charles, anything you'd like to add?

7 MR. VINES: It's just one of these things
8 that in consolidating two different entities that had
9 different criteria for what they did to try to bring
10 it in line and make it as fair for one as for the
11 other. You know, I hate to penalize a state agency
12 when it's allowed in other areas. So we felt like if
13 we could find a middle ground line amount of dollars
14 that we could live with and define those and give a
15 reimbursement up to the amount that we felt like it
16 needed to be done for everyone.

17 MR. MARTIN: And I'll just add that the
18 \$25,000 seemed to be a number that a lot of the
19 projects came up with. And, you know, another thing
20 we might want to consider we talked about in the
21 future is that we may look at just making this an
22 across the board idea for every agency in the future
23 because right now there is no caps on transaction
24 fees. And it might lead to the point where, you know,
25 depending on what our level of funding is from year to

1 year we hate to see a lot of money go just into the
2 transaction costs. So while we're thinking about, you
3 know, extending this even further into the future, but
4 that's to be determined later.

5 MR. VINES: And we spoke a little bit about
6 taking money away from projects at this point, but we
7 need to really look to see what other agencies may be,
8 you know, facing the same thing.

9 MR. BRAGG: I have a little problem with
10 this.

11 CHAIRMAN KICKLER: Do you have a
12 recommendation?

13 MR. BRAGG: Pardon?

14 CHAIRMAN KICKLER: I wanted to say, too,
15 that the Department of Agricultural staff I believe
16 provided some feedback on this. So I want to thank
17 them, I want to thank them for that. Trustee Bragg?

18 MR. BRAGG: The question should be raised of
19 every project if we don't pay your transaction costs,
20 are you going to do the project which is the way I
21 think it should work. It will never work that way if
22 we pay everybody \$25,000 whether they need it or not.
23 How to interject discretion in the process is the
24 question, if we can do that. And I would like to do
25 that if possible.

1 I've been very interested in reworking the
2 way we do the mini-grants on the Clean Water side.
3 The mini-grant program has been a real boost to the
4 Land Trust. But -- And I'm a Land Trust guy. I mean
5 I've got a big Land Trust hat. But frequently the
6 cost of the project was not \$25,000 but the Land Trust
7 would gladly take that money to protect the taxpayers,
8 too, and I've got a hat for those guys.

9 So I just raise that question rather than
10 just write a check for \$25,000 for every deal we do,
11 do we need to? Should we? Is the deal not going to
12 get done if we don't write that check? And I know we
13 can't answer that, but I want to put that on the
14 table.

15 MS. CAWOOD: That was one of the questions
16 that -- go ahead.

17 MR. MARTIN: I was just going to say, you
18 know, what it's up to. So, I mean, they have to
19 document what the transaction costs are. So we're not
20 saying it will be a blank \$25,000. What we're
21 recommending is up to \$25,000.

22 MR. BRAGG: Right, and I have no idea how
23 the Natural Heritage worked, but the Land Trust had a
24 real good way of getting those prices up there I can
25 tell you because I have experience at it.

1 CHAIRMAN KICKLER: Were you proposing an
2 amendment, or were you just discussing -- trying to
3 plant a seed for future --

4 MR. BRAGG: I want to put that on the table
5 because I think it's important. And we've had a
6 couple comments that we don't want to spend so much
7 money on acquisition costs so that we can't do the
8 big projects. And it really adds up.

9 MR. TOOLE: If I could just pose the
10 question a little differently. I understand the Clean
11 Water Management Trust Fund did not pay the
12 transaction costs to state agencies. State agencies
13 were nonetheless able to get the deals done. So it
14 occurs to me maybe that's the approach to take because
15 then we're conserving cash for deals because if the
16 Clean Water Management Trust Fund projects proposed by
17 state agencies could get the transactions done without
18 that support, I wonder why the Natural Heritage Fund
19 projects couldn't also have managed that.

20 MS. CAWOOD: And as Johnny mentioned, that
21 is what our committee wants to look at going forward.
22 A couple of the state agencies that we know of in the
23 past that received funds from the Natural Heritage
24 Fund, they don't have it in their budget. And it's
25 very hard for them, as you know, with your Land Trust

1 hat on (indicating to Mr. Bragg) it's harder to
2 fundraise for these type monies, you know. Everybody
3 wants to pay for the land, and pay to acquire the
4 land. But getting the transaction costs, we had a
5 couple of state agencies come to us and say, "We're
6 not going to be able to give you any applications
7 because we can't raise that money."

8 So that's why we're at this kind of quandary
9 and hoping that maybe by saying we will cover this
10 now, but we are looking at this to see if this is what
11 we want to do in the future is a thought that we would
12 lose one of our -- Under our mission, we would lose an
13 agency that's not in a position to fundraise for
14 transaction costs.

15 MR. TOOLE: Well, let me ask this question,
16 and I don't know. So was there on the Clean Water
17 Fund side do those state agencies have budget money,
18 or did they have to go out and fundraise for the
19 transaction costs?

20 MS. CAWOOD: My understanding is they have
21 budgeted money and they deal with land protection.
22 And so that's where with our mission we have groups
23 that don't deal with the protection and buying other
24 lands, not just the lands that we're giving them funds
25 for. Nancy can probably describe that better or

1 explain that better.

2 MS. GUTHRIE: No, you're right on target.
3 With the state agencies that were applying to Clean
4 Water Trust Fund typically did have budgets for
5 acquiring and managing land. The agencies in
6 particular that did not apply to Clean Water in the
7 past are the Division of Cultural Resources. And also
8 within Agriculture we have the Plant Conservation
9 Program, which is a smaller program, and that we did
10 not see applications from them, at least not
11 frequently in Clean Water.

12 CHAIRMAN KICKLER: Now, did the committee
13 also think about -- was that something you'll look at
14 later, and forgive me for asking this question if
15 you've already said it. But \$25,000 per project per
16 cycle, or \$25,000 if it's like some of these phased
17 projects? Would that be a conversation to have in the
18 future?

19 MS. CAWOOD: That is not something that we
20 discussed, Mr. Chairman, but I think that is a great
21 thing for us to look into further.

22 CHAIRMAN KICKLER: All right.

23 MR. MARTIN: My thoughts were it was --

24 MS. CAWOOD: Per project.

25 MR. MARTIN: Yeah, per project.

1 MR. VINES: But you could have a project
2 that's got phased projects and you're buying sections
3 of land in different phases if you move forward.

4 MS. CAWOOD: Yes.

5 MR. MARTIN: But that's something that you
6 all would be looking at.

7 MS. CAWOOD: Right.

8 MR. BRAGG: Those could be separate
9 applications.

10 MR. MARTIN: I'm sorry, I should say my
11 thought was per cycle. That was my thought was per
12 cycle.

13 MS. CAWOOD: We'll do a clarification on
14 that.

15 MR. MARTIN: Right, right.

16 CHAIRMAN KICKLER: That's on your radar
17 screen, okay.

18 MR. BRAGG: So to ask a question of the
19 committee, are there state agencies that you've dealt
20 with that could have paid on the Natural Heritage
21 side, and how many? Most or all, or are we talking
22 about just the historic folks that never had any
23 money?

24 MS. CAWOOD: It was the historic and through
25 the Department of Agriculture, and that is the rough,

1 Mr. Bragg, we are going to be giving funds to state
2 agencies who have paid them in the past.

3 MR. TOOLE: We're going to lose -- Well,
4 what's the budget analysis that says how much have we
5 now put at risk if we do this?

6 MS. CAWOOD: We asked staff to run that, and
7 Nancy was -- what was it, 13 projects were approved in
8 2013?

9 MS. GUTHRIE: Yes.

10 MS. CAWOOD: Okay. I don't have the math in
11 front of me. What did we end up with?

12 MS. GUTHRIE: Terri, can you put the data
13 slide up? We'll just look at the same chart.

14 MS. CAWOOD: Yes, that would be great for
15 people to see.

16 MS. GUTHRIE: I think it does help you to
17 have some numbers. So these are numbers from the 2013
18 from the Natural Heritage part only. I did not look
19 at the Clean Water. And so you have your agency, the
20 amount of transaction that Clean Water is paying, but
21 this is all with the Natural Heritage money that came
22 over, how much the agency is matching on the
23 transaction, and then you've just got your total
24 transaction costs.

25 MR. BRAGG: Which of those are historic?

1 CHAIRMAN KICKLER: Actually, we have five of
2 them.

3 MS. CAWOOD: So just to --

4 CHAIRMAN KICKLER: No, three. Sorry.

5 MR. TOOLE: I'm sorry, I don't understand
6 the chart. So does this include -- does this show us
7 the increase that would occur if --

8 MS. GUTHRIE: No.

9 MR. TOOLE: No, it doesn't show us what
10 would happen if we were funding Clean Water Management
11 Trust Fund applications?

12 MS. GUTHRIE: No, sir, it doesn't. This is
13 only looking back at actual members from the 2013.

14 MR. TOOLE: Right, right. I get the use of
15 the history, but it's not going to show us if we had
16 applied this rule historically to Clean Water?

17 MS. GUTHRIE: No.

18 MR. TOOLE: I'm interested in what that
19 marginal increase would be if we had funded those
20 transactional costs. If it's a nickel, it's one
21 thing. If it's five hundred million dollars, well,
22 then that's quite different.

23 MR. VINES: Nancy, would we have ever known
24 that, though, because Clean Water projects, if they
25 couldn't apply for that, would we actually know those

1 figures?

2 MS. GUTHRIE: No.

3 MR. TOOLE: But we would apply that rule.

4 But what I'm asking is I'd like to know if we applied
5 that rule --

6 MS. GUTHRIE: Okay.

7 MR. TOOLE: -- and said that the transaction
8 costs of state agencies making applications, that have
9 made application, if we had paid their transaction
10 cost using an average of \$25,000, what that would mean
11 to the fund?

12 MS. GUTHRIE: And I think the only way to do
13 that is to go back and look at how many state agencies
14 have been funded in the past, multiply it by \$25,000,
15 and that's not a number I have right now.

16 MR. TOOLE: I'd be interested in knowing if
17 this is significant in costs.

18 MR. MARKHAM: Well, Mr. Chairman --

19 CHAIRMAN KICKLER: Yes.

20 MR. MARKHAM: -- if I could. I understand
21 the thought process behind that, but when you take
22 into consideration the scoring on projects is because
23 if the state agency is asking for transaction costs on
24 an acquisition project, for instance, if it's state
25 monies they're asking for or if it's a match, they

1 would basically be a lower score. So I think to some
2 degree there's an offset in the scoring and how the
3 project would be perceived and whether or not we fund
4 it. Certainly the more match an agency brings, the
5 higher the score. And we certainly hope that they
6 could at least come through with some funding for
7 transaction.

8 The other thing, Mr. Chairman, is just to be
9 clear is what the committee is recommending is not to
10 reimburse \$25,000 for any project. It would be those
11 that this is a line item in their current approved
12 grant. Is that correct?

13 MS. CAWOOD: Yes.

14 MR. BRAGG: Say that again, please?

15 MR. MARKHAM: This is not just for any
16 project that an agency cannot come back to us now and
17 ask for \$25,000. It would have to be a part of a
18 grant that's already been approved; correct?

19 MS. CAWOOD: Current application.

20 MR. MARKHAM: I'm sorry, current
21 application.

22 MR. TOOLE: Oh, an application, not an
23 approved.

24 MR. MARKHAM: Yes, yes.

25 MS. CAWOOD: This is going forward.

1 MR. TOOLE: Going forward and it shows a
2 line item we want \$20,000 to go do a phase one and
3 some other stuff.

4 MR. MARKHAM: So basically, if I could,
5 maybe it would be -- maybe it would be more
6 appropriate that it would be allowing transaction
7 costs to be in the eligible reimbursable expense item
8 requested by state agencies on grant applications up
9 to a \$25,000 maximum. Is that better?

10 MR. TOOLE: I'm uneasy about this because I
11 don't know the impact to our fund when we open it up
12 to folks that in the past didn't need it, and now
13 they've got a shot at it. Money's money, you know.
14 They're going to ask.

15 CHAIRMAN KICKLER: Nancy, did you have --

16 MR. TOOLE: It's a sudden discovery.

17 CHAIRMAN KICKLER: Nancy, did you have a
18 comment?

19 MS. GUTHRIE: Will helped look up that we
20 had, the Clean Water Trust Fund has funded 104 state
21 agencies in the past that did not receive the
22 transaction costs.

23 MR. TOOLE: That's over how many years?

24 MR. SUMMER: That's the total of state
25 agencies that we funded for acquisition, so they would

1 be eligible under this.

2 MR. TOOLE: And over how many years?

3 MR. SUMMER: That's since '97, so that's 17
4 years?

5 MR. TOOLE: I'll call it 20 years, so that's
6 five a year; is that a fair guesstimate?

7 MR. MARTIN: You said 104 times \$25,000 over
8 how many years, 19?

9 MR. SUMMER: That's in total.

10 MR. MARTIN: Over how many years?

11 MR. TOOLE: Say 17 years.

12 MR. SUMMER: So 104 is the whole, the whole
13 17 years.

14 MR. MARTIN: So that's \$153,000.

15 MR. TOOLE: That we're putting at risk
16 roughly.

17 MR. MARTIN: But, see, and to get to your
18 point when I thought about this as well I'm kind of
19 thinking, okay, what's our current funding going to be
20 in the future? Are we looking at we're probably going
21 to be able to fund 10 projects or five to 10 projects.
22 Then, you know, at most we're probably putting at risk
23 here is not even -- not even close to --

24 MR. TOOLE: That's one project. A hundred
25 and fifty grand is one project.

1 MR. MARTIN: Fair enough, fair enough.

2 MR. GOSSAGE: If I may, we'd actually talked
3 about this in our discussions in pulling the
4 historical numbers with the understanding that they
5 would only be so helpful because to your point, once
6 this is made available, then everybody's going to
7 write. So the historical data is helpful to a degree,
8 but you could end up seeing actually a greater
9 increase.

10 MR. TOOLE: An increase because we're
11 modeling behavior.

12 MR. MARTIN: Which is another reason why I
13 think in the future the fact that we haven't had a
14 limit on local and other interests as well, I mean,
15 we'd probably be paying more in those cases. So to me
16 I had the same concern that you did, but then I think
17 part of our future discussions is we'd like to come up
18 with something that's just across the board just so
19 that -- my hope was that if we were to follow up with
20 something that would be more across the board that we
21 would recoup some of these extras that we're having to
22 pay from some of the other ones that everything had
23 been paid for, all the transaction costs.

24 CHAIRMAN KICKLER: And with the cap you're
25 saying that up to -- possibly up to X percent. Some

1 might be three thousand and some might be twenty --

2 MR. MARTIN: Right.

3 CHAIRMAN KICKLER: -- depending on the size
4 of the tract of land.

5 MR. MARTIN: Correct.

6 CHAIRMAN KICKLER: Because that would
7 influence survey costs I would think.

8 MR. TOOLE: Well, survey costs are going to
9 be fairly fixed. Phase I is going to be fixed. The
10 legal fees are all fixed unless it's a disaster, in
11 which case they would only go up. But a lot of these
12 costs they're just routine and you kind of know what
13 they're going to be. The survey can actually increase
14 if it's a huge tract.

15 CHAIRMAN KICKLER: Is there any other --
16 Were there any -- Were there any amendments to the
17 committee recommendation for transaction funds for
18 state agencies? Heard a lot of conversation and
19 things, but were there any actual amendments for this
20 2014 grant cycle?

21 MR. MARKHAM: Mr. Chair, I think there does
22 need to be clarification that it's an amendment.

23 CHAIRMAN KICKLER: So an amendment of
24 clarification.

25 MR. MARKHAM: The committee recommends to

1 declare it legally. Again, it needs to be that it's
2 eligible for reimbursement. If you will give me a
3 second here.

4 MR. MARTIN: Do you want to say up to
5 \$25,000 eligible transaction costs?

6 MS. CAWOOD: Uh-huh (yes).

7 MR. MARKHAM: It still needs to be tied back
8 into, I guess, the grants. We're not going back and
9 retroactively funding projects. That's what we're
10 looking for. I just can't get it into words right
11 now.

12 MR. MARTIN: Up to \$25,000 of eligible
13 transaction costs per project for future grant
14 applications.

15 MS. CAWOOD: Or current applications.

16 MR. MARTIN: Or current applications to the
17 2014 --

18 MR. MARKHAM: The 2014 current applications.
19 That works.

20 CHAIRMAN KICKLER: So what is the amendment?

21 MR. MARKHAM: The administrative committee
22 recommends reimbursing up to \$25,000 of eligible
23 transaction costs per project for -- I'm sorry -- per
24 project for transaction costs incurred by state
25 agencies for the current 2014 applications.

1 CHAIRMAN KICKLER: Okay, so the motion to
2 amend as the Administrative Committee recommends
3 reimbursing up to \$25,000 of eligible transaction
4 costs per project for transaction costs incurred by
5 state agencies for the current 2014 applications.

6 MR. VINES: How about 2014 grant cycle?

7 CHAIRMAN KICKLER: The 2014 grant cycle.
8 Thank you. Is that the amendment or motion?

9 MR. MARKHAM: Yes.

10 CHAIRMAN KICKLER: Is there a second?

11 MR. VINES: Second.

12 COURT REPORTER: Who seconded?

13 MR. VINES: I did.

14 CHAIRMAN KICKLER: Is there any discussion
15 or comments regarding the amendment?

16 (No response.)

17 CHAIRMAN KICKLER: If there are no comments,
18 no discussion, all those in favor of the amendment to
19 the Administrative Committee recommendations for
20 transaction funds for state agencies, please say aye.

21 TRUSTEES: Aye.

22 CHAIRMAN KICKLER: All those opposed say no.

23 MR. TOOLE: No.

24 MR. BRAGG: Now, we're voting on the
25 amendment; correct?

1 CHAIRMAN KICKLER: The amendment. So is
2 that a --

3 MR. BRAGG: No, I don't want to vote either
4 way. I'm going to vote no on the other one.

5 CHAIRMAN KICKLER: Is there a no on the
6 amendment?

7 MR. TOOLE: I don't care about that. I'm
8 fine with the amendment. I'm going to vote no on the
9 big one.

10 CHAIRMAN KICKLER: Okay, all right. The
11 motion has been amended. Now, is there any discussion
12 regarding the amended committee recommendation?

13 (No response.)

14 CHAIRMAN KICKLER: If there is not, all
15 those in favor of the amended committee recommendation
16 regarding transaction funds for state agencies, say
17 aye.

18 MS. CAWOOD: Aye.

19 MR. MARKHAM: Aye.

20 MR. MARTIN: Aye.

21 MR. VINES: Aye.

22 CHAIRMAN KICKLER: I need to see hands.
23 Keep them up high, please, for a second.

24 COURT REPORTER: So is that Cawood, Markham,
25 Martin, Vines; anybody else?

1 CHAIRMAN KICKLER: You can put your hands
2 down now. Robin, are you on the line?

3 MS. HACKNEY: I am. I couldn't hear what
4 you said.

5 CHAIRMAN KICKLER: Okay, we are --

6 MS. HACKNEY: For the ayes; was that it?

7 CHAIRMAN KICKLER: Yes.

8 MS. HACKNEY: Yes, you can include me in
9 that vote.

10 CHAIRMAN KICKLER: Okay, and we're voting on
11 the amended motion.

12 MS. HACKNEY: Right.

13 CHAIRMAN KICKLER: Okay, so you vote yes?

14 MS. HACKNEY: Correct.

15 CHAIRMAN KICKLER: Okay. All those who
16 voted yes could you raise your hands one more time
17 because a triple check is good for me. One, two,
18 three, four, five, six. All those opposed say no.

19 MR. TOOLE: No.

20 MR. BRAGG: No.

21 MR. DUFOUR: No.

22 CHAIRMAN KICKLER: So the amended
23 Administrative Committee's recommendation for
24 transaction funds for a state agency has been approved
25 by a six to three vote.

1 It is -- I don't know if we planned it this
2 way purposefully, but it is lunchtime. We tend to get
3 business done when we need to. Let's take about an
4 hour. Let's take an hour and a few minutes. Let's
5 reconvene at one o'clock. Again, there are
6 restaurants a block or two in any direction. So I
7 will see everyone in about an hour.

8 (Lunch Recess was taken from
9 11:55 a.m. to 1:05 p.m.)

10 CHAIRMAN KICKLER: All right, welcome back
11 everyone. We're here to start the new business
12 section of the agenda. I want to remind you you've
13 had time -- you've had time to look over that, the
14 applications. You were sent the interactive
15 spreadsheet. I hope you've been coming up with some
16 scenarios, whatever they might be, so that when we
17 hear these presentations later on that maybe it would
18 then form the scenarios that you were coming up with.
19 And what I mean by that is, maybe it will help you
20 refine your thoughts whether you should lean with
21 scenario A, whatever that may be. Or whether you're
22 thinking about cash or funding big projects entirely,
23 scenario B, whatever that scenario may be.

24 So long story short, we have, I believe,
25 about an hour and a half of presentations. That's how

1 long it will take from beginning to end. So I
2 encourage you to ask questions as the presentations go
3 along. But I hope that they are to inform your
4 general big scenario thinking that you have been
5 thinking about before now.

6 Now, a couple of other items I want to say.
7 We're going to look at the greenways. The greenways
8 and restoration projects will be presented before we
9 start to award money because what's awarded in one
10 section will affect what's awarded in the other
11 sections, so I think we just need to go through all of
12 those presentations. And I'll give everybody, whoever
13 was delivering those presentations, I'll give you a
14 heads up.

15 And before we get into the presentations,
16 while you're getting prepared for those presentations,
17 I wanted to turn it over to Bryan and the Clean Water
18 staff to give us an idea of what we can spend, what's
19 the bottom line, where -- where are the various
20 buckets of money, you know, what buckets are we
21 pulling from and what can we spend today. So I'll
22 turn it over to Bryan, now.

23 MR. GOSSAGE: Thank you, Mr. Chairman. And
24 you may -- the Trustees may recall from the December
25 meeting that you were working with a pot of money that

1 was approximately 10.1 million dollars and you
2 allocated a large portion of that as was your task
3 towards acquisition projects. And so the remainder of
4 that is what you'll be looking at today.

5 Now, in the time since then we have also had
6 unencumbrances, which are projects that have come in
7 below budget. And, therefore, that portion of that
8 grant has been returned to the Clean Water Trust Fund.
9 There will be other encumbrances between now and the
10 end of the fiscal year, and some of those we already
11 know about, but they did not make it, they were not
12 official by today. So we'll need to have you all look
13 at a provisional list, just as you did last time.

14 We also have additional information on the
15 license plate revenue. And so we have at least one or
16 two more data points on that. So there's a little bit
17 more clarity on what we might be able to expect from
18 license plate revenue, which you can use while you're
19 thinking about that provisional list that there's also
20 more money in the bank. And so Terri is going to
21 break down the dollar amounts, and at the end you will
22 have a pretty good idea of exactly what you're working
23 with for the restoration and greenway grant
24 applications today.

25 MS. MURRAY: Okay, good afternoon, everyone.

1 This is my first time doing this, so please forgive me
2 as I ramble through this. I took the monies that were
3 left from the last board meeting, and it's in your
4 blue packets on your desk there's the ledger that
5 everybody should have, which is now displayed on the
6 screen.

7 So if you follow through, I showed what was
8 accounted for in December, so what's been proposed.
9 Then you'll see Section 3, being what Bryan was
10 talking about the unencumbrances that are officially
11 unencumbered and are now available for use.

12 And then I did the percentages based on the
13 low end of the range that was discussed in December,
14 so that's the numbers that you see on the side of how
15 I got to the numbers in the columns. And then the
16 license plate revenue and, again, based on the low
17 percentage of all the ranges that you had for each
18 funding category. And my number is off a little bit
19 because of those calculations and pots of money. So
20 that's why you were told 2.62 is now 2.66. So
21 hopefully it's very clear and to the point. Does
22 anybody have any questions?

23 CHAIRMAN KICKLER: So what we can -- Just to
24 clarify, what we can award today is the bottom line,
25 and that's excluding provisions.

1 MR. GOSSAGE: And that's -- As Terri was
2 explaining, that is being conservative.

3 MS. MURRAY: Very.

4 MR. GOSSAGE: Very conservative. And
5 assuming a 35 percent allocation of the license plate
6 revenue. Anything else, or was it just the license
7 plate revenue that you --

8 MS. MURRAY: Just the license plate revenue.
9 There is some interest that we earn on money in our
10 account which isn't accounted for, but that's less
11 than 100,000. It's usually close to 30,000. So it's
12 not really going to impact this. But I couldn't, in
13 all honesty, give you good numbers for something I
14 couldn't calculate. So that's why this is
15 conservative.

16 MR. GOSSAGE: And, Nancy, can you just real
17 briefly go over some of the other -- I know they're
18 further on the agenda, but some of the other
19 expenditures or allocations that the board will be
20 looking at today in terms of just dollar amounts, just
21 real briefly?

22 MS. GUTHRIE: Yes. After the greenways and
23 restoration projects, you are also going to be asked
24 to consider an acquisition and planning application.
25 This is a \$20,000 consideration. And that needs to --

1 If you decide to fund it, it needs to either come out
2 of this same 2.66 that you're looking at with the
3 restorations and the greenways, or you could consider
4 putting that on a provisional list for acquisition,
5 because it is an acquisition planning. That one needs
6 to be considered.

7 And then in the next item is approval of
8 stewardship management proposals, which you'll get a
9 lot more information on, but that is \$20,000 separate
10 from all of the grant awards. That money has been
11 taken out of the interest on the endowment and is a
12 completely different pot that we're talking about.

13 CHAIRMAN KICKLER: And thank you for going
14 with the conservative number figures because as the
15 money is coming back in as mentioned we can make a
16 provisional list, but I do think it's best that we not
17 count what we are expecting to have even if it is next
18 Monday. Let's just go with the money that we have
19 here, and then we can make a provisional list which
20 more than likely the top provisional
21 list/prioritization list more than likely that number
22 1 project will get that money sooner than we expected.
23 But I think we just need to focus on that figure right
24 there.

25 But thank you also for bringing it up

1 because the small planning, acquisition planning
2 grant, the money would either, and keep this in mind
3 when you listen to the presentations, the money would
4 have to come from that figure, or we can move it to
5 the provisional list and the acquisitions. So that's
6 a small figure compared to the 2.66, but that is
7 something to keep in mind as we go along.

8 MR. GOSSAGE: And if you will, as you work
9 through this list and then into a provisional list
10 because of what staff sees both through our
11 projections -- We ran some projections on historically
12 what percent comes back through unencumbrances, so we
13 have that data. We also have some hard data projects
14 where they have informed us that they are under
15 budget, and so we have some real dollar amounts that
16 are coming back to it. But, again, that's not money
17 in the bank, so you're not working with that today,
18 but we have an idea of what's coming back.

19 Plus the additional data point, or data
20 points, for the license plate revenue, if we extend
21 that out the projection shows that we would bring in
22 more than we had originally anticipated. And then, of
23 course, using that 35 percent would lead us to a
24 request that you create a provisional list of about
25 one million dollars. So that's a significant amount,

1 but we would really like to be in the position where
2 we don't need a special meeting of the board for you
3 all to come back and allocate match projects for
4 funding but that you've done that today and just
5 basically created a priority list that staff as those
6 funds come in, staff can go down your priority list
7 and fund it.

8 CHAIRMAN KICKLER: Thank you. So, again,
9 keep in mind that bottom figure when you're making
10 awards today and the expected million that you are
11 talking about. That may come in, that may not come in
12 or not arrive. I would think about it in that regard
13 and keep those amounts for your provisional list.
14 Okay, I think that's it for the financial.

15 We'll move on to the presentations. And,
16 again, greenway and the restoration -- the greenways
17 projects and the restoration projects are to be
18 presented all at the same time because award money in
19 one category affects the award money in the other.

20 MR. SUMMER: Thank you. The Town of Wallace
21 is requesting \$253,500 out of \$739,100 to purchase 175
22 acres. Next slide, please. This is located in Duplin
23 County and the Cape Fear River basin. As you can see
24 on this map there's basically two parcels.

25 CHAIRMAN KICKLER: Will, I'm sorry, I'm

1 sorry. I apologize for interrupting you. Robin, are
2 you on the line?

3 MS. HACKNEY: I am.

4 CHAIRMAN KICKLER: Okay, I'm sorry I didn't
5 ask that question before. Glad to know you're with
6 us. Okay, thank you.

7 MR. SUMMER: So there's two parcels depicted
8 on this slide. This upper parcel is one that the Town
9 would like to purchase. They have matching funds from
10 the Parks & Recreation Trust Fund to purchase this
11 parcel for \$470,000, and they're going to use that for
12 kind of a multi-use active recreation park in the
13 future, and it will have trails. They're intending
14 for that purchase to be used as match for our project,
15 which is this section right here, the parcel on the
16 lower right-hand side.

17 In the middle of this is Boney Mill Pond.
18 It's an approximately 68-acre parcel that includes the
19 pond and it includes a couple of structures. And
20 they're asking us to help them buy the land portion of
21 it. Now, there's structures on this, and I'll get
22 into that in a moment. But we don't buy the
23 structures per our current policy, so the Town is
24 going to be providing funds to take care of the
25 structures on this. Next slide.

1 This is a picture of the Mill Pond. Next
2 slide. Another picture of the Mill Pond. This is the
3 mill structure that was used as a grist and lumber
4 mill up until the '30s, I believe. Next slide. I'll
5 talk about a few of the structures that remain on the
6 property. This house is one that the Town intends to
7 repurpose for a Visitor's Center. It actually is
8 listed as a -- on the -- registered as a historical
9 place as the Boney Mill House. So, again, our funds
10 would not go to the value of this structure. That's
11 part of the money that the Town would be putting in.
12 Next slide.

13 This is one of the other structures on the
14 property. The landowner, I believe she's in her
15 eighties and has requested the right to stay on the
16 property and live in this house for as long as she
17 can, and that's something the Town would grant in
18 their purchase, is to allow her that condition. So
19 this house would remain. Next slide.

20 The remaining structures on the property
21 would be demolished. There's this structure, one more
22 structure and then on the highway there's a
23 cinderblock building that's being used as an HVAC
24 shop. Those would all be demolished. Next slide,
25 please.

1 So the total project is \$739,000. It's 66
2 percent match. Again, a large chunk of that comes
3 from the Parks & Rec Trust Fund. The Town of Wallace
4 has a little over 15,000 in this portion of it. I do
5 want to mention that the portion of the tract that is
6 -- the portion -- I think the options are 445,000, and
7 that's the land and the structures.

8 The difference between this number and that
9 number, roughly 200,000, is what the Town is going to
10 pay for the structures. So although we don't count it
11 as match because of the way our system is structured.
12 The Town of Wallace has considerably more in the
13 project as a whole than just 15,000. So I wanted to
14 make sure that was noted. Next slide, please.

15 Between these two parcels there's about two
16 and a half miles of trail planned, and they would
17 connect to an existing unimproved trail that folks are
18 currently using along Rockfish Creek on an existing
19 town-owned easement. Next slide. It is under option.
20 All the other matching funding is in place. And this
21 is a summary slide. I'll take any questions.

22 (No response.)

23 MR. SUMMER: Thank you.

24 CHAIRMAN KICKLER: Okay. The next
25 presentation, the Carolina Mountain Land Conservancy.

1 MR. MASSIE: Thank you, Mr. Chairman. This
2 is a project on the county line between Buncombe and
3 Henderson County. So it would be proposed through the
4 Carolina Mountain Land Conservancy. Next slide,
5 please Terri. It's here adjacent to the Asheville
6 Regional Airport. This would be in Henderson County
7 and this would be in Buncombe County. Next slide,
8 please.

9 Carolina Mountain Land Conservancy has
10 requested \$95,000 to purchase the conservation
11 easement from 10.8 linear acres along the French Broad
12 River in Henderson and Buncombe Counties for
13 development of the greenway. This is highlighted
14 because this is a reduction in the original amount
15 that was requested. It went from a 300 foot buffer to
16 a 100 foot buffer to make it financially more feasible
17 for this board in light of our reduced funding. Next
18 slide, please.

19 This is a layout of the entire greenway
20 proposal. Buncombe County has two parks here.
21 Henderson County has a park here. Public greenways
22 are these sections here and this section here. This
23 section is looked at as a donation in the future done
24 by large industry that actually elicited this request
25 to begin with because they want their employees to

1 have access to a greenway. So Carolina Mountain Land
2 Conservancy has put this one in here. This is
3 actually a donated parcel here as match. Next slide,
4 please.

5 The project would tie together all these
6 parks. Two thousand three hundred and fifty linear
7 feet of this is along an existing shoreline right of
8 way owned by Buncombe County. The majority of the
9 easement would be purchased from the Asheville
10 Regional Airport. Next slide, please.

11 CMLC will buy 100 feet from the top of the
12 river bank to the upper edge of the shoreline right of
13 way. And as I say, the new industry is expected to
14 donate a significant portion of this also as match at
15 a later date, but they were not willing to commit in
16 time for this application to be submitted for you
17 all's review at this time.

18 There are 360,000 people that live within
19 ten miles of this greenway. Is there one more slide?
20 The estimated cost for this is \$10,594 per acre.
21 There's an 11 percent project match. The North
22 Carolina Trails Program has awarded \$225,000 to
23 construction of this greenway which we can't count as
24 match. So that's not part of the 11 percent match
25 they have available. And I'll be happy to try and

1 answer questions. Yes, ma'am.

2 MS. CAWOOD: Based on the amount of the
3 company that you're mentioning that it sounds like is
4 really part of the match but they are not agreeing
5 that they're part of the match? What would that --
6 because the percentage is really low on match. But if
7 that was added in, what is kind of a real percentage?

8 MR. MASSIE: Well, it's going to be up to
9 more like 50 percent. I mean, basically half of this
10 eventual greenway will be -- it's the Sierra Nevada
11 Brewing Company that is building the brewery right
12 there at the Asheville Regional Airport. And, of
13 course, they're very recreational minded for their
14 employees, and they actually pushed CMLC into doing
15 this and encouraging them to do this. They've
16 indicated that at a later date when they actually get
17 the brewery finished and start making money by
18 producing beer, then they want to go ahead and donate
19 it and put in this amenity, but right now they have no
20 employees and they're just building the brewery.
21 Other questions?

22 CHAIRMAN KICKLER: I had a quick question
23 regarding the scores. 84 out of 100 and 77 out of
24 100; I was wondering -- to help me decide later on,
25 too, I was wondering is this ranking remarkably high

1 compared with applications in previous years? Does it
2 rank -- Is it a similar type ranking, or are these
3 exceptional projects?

4 MR. MASSIE: I'll have to let Nancy answer
5 that because she does the scores.

6 CHAIRMAN KICKLER: Okay.

7 MS. GUTHRIE: These are pretty good scores
8 for this project. The greenways I would say a 90 was
9 probably around the highest we got. I don't think we
10 were hitting a hundred very often. So in looking at
11 these two this year I felt comparing them to previous
12 years these are pretty strong projects.

13 CHAIRMAN KICKLER: Okay, thank you.

14 MS. GUTHRIE: Yes.

15 MR. TOOLE: For what it's worth, Chairman
16 Kickler, I did do the percentage.

17 CHAIRMAN KICKLER: Uh-huh (yes).

18 MR. TOOLE: And as compared, these score as
19 a percentage of total possible these score higher than
20 the restoration projects we have before us. I don't
21 know if that's apples and oranges, but it was an
22 interesting fact.

23 MS. GUTHRIE: Just to comment, it is a
24 little bit unfair comparison in that the greenways
25 previously had been created a separate criteria just

1 for them. Whereas, the restoration were still lumped
2 in with all the project types that Clean Water could
3 fund in the past. So there was some question
4 previously that restoration projects probably couldn't
5 get points for. And so it's good to look at the
6 percentage, but just be aware there's some nuances to
7 the score.

8 MR. TOOLE: Which we have now fixed.

9 MS. GUTHRIE: Which are being fixed as we're
10 going through each project area, absolutely.

11 MR. GOSSAGE: The only reason that they
12 share any real estate on the spreadsheet is because
13 it's all coming out of the same pot of money, but not
14 because they should be considered apples to apples in
15 a criteria sense.

16 CHAIRMAN KICKLER: Thank you. So based on
17 previous greenway applications these --

18 MS. GUTHRIE: Are good.

19 CHAIRMAN KICKLER: -- are pretty good. Any
20 other questions?

21 (No response.)

22 CHAIRMAN KICKLER: Okay. We'll move on to
23 the restoration presentations. Who's next? Okay.

24 MR. MASSIE: I am, Mr. Chairman. You're
25 going to hear a lot from me today as we go through

1 restoration. This is the Toe River Valley Watch.
2 This is in Mitchell County, and this is a restoration
3 project in the town of Spruce Pine. Next slide,
4 please.

5 Toe River Valley Watch requested \$377,500 to
6 build a restoration on a section of Grassy Creek in
7 the town of Spruce Pine, Mitchell County. The goal of
8 the project is to restore 2000 linear feet behind the
9 shopping center. The stream has been channelized.
10 They want to establish a 50 foot permanent
11 conservation easement on both sides of the stream. At
12 some point in the future this will be a start of the
13 greenway. Next slide, please.

14 Grassy Creek is a tributary of the North Toe
15 River. And both Grassy Creek and North Toe are
16 classified as "C," trout streams. North Toe is also a
17 National Significant Aquatic Habitat with several
18 endangered species, including the Sharphead Darter,
19 which is a fish, and the Hellbender. Next slide,
20 please.

21 The project includes design and permitting.
22 There will be restoration of 2000 linear feet of the
23 channelized stream. As you see here it's channelized.
24 These are going to be in-stream structures of rock
25 banks, j-hooks. There will be some floodplain

1 excavation to make sure that it's not impounded there,
2 as well as there's some stream bed formation and re-
3 vegetation of the stream banks themselves. Next
4 slide, please. There are stormwater improvements that
5 are going to be undertaken by the applicant to get the
6 stormwater coming off the parking lot from the
7 shopping center. Easement value is the majority of
8 the match on this project, which is 45 percent. And
9 I'll be happy to take any questions.

10 MR. TOOLE: Can you comment on the design?
11 It looks like a pretty complicated design. Is that
12 fair?

13 MR. MASSIE: Well, I really can't comment on
14 the design because the design hasn't been done yet.
15 That's part of the application. They will be doing
16 the design. So preliminary work has been done. It's
17 been done through the Agricultural Extension, part of
18 the extension service, and they frequently rely on the
19 experts over here at N.C. State University to do the
20 preliminary design work. We'll see at least one more
21 project that N.C. State has done some preliminary
22 design work also. We have seen their designs in the
23 past on numerous other restoration projects throughout
24 the state.

25 MR. BRAGG: Tom, I'm just curious about

1 Grassy Creek. Has it been channeled way on upstream
2 or just the downtown area?

3 MR. MASSIE: I think it has been channeled
4 way on upstream, but Mr. Vines would know more about
5 that than I would.

6 MR. VINES: It has been. It's channeled on
7 up where it ultimately ends up into the Toe River, and
8 then it runs from there into Tennessee. From there it
9 goes through the rest of the county. It's been
10 channeled to that point.

11 MR. MASSIE: Any other questions?

12 (No response.)

13 CHAIRMAN KICKLER: Well, thank you. We'll
14 move on to line number 2.

15 MR. SCHUMAK: Thank you, Mr. Chair.
16 Piedmont Triad COG has sent an application to us on
17 Swearing Creek. This is the only planning grant that
18 we have regarding restoration projects. Next slide,
19 please. The study area is on Swearing Creek in an
20 unnamed tributary in Davidson County near the city of
21 Highpoint. It is on the 303(d) list and all this
22 drains into High Rock Lake. The impaired streams are
23 highlighted in red here. Next slide.

24 This is the watershed area that's, again, a
25 major source of pollution to High Rock Lake. This

1 applicant has worked with us previously, and they have
2 quite a few different partners involved with this
3 project. Next slide, please. They're asking for
4 \$132,000 of a \$251,000 planning grant. The match is
5 mainly coming from the City of Lexington, \$45,000 for
6 in-stream monitoring that they proposed. The COG
7 itself is providing some cash match, and then there's
8 some in-kind match of \$54,000 coming from Davidson
9 County and the City of Lexington.

10 Total maximum daily load is actually being
11 considered now for High Rock Lake, so this will be
12 beneficial to them. I also mentioned that they have
13 quite a few partners. Again, it's a planning grant
14 with five main tasks. The applicant does recognize
15 that it's a good bit of money and said that they would
16 take a reduced amount if that's the board's decision
17 later. Next slide. The five main goals is to
18 essentially put together a stakeholder involvement
19 where they go out and get major stakeholders involved
20 and have meetings with them, highlight the problems
21 with the stream and try to get input from them
22 characterizing the stream by taking existing data.
23 Identify impairments, that's one of the in-stream
24 monitoring by the City of Lexington would come into
25 play. Monitoring figuring out where the main sources

1 of pollution are coming. Identifying some restoration
2 sites, and then developing an implementation plan of
3 actual specific sites that might need to be restored.
4 Next slide. And this is just some representation of
5 Swearing Creek itself. You can see it carries quite a
6 bit of sediment in-stream. Next slide. And with that
7 I'll answer any questions.

8 CHAIRMAN KICKLER: I have a comment and then
9 two questions. One, I love the name of the creek
10 because you always wonder how it gets its name.

11 MR. SCHUMAK: How it gets its name, yeah.

12 CHAIRMAN KICKLER: There's a story behind
13 that. And then two questions I have. One, this is
14 the only planning only grant. How unusual is that for
15 a grant?

16 MR. SCHUMAK: Well, I'll give you a little
17 bit of history.

18 CHAIRMAN KICKLER: Is there always one, or
19 is there just like one every five years or what?

20 MR. SCHUMAK: About two years when funding
21 got really limited, we quit funding planning grants,
22 and as Mr. Toole mentioned by the actions we take we
23 influence our partners. This one actually applied
24 last cycle and decided to put it back in to see if the
25 board would decide differently. Last cycle the

1 board's decision was not to fund planning grants and
2 only fund construction projects. So we're somewhat
3 influencing our application input.

4 CHAIRMAN KICKLER: Okay. And then they
5 already -- they've already expressed that they would
6 be more than willing to --

7 MR. SCHUMAK: To trim the budget.

8 CHAIRMAN KICKLER: And then you mentioned
9 that there were in-kind labor and services. And on
10 the worksheet it says staff time, but do you know what
11 they'll be doing?

12 MR. SCHUMAK: The main sources of in-kind
13 coming from Lexington and the county would be the
14 county planners helping to develop into the
15 implementation plan, goals and items that they may
16 have been able to put in. They've developed kind of
17 an atlas of the stream characterizing where there are
18 good opportunities to do stream restoration projects.
19 So that's where those planners are actually going to
20 be involved with developing that.

21 CHAIRMAN KICKLER: Okay. Any other
22 questions? Yes, sir.

23 MR. BRAGG: Bern, you mentioned and Troy
24 just alluded to the fact that they would be willing to
25 take less money. I just have a question. During the

1 normal course of the work in the field do we usually
2 ask that question?

3 MR. SCHUMAK: Yes, I do. And as I go
4 through and present these projects I -- when I meet
5 with the applicants I give them, I guess my two cents
6 worth on what I think. And some of the projects are
7 over four or five hundred thousand dollars, which is a
8 number that we funded last cycle. They realize that
9 we don't have a lot of money. In most cases they've
10 given us an idea of what they could do if the budget
11 is trimmed to a lower amount. Hopefully that answers
12 your question.

13 MR. BRAGG: Tom, the project on the Toe,
14 will they take less?

15 MR. MASSIE: We ask everybody if they can
16 take less than the amount that they've asked for, and
17 in most cases they say they can.

18 MR. MARKHAM: Mr. Chair?

19 CHAIRMAN KICKLER: Yes.

20 MR. MARKHAM: Just for clarification,
21 though, if we fund, provide less funding they will
22 likely cut their scope of work because they don't have
23 enough money to complete the project as scoped.

24 MR. SCHUMAK: Yeah, but they would at least
25 keep the match at a proportional level. So their

1 match right now is 47 percent, so if we cut it by some
2 amount, they indicated that their match would be at
3 least 47 percent or more.

4 MR. MARKHAM: So they may cut the last task
5 which is to come up with recommendations for fixing
6 the system?

7 MR. SCHUMAK: I think what they would do is
8 trim some of the meetings, maybe on some stakeholders
9 meetings. They may trim some of the in-stream
10 monitoring. And in a lot of cases when you ask people
11 to trim the budget, sometimes the outcome is just as
12 good as what it was when you spent more money. They
13 just sharpen the pencil a bit.

14 MR. TOOLE: What do you recommend?

15 MR. SCHUMAK: I would say there's several
16 options that you guys can decide on. You can trim the
17 budget. Historically something in the \$50,000 to
18 \$75,000 range might be an option. The other option is
19 that, you know, since it's a tight budget, planning is
20 not as time sensitive as sometimes construction so it
21 could be deferred. I'm going to let you guys decide.

22 MR. TOOLE: Well, definitely we will decide,
23 but you're on the ground. I'm not. The chances that
24 I'll get up there are about zip.

25 MR. SCHUMAK: Yeah.

1 MR. TOOLE: So what is your best judgment?

2 MR. SCHUMAK: I feel like they could do a
3 nice job for \$75,000.

4 MR. TOOLE: Thank you. That's helpful.

5 CHAIRMAN KICKLER: Any other questions?

6 (No response.)

7 CHAIRMAN KICKLER: All right. Move on to
8 line item 3.

9 MR. MASSIE: Thank you, Mr. Chairman. This
10 is one of our larger requests. This is the Resource
11 Institute which is part of Western North Carolina in a
12 large number of counties, eventually 31 counties.
13 Right now it encompasses 16 counties in western North
14 Carolina. Next slide, please.

15 The Resource Institute has requested a
16 million and a half dollars to assist with stream
17 restoration, design, permitting and some construction
18 on local watersheds throughout western North Carolina
19 like this one (indicating). Then you have actual
20 sites that have been identified throughout the 16
21 counties thus far. This project has identified 53
22 priority stream sites in Western North Carolina. I
23 was just going through the list here, and over 11 of
24 these streams have been identified and so far 53
25 sites. We already have Clean Water money invested.

1 We have done one or more projects on 11 plus of these
2 streams throughout western North Carolina.

3 Ultimately, over 40,000 linear feet have
4 been targeted in all 31 counties in western North
5 Carolina. And the project will leverage three and a
6 half million dollars in federal money to do
7 principally construction. Our money is only to be
8 used primarily for design, permitting and
9 administration with some projects that exceed a
10 maximum amount of federal funding for construction,
11 then the Clean Water money would go to those. Next
12 slide, please.

13 Sedimentation is a significant cause of
14 impairment in many western North Carolina streams. A
15 lot of them happen on agricultural lands. The sites
16 identified in this program have to meet the criteria
17 that enhances Clean Water's statutory goals to either
18 protect water quality or to restore degraded streams
19 themselves. For example, here is a place where the
20 stream because of trees falling in is cutting back
21 into the landowner's property. He's losing soil.
22 Obviously, he's lost some of his pasture because his
23 fence is going across an area which has already fallen
24 into the stream adding to significant sediment
25 problems downstream. Next slide, please.

1 Again, our funds would be used for design,
2 permitting, oversight and administration. The actual
3 construction will be funded under the Federal EQIP
4 program, which is one of their specialized programs
5 that deals with sedimentation principally in streams.
6 A limited amount of our dollars may be supplementing
7 some of the construction projects. Resources
8 Institute will coordinate this project with the local
9 soil and water districts. Everyone has identified the
10 sites and will work with the property owners and will
11 monitor the sites once the work is completed. Next
12 slide, please.

13 They have a myriad of best management
14 practices that are available to them that they'll use
15 on these individual tracts. Most frequently you'll
16 see multiple of these types of best management
17 practices used. For example, they all have different
18 terms for life of the practice. Some of them like
19 streambank protection is a 20 year term, but you look
20 at habitat improvement which is five years or stream
21 crossing exclusionary fencing which is ten years. But
22 you're going to have a longer term because in most
23 cases you'll have channel bed stabilization will go
24 with riparian buffer plan down here, so you'll have a
25 15 year term total. Or you'll have streambank

1 protection and habitat improvement, so instead of
2 having five years on one you're going to have a 20
3 year term. So you're going to have a term easement
4 which is different from what we normally do. We
5 normally would require a permanent conservation
6 easement. But this has not been required because the
7 federal government is doing the construction, and they
8 have limited term easements. So permanent easements
9 would not be required, and our term agreement would be
10 based upon NRCS's estimate of the lifetime of the
11 individual designated practices put in place. There
12 may be one more slide.

13 The project does have a 70 percent match
14 because of the three and a half million dollars. It
15 is a multi-year program. This is not the last time
16 you'll see it, and they can take less than a million
17 and a half dollars and continue to proceed. I'll be
18 happy to try to answer questions.

19 CHAIRMAN KICKLER: Are there any? Yes.

20 MR. TOOLE: So term easements versus
21 permanent easements, how do we get comfortable with
22 term easements?

23 MR. MASSIE: Well, we have not been
24 comfortable with term easements in the past. There
25 have only been two exceptions where we've used term

1 easements, and they have both been federal programs.
2 The next one you're going to hear is the credit term
3 which is a federal program administered to the NRCS
4 that actually has term limits set in place. And we've
5 done that four times previously. This is modeled on
6 the same type of program as (indiscernible), but the
7 federal government and the stormwater districts are
8 not used to doing permanent easements. And quite
9 frankly, they don't want to do permanent easements.

10 It has been an impediment in the past in
11 terms of getting conservation on the ground in some
12 communities, particularly the farm community. And
13 consequently they're familiar with it. You know,
14 people are comfortable with programs they're familiar
15 with. When they're familiar with term easements and
16 they're comfortable with the NRCS program and the AG
17 Cost Share program, and this is -- this is essentially
18 their model. We don't have as much money to risk
19 because we're not paying for the most expensive part,
20 which is the construction of the BMPs. We're only
21 paying for the design, the planning, and the
22 administration.

23 MR. TOOLE: So I guess the value of the term
24 easement is because they're anywhere probably from 10
25 to 20 years. They'll be in place long enough that it

1 will change behavior and we'll have the result that
2 we're looking for, which is more likely to be
3 permanent. Is that your thinking on this?

4 MR. MASSIE: Yes, sir. If you go to the
5 example of the slide where you had the creek entering
6 the bank and they're losing their streamline, if the
7 farmer agrees to the term easement of 20 years, and he
8 can go ahead and you establish the riparian buffer,
9 you stop the erosion from happening so they're losing
10 their farmlands themselves. They plant the trees that
11 are going to grow over in 20 years, most people in
12 their right mind are not going to go in there and take
13 that all out after 20 years so that their streambank
14 can fall back into the river again and lose another
15 half acre of land that they are paying taxes on. So
16 it's a matter of getting a lot of conservation in
17 place now knowing that 95 percent of the people that
18 are participating in the program are not going to undo
19 what's been done.

20 MR. TOOLE: And I take it you're comfortable
21 with the term approach?

22 MR. MASSIE: I am. I know the Ag Cost Share
23 program works. I know how EQIP from practical
24 experience works in most cases. I have no reason to
25 believe that this will not also be successful.

1 MR. TOOLE: Thank you.

2 CHAIRMAN KICKLER: Yes.

3 MS. CAWOOD: Mr. Chairman, Mr. Toole brings
4 up a great point in that this is an issue that the
5 administrative committee is looking more closely at at
6 our next meeting because these are creeping up. And
7 we feel like for both those that come to us for funds
8 and for staff to have more clear direction on this, so
9 we're meeting in February -- no, March. We're meeting
10 in March to get some input from the Ag Community who
11 has been using these on the national level so that we
12 can have a policy for Clean Water.

13 MR. TOOLE: Thank you.

14 CHAIRMAN KICKLER: Any other questions?
15 Yes.

16 MR. MARTIN: So they said they would be
17 willing to take less money, so what I'm assuming is if
18 we were to do that since they had so much tied up in
19 design that what they may do is that they may do the
20 design for half of the projects or, I mean, if we were
21 to fund less. I know that there was a concern about
22 there was like \$850,000 put aside for design. So if
23 we were to come up with less than that amount, would
24 they just probably do the design for instead of 50
25 sites, for 25 sites? What's your --

1 MR. MASSIE: Well, they would probably do
2 that. But I think the reality is in discussing it
3 with them, they already have the federal money in
4 place. They've come up with some money on their own
5 to do the design for the current federal fiscal year.
6 They will use our grant money, whatever it happens to
7 be, to finish the design for projects they did not
8 have money for in this fiscal year and start designing
9 for the federal money that they know is coming October
10 1 of 2014 which is the federal fiscal year. So
11 they're going to be designing for this year for a plan
12 that they already have the construction money, as well
13 as start designing for next fiscal year as far as
14 whatever our grant allows them to do.

15 MR. MARTIN: Thank you.

16 CHAIRMAN KICKLER: Okay, line item 4.

17 MR. SUMMER: Thank you, Mr. Chairman. The
18 North Carolina Division of Soil & Water Conservation
19 is requesting \$1,831,106 out of \$6,970,212 to continue
20 the CREP Program. That stands for the Conservation
21 Reserve Enhancement Program. Next slide. This
22 includes the eastern most nine river basins, so it's
23 kind of the negative of Tom's project where we're
24 taking care of the eastern side of the state. Next
25 slide.

1 So the Conservation Reserve Enhancement
2 Program is a large volume program that encourages
3 landowners to put environmentally sensitive crop land
4 or pasture land into long-term conservation easements.
5 It's a partnership with -- I'll spell the
6 abbreviations out -- The Farm Service Agency, the
7 Natural Resource Conservation Service, Clean Water
8 Management Trust Fund, the North Carolina Forestry
9 Service and the Division of Soil & Water Conservation,
10 as well as the local soil and water conservation
11 districts. In the past they have developed more than
12 32,000 acres with 77 percent of those being long-term
13 conservation easements since we funded the first phase
14 of this in 1999. Next slide, please.

15 So it's administered by the Division of Soil
16 and Water Conservation through their district staff
17 and district offices. It consists of two main
18 components. One is the easement acquisition, \$1000
19 per acre for permanent, and \$250 per acre for a 30-
20 year term. And this program would be a mixture of
21 both of those depending on what the landowner was
22 comfortable with.

23 And since it's come up, I will, you know,
24 make one other point is that in our conventional
25 acquisition program the easement is the, you know,

1 it's the purpose of the program. But with these the
2 easement protects some other thing that's done.
3 That's why, I guess, we're a little more comfortable
4 with term in that instance. It's protecting another
5 thing that we've done be it a restoration or BMP. As
6 Tom said, it serves its purpose mostly with the term.

7 In addition to that there's best management
8 practice cost share. There will be buffer plantings,
9 grass filter strips, wetland restoration, livestock
10 exclusion which is fencing cattle out of streams and
11 remote watering sources which is getting water to the
12 cattle once you fence them out of the streams. Next
13 slide.

14 So this is a before and after of a grass
15 filter strip, and you can see the agricultural
16 activities are going right up to the ditch there. And
17 in the after shot they curtail their activity near the
18 stream and allow it to come back in a vegetation which
19 helps filter and keeps the herbicides and pesticides
20 and heavy equipment and soil conserving activities
21 away from those sensitive areas. Next slide, please.

22 Wetland restoration, down east, as you know,
23 they've ditched and drained a lot to create high and
24 dry land that you can put agriculture on. Most of the
25 time this is simply restoring the high and dry lands

1 by flooding out the ditch or otherwise flooding it to
2 bring water, the hydrology back to the way it was
3 before, before these lands were drained. Next slide.

4 Livestock exclusion, I've got two before and
5 after shots of the same area here. As you can see the
6 cows are close to the stream. You can see where
7 they've trampled and there's not a lot of vegetation
8 there. Once they're been fenced out of the same area
9 it's coming back with vegetation. Here there's a
10 stream crossing that the cows have free access to any
11 time of the year. After the fact they put up gates.
12 They still have to bring the livestock across a few
13 times a year, but it's much less access, and you can
14 see how much better the vegetation is with the cows
15 being fenced out most of the time. Next slide. And
16 of course you've got to put in a well or some other
17 way for the cows to get at water once you've fenced
18 them out. Next slide.

19 This is the matching funds for the project.
20 Most of it comes from USDA Farm Service Agency, that's
21 \$3.2 million. The landowner match and the Division of
22 Soil & Water Conservation in-kind a little over nine
23 hundred thousand. Appropriations to the Conservation
24 Reserve & Enhancement Program \$700,000; \$265,000 for
25 the NC Ag Cost Share. A lot of these funds are,

1 again, both in-kind staff monies as well as
2 construction funds for the BMPs that we subsequently
3 place permanent or term easements on with our funds.
4 Next slide.

5 We have awarded funding for this program,
6 Phases 1 through 4 in '98 and 2002, 2004 and 2006
7 totaling a little over \$18 million dollars. Funding
8 for the last phase, which was funded in 2006, is
9 expected to run out probably in June. The current
10 expiration date is July, and from the conversations
11 I've had they expect to have the funds spent by that
12 point. And the project is scalable proportionally to
13 whatever amount you choose to fund. Next slide. And
14 with that, I'll be happy to take any questions.

15 MR. TOOLE: Can we go back one slide? Thank
16 you. So the last funding was in 2006?

17 MR. SUMMER: Yes. They've asked in
18 subsequent years, but since they still had money in
19 that contract we deferred funding. We opted not to
20 fund them.

21 MR. MARKAHM: Mr. Chairman?

22 CHAIRMAN KICKLER: Yes.

23 MR. MARKHAM: If I could ask, how much do
24 they expect to have spent in 2013 and in 2014?

25 MR. SUMMER: In the last two years?

1 MR. MARKHAM: In the last year and a half or
2 so.

3 MR. SUMMER: That I can't say off the top of
4 my head. It was a pretty large grant in 2006.
5 They've got \$200,000 left right now after Terri
6 processes the next payment, and they expect to spend
7 the remaining \$200,000 between now and June if that
8 helps. But I don't have a tally of what they've spent
9 in the last two years.

10 MS. MURRAY: We can get to it to find out.

11 MR. MARKHAM: I guess the converse is what
12 do you think they would be -- what would keep the
13 program going for the next year?

14 MR. SUMMER: I would speculate around four
15 or five hundred thousand would probably keep them
16 going for the next application cycle.

17 MR. MARKHAM: All right. Is that a number
18 you guys could check between now and the time we vote?

19 MR. SUMMER: We can.

20 MR. MARKHAM: Thanks.

21 CHAIRMAN KICKLER: I had a question maybe
22 that should wait until after the end of the next
23 presentation, but I was looking at the construction
24 cost per linear feet, and this was really low. And
25 then the next one looks like one of the highest ones.

1 So why is that?

2 MR. SUMMER: It's a very -- It's a very
3 different type of project. It's going to go with a
4 conventional stream restoration. And these two that
5 Tom and I have presented are kind of odd with respect
6 to the field of restoration project as a whole, but a
7 conventional stream restoration project you design
8 very specific structures and measures and you move the
9 stream and you put in a lot of rocks and other
10 structures and you've got permitting.

11 With this they're just going to do a
12 riparian buffer planting, literally just plant trees
13 in places or just fence the cows out. So it's a much
14 smaller scale for this type of project, not really the
15 same as a conventional design construction stream
16 restoration.

17 MR. TOOLE: So if you were to go back to the
18 first stream restoration project. I call it design,
19 but it's not. There's a picture in here and you can
20 see where the original stream is and where they're
21 talking about moving it and they're putting in
22 wetlands. They become major construction projects
23 which can really run your costs up.

24 CHAIRMAN KICKLER: Oh, I understand. I was
25 just wondering why. That one dollar seems kind of --

1 it's really low.

2 MR. DUFOUR: Well, for your project you
3 could take all the money spent plus what we may give
4 them and, I mean, that's going to be a lot more than a
5 dollar for what we give them than if you take all the
6 money from everybody, I'm sure. If you take the cost
7 share from the farmer plus what we'll be giving them
8 plus everybody else, it would be a lot more than a
9 dollar. No?

10 MR. SUMMER: It's true. We're getting good
11 leverage in the fact that this particular project most
12 of the construction is funded by those other funds.
13 So we're really just reimbursing the landowner for
14 their term or permanent easement. In most cases
15 that's where most of our funds are going to be used.

16 MR. HORTON: The cost -- The cost per foot
17 is based on the total project; it's not just based on
18 our funds.

19 MR. DUFOUR: Oh, okay.

20 MR. HORTON: I think one of the reasons they
21 get a lot of linear feet is because when they put up a
22 fence and, Will, you correct me if I'm wrong, but when
23 they fence these cattle out of the stream they don't
24 just claim that 20 feet that they fence the cattle out
25 of the stream, or do they?

1 MR. SUMMER: I think they claim what they
2 affect. It's just a fence is, you know, a couple of
3 dollars a foot and a track hoe and an engineer is a
4 couple of hundred dollars a foot. So I think that's
5 where that's coming from.

6 CHAIMAN KICKLER: All right. Thank you. If
7 there are no other questions we'll move on to line
8 item 5.

9 (No response.)

10 MR. SCHUMAK: You can go to the next slide,
11 please. This is an application from Pilot View RC&D.
12 It's in the Town of Mt. Airy in Surry County at the
13 Ararat River. And this is an additional phase to a
14 project that we have funded previously. Next slide,
15 please. It begins right here essentially downtown Mt.
16 Airy. This is the Ararat River where it comes into
17 Lovill's Creek. We funded phase 1 in 2008, which is
18 all this section in red. They matched it with a nice
19 greenway component. In 2012 we funded this yellow
20 part. What they have done is they've actually
21 submitted a revised application. They were originally
22 going to go down to where it met Lovill's Creek and
23 continue to go downstream.

24 Because they had some trouble acquiring the
25 easements down here, what they're proposing is to link

1 back out to another existing greenway trail and finish
2 this tract so they would almost have a loop greenway
3 system. Next slide, please. And as I just mentioned,
4 they made some revisions to it. They've also tried to
5 look at just the worst sections of the stream to
6 address or the worst problems and finish off the
7 stream. Next slide. They also did some stormwater
8 components that were from 2011. Those are actually
9 have been put out for bid and are in the construction
10 phase right now. Next slide.

11 Here is the problem. See this is one of the
12 worst streams that I have visited in my 17 years with
13 Clean Water. The total section was about 43,000 tons
14 per year. Next slide. Back in 2008 there was about
15 six of us that tried to actually canoe this one
16 Saturday. This is the City Manager, and he went out
17 with us, and I think he got swamped that day and got
18 wet. But he decided he knew nothing about stream
19 restoration and he didn't know a lot about greenways,
20 but the people there told him about the possibilities.
21 And I'll show you some pictures of this section a
22 little bit further on. Next slide. Very steep banks,
23 20 foot banks sloughing off into the stream, a lot of
24 sediment. The interesting thing is about two miles
25 down is a gorgeous stream. It's very stable and very

1 or fairly pristine. Next slide. Go ahead and go to
2 the next slide, please.

3 They're asking for \$942,000. Again, it can
4 be scaled back and done in phases. Their match is
5 about a million dollars of a DOT enhancement to put a
6 greenway trail system in and along the trail. About
7 30 percent of the design is already done. I talked
8 with the applicant and they'd be ready to go to
9 construction within six months. They are proposing
10 3600 feet of restoration. And, again, the goal is to
11 try to now loop up with the other greenway trail and
12 have a nice long trail system. Next slide.

13 Here are just some more representative
14 pictures. It is a 303(d) listed stream, and it is for
15 sediment, as you can see. What they're proposing
16 would address three dozen tons per year. And since
17 the easements have already been acquired they'd be
18 permanent easements. Next slide. Go ahead and go to
19 the next slide.

20 Here's part of the section they're
21 addressing. Next slide. Here's where Lovill's Creek
22 comes in contact with the Ararat River. Next slide.
23 Here's part of that first phase that they did, and
24 they matched that with some greenway components and
25 also the Town acquired all the easements on that

1 tract, too. Next slide. This was -- this is actually
2 one of the pictures from one of the previous ones you
3 saw, so a dramatic difference. Next slide.

4 I'll tell you, the Mayor and the citizens
5 are very proud of this project. This is one of those
6 cases where the City didn't know what they had. They
7 didn't know they had this. And they did a survey, and
8 about a third of the population of Mt. Airy have been
9 on this trail in the last three or four years. Next
10 slide. They do 5K runs with kids. An outfitter came
11 in and is running tubes and kayaks. And actually a
12 restaurant came in and is situated just downstream
13 from here, and I think it's called the River
14 Restaurant or something, and they're marketing off
15 this greenway trail system. And with that, I'll take
16 questions.

17 MR. TOOLE: So just to go back, that
18 slumping we saw, is that natural sedimentation or is
19 that due to human behavior or --

20 MR. SCHUMAK: It's the case where you have
21 very non-cohesive soil, meaning it's sandy. It
22 doesn't stick. And the -- Over the years the
23 vegetation has been taken off so that there's nothing
24 to hold those banks in. And once it gets to that
25 level, it just keeps undercutting any vegetation that

1 is involved, and it just keeps falling in. It's just
2 because it's gotten to such a poor extent it will take
3 maybe decades for it to really heal itself on its own.

4 MR. MARKHAM: And, Bern, I note some design
5 costs of this were roughly doubled, the design cost.
6 Is there a particular reason why design costs are so
7 high per linear foot?

8 MR. SCHUMAK: I think -- I think it's
9 related to the steepness of the banks and trying to
10 establish it. It's also a fairly large stream. I
11 don't know the next project as to how wide the stream
12 is, but essentially as you add width to the stream it
13 tends to add to the complexity of the design. And I'm
14 not familiar with the second project, so I'm assuming
15 that.

16 MR. MARKHAM: Okay.

17 CHAIRMAN KICKLER: Thank you.

18 MR. SCHUMAK: Thank you.

19 CHAIRMAN KICKLER: I had a question about
20 this backing up to the greenway, although it's related
21 to this right here. The number of -- the number of
22 greenway applications this year, is that extremely
23 low, or about average?

24 MS. GUTHRIE: I think it -- there was a real
25 peak in 2010. The year subsequent to that, greenways

1 were not funded by the board. So I think we're seeing
2 if you fund them they'll be more interested in
3 applying in the future. So I think that, again,
4 that's something that's following the decisions of the
5 board.

6 CHAIRMAN KICKLER: Okay, that's fine. Thank
7 you. Move on to line item 6.

8 MR. MASSIE: Yes, sir. This is a very
9 similar example to the one Bern just showed us. This
10 is in Caldwell County in Lower Creek. Lower Creek is
11 a 303(d) pristine stream. We've done several projects
12 on Lower Creek to improve the water quality there. A
13 good representative sample. This is still obviously
14 farmland. Next slide, please.

15 Here we are on the map. This is in Caldwell
16 County. Next slide, please. They're asking for
17 \$162,583 to restore a little over 2100 linear feet in
18 the Lower Creek in Caldwell County. This was
19 originally a EPIQ project and the designs are going to
20 be completed by NRCS, the Natural Resource
21 Conservation Service and the Stormwater Conservation
22 District as part of their match. Lower Creek is
23 classified as impaired and is 303(d) listed. It's
24 also a water supply for, as I said, we have several
25 other projects in the watershed, both upstream in the

1 City of Lenoir itself and downstream where Lower Creek
2 actually goes into the Catawba River which is where
3 the drainage supply comes from. And, again, you can
4 see the size of this back here. This is, oh, 15 to 20
5 feet. Next slide, please.

6 The estimated soil loss on this one side
7 alone is 1158 tons a year. The restoration work will
8 include rock vanes, root wads, benchings and buffer
9 plantings, and the match is 68 percent. You can see
10 this crack here, so this is the next section that was
11 getting ready to fall off when I took these pictures.
12 It has since gone into the river.

13 Again, it goes back to what Bern was saying.
14 You have to go in here and you have to cut a lot of
15 this down and put a bench back in so that when you get
16 storm flow that it actually spreads out a little bit
17 more and it quits undercutting the bank and it quits
18 falling in. Of course, then they'll also go ahead and
19 do some work on the stream channel also so it will
20 relieve some of the pressure that's right up against
21 this bank here which causes it to fall in. Next
22 slide.

23 The match is included some EEP money and
24 some soil water funds. Obviously they need watering
25 tanks because there have been some cattle in and out

1 of the streams. They also did some crossings and some
2 buffer plantings over on the bridge that ran into the
3 restricted cattle access. There is a permanent 50
4 foot conservation easement already onsite bought and
5 paid for by EEP on 4.25 acres. And if we do this
6 project they will transfer the conservation easement
7 to all of the Division of Soil & Water. Either the
8 local district can hold it, or the state Division of
9 Soil & Water will likely hold the conservation
10 easement on this tract and monitor it. And I'll be
11 happy to answer any questions.

12 MR. TOOLE: What's a vane and a root wad?

13 MR. MASSIE: Rock vanes and root wads are
14 just BMPs that are put in place to do this. Rock
15 vanes are exactly that, they're just large boulders
16 that are situated, and they go upstream and channelize
17 the stream flowing through the middle of the creeks
18 itself to go to deeper pools. And as the water levels
19 go up, your vanes are actually coming down like this
20 (indicating). So if the water level rises, it comes
21 up over those vanes and it drops out the sediment.

22 MR. TOOLE: And those are put in the
23 streambed?

24 MR. MASSIE: Excuse me?

25 MR. TOOLE: And those are put in the

1 streambed?

2 MR. MASSIE: Yes. They are put in the
3 streambed and go all the way across. And then the
4 root wads are essentially trunks on the trees with
5 roots that are driven back into the bank where the
6 force of the stream frequently is hitting the bank and
7 it just dissipates that force that's hitting the bank
8 itself. And I think that's a good explanation.
9 Kevin, you may know more about that, you or Johnny,
10 than I do. You all are the engineers.

11 MR. MARKHAM: No, I'm not an engineer. I
12 don't practice engineering or offer to practice
13 engineering. You know, we deal with ecological
14 concepts. So conceptually, yes, that's what works.
15 It dissipates energy from the ecological standpoint,
16 and engineers take advantage of the fact that's what
17 it does ecologically or physically. Those are the
18 structures. Root wads are good because it also
19 protects and provides habitat using more natural
20 features of the stream to dissipate energy and provide
21 habitat.

22 MR. TOOLE: Thank you.

23 CHAIRMAN KICKLER: Move on to the next line
24 item, number 7.

25 MR. SCHUMAK: The City of Greensboro sent an

1 application to us for South Buffalo Creek which is
2 phase 2 construction. And as in many of these the
3 applicant has conveyed they can scale back. Next
4 slide, please. It's located in Guilford County right
5 in the city of Greensboro. Next slide. Here's the
6 project area. This just shows some of the other
7 activities in the area to improve water quality. EEP
8 is doing the project. The City itself is doing some
9 restoration projects. And DOT has done a project, and
10 the site that we're looking at is right down here.
11 Next slide. There's also some nice wetlands that they
12 have purchased and protected in the area. Next slide.

13 Here's representation of South Buffalo
14 Creek. It is 303(d) listed. It's nutrient sensitive.
15 It's in pretty poor shape. Next slide, and go ahead
16 to the next slide. Several of the tributaries are
17 also in poor shape. This is one that was done in
18 phase 1 I've got an after picture of so you can see
19 what it looks like now. Next slide, next slide. Not
20 one of your better streams. Next slide.

21 They are doing some monitoring so at least
22 they have some existing water quality data of the
23 projects such that they can qualitatively see the
24 improvement after all the restoration is done. Next
25 slide.

1 They're asking for \$704,000 of a \$1.35
2 million dollar project. Again, we funded part of it
3 mainly on the north side. They're going back in now
4 and doing the south side. The design is completely
5 done. They propose about 1205 feet of restoration and
6 also about 870 feet of new floodplain.

7 The City actually gives you cash to buy the
8 property. And phase 1, as you see, is complete other
9 than the riparian plantings that still need to go in
10 the stream. Next slide, please.

11 Phase 2 would essentially be this area here
12 (indicating). Phase 1 was on the north side and is
13 fully complete. Next slide. Here you can see what
14 they're proposing. They're proposing reopening the
15 floodplains such that it has a place to go. These are
16 existing wetland areas, and the north side is already
17 done. Next slide.

18 This is part of the north side which is
19 complete. This is actually the unnamed tributary that
20 was so entrenched. Essentially what they did was move
21 the existing stream right over here. Next slide.

22 Here's a before. Next slide. Here's an
23 after. Actually, here's a rock vane, Bill, that you
24 were asking about. You were asking about that. Next
25 slide. Before. Next slide. After. Here's the

1 tributary that's coming into the South Buffalo. What
2 they are proposing is on the opposite side, so to
3 finish it. Next slide.

4 Here's phase 1 completed minus the
5 plantings. They are going to go in and re-establish
6 the riparian buffers on here. Next slide. Next
7 slide. Here they've actually done some of the line
8 stakes, and they had a storm event and you can see the
9 leaf litter that's caught on there, which is actually
10 a good thing. Next slide, next slide.

11 Here's where they have put in an access
12 point for when the South Buffalo has a storm event it
13 has a place to go. You can see it has some recent
14 water in it from a recent storm event. Next slide,
15 next slide. Go ahead and go to the next slide. And
16 with that, I'll answer any questions.

17 CHAIRMAN KICKLER: Are there any?

18 (No response.)

19 MR. SCHUMAK: Thank you.

20 CHAIRMAN KICKLER: Okay. Moving on to line
21 number 8.

22 MR. MASSIE: This is a project by the
23 Carolina Mountain Land Conservancy. This is a road
24 and restoration project which we really haven't seen
25 any of in this cycle. This is a 7 acre tract in

1 Henderson County. Next slide, please. Here you see
2 it on the map in southwestern North Carolina. It's
3 actually about four and a half miles southeast of the
4 City of Hendersonville itself. Next slide, please.

5 They're requesting \$75,550 to restore a
6 prior converted wetlands that's been turned into a
7 hayfield. They want to return it back to its original
8 state. The reason they want to go ahead and restore
9 this back to a wetlands is the endangered plant
10 species which is the Bunched Arrowhead. It's
11 federally endangered listed. And this is one of a
12 couple of places they've got in Henderson County that
13 this plant already occurs. This would expand the
14 habitat court. Replace 7 acres of converted wetlands
15 and turn it back into the Southern Appalachian Bog
16 Complex and improve water quality in Mud Creek which
17 is 303(d) listed. Next slide, please.

18 Here's an actual design or a conceptual
19 design of what we want to do on this. They've got
20 some stormwater components drawn in on this design.
21 They are not a part of this application. Those have
22 been removed from it. All that we're dealing with is
23 just the excavation of the existing bog, restoring the
24 hydrology, slowing the overland flow into the area in
25 the upper right hand side with the purple area in

1 there. You have Bat Creek which is known for its --
2 it runs along the railroad grade there in the upper
3 right-hand side. And then the wetlands will go in
4 there next to it, and there will actually be four
5 acres of wetlands. Next slide, please.

6 The property is within the Mud Creek
7 watershed. The stream is an unnamed tributary of Bat
8 Fork and is classified as "C" impaired. The property
9 is within the East Flat Rock Bog Remnant of the State
10 Natural Heritage Area. Carolina Mountain Land's
11 Conservancy has previous experience before with
12 Ochlawaha Bog with Clean Water funds. The Ochlawaha
13 Bog was a large project they did probably four or five
14 years ago. It was about 10 or 15 acres that had been
15 restored. It was very, very successful.

16 They have some of the same people are
17 funding the match on this that worked on the Ochlawaha
18 Bog and that's primarily fish and wildlife. The U.S.
19 Fish and Wildlife Service provided the monies because
20 of the Bunched Arrowhead. There is a 72 percent match
21 on this project. And I'll be happy to try to answer
22 questions.

23 CHAIRMAN KICKLER: Are there any?

24 MR. TOOLE: Can you give us pictures of
25 Bunched Arrowheads and Hellbenders next go round?

1 MR. MASSIE: I can.

2 MR. TOOLE: And every other endangered
3 species mentioned because I don't know what these guys
4 look like.

5 MR. MASSIE: Well, I am sure that they'll be
6 happy to help me get those pictures.

7 MR. TOOLE: I'm sure. Thank you. That
8 would be great.

9 CHAIRMAN KICKLER: Moving on to line item 9.

10 MR. SUMMER: Thank you, Mr. Chairman. The
11 City of Goldsboro has requested \$400,000 out of
12 \$480,027 to enhance a little over 1800 feet of Stoney
13 Creek. This is in Wayne County in the Neuse River
14 basin. This is phase 2 of a project that we have
15 funded in the past. Phase 1 was 5000 feet immediately
16 downstream of the phase that they are requesting
17 funding for right now. As part of that original grant
18 they had done the design for the whole section of the
19 stream including what we're looking at today.

20 But then they went to the Corps of Engineers
21 and they said they didn't like their design. They
22 were cutting down too many trees for the benefit. So
23 they went back and redesigned it so, one, we've got an
24 approach which is actually very similar to what Bern
25 just presented due to that restriction. And the other

1 is we've got a little bit of the effort towards design
2 and surveying already paid for with this from a
3 previous grant. Next slide.

4 What they'll be doing is grade control
5 device and stabilization in some areas along the bank.
6 And on this slide it will be this area right here
7 (indicating). They're going to go in and put in some
8 wall vanes. They'll cut back the banks and reduce the
9 slope and stabilize it. I'll show you some pictures
10 of that in a moment.

11 And the other thing they'll do is just like
12 with Bern's last project in Greensboro, they will put
13 in a wetland slough. And what this is is this stream
14 needs to -- it's got a lot of flood waters. It needs
15 to dissipate energy, and normally it would spread out
16 on a floodplain, it would lose its energy and drop the
17 sediment and pollutants out, but it's a little
18 channelized, and there's a good stable riparian buffer
19 with mature trees on either side. So in order to go
20 back and carve all that out they'd have to cut down
21 all those trees and pretty much completely deplete it.
22 And the Corps was concerned that the benefit of the
23 restoration would not or may not have the certainty of
24 replacing the benefit of those mature trees that are
25 already in existence. So this design is to create

1 these little access points where the water can get out
2 of the channel, get out onto this wetland slough, and
3 just by removing many, many, many dump truck loads of
4 dirt there's a lot of volume out there. It acts like
5 a conventional floodplain, and I'll show you some
6 pictures of that as well. I wanted to give you the
7 notion of what they were doing. Next slide, please.

8 So in some of the stream there's unstable
9 areas, and this is an example of that. Next slide.
10 While much of the stream is very stable and it's got
11 good vegetation, this is part of the reason for not
12 going in and cutting all those trees down to create
13 access to the floodplain. Next slide.

14 So in the areas that they need stabilization
15 what they'll do is remove most of the trees. They'll
16 grade the slope a little bit so it's not as deep, and
17 they'll do what's called a soil lift where they take a
18 little bit of soil and a little bit of geotech mat and
19 put some soils on it, fold it over and make another
20 layer, and they'll do that all the way up the bank to
21 create a temporary way to stabilize the soil without
22 using rocks that will eventually be planted and then
23 the roots can stabilize there. So this is what a
24 stabilization would look like. Next slide.

25 Here is a recent -- Not recently, but this

1 picture was taken shortly after stabilization was
2 complete. Next slide. This is an example of what
3 we're calling the wetlands slough. So this is off of
4 the channel. It's just a large, wide, broad channel
5 that they could put flood water into for the flood
6 water to naturally go into during a big rain. Next
7 slide.

8 This is what it looks like shortly after
9 completion. You see the vegetation is coming back.
10 And for most of the year it looks like this. Next
11 slide. And then during a big rain event you can
12 really get a sense of just the volume of water that
13 fills this up as well as the reduction of water that's
14 now flowing through that small original stream channel
15 creating erosion and causing bank stress and other
16 problems. Next slide.

17 And this is what the area looks like where
18 they let the water from the stream get out on the
19 wetland, so it's basically a carved-out area that's
20 very low. So when the stream gets up to roughly 18
21 inches in this case it can get out there and do all
22 the things that we had mentioned. Next slide. Again,
23 they are designed to let the flood waters dissipate,
24 drop sediment, drop pollutants, reduce flooding bank
25 stress on the existing channel.

1 The match is all in easement value. The
2 land is all currently owned by the City of Goldsboro,
3 so that's a 17 percent match. Next slide.

4 Stoney Creek is nutrient sensitive. It's
5 Class C. When we funded this the first time it was a
6 303(d), and that's a list that the state maintains of
7 the waters that are impaired and not meeting their
8 uses. So by virtue of what the Division of Water
9 Resources has seen where I think they did the
10 biological monitoring and measured bugs and fish.
11 This stream has improved on the 2012 list. Now, we
12 can't take credit for all of that, but we did repair
13 5000 linear feet of stream in this section. So we may
14 have had something to do with it getting off of the
15 303(d) list and subsequently scoring fourth in the
16 criteria. Good for us. Next slide.

17 This is a summary. If you've got any
18 questions I'd be happy to answer them. On another
19 note, whenever you guys would like to know it, Terri
20 helped me find the information for the average
21 expenditures for the CREP Program whenever it's
22 appropriate to bring that up. I just wanted to let
23 the board know.

24 CHAIRMAN KICKLER: Okay, thank you. Are
25 there any questions? Yes.

1 MR. HORTON: I have a clarification.

2 CHAIRMAN KICKLER: Okay.

3 MR. HORTON: Bern has just pointed out one
4 of my errors. There are a lot of opportunities when
5 you do a spreadsheet as far as making a mistake. I
6 took advantage of one of those opportunities. So on
7 line 5 there's a question about the amount of the
8 design cost. But on line 5 the design cost is showing
9 \$60 per foot. That should be \$36 per foot, and the
10 reason is what happened was they submitted a revised
11 application and it included a revised budget. And a
12 lot of things got changed because of that revised
13 budget. So I apologize for that error, but Bern
14 caught it and helped me out.

15 MR. SCHUMAK: It's normal. It's normal to
16 have feedback. The next project is just as big as the
17 one after that.

18 MR. BRAGG: Question for Will. Will they
19 take less money?

20 MR. SUMMER: They are requesting \$400,000.
21 They submitted this last year as a \$500 and something
22 thousand dollar project, and I asked them to come back
23 and give me a lower number. I do believe that for the
24 scope of work, \$400,000 is about as little as they can
25 take to get this done. At some point you reach an

1 economy of scale where it's not worth mobilizing dump
2 trucks and track hoes, so \$400,000 is a result of me
3 asking them last year what's the least you could do
4 this project and then resubmitting that number. I
5 hesitate to say they could do much with less than four
6 hundred thousand.

7 MR. TOOLE: Do you think if this project
8 were funded that they would be done with what they
9 need to do on this creek, on Stoney Creek? I mean, it
10 sounds like one heck of a success on the first go
11 where you helped get it off the 303(d) list.

12 MR. SUMMER: This, I believe, is all the
13 land they own. I'm sure they would love to do more.
14 There's some land downstream of this between there and
15 Seymour Johnson Air Force Base that they would
16 probably like to come back for in the future. But
17 this gives them a good start. I can't say they won't
18 come back in the future.

19 MR. TOOLE: Oh, sure.

20 CHAIRMAN KICKLER: Greer?

21 MS. CAWOOD: This is a situation and just
22 not having any background with it, a situation where
23 it's the city or the county that owns the land. Is 17
24 percent of them kind of putting into the project, is
25 that kind of normal for what a city or town would put

1 towards it?

2 MR. SUMMER: That depends entirely on, you
3 know -- Your Charlotte-Mecklenburgs put in 80 or 90
4 percent. They have a huge stormwater fee, and they've
5 got a lot of money to spend on that. Goldsboro,
6 they're essentially just donating the value of the
7 easement which has some value, but it isn't the same
8 as cash match. So it really depends on the size of
9 the municipality as to how much they can contribute.

10 CHAIRMAN KICKLER: If there are no other
11 questions we'll move on to line item 10.

12 MR. MASSIE: Thank you, Mr. Chairman. And
13 just to follow-up with Ms. Cawood's question, I've
14 been looking at this quite a bit over 17 years with
15 restoration projects, and quite frankly, you will not
16 find that municipalities and local governments have
17 the resources to put into it. They're too concerned
18 about trying to keep the water plants functioning and
19 waste water plants from overflowing and having
20 violations. So most of the time they're looking for
21 the least match they can get it with unless they have
22 a stormwater utility and they have those resources
23 that they can sink into it. But that's the reason
24 they're going to the stormwater district, and the
25 stormwater districts are coming to us and match is

1 always a problem for everybody when you're doing
2 restoration projects.

3 This is a project in Transylvania County
4 being done by the Soil & Water Conservation District.
5 It's in Rosman which is about 10 miles southwest of
6 Brevard, really more west than south I guess. We've
7 heard of the East Fork and French Broad River. If you
8 remember back in December when we were talking about
9 the headwaters tract in Transylvania County. This is
10 about four or five miles downstream of that right
11 where the east fork of the French Broad flows into the
12 north fork of the French Broad and forms the unified
13 French Broad. Next slide, please. This is an active
14 shore. It's very close to the South Carolina line
15 right outside of Rosman. Next slide, please.

16 Transylvania Soil & Water District is asking
17 for roughly \$114,000 to stabilize this streambank on
18 the east border of the French Broad. Next slide. The
19 French Broad here is classified as B, Trout, high
20 quality waters, But one of the source that is sited
21 within the basin wide plan for impairments in the area
22 is sedimentation, as I said, which is frequent on
23 agricultural lands, and this is agricultural land.
24 Next slide, please.

25 The estimated soil loss on this side alone

1 is 800 tons per year. The project calls for 1100
2 linear feet stabilization along the streambank
3 including 7 meanders, restoring floodplain and re-
4 vegetating the stream bank. This project only asks
5 for construction cost. The design is being done as
6 match. It's coming from NRCS and the Soil & Water
7 Conservation District as is the project construction.
8 Next slide, please.

9 This is some idea of the design. They're
10 going to take out the big oxbow up here at the top and
11 replace it with the meanders down here that's
12 highlighted in yellow with the red in the area. And
13 then they'll come up with the conservation easement
14 and buffer which is 2.7 acres. And then the area in
15 green on both sides of the stream will come up with
16 the conservation easement for another three years and
17 these will be permanent easements. Next slide,
18 please.

19 Design and easement values and
20 administration is match. The design is complete.
21 There will be a 50-foot buffer on both sides of the
22 stream. It does have a 49 percent match. I'll be
23 happy to take questions.

24 CHAIRMAN KICKLER: Any questions?

25 (No response.)

1 CHAIRMAN KICKLER: Okay, next item line
2 number 11, line 11 of the revised spreadsheet.

3 MR. SCHUMAK: The Surry Soil & Water
4 District is working with Pilot Mountain State Park.
5 This is property that's actually on state park land.
6 It's on Horne Creek. Next slide. Again, it's in
7 Surry County. It's in the Yadkin River Basin. Next
8 slide. Pilot Mountain State Park runs down to the
9 Yadkin River. Next slide.

10 They're asking for \$376,000. It's a revised
11 budget of the \$421,000 project. They have in hand a
12 \$45,000 Division of Water Resources grant. Recently
13 they added another almost \$20,000 of match where
14 essentially friends of the park have proposed to do a
15 lot of in-kind work moving an existing trail that's
16 falling into the stream and also doing the plantings.

17 One thing that hurt their original request
18 was the fact that it's in a state park it doesn't
19 require a conservation easement, so they can't ask for
20 that as match. There's really no conservation
21 easement needed. There's about 200 feet of
22 restoration to be done. The design is complete.
23 Actually, Clean Water Management Trust Fund funded the
24 design a couple of years ago. And this is their third
25 attempt to try and get the construction phase of it

1 funded. The first time they asked for design and
2 construct because of limited funds we just funded the
3 design. It was submitted a second time after the
4 design was complete, and they were put on the
5 provisional list. I think they came one or two
6 projects short of getting funded. So this is their
7 third attempt.

8 It is a natural heritage area. It's got
9 some wetlands. It's got some rare aquatic species on
10 it. It is also a site where all of the fifth and
11 sixth graders in the county go and do a watershed
12 workshop much like they do I think on the Haw River
13 with students. Next slide.

14 Here is Horne Creek. Again, the design is
15 already done. It's ready to go. It was an existing
16 camping area. The park service is moving the remote
17 camping area away from the stream and moving some
18 port-a-potties, essentially re-establishing the
19 riparian buffer. Next slide. You can see some of the
20 banks. Next slide. Here is the picnic area. This is
21 to be moved upstream out of the floodplain so that
22 this can be all replanted. Next slide. You can see
23 there's a good bit of sediment transported in this
24 stream. Next slide, and go ahead and do the next
25 slide. This is the new riparian area. Next slide.

1 Next slide, and go ahead and go to the next slide.

2 And, again, this is where they do their
3 watershed workshops. And this project was actually
4 identified from one of the workshops that the students
5 do. With that I'll answer any questions.

6 MR. TOOLE: Bern, what caused it to jump up
7 to 180; what was the scoring change that occurred?

8 MR. HORTON: We got some information from
9 the applicant, and they wanted to have some other work
10 included as match. So that helped out a little bit.
11 And they also reminded us that they had done some work
12 to improve their greenway, but before when we scored
13 it they hadn't gotten any points for the greenway
14 part. So between those two things, that's what
15 changed their score.

16 MR. TOOLE: Thank you.

17 MR. VINES: Bern, could we go back a couple
18 of slides?

19 MR. SCHUMAK: Yeah, Terri, can you pull it
20 back up? Which one do you want?

21 MR. VINES: The next to the last one that
22 was shown that had the sedimentation in the stream
23 where the stream had been shifted. My question is is
24 there anything built into this for them to do any kind
25 of restoration within the waters there to get it back

1 in the channel it belongs in? Go back one more. That
2 one right there.

3 MR. SCHUMAK: This one?

4 MR. VINES: Yeah. Is there any hopes of
5 putting that stream back where it belongs to try and
6 help during flood times. It will move water a lot
7 quicker if it were right there.

8 MR. SCHUMAK: Yeah, they are essentially
9 looking to put some in-stream structures in here. If
10 you'll notice, this side has got a lot more bank.
11 This stream was probably moved one time and drained
12 from agricultural practices in trying to negate all of
13 this.

14 MR. VINES: On the right-hand side there
15 where you could walk all the way down the water, to me
16 that looks like that's been left over from flooding
17 time where sedimentation is filled in and blocked off
18 with a tree that looks like it's been removed from its
19 bank or rerouted to a tighter point instead of being
20 as wide as what those stream banks look like they are.

21 MR. SCHUMAK: Yeah, this stream is wider
22 than it would be normally. And what happens is a lot
23 of times after you do the stream restoration the
24 stream tends to narrow up and the vegetation will come
25 back in those areas. You know, in a lot of cases

1 we'll get 50 foot buffers. A lot of these streams in
2 here over time we end up actually getting a wider
3 buffer than what we originally proposed.

4 MR. VINES: Thank you, Bern.

5 MR. SCHUMAK: Thank you.

6 CHAIRMAN KICKLER: Okay, thank you. Line
7 item 12.

8 MR. MASSIE: Yes, sir, Mr. Chairman. I
9 believe the next six projects are mine. If you'll
10 notice there's been a theme emerging within these
11 restoration projects. Most of these are being done by
12 either stormwater conservation districts or the RC&D,
13 Resource Conservation and Development Council
14 throughout the state. And these are the people that
15 primarily have an interest in the west. But because
16 they don't have stormwater utilities and because the
17 municipalities don't have the funds to do these
18 projects, so it's left up to the soil and water
19 districts or the RC&Ds who are members of the soil and
20 water districts.

21 This is Blue Ridge RC&D. This covers the
22 northwestern part of the state from Yancey County all
23 the way up to Avery County and it may even go up into
24 Ashe County, if I'm not mistaken. It covers quite a
25 few of the northwestern counties. This is the Cane

1 River or what used to be the Cane River Dam before it
2 was breached a number of years ago. Next slide,
3 please.

4 What we're talking about is in Yancey County
5 right below the city of Burnsville. Next slide,
6 please. Blue Ridge RC&D is requesting \$400,000 to
7 assist with the restoration of the Cane River above
8 the breached dam itself. This is the second time that
9 we've had this application in front of us. And this
10 project is simply for the construction of a new
11 channel to reconnect the existing floodplain to do
12 some in-stream structures and to stabilize the stream
13 banks when they do that.

14 The first time we received this application
15 they asked us to actually help remove the dam. We
16 don't do dam removal. We've had several requests, and
17 they took heed of that and they've gone out and found
18 another source of funds to actually do the dam removal
19 itself. So this is what is being called phase 2.
20 Phase 1 being the dam removal. Next slide, please.

21 The Cane River is classified as a C, Trout,
22 supporting. It's also a significant -- State
23 Significant Aquatic Habitat for Elktoe Mussels and
24 Wavy-Rayed Lamp-Mussels and Southern Blotched Chub and
25 Hellbenders. Next time I'll have pictures. And you

1 can see this is one of the areas they're going to
2 realign the channel. Again, you have an oxbow here.
3 This is all from an alluvial floodplain. It's
4 essentially the sediment that dropped in here that was
5 backed up from the dam itself. When they breached the
6 dam the stream cut a new channel through here, and
7 it's just taken all that alluvial sediment that was
8 piled up behind the dam and washing it downstream.
9 Next slide, please.

10 It creates nearly 500 tons a year of
11 sediment to the Cane River. The proposal is to
12 stabilize and restore 2600 linear feet on both sides
13 of the stream. The property easements are being
14 acquired by DOT as part of the mitigation process
15 that's going on as they're widening the main road, and
16 the buffer will be 50 feet. Next slide, please.

17 This is a preliminary design. Again, this
18 is another one of those that's been done by our
19 friends at N.C. State. They've done a lot of work in
20 this neck of the woods. You can see where they've
21 taken the oxbow out right here in the middle and
22 they've gone ahead and put the floodplain in. They've
23 realigned the channel in that area. The lower end
24 down here is where the dam will be removed. That is
25 not a part of this project for us. It extends on up

1 to where they're restoring the stream channel itself
2 and the banks. Next slide, please.

3 Again, our money will not be used at all for
4 any removal of the dam structure itself. There is a
5 37 percent match in this project from a variety of
6 sources, as outlined on your scope of work. And I'll
7 be happy to try to answer any questions.

8 CHAIRMAN KICKLER: Any questions?

9 MR. TOOLE: When was the dam breached; a
10 long time ago or recently?

11 MR. MASSIE: It's been a while. I'm not
12 sure. Do you know, Chuck?

13 MR. VINES: I think it was back in the late
14 seventies or early eighties.

15 MR. TOOLE: Okay. So that sediment has
16 really been contributing over a long time?

17 MR. MASSIE: Oh, it's been contributing over
18 a long period of time. And you'll see some results of
19 that. We've got at least one other project to do with
20 the Cane River, and part of that is below this dam.
21 And it's obvious that some of the sediment has been
22 coming down here and contributing to that problem
23 also. Are there any other questions on this proposal?

24 (No response.)

25 MR. MASSIE: If not, Mr. Chairman, I'll move

1 right along. The next project is 414. This is
2 Southwestern NC RC&D. This is down in my neck of the
3 woods. This is essentially Haywood County west, the
4 southwestern part of the county. This is in Haywood
5 County on Lake Junaluska Assembly. Next slide,
6 please. And here you can see it on the map. It's
7 part of the French Broad River basin. The Junaluska
8 Creek goes to the Pigeon River and then into the
9 French Broad. Next slide, please.

10 Southwestern RC&D requested \$242,000 to
11 assist with the restoration work around the lake
12 itself. This request includes replanting of buffer
13 and stabilizing the shoreline. You can see in the
14 background there is no buffer at the edge of the
15 parking lot. There will be public education efforts
16 as part of this. There will be some stream monitoring
17 for non-point pollutants coming from the City of
18 Waynesville itself. The stormwater islands have been
19 removed from this application. Next slide, please.

20 The Pigeon River is classified as C,
21 impaired. Richland Creek which flows into this lake
22 is classified as a B stream, but it's also impaired
23 from urban stormwater run off as well as sediment and
24 high PH. And, again, this is a really good example of
25 the buffer that they don't have on Lake Junaluska at

1 the edge of the parking lot. Next slide, please.

2 The project is to restore and expand the
3 buffer to a maximum width of 35 feet because that's
4 all they have at the top of the lake. When you get
5 into their parking lot it's about 35 feet. They want
6 to construct 800 feet of shoreline protection, part of
7 which could include gabions which I know is a concern
8 of some of the trustees; geolifts and grading. And
9 they want to replant 800 linear feet of riparian
10 vegetation, and they do have a 41 percent match
11 including some cash from the assembly itself. And
12 I'll be happy to try to answer any questions I can on
13 this project.

14 CHAIRMAN KICKLER: Questions?

15 (No response.)

16 CHAIRMAN KICKLER: If not, moving right
17 along.

18 MR. MASSIE: Moving right along, the next
19 project is No. 408 from the North Carolina Forest
20 Service. This is at Gill State Forest in Avery
21 County. This is a training center as well as a
22 nursery. Next slide, please.

23 Here we are in Avery County. This is on the
24 Catawba River basin. It's actually on the Linville
25 River itself right outside the community. Next slide,

1 please. The Linville Forest Resources requests
2 \$400,000 to assist in restoring and stabilizing the
3 Linville River adjacent to the training facility here
4 in Avery County. This is a new bridge being
5 constructed within the last two years from Highway 105
6 across to the training facility itself. You're
7 looking at the Linville River. Next slide, please.

8 Now, this is from the bridge looking down,
9 and this is how they used to have it set, the training
10 facility. Obviously, because they put the low water
11 bridge in there, they built a large tow bar that has
12 accumulated downstream of there when they had flood
13 events.

14 The Linville River is classified as B,
15 Trout. The estimated annual soil loss throughout this
16 site is about 334 tons a year. The river has been
17 channelized through this property for the nursery
18 itself. Next slide, please.

19 The forest service proposes to stabilize and
20 restore 3000 linear feet on the river itself. And
21 they have an unnamed tributary that comes in
22 downstream that they're going to stabilize and restore
23 on 500 feet of it. The design is due to be completed
24 early this year in the spring. It's also being done
25 by N.C. State. They anticipate it's going to include

1 channel reconstruction, in-stream structures,
2 floodplain grading and plantings. And, obviously, you
3 can see here there's not a riparian buffer on the
4 left-hand side of the stream. Next slide, please.

5 This is actually the scope of the work. It
6 starts in the lower corner down here. It starts with
7 the purple and goes to the upper end upstream of the
8 bridge. There's only going to be a 50 foot buffer
9 along both sides of the stream here. It does not --
10 the purple lines don't mean a whole lot there. It
11 just shows the project area itself, but there will be
12 a 50 foot buffer on both sides of the Linville River
13 all the way up to the upper end of the forest itself.
14 Next slide, please.

15 Our funds will be used for the construction
16 on this project. Their match is going to include the
17 design, permitting, the administration. So our funds
18 would only be used for the construction. And the
19 forest service does have a 34 percent match on this
20 project itself. And I'll be happy to try to answer
21 any questions that anyone has about this specific
22 project.

23 (No response.)

24 If not, I'll move right along.

25 CHAIRMAN KICKLER: We're in the home

1 stretch, folks.

2 MR. MASSIE: This next project is in the
3 Town of Laurel Park. This is a picture of
4 Rhododendron Lake. Rhododendron is right smack dab in
5 the City of Laurel Park. Laurel Park is a town in the
6 suburb of Hendersonville in Henderson County. Next
7 slide, please. Here you see Hendersonville, and
8 Laurel Park is right adjacent to it in Hendersonville.
9 This particular creek we're dealing with here is a
10 tributary of Wash Creek which goes into Mud Creek
11 which is a 303(d) listed stream. And, again, the
12 problem here is urban runoff as much as anything else.
13 Laurel Park, for those of you not familiar with Laurel
14 Park, has a population of 2000. Next slide, please.

15 They're asking for \$64,250 to assist with
16 restoration to Wash Creek and an unnamed tributary
17 along Rhododendron Lake. This is a three phase
18 project, and this is the second phase. The first
19 phase is actually a mitigation project that was being
20 done by the Army Corps of Engineers. It was being
21 done on Wash Creek itself. What they're asking us to
22 do is daylight the stream coming into the lake, which
23 is in a culvert at the present time, to daylight 300
24 feet of it, and to actually re-establish the buffers
25 along that and along the lake itself, which would then

1 enhance the buffer part. Next slide, please.

2 Here you see a schematic layout of the plan.
3 Everything in yellow is what we're actually talking
4 about here as phase 2. To the left-hand side of the
5 picture as you're looking at it is the mitigation part
6 that's already being done, and you'll see pictures of
7 that in a second. That's just a regular stream
8 restoration itself. But what they're talking about us
9 doing particularly in the yellow is daylighting the
10 inlet to the lake itself, which is the lower left-hand
11 side. And then they're talking about putting in a
12 sediment basin to trap sediment so it doesn't go into
13 the lake itself. Then they'll do a cold water release
14 on the lower end and then daylight that on out outside
15 of the project area itself. Initially they had asked
16 us to dredge the lake, and I told them that we didn't
17 dredge. If we dredged, all the Clean Water money
18 would go to eastern North Carolina and we'd be
19 dredging everything down there, and Mr. Martin would
20 be happy. But we don't do that.

21 So, again, we're going to lengthen the
22 stream about 370 feet to both ends of the lake. And
23 they will put a 50 foot easement or reservation of
24 rights around the lake itself. Next slide, please.
25 Wash Creek is classified as B. Mud Creek is a C,

1 303(d) impaired by sediment and stormwater runoff.
2 What you're looking at there is phase 1 which is an
3 Army Corps mitigation banking project itself.

4 Phase 2 which is the project they're asking
5 us for which is around Rhododendron Lake, which will
6 include educational signage, a boardwalk and the
7 dedicated easement within the forest itself. And then
8 phase 3 at some point in the future will be a greenway
9 connecting this part to other parts downstream within
10 the city limits itself. Next slide, please.

11 Again, a sediment basin at the head of the
12 lake, a lake riser to try to draw cold water off the
13 bottom of the stream to help moderate the temperatures
14 downstream. The Town will provide a 50 percent match.
15 It is all cash, and they are providing those funds
16 themselves. So there are no other sources. And with
17 that I'll be happy to answer questions on Laurel Park.

18 CHAIRMAN KICKLER: Yes, sir.

19 MR. BRAGG: Tom --

20 MR. MASSIE: Yes, sir.

21 MR. BRAGG: To support trout, I mean, why
22 are they doing cold water moderation?

23 MR. MASSIE: Technically, it can support
24 trout, Mr. Bragg. I couldn't swear to that because I
25 didn't get a chance to fish to find out. But I know

1 that Mud Creek is listed as being 303(d). Wash Creek
2 is pretty small. It may have some trout in there, but
3 I would be surprised.

4 MR. BRAGG: Well, I'm just curious. Is it
5 more expensive to go to the trouble to do the cold
6 water?

7 MR. MASSIE: It is because otherwise they're
8 just drawing the water off the top which, of course,
9 is being heated by the sunlight and that's for
10 everything downstream. So we're not sure if the lake
11 is big enough to have a significant impact on the
12 water temperature going to a different riser. Other
13 questions?

14 (No response.)

15 MR. MASSIE: Moving right along. We'll go
16 to 411, which is Pilot View RC&D. This is a project
17 that we have done upstream on the Linville River,
18 upstream of the Forest Service project we were looking
19 at earlier. As a matter of fact, we have done two
20 previous phases on the Linville River inside the Town
21 of Linville itself. Now, this is being done by Pilot
22 View RC&D. This is what we're calling phase 3 of the
23 restoration. What you're looking at is the first
24 phase of the restoration that was done five years ago,
25 five or six years ago. And this is on the west

1 portion of the Linville River outside of the town
2 pretty much in a little more rural area. It's been
3 very successful. This is a good example, Mr. Toole,
4 of rock banks. You see the structures there. We've
5 done it all the way up through this section of the
6 stream. Plenty of good pools, good habitat, and this
7 is good trout habitat, Mr. Bragg. This is part of I
8 guess the Linville River Trout Club. And they have
9 actually been paying for a significant amount of the
10 work that has been done in phase 1 and phase 2.
11 That's where the matching funds have come from. Next
12 slide, please.

13 Here you can see it's in Avery County within
14 the Town of Linville. Next slide, please. This is
15 phase 3 section that we're talking about. If you're
16 familiar with Linville itself, this is the area right
17 below Grandfather Mountain Country Club right along
18 Highway 105 from the red light from the intersection
19 in Linville where it goes straight on and you go up to
20 Grandfather Mountain. If you take a left you're
21 heading back toward Boone. So you're talking about a
22 section running right along Highway 105, and you're
23 also talking about a small section right down where
24 the hospital is, and that's the area down here in the
25 left-hand corner. Next slide, please.

1 This shows the concept drawing of what they
2 intend to do. Along Highway 105 below the country
3 club there are actually some existing pools in there
4 that were gravel pits that were used when they
5 originally built the road. They are proposing to go
6 in there and restore some of those back into wetlands,
7 wetland conditions in there. And then down on the
8 hospital tributary there's a section in there that
9 they're going to do some restoration work on. And
10 then all the way in between will be conservation
11 easements along the stream buffer itself to protect
12 the area. Next slide, please.

13 They're asking for a little less than
14 \$400,000 to cover the restoration work on the Linville
15 River. This project is construction. Design and
16 permitting has already been completed. We did that
17 through a grant in 2008. They have commitments for
18 conservation easements, even though the legal work
19 hasn't been done yet. They don't want to do that
20 until, obviously, when we have construction money in
21 hand. There is a wetlands component, a restoration
22 component to this. It does have a 22 percent match.
23 Next slide, please.

24 The Linville River is classified as C,
25 Trout. The project will be designed to restore and

1 enhance nearly 2500 linear feet of the river below the
2 country club alongside Highway 105 and also enhance
3 520 feet on the hospital tributary. This is a picture
4 of part of the work to be done on phase 3. Next
5 slide, please.

6 Some of the stream bank will be reshaped,
7 but roughly 2700 linear feet, nothing has got to be
8 done to it. It's not in bad shape and it's just going
9 to be protected with a conservation easement. There
10 will not be any construction work done on that. And
11 that totals about 26 acres all along through there.
12 Here's a section in here that will permit that won't
13 have to be restored. It has a good floodplain
14 already. There's a log structure in there. There are
15 some places of it where they may very well breach the
16 dikes to get to the wetlands area. Next slide,
17 please.

18 As I said, there are several old gravel pits
19 that are going to be converted into 2.6 acres of
20 wetlands within the natural floodplain, and then there
21 are already four acres of wetlands that exist that
22 will be protected through conservation easements.
23 Next slide, please. Again, there's 520 feet along an
24 unnamed tributary on the hospital's property itself,
25 which is a tributary to the Linville River. There

1 will be some wetlands enhancement and about 1600
2 linear feet of conservation easements of buffer
3 protection that's already existing on this tributary.
4 One more slide, I believe. It has a 22 percent match.
5 Phase 1 and 2 are complete. The total stream to be
6 restored and protected with this project is 5762 feet.
7 And then you can see phase 1 where it's already
8 completed and this is the proposed phase 3. And I'll
9 be happy to try to answer questions on this one also.
10 This one has been around for a while. This is the
11 third or the fourth year that we've had an application
12 in for phase 3. As I said, in '08 you went ahead and
13 funded the design and permitting work. We just
14 haven't funded the construction to this point in time.
15 Mr. Toole?

16 MR. TOOLE: It scores comparatively low.
17 Can you share why that might be compared to the other
18 projects we've seen? I guess that's why it keeps
19 coming back.

20 MR. MASSIE: Mr. Horton will have to answer
21 that. He's the scorer.

22 MR. HORTON: Let's see here. Typically,
23 that has to do with --

24 MR. TOOLE: Are they maintaining a private
25 access so the public can't get on it and fish for

1 trout?

2 MR. MASSIE: That would be part of it.

3 MR. TOOLE: Yeah.

4 MR. HORTON: Just bear with me for a
5 minute. I have the columns that I've got the scoring
6 written.

7 CHAIRMAN KICKLER: Will it take you a while
8 to find it? Why don't we go on to the last
9 presentation and then we'll come back to that
10 question.

11 MR. MASSIE: This is project 412. This is
12 by the Resource Institute. This is also on the Cane
13 River itself. I mentioned this project a little bit
14 earlier. This project is comprised of two parts. The
15 Upper Cane River and a portion of the Lower Cane
16 River, and the Cane River dam is right square in the
17 middle of these two project areas we're talking about.
18 So let's -- We're looking at the extreme east of the
19 Cane River. This project has also been around for a
20 significant period of time. It's been around since
21 probably '09, about the time we ran out of money and
22 we didn't have any money to do anything. Next slide,
23 please.

24 This is the Upper Cane, by the way. This is
25 in Yancey County, the entire project. Next slide,

1 please. Resource Institute has requested almost
2 \$400,000 to design and permit a restoration program
3 for two sections of the Cane in Yancey County, both
4 the Upper Cane and the Lower Cane. And the key point
5 here is they're proposing design and permitting of the
6 restoration project. There is no construction
7 included in this project. Next slide, please.

8 The Cane River is classified as a water
9 supply 2, Trout, high quality waters. The identified
10 sites are degraded for a couple of reasons. The first
11 one, the Upper Cane is degraded from gravel mine and
12 gravel pits all through this area, as well as
13 agricultural land and floodplain development. And the
14 problem with the South Cane River is agricultural, the
15 development of agriculture and floodplain development
16 as well as, quite frankly, some of that sediment that
17 we've seen coming out of the bottom of what used to be
18 the lake on the Cane River.

19 The stream itself on the lower end
20 particularly, which this picture is has become braided
21 and overly wide and incised. And you can see here,
22 you can see, I mean, the river is flowing around
23 islands on the lower toe, and that's simply because as
24 that sediment is washed down and trees have taken root
25 and grown up now and it's become overly wide. But,

1 again, both sections of the river are within the
2 Natural Heritage Aquatic Habitat areas where we have
3 the endangered species. Next slide, please.

4 There are 17 property owners within the
5 project area on the upper and lower both. Several of
6 the property owners have expressed interest in
7 participating in this restoration project. We don't
8 have any signed easements at this point in time.
9 Because there's no construction funds, there's no
10 guarantee that it will happen. If it proceeds to
11 fruition they will restore nearly 12,000 linear feet
12 along the river itself, roughly 5890 on the upper
13 section and 5900 on the lower section. It would
14 provide a 50 foot buffer on the streams in those
15 areas. Next slide.

16 Again, the project is for design, permitting
17 and easement preparation and administration only at
18 this point in time. And construction funds are not a
19 part of this project. And, again, this is -- this is
20 the Lower Cane and, again, you can see the tow bars in
21 the middle of the river. And I'll be happy to try to
22 answer any questions I can on this project before we
23 go back to Larry.

24 CHAIRMAN KICKLER: Any questions?

25 (No response.)

1 CHAIRMAN KICKLER: Thank you. Then, Larry,
2 you can give us that answer.

3 MR. HORTON: Okay. On the line 16 project
4 and in general, one thing to keep in mind is that from
5 top to bottom that there's only like 20 points
6 difference.

7 COURT REPORTER: I'm sorry?

8 MR. HORTON: From top to bottom there's not
9 a lot of points that separate the projects. But the
10 projects at the bottom, and this one included, did not
11 score very well, from zero to 45 points. Do you
12 remember when we talked about that earlier today?
13 This project didn't do very well on match points as
14 some of the others. Significance of waters it didn't
15 do very well on. A lot of projects at the top scored
16 20. This one scored 14. So it's just not any one
17 thing, but it's several things that it didn't do quite
18 as well on as some of the other projects that scored
19 higher.

20 CHAIRMAN KICKLER: Thank you.

21 MR. HORTON: And that's fairly typical of
22 the ones that don't do quite as well.

23 CHAIRMAN KICKLER: Okay, thank you. Before
24 we take a break, we've got one more presentation. And
25 that would be the planning application. The reason I

1 say to go through this now is because there's a
2 potential that that small mountain may be taken from
3 the approximately 2.6 million, so I think it's good
4 that we have all the presentations at one time. And
5 then we can take a break, come back and look at this
6 with fresh eyes, renewed spirit and revived energy.

7 So will it be Nancy or Will?

8 MS. GUTHRIE: Will will give that
9 presentation.

10 CHAIRMAN KICKLER: Okay.

11 MR. SUMMER: Thank you, Mr. Chairman. Okay.
12 This project is the Lower Cape Fear Water and Sewer
13 Authority. It's a raw water storage plant, and before
14 I get into it, I'd like to give you a little
15 background on why it's here. Next slide, please,
16 Terri.

17 So in 2011 the General Assembly expanded our
18 purpose to protecting and preserving all surface water
19 sources. In response to that, the Clean Water Board
20 of Trustees directed staff to send out a request for
21 proposals for development of comprehensive plans for
22 the preservation, protection and restoration of
23 existing local and regional surface water drinking
24 supplies.

25 \$175,000 was made available to mini-grants

1 not larger than \$35,000 each. Several projects were
2 funded during that cycle. There's one application
3 that didn't quite fit the intent of the RFP, but it
4 was suggested that be moved into the regular cycle as
5 a planning grant for consideration. So that's what we
6 have in front of us.

7 The Lower Cape Fear Water and Sewer
8 Authority is requesting \$20,000 out of \$40,000 for a
9 preliminary plan to construct a 20 million gallon raw
10 water storage tank. Next slide. It's in Bladen
11 County in the Cape Fear River basin. The Lower Cape
12 Fear Water and Sewer Authority provides wholesale
13 water to 300,000. Their current demand is only 24
14 percent of their available supply, but they're
15 expected to be closer to 84 percent in 2020. But the
16 real problem for them is their intake is right in the
17 river, which means it's not behind a reservoir like
18 Falls or Jordan. It's just in the Cape Fear River,
19 and that leaves them vulnerable to transient water
20 pollutant problems. So if a large tanker truck spills
21 upstream or there's a sewage pipe that bursts and
22 releases millions of gallons right above them, they
23 don't have storage water, you know. They just have to
24 wait for that to go by their intake, and then they can
25 begin taking water. So they lack storage. The

1 counties affected by this are Bladen, Brunswick,
2 Columbus, New Hanover and Pender. Next slide, please,
3 Terri.

4 So it's basically a planning effort that
5 would support the future design and construction of a
6 20 million gallon raw storage tank. They've got some
7 wetlands to delineate and some other geotechnical
8 stuff to do before they can really get into the design
9 of this. Next slide, please. It's part of a larger
10 effort to construct a new 60-inch water main parallel
11 to their existing lines so they can carry all of the
12 water they have the capacity to pump down to their
13 treatment plant. Next slide. So this is one of their
14 treatment plants. They are proposing a 20 million
15 gallon storage tank to be located right here. Next
16 slide.

17 The plan allows them to include preliminary
18 wetlands and assessments, wetland and biological
19 assessments including jurisdictional determination
20 from the U.S. Army Corps of Engineers, geotechnical
21 investigations and boundary surveys. It's a 50/50
22 cash match coming from the authority. Next slide, and
23 this is a summary slide. If there are any questions?

24 MR. TOOLE: Does this fit our mission?

25 MR. SUMMER: Well, it was new legislation.

1 It was kind of unclear where we were supposed to take
2 that legislation. We never got guidance. This was a
3 result of trying to capture that. The Trustees in the
4 past and as of now want to be responsible in
5 legislation.

6 MR. TOOLE: Thank you.

7 CHAIRMAN KICKLER: Any other questions
8 regarding this particular proposal or application?

9 (No response.)

10 CHAIRMAN KICKLER: Okay. If not, let's take
11 ten minutes, and let's reconvene.

12 (Brief recess was taken from
13 3:05 p.m. to 3:28 p.m.)

14 CHAIRMAN KICKLER: Welcome back. There
15 seems to be a new energy in the room right now. But
16 before we talk about -- Before we talk about the
17 awards, Executive Director, Bryan Gossage has a few
18 words he wanted to say about the spreadsheet, so I
19 will turn the time over to you, sir.

20 MR. GOSSAGE: Thank you, Mr. Chairman. As
21 was requested at the last meeting you all had an
22 interactive tool that you requested for spending some
23 time to work with the numbers and come up with some
24 ideas for funding. The spreadsheet that we sent you
25 that staff had up on the screen just a moment ago had

1 two options on it. And one option was to put in an
2 upper limit, a cap, if you will, and then see how that
3 affected the totals all the way down.

4 The other option was to put a specific cap
5 on each project and see how that affected the total as
6 you worked your way down. Neither one of those is the
7 preferred method, and those certainly are not the only
8 two options. I'm sure there are other options that
9 could be considered. And as we work our way through
10 this I will do what we did last time. And Terri and
11 Will will be over there working on updating that
12 spreadsheet with whatever numbers the board is working
13 with. And we'll be working toward that 2.6 or 2.7
14 million dollar number. Back to you, Mr. Chairman.

15 CHAIRMAN KICKLER: All right, thank you,
16 Bryan. As was mentioned there are many different
17 scenarios and many different options. Also remember
18 the \$20,000, if you want to award \$20,000 to planning,
19 that would come -- it's a possibility it could come
20 out of this bucket as well. If we're ready to do some
21 typing in, I just wanted to throw an idea up there.
22 Yes?

23 MR. MARTIN: I was just going to ask one
24 thing. Did the change in the spreadsheet, did you
25 make the change for the Surry -- have you moved that

1 up? All right, very good.

2 MS. MURRAY: Uh-huh (yes). Yes.

3 MR. MARTIN: Okay, all right.

4 CHAIRMAN KICKLER: Just to see what you all
5 think about this idea to get conversation started
6 here, and I'll give you the rationale. In regards to
7 the \$20,000 -- what do you think about this idea? In
8 regards to the \$20,000 for the planning, for the
9 acquisition planning, the following is based on not
10 funding that project.

11 And so because a lot of money went to
12 acquisition projects in the last board meeting and we
13 had a much smaller amount to fund for restoration
14 projects, I thought, and because it's been the
15 practice of the board in the past few years not to
16 fund greenway projects, and there's only two. Based
17 on that and then based on the amount of awards for
18 acquisition projects, I thought that we would not --
19 elect not to fund the greenways and then move the
20 money into the restoration projects.

21 So having said that, it would be allotting
22 specific amounts for four and then putting a cap. So
23 the cap is four hundred thousand dollars. Okay. And
24 then on line item 2, specifically award that applicant
25 \$75,000 based on the presentation of today. And then

1 for three, four and five, because they're such bigger
2 projects and have wide scope, maybe award \$500,000 for
3 each one. And that would -- three, four and five.
4 Three, four and five; \$500,000 for five. That's
5 \$500,000 for five. Okay, and then the cap would
6 remain for the following projects, which would get us
7 down to, if my notes are correct, it would get us down
8 -- some would be partially funded and some would be
9 fully funded. That would get us down to line 8. My
10 numbers are off a little bit.

11 MR. SUMMER: You're having the greenway
12 being pulled out; is that the difference?

13 CHAIRMAN KICKLER: Yes, zero, which line 8?

14 MS. MURRAY: Is funded.

15 CHAIRMAN KICKLER: So we have \$75,550 left
16 to award; right? My spreadsheet is a little
17 different. Okay, so the balance, the balance is
18 different. So the balance is -- If we did that, what
19 is the balance, \$2,696.887?

20 MS. MURRAY: \$2590.

21 CHAIRMAN KICKLER: Oh, okay, okay, okay. We
22 are a little different. Okay, I gotcha. So that's
23 it. That's below the amount that we have to award,
24 and the reason I'm thinking this and throwing this
25 idea out there is because that gives some regional--

1 In addition to what I mentioned before, that gives
2 this award process some regional diversity as well.
3 Some of these bigger projects with wide scopes get a
4 larger amount where they can actually do some work, a
5 significant amount of work. And then I thought that
6 the remainder of the money, which is about -- is that
7 \$75,550; correct?

8 MR. SUMMER: No, the remainder just -- it's
9 not on this spreadsheet, but if you take what was in
10 this spreadsheet earlier and subtract the number you
11 get \$76,365 dollars.

12 CHAIRMAN KICKLER: And 46 cents.

13 MR. SUMMER: And 46 cents, yes.

14 CHAIRMAN KICKLER: Thank you much. And then
15 we divide that and give it to -- in half -- and give
16 it to line item 3 and line item 4 because these also
17 reflect regionalism, and then there's such a wide
18 scope that affect the entire state and maybe in one
19 part of the state it would affect the state and
20 region. And then we're down to provisional list, and
21 the idea that I had is to prioritize some of the
22 bigger projects. We could prioritize some of the
23 bigger projects. We could split the provisional
24 money, a third, among the big three, or no, until
25 they're fully funded, if they're fully funded.

1 MS. CAWOOD: Well, number 9 and number 11
2 get some regional diversity, I think, that isn't hit
3 upon as much with the ones that were funded. And,
4 also, it has some natural heritage values with number
5 11. And you all have got me feeling sorry for City
6 (indiscernible).

7 CHAIRMAN KICKLER: So what do you all think
8 about that idea with the provisional funding being
9 divided up between the big three, "big three" meaning
10 the line items 3, 4 and 5 divided up a third until,
11 you know, they are fully funded, if that ever happens
12 because for one, number 5 is much less than the
13 others.

14 MR. MARTIN: Well, I will just say I had
15 something along a similar train of thought. I didn't
16 take the greenway projects out, but just to let you
17 know a little scenario that I ran was I still oddly
18 enough used the \$400,000 cap, but if I left the
19 greenway projects in but I kept the \$400,000 even for
20 the large projects, that still got us down pretty much
21 to number 8. Essentially the main difference is that
22 where you went back and put a little bit more money
23 into the larger projects, I kind of kept the greenway
24 ones in. And then for the -- That got you very close
25 to the 2.66 down in number 8. And then 9 through 12

1 or 9 through 11; 9, 10 and 11 then as provisionals
2 will get you 3.5 or close to the million dollars.

3 But, anyway, I had not thought through some
4 of the things that you had talked about. So I guess
5 one of the things is the relative value of the
6 greenway projects and what -- I guess, why were those
7 removed in the past or decided not to fund in the
8 past?

9 MS. GUTHRIE: A lot of the thinking was
10 there was not as much support politically at the time
11 for those projects when the money was tight to put the
12 funding directly into some of the acquisitions --
13 well, a few acquisitions around military, and then
14 work on the infrastructure projects.

15 MR. MARTIN: Okay.

16 MR. TOOLE: Well, let's speak generally
17 about greenways. They get tremendous public use.
18 There is a study that was done by the real estate
19 business and industry that found the top amenity
20 people look for when buying a home was schools. The
21 second top amenity was proximity to a greenway. My
22 experience is that these greenways in the urban areas
23 -- I live in Belmont which is 10,000 people, but there
24 their little greenway is just -- it's going to be
25 overused. It's a new problem because there's so many

1 people there every day of the week. And I know that
2 in Mecklenburg County they're getting highly used.
3 And in that photograph of the greenway up at Mt. Airy
4 and all those little kids running around like maniacs
5 down there, that's what we want.

6 So I just -- I like to see these greenways
7 funded just for those reasons alone. Like Johnny, I
8 put in a \$400,000 cap. Like Dr. Troy over here, I put
9 \$75,000 on number 2. These big -- I'm just going to
10 call them the big projects -- their burn rate seems to
11 be about \$200,000 a year from what we've heard. So if
12 you funded them at \$300,000, you can get them a year
13 and a half years of life, and they will be coming back
14 we've been told. And that gets you down to -- That
15 gets you down to 8, funds the greenways, or 9 -- 8 or
16 9 -- and then you start doing your provisionals using
17 that, and then you're down to item 12, which is the
18 Cane River project. And the Cane River project looks
19 awfully attractive to me, the upper one. The lower
20 one I don't get as excited about. So that's how I was
21 approaching it.

22 CHAIRMAN KICKLER: Again, with the
23 greenways, I like greenways. I try to jog on them. I
24 need to do so more often. But my thinking is that as
25 I was considering so much went to acquisition at the

1 last board meeting, and I know it's a small amount
2 here for greenways, and there are different ways to
3 look at that so, you know, why not fund them? Or how
4 much of a difference will it make in Clean Water
5 restoration? But I think considering the importance
6 of stream restoration and the importance of clean
7 water, I think it would be a good move to move that
8 money into the stream restoration projects at this
9 time. Yes, sir.

10 MR. BRAGG: I just want to make a comment.
11 Nancy, of course, gave the correct answer, and this is
12 not to be offensive, but why didn't we fund greenways
13 in the past? We didn't really fund anything that
14 mandated that we fund military bases and shovel
15 stormwater so we could not fund anything else for a
16 period of time. So that's not to say -- I just want
17 you to know we love greenways, but we couldn't fund
18 them. So that was -- I mean, is that correct, Nancy?

19 MS. GUTHRIE: Yes.

20 MR. BRAGG: I want to be sure that Bill
21 doesn't think that we've ignored greenways. I love
22 them too. Excuse me, and that was just a point of
23 clarification.

24 MR. VINES; Are we going to be sending a
25 message to these applicants down the road that we're

1 not going to fund any greenway projects at all?

2 CHAIRMAN KICKLER: Well, that's a good
3 question. I don't think we're excluding the greenway
4 projects. I mean, there's just a few. I guess what
5 I'm arguing is there's only two. And I do believe
6 that the importance of stream restoration right now is
7 really high. And so that's why, you know, my idea
8 would be to move that down there. Now, if we fund two
9 are we sending a strong message? I mean, I wonder how
10 many of the acquisition projects in the other board
11 meeting had a greenway type -- a greenway aspect to it
12 as well.

13 MR. GOSSAGE: May I ask for the 2014 grant
14 cycle will greenways be part of the acquisition
15 funding, or restoration funding?

16 MS. GUTHRIE: The way the criteria is set up
17 it will be in acquisition.

18 MR. TOOLE: But up to now it's been in the
19 restoration scope.

20 MS. GUTHRIE: Correct.

21 MR. TOOLE: So the greenways came up today
22 where they're supposed to come up, which is in
23 restoration.

24 MS. GUTHRIE: Yes.

25 MR. MARKHAM: And if I could have just some

1 clarification. I think Will you pulled some numbers
2 together to answer the question about perhaps spending
3 for the last or recent past.

4 MR. SUMMER: I did. One point I'll make is
5 their request was based on a three-year contract, 1.8
6 million. And so it was just about that and it turned
7 into a one-year contract and you have about \$610,000.
8 But to answer the question, what have they spent?
9 Their average per fiscal year for the last five years
10 is \$425,000, and that ranges from \$309,000 on a low
11 year to \$625,000 on a high year. So we're kind of in
12 that range.

13 MR. MARKHAM: So if we were to reduce that
14 to \$400,000 that would give them a pretty typical year
15 for a tight year. Five hundred thousand would give
16 them a bit more and distribute more monies to the
17 eastern part of the state. And this is a serious
18 consideration is geographic distribution as most of
19 these projects we're looking at are western. Greer
20 mentioned there are a couple of projects that are
21 central that we need to take a look at if they're
22 close to the scoring.

23 MR. TOOLE: So I suppose for me the most
24 important question is are we going to consider funding
25 greenways or not because if the will of the group is

1 we're not, then we can divvy up the money one way. If
2 the will of the group is that we do fund greenways,
3 then we divvy up differently. So I'll make a motion
4 that we continue to fund greenways in this cycle. It
5 may fail for lack of a second.

6 MR. MARKHAM: I'll second it.

7 CHAIRMAN KICKLER: Is there any discussion?

8 MS. CAWOOD: Just along with that, since so
9 much of our work has been staying with a criteria that
10 was in place at the time and looking forward because I
11 was thinking, Bill, that's where your thought pattern
12 is --

13 MR. TOOLE: No, I'm just thinking for this
14 cycle because --

15 MS. CAWOOD: Right, because this is --

16 MR. TOOLE: -- this is that money, yeah.

17 MS. CAWOOD: -- that money, yeah, in that
18 sense. So I wanted to make sure I had your thought
19 process right.

20 MR. MARKHAM: I think in terms of discussion
21 it's because we haven't funded greenways in a very
22 long time because the money was not there and because
23 the General Assembly did restrict what we could spend
24 money on. I think it does send a positive message
25 that the General Assembly has continued greenways as

1 part of our purpose. And certainly the criteria
2 committee spent a lot of time discussing greenways.
3 They know my personal philosophy on some types of
4 greenways.

5 But for me to second that motion, I do
6 believe that it is in the best interest of the board
7 to fund greenways, particularly a couple of projects
8 that appear to be fairly high scoring compared to past
9 greenways. We certainly heard the advantages both to
10 the Town of Wallace and to Buncombe County and the
11 high interest that the Buncombe County project would
12 bring to the local community and the high use it's
13 expected to have. And they also do have acquisition
14 projects. Both projects are putting protections in
15 place for stream systems that are -- would otherwise
16 be good for acquisition.

17 MR. MARTIN: I guess that's where I kind of
18 come away from this, too, but this won't be an issue
19 next year because the greenways will be part of the
20 acquisition. So then this is sort of a carry over
21 from just dealing with this year's. And I do like the
22 idea that it does send a positive message that we are
23 supportive of these greenway projects as well as the
24 fact, as Kevin brought out, that they scored so high
25 relative to past years. And especially when you think

1 about maybe a score of 77 out of 100 versus the
2 relative score would not be given to some of the
3 restoration projects. And it seems like these are
4 some high quality projects for not a lot of
5 investment, I should say.

6 CHAIRMAN KICKLER: Well, I would add that
7 we're aware of the carry over process from one year to
8 the other. But then also we have addressed, you know,
9 the need for greenways and acquisition criteria going
10 forward. We will fund those types of projects if they
11 seek funding.

12 And then also in light of the last board
13 meeting with the acquisition projects, and I've said
14 that before, but also in light of current event, you
15 know, remind me of the importance of stream
16 restoration and clean water. So that is my argument
17 for removing the greenway projects, the money there
18 down to the restoration projects because in the future
19 we will -- If that's what the board wants, by moving
20 them down we are not saying we don't care about them,
21 I don't think. We're not saying we don't care about
22 greenway projects. But then, again, this argument
23 comes in light of the numbers that were given to
24 acquisition projects.

25 MS. CAWOOD: One question to that. Are

1 these time sensitive, both of these greenway projects,
2 or could they come back to us next year when this is
3 in the acquisition process? Do you have a sense of
4 timeliness?

5 MR. SUMMER: I can speak to the Town of
6 Wallace a little bit. I know that the landowner, as
7 I mentioned, she's an elderly lady in her eighties. I
8 believe she probably needs the money for estate
9 planning. And adjacent to it there's a new apartment
10 complex that's gone in. I get the sense that before
11 too many more years passes, she'll either pass and
12 leave it to her heirs to decide, or she may get into a
13 pinch financially. So it may be somewhat time
14 sensitive.

15 CHAIRMAN KICKLER: Are there any other
16 questions or comments?

17 (No response.)

18 CHAIRMAN KICKLER: Just to be sure, Robin,
19 are you on the phone?

20 MS. HACKNEY: Yeah, I'm here.

21 CHAIRMAN KICKLER: Okay, okay.

22 MS. CAWOOD: I've been there, Robin. You're
23 doing great.

24 MS. HACKNEY: My feeling is I like greenways
25 too so, you know, they benefit the community. But I

1 get that there's also only so much money that's
2 available to spread around.

3 CHAIRMAN KICKLER: Right. Okay, any other
4 comments or questions?

5 (No response.)

6 CHAIRMAN KICKLER: Well, if there aren't
7 any, Mary, if you will, if you could read the motion.

8 MS. LUCASSEE: If I understood Trustee
9 Toole's motion it is that Clean Water Management Trust
10 Fund continue funding greenways in this funding cycle,
11 and that motion was seconded by Kevin Markham.

12 MR. TOOLE: Yeah, that's good.

13 CHAIRMAN KICKLER: We'll go for a vote. All
14 those in favor of that motion say aye.

15 TRUSTEES: Aye.

16 CHAIRMAN KICKLER: All those in favor say
17 no. No -- against. I mean, all those against say no.
18 No. The motion carries, so we are dealing with
19 greenways.

20 MR. TOOLE: So I'd like to recommend that we
21 take Chairman Troy's --

22 CHAIRMAN KICKLER: Kickler.

23 MR. TOOLE: -- Kickler, Chairman Kickler,
24 sorry, the \$400,000 max cap and then I suggest some
25 adjustments to that. I'd like to adopt his proposal

1 on restoration project 2013-802, which is number 2 on
2 our list, that we put \$75,000 into that one. I would
3 propose \$300,000 for line item 3, which is 2013-413,
4 and \$300,000 for 2013-409 which is line item 4. And
5 that gets us down to line item 8 at 2.4 million, so
6 we've got some money left over. And maybe -- I'm
7 sorry, bear with me just one moment. Yeah, okay, so I
8 amend my idea.

9 CHAIRMAN KICKLER: Now we're just throwing
10 out numbers.

11 MR. TOOLE: Just throwing out numbers. So
12 line items 3 and 4 where I said \$300,000, you could do
13 \$400,000 and could go to the cap on that. And that
14 takes you down to line item 8 for 2.6 million in
15 change, I think.

16 MR. SUMMER: I think that's \$400,000 as
17 well. So line 5 is \$400,000 as well.

18 MR. TOOLE: \$400,000 cap, yes, sir. Does
19 that get you to eight? Yeah.

20 MR. MARKHAM: A real quick question for the
21 staff to answer. Can the City of Greensboro do their
22 project for \$400,000 from us?

23 MR. SCHUMAK: When I talked with them they
24 actually gave me a draft \$400,000. Does that answer
25 you?

1 MR. MARKHAM: Okay, that answers the
2 question. As complex as that was, I wasn't sure if
3 that one could move forward.

4 MR. SCHUMAK: They can move forward with
5 that amount.

6 MR. MARKHAM: Okay, good. Could they move
7 forward with \$350,000?

8 MR. SCHUMAK: You're going to get me in
9 trouble.

10 MR. MARKHAM: All right.

11 MR. GOSSAGE: So what is our running total
12 right now through number 8?

13 MS. MURRAY: 2,639,447.

14 MR. TOOLE: So I'd ask staff if there's any
15 number out of whack up there that you said, oh, my
16 gosh, we're cutting it too short and we couldn't make
17 it, you know, they couldn't do their project?

18 (No response.)

19 CHAIRMAN KICKLER: What is the amount that's
20 left over with that scenario?

21 MR. SUMMER: Twenty-seven thousand, eight
22 hundred and twenty-one dollars.

23 CHAIRMAN KICKLER: Can you say that again?

24 MR. SUMMER: Twenty-seven thousand, eight
25 hundred and twenty-one dollars and forty-six cents.

1 MS. LUCASSE: Once it's going to be a motion
2 could you read the application numbers?

3 CHAIRMAN KICKLER: Well, what -- what do we
4 do with that particular amount?

5 MR. TOOLE: Well, I have thoughts on that.
6 I would say hang on to that and add that to your
7 provisional list, because you're going to have a
8 couple of things happen. Hopefully, you're going to
9 have some of these projects come in under. And I will
10 say that I would dearly love to get added, go down
11 into line item 12, which is the Cane River project
12 with the provisionals, but I can't do it right now
13 because that's 3.8 million money total and we really
14 need to be at 3.6, which I now realize is why I was
15 suggesting \$300,000 for the two big projects because I
16 was trying to make up that difference to go deeper
17 into it, you know, when we come to the provisionals.

18 CHAIRMAN KICKLER: Okay. These bigger
19 projects --

20 MR. TOOLE: Well, I don't want to get them
21 short stripped where they can't get started and go.

22 CHAIRMAN KICKLER: It's encouraging for
23 them. If you go too deep in the list it doesn't
24 reflect geographical diversity because it starts
25 giving more to the western counties.

1 MS. CAWOOD: Well, if we're talking
2 provisional with line items 9 and 11, for those ones
3 do they have to have the full \$400,000, or could we
4 take a hundred thousand from each of those since we've
5 cut down on some of the larger projects?

6 MR. TOOLE: That's another way to do it, and
7 I hadn't thought of that.

8 CHAIRMAN KICKLER: Can you say that again?

9 MS. CAWOOD: Probably. Since we are on the
10 projects cutting down some of them, and we hear from
11 staff that there are times where they can utilize a
12 lesser amount of funds, maybe take 9 and 11 and drop
13 that down to \$300,000 to give us an additional
14 \$200,000 to move into line item 12. Did I say that
15 correctly?

16 CHAIRMAN KICKLER: That's provisional?

17 MS. CAWOOD: It's provisional.

18 MR. TOOLE: I would support that when the
19 time came.

20 CHAIRMAN KICKLER: What is the thinking
21 behind that?

22 MS. CAWOOD: The thinking is getting to the
23 Cane River project which I've just heard a lot of
24 support for and the importance of that and keeping the
25 geographic diversity with a Goldsboro insert.

1 CHAIRMAN KICKLER: So that would definitely
2 get us down to 12 if all the money comes in.

3 MS. CAWOOD: Exactly. And I guess the
4 question was could Goldsboro, to staff, and the Cane
5 River, would our \$300,000 help them get where they
6 need to go?

7 MR. SUMMER: For Goldsboro it might be
8 tricky because this was one that came in last year at
9 closer to \$600,000. And last year the cap was
10 \$400,000. So I went to them and asked them, and they
11 cut out some, I wouldn't say superfluous, but they cut
12 out an additional stormwater wetland in the
13 application and they sharpened their pencil pretty
14 well to get to \$400,000. So without talking to them I
15 wouldn't be certain they could do it for \$300,000.

16 MR. TOOLE: Could we shave \$50,000 off the
17 Greensboro Buffalo Creek project; so instead of
18 \$400,000 that would be \$350,000?

19 MR. SCHUMAK: I don't know about that.

20 MR. MARTIN: Yeah, I have a little
21 consternation about not having a lot of different
22 numbers for different people. I think we need to, if
23 we can, pick a number and go with it just so we're
24 trying to keep treating everybody fair.

25 MS. CAWOOD: True.

1 CHAIRMAN KICKLER: So if we've kept the
2 \$400,000 cap and the greenway projects are funded.
3 One is funded. We do have a different number 2, but
4 then the cap is there for 3, 4, 5. Six is fully
5 funded. The cap is there for 7, and then we give
6 number 8 is fully funded, and we fall under and we
7 still have some change. All right. I do think with
8 some exceptions, I do think keeping, if we're going to
9 put a cap, keeping that cap similar for a majority of
10 the applicants because the bigger projects are getting
11 that cap, and the others are fully funded. And it
12 represents geographic diversity, it looks like, and we
13 are within our budget, which is always good.

14 MR. MARTIN: Could we add number 12 to the
15 provisional list with the understanding it might not
16 be funded, but if all of a sudden we have more funds
17 come in than what we're expecting, that we could put
18 money toward that project? I mean, it looks like that
19 it would be cut off at 11. And that gives us an east,
20 a west and a central project. And then if we get
21 lucky and have additional funds it could move down to
22 number 12 so we could add 12 to the provisional list.

23 CHAIRMAN KICKLER: Like if all the money
24 came in --

25 MR. TOOLE: Extend the budget partially,

1 yeah. If you had a number of projects come in with
2 \$25,000 that could add up. Some won't.

3 MR. MARTIN: I guess what I'm saying is
4 there's nothing saying that we can't put number 12 on
5 the provisional list?

6 MR. TOOLE: Yeah, I'd be comfortable with
7 that.

8 MR. VINES: We don't know what figure we're
9 going to get. It wouldn't matter how many we put on
10 there if we start at 9 and work our way down it's
11 going to be the same thing as if we have three on
12 there or four on there.

13 CHAIRMAN KICKLER: Can we try this? Can we
14 try three seventy-five as a cap?

15 MR. VINES: That will give you about a
16 hundred and fifty.

17 CHAIRMAN KICKLER: Okay.

18 MR. TOOLE: By the way, I want to thank you
19 all for sending out this spreadsheet. Not only was it
20 colorful, but it was useful.

21 MR. VINES: It should be about a hundred and
22 twenty-seven thousand.

23 CHAIRMAN KICKLER: So that doesn't really
24 change?

25 MR. GOSSAGE: That's exactly actually what

1 we would like as far as a revision. That would take
2 us a little over a million, and I'd rather go a little
3 over a million than under it.

4 CHAIRMAN KICKLER: Where is our award
5 amount? That gives us even more. That leaves even
6 more money in our account.

7 MR. SUMMER: That leaves you \$130,321.46
8 cents.

9 CHAIRMAN KICKLER: The total amount is
10 \$2,536,947. And that's where awards would stop, and
11 then the remainder would move into the provisional,
12 and then we have the ranking right there. Are there
13 any comments or questions about that?

14 (No response.)

15 CHAIRMAN KICKLER: Now, having said that,
16 nobody has brought up the planning.

17 MR. TOOLE: Oh, I'm actually going to
18 include not funding planning project.

19 CHAIRMAN KICKLER: So you are making a
20 motion?

21 MR. TOOLE: And when you're ready, I will,
22 yeah.

23 MR. MARTIN: It's essentially what that does
24 is it increases the probability that we'll be able to
25 go all the way down to 12. Does staff see any

1 problem? Is the \$375,000 going to cause issues like
2 some that were right around the \$400,000 such as the
3 Goldsboro or the Greensboro or -- I'm trying to think
4 of the other one.

5 MR. MARKHAM: The western portion, that
6 pushes them back considerably.

7 MR. GOSSAGE: Any input from staff on the
8 \$375,000 as opposed to \$400,000 for a half dozen or so
9 projects?

10 MR. SCHUMAK: The only comment I would make
11 is most of these applicants are probably going to
12 submit a new application in April. And I think our
13 intent is to be hopefully funding again in the fall.

14 MR. GOSSAGE: It is.

15 MR. SCHUMAK: So that's six or eight months,
16 so in most likelihood they'll make it work.

17 MR. GOSSAGE: So of all the years to have a
18 smaller cap, this would be the right one.

19 MR. SCHUMAK: Yeah.

20 MR. MASSIE: Particularly on these multi-
21 year projects because we know they're going to come
22 back. If they can get by on \$375,000 for six months
23 and you still feel the same way, then you'll fund
24 something again in either August or October.

25 MR. MARTIN: Yeah, my main concerns were the

1 Goldsboro and the Blue Ridge RC&D because, like you
2 said, the multi-year projects I agree that it's not
3 such a big deal, you know, to just give them -- And I
4 think they should be able to live with \$25,000 less
5 but I don't want to cause any undue issue if that's
6 going to really cause a lot of consternation on 9 or
7 11, project 9 or 11.

8 MR. SUMMER: I think it's fair for the ones
9 I represent.

10 MR. MASSIE: I was going to say for Blue
11 Ridge RC&D, I don't think \$25,000 will bust the
12 project.

13 MR. MARTIN: Okay.

14 MR. VINES: I think the Yancey County
15 project, the Blue Ridge RC&D, I don't see \$25,000
16 making a difference there. This project has been
17 needed for a long time. I think they will either
18 adjust back how they do it and try to cut costs where
19 they can so that project can move forward.

20 CHAIRMAN KICKLER: Any other comments,
21 questions or any discussion?

22 (No response.)

23 CHAIRMAN KICKLER: Is there a motion?

24 MR. TOOLE: I'll make the motion. How do
25 you want this, line item by line item?

1 MS. LUCASSE: Can you use the application
2 number?

3 MR. TOOLE: Yeah, okay. So for line item 1g
4 application number 2013-202, \$253,500. For line item
5 2g application number 2013-201, \$95,044. For line
6 item 1, application number 2013-416, \$375,000. For
7 line item 2, application number 2013-802, \$75,000.
8 For line item 3, application number 2013-413,
9 \$375,000. For line item 4, application number 2013-
10 409, \$375,000. For line item 5, application 2013-410,
11 \$375,000. For line item 6, application number 2013-
12 402, \$162,853. For line item 7, application number
13 2013-405, \$375,000. For line item 8, application
14 number 2013-403, \$75,550. That's the motion.

15 MS. CAWOOD: Second.

16 CHAIRMAN KICKLER: Any discussion? Did that
17 motion exclude the planning?

18 MR. TOOLE: That's the only motion -- the
19 only applications I'm proposing we fund with the
20 money.

21 CHAIRMAN KICKLER: Okay. Any comments or
22 discussion? And, again, that brings us to the number
23 2536947; correct? Okay. There's a motion and it's
24 been seconded. All those in favor of the motion say
25 aye.

1 TRUSTEES: Aye.

2 CHAIRMAN KICKLER: All those opposed say no.
3 (No response.)

4 CHAIRMAN KICKLER: The ayes carry it.

5 MR. TOOLE: Okay.

6 CHAIRMAN KICKLER: Now the provisional.

7 MR. TOOLE: The provisional, I'll just go
8 ahead and make a motion on that if you think we're
9 ready.

10 CHAIRMAN KICKLER: I think we are, yeah.

11 MR. TOOLE: I propose provisional funding
12 for the following projects in this order so that if we
13 run out of money they'll be taken off the bottom.
14 Looking to line number 9, application number 2013-404,
15 \$375,000. Line item 10, application number 2013-417,
16 \$113,950. Line item 11, application number 2013-415,
17 \$375,000. Line item 12, application number 2013-401,
18 the Cane River -- application number 2013-401, the
19 Cane River restoration by the Blue Ridge RC&D council,
20 \$375,000 recognizing we might fall short on that, but
21 hoping we do not.

22 CHAIRMAN KICKLER: We have a motion. Is
23 there a second?

24 MR. VINES: Second.

25 CHAIRMAN KICKLER: We have a motion for the

1 provisional list for awards. And, again, if the money
2 comes in, which we hope it does, it will get awarded.
3 If not, then it will be taken off the bottom and we'll
4 see what the future holds. Are there any comments
5 regarding the motion?

6 (No response.)

7 CHAIRMAN KICKLER: All those in favor say
8 aye.

9 TRUSTEES: Aye.

10 CHAIRMAN KICKLER: All those opposed say no.

11 (No response.)

12 CHAIRMAN KICKLER: The motion has carried
13 for the provisional list. Now, we'll move on to the
14 next item of business which is new business 3, and
15 that's the approval of --

16 MR. TOOLE: I'm sorry, did we need to vote
17 on any new business 2 just for clarity?

18 CHAIRMAN KICKLER: Yeah, for clarity's sake
19 we need to do that.

20 MR. TOOLE: I'll make a motion that we don't
21 fund that project.

22 MS. CAWOOD: Second.

23 CHAIRMAN KICKLER: Thank you. Any more
24 discussion regarding that?

25 (No response.)

1 CHAIRMAN KICKLER: All those in favor not to
2 fund the acquisition planning applications say aye.

3 TRUSTEES: Aye.

4 CHAIRMAN KICKLER: All those opposed say no.
5 (No response.)

6 CHAIRMAN KICKLER: The ayes carry it. Thank
7 you. Now moving on to the new business, Approval of
8 Stewardship Management Proposals. In this you have
9 the proposals in your packet. And Nancy will provide
10 an overall, brief explanation of the stewardship
11 program overall. And then if you have questions about
12 any particular items in there, she would be happy to
13 answer those questions. Her presentation is going to
14 be about the broad program.

15 MS. GUTHRIE: Yes, sir. All right, thank
16 you. Recognizing that you all have not had any
17 information provided to you on the stewardship program
18 and asking this afternoon very specific questions, I
19 wanted to give you a broad overview of the program and
20 then we'll focus on the items in the agenda.

21 In 2003-2004 the Clean Water Trust Fund
22 really wanted to formulize this stewardship easement.
23 And at about that same time the Ecosystem Enhancement
24 program, the Conservation Reserve program and some
25 other state agencies also were starting to acquire

1 quite a few easements and really decided to form a
2 task force to talk about what the state's
3 responsibility would be to those long term.

4 That task force recognized that purchasing
5 the easement is only your first step, and then really
6 the state has a responsibility for the life of that
7 easement. The task force came up with thinking that
8 there are three major components of the stewardship
9 program. One is an annual monitoring. The second
10 component is managing any violations or issues that
11 are found. And then the third is a legal enforcement
12 component of any program. So next slide, please.

13 Several options came out of that stewardship
14 task force, and the way that Clean Water's program
15 developed was that stewardship funds to really make
16 this a viable program, to do a really responsible job
17 of monitoring and managing the easements, these funds
18 would be invested by the Treasurer's Office in the
19 state. Each contract that has an easement as a part
20 of the project, funds from that grant contract would
21 be transferred to the stewardship endowment. The
22 amount per easement is calculated per project. So
23 it's a different amount for each project. And that is
24 on a worksheet that estimates the annual amount to
25 monitor the project, and then there's a multiplier to

1 get your easement amount. Only the interest from the
2 endowment can be used for any of the activities in the
3 stewardship program so the principal cannot be
4 touched. And currently the endowment principal is
5 approximately 2.4 million. Next slide, please.

6 For the monitoring component of the program,
7 Clean Water contracts with Land Trust for annual
8 services on the monitoring. The Land Trust conducts
9 the annual monitoring, and they are paid an actual
10 cost up to that maximum that was established per
11 easement. The Land Trust report to Clean Water after
12 their annual visit any violations they find and any
13 other issues that they see while they are out
14 monitoring the site. Next slide.

15 If they find a violation, if a land owner
16 has put their compost pile where it should not be or
17 other kind of minor violations of the easement, the
18 Land Trust are going to be the first to act. They
19 will talk with the landowner and see if they can't
20 resolve the problem for the state. At any point the
21 staff will assist as appropriate. So a lot of times
22 our field reps will go out on the site with the Land
23 Trust when a violation has been seen and just try to
24 resolve that there onsite.

25 Major violations are referred to the

1 Attorney General's Office, and as Mary gave her report
2 earlier, we don't have any at this point that are
3 active, but we do keep the Attorney General's Office
4 just aware of what is going on with the project. Next
5 slide.

6 For the management, if there are what I've
7 been referring to as issues out there, if there's
8 third-party trespass, if there's native plants are
9 being choked out by kudzu, these are not violations
10 that a landowner went out and violated the terms of an
11 easement. But these are the types of issues that can
12 weaken the protection on the property and do need to
13 be addressed.

14 So for the last five years, I believe, the
15 trust fund has set aside \$20,000 of the interest
16 earned in that stewardship endowment and put those
17 toward these small projects to remedy issues that have
18 been found through the routine monitoring. The
19 program is set up. The management piece is set up so
20 that the projects are not to exceed \$25,000 -- I mean,
21 excuse me, \$2500 a project, so they are very small.
22 And examples are installing a gate to prevent
23 trespass, controlling erosion, removal of an invasive
24 species and replanting with native.

25 So that is a whirlwind tour of our

1 stewardship program, and I can take questions on that,
2 or we can move on to the next slide which focuses now
3 on this new business item that's before you for
4 consideration. Is everybody good to go?

5 MR. BRAGG: Ah, Nancy --

6 MS. GUTHRIE: Yes.

7 MR. BRAGG: This entire responsibility could
8 possibly be transferred to the Land Trust, could it
9 not? I mean, if we got comfortable would the Land
10 Trust do exactly what you described every day by
11 monitoring thousands of acres of land. Is there
12 anything in our contract or our agreement that would
13 keep us from taking our endowment, which I might add
14 is fully funded, and we grant more money than we need
15 to fund these projects for sustainability at this
16 point, the market may have dropped today, but we could
17 segregate the funds and pay the Land Trust and move
18 the responsibility to the Land Trust for this project.
19 Is that correct? Is that possible?

20 MS. GUTHRIE: Let me make sure what you're
21 asking. One option the Trust Fund could have chosen
22 when it was setting up the stewardship program would
23 have been just to pay the Land Trust the endowment
24 funds and let the Land Trust invest with their own
25 funds --

1 MR. BRAGG: Right.

2 MS. GUTHRIE: -- and just let them be
3 responsible?

4 MR. BRAGG: Exactly. Well, that's where I'm
5 going because with accreditation the Land Trust since
6 this was set up I think the Land Trust are in a much
7 stronger position, and I think we could get
8 comfortable that they don't need this process to
9 continue. We could transfer the monies today to each
10 prospective land trust and let them be responsible for
11 going forward. I mean, it's just a little bit
12 complicated the way it works now. And I can't really
13 remember exactly why we did it that way. But we
14 didn't have to. Like you say, we could have sent a
15 check for \$1000 to monitor legal defense and that's
16 your responsibility. So we could do that today;
17 that's my question.

18 MS. GUTHRIE: That is true. That is as far
19 as we found during that task force, that would be an
20 option. I think one of the concerns and the reason it
21 was set up as it is is what happens if the Land Trust
22 does go out of business or doesn't have the staff to
23 monitor?

24 MR. BRAGG: Right.

25 MS. GUTHRIE: Since there was state funds

1 used and invested in the acquisition, the board at
2 that time felt a pretty strong responsibility of also
3 then holding on to the funding in perpetuity for the
4 stewardship for the projects.

5 MR. BRAGG: Right, that's what I do
6 remember, but I think it was because of what you said,
7 which was to be totally certain that the
8 responsibility would be adhered to according to the
9 easements.

10 MS. GUTHRIE: Uh-huh (yes).

11 MR. BRAGG: But I'm at a point where I'm
12 comfortable with the Land Trust assuming that
13 responsibility. I just want to plant that seed. I
14 mean, they monitor over 5000 acres in the state, and
15 they all have -- all the ones that are accredited, and
16 I think all of them on this list are, and have sizable
17 endowments. And I personally would be comfortable if
18 we work through a process to work toward the goal of
19 getting out of this business. I mean this endowment
20 has been cumbersome for us to get it all set up and
21 all those little pieces and writing all those checks,
22 and it's just a lot of work for us. They do that
23 every day. I mean, they monitor and they've got full-
24 time people out there monitoring. I just want to
25 plant that seed for us to put that on the agenda to

1 look at sometime in the future, and I'll stop.

2 MS. GUTHRIE: Yes, sir.

3 MR. GOSSAGE: Trustee, Bragg, I would note
4 that there have already been internal conversations on
5 our organization for stewardship and how much we can
6 rely on Land Trust to handle those obligations and we
7 will continue to have those conversations. It's an
8 opportunity that we're aware of.

9 MR. BRAGG: Thank you.

10 MS. GUTHRIE: Well, then to focus your
11 attention to the item on the agenda. I think I
12 neglected to give Terri the spreadsheet to project,
13 but it is in the next to the last page in your agenda
14 packet. It has the stewardship management proposals
15 that were submitted last June, so June of 2013. This
16 \$20,000 for the proposals listed on the sheet, has
17 been already pulled out of the endowment interest, so
18 it has been kept separate. And the last step for
19 these projects for the Land Trust to go forward with
20 them and to be reimbursed is the board's approval.

21 On this sheet the total amount requested was
22 \$23,000. So if you look on the columns there are two
23 projects that they've recommended not funding. The
24 Land Trust had two proposals in, and this was their
25 lower priority for those two projects. And, again, I

1 apologize for not having this projected so that we
2 could look at it, but I'll take any questions on the
3 projects that are listed.

4 CHAIRMAN KICKLER: Are there any more
5 questions?

6 MR. MARTIN: It's pretty detailed. I mean,
7 there's a gallon of herbicide listed as part of the
8 match, so I think it's pretty detailed.

9 CHAIRMAN KICKLER: Yeah, I made note of
10 that, too. To add to what you were saying I was
11 reading over through the stewardship management
12 proposal, and I was wondering to what extent this was
13 already people's jobs, you know.

14 MR. BRAGG: There is one inherent problem
15 that we have with this endowment. All of the Land
16 Trusts operate their endowments as pure endowments
17 with a five percent spending policy. So five percent
18 of their principal they spend on paying for the labor
19 to go out and monitor these projects. When we made
20 each of these agreements with the Land Trust, and
21 Nancy you correct me if I'm wrong here, we didn't put
22 any provision in there for inflation. Obviously
23 there's a spending policy. With an endowment you draw
24 out five percent and you assume you're going to earn
25 eight over a long period of time to keep up with

1 inflation, so the pot grows. We didn't put anything
2 into that.

3 So our agreements offer these dollar
4 amounts. And at some point Land Trust is going to
5 call up and say, you gave me \$2500 twenty years ago,
6 and that got the job done, but we need more. And
7 there's nothing built into our system to account for
8 that. So that's one of the other reasons I wanted to
9 get rid of this project.

10 CHAIRMAN KICKLER: If there's no more
11 discussion, is there a motion to approve the
12 stewardship management proposals for the 2013 to 2014
13 cycle?

14 MR. MARTIN: So moved.

15 CHAIRMAN KICKLER: Is there a second?

16 MR. MARKHAM: I'll second.

17 CHAIRMAN KICKLER: Okay, thank you. All
18 those in favor of approving the stewardship management
19 proposal, say aye.

20 TRUSTEES: Aye.

21 CHAIRMAN KICKLER: All those opposed say no.
22 (No response.)

23 CHAIRMAN KICKLER: The ayes carry it. Now,
24 the next item of business is approval of the request
25 for stewardship management proposals for the 2014-2015

1 grant cycle. And I'll turn it back over to you,
2 Nancy.

3 MS. GUTHRIE: Thank you. This has been a
4 successful program for the last several years. These
5 are small projects and are very quickly completed by
6 the Land Trust. They do serve a good purpose. The
7 request then is for you all to consider approving the
8 program again for next year, another \$20,000 for the
9 management. The way the process would work as it is
10 envisioned is staff would send out a request for
11 proposals this spring. These are very simple requests
12 for proposal forms. The project has already been
13 identified through a monitoring visit. Only the Land
14 Trusts that are contracted to monitor would be
15 eligible to respond and then have the proposals due
16 back to Clean Water in mid June so that we could look
17 at that, and bring them to you and -- excuse me, have
18 the proposals back in mid May so that we could bring
19 them to the board meeting in June for you to consider.
20 You would also have time at that point to review the
21 funds and the endowment to make certain there was
22 enough interest to cover the \$20,000 or a different
23 amount if you choose. But we would have the proposals
24 in hand for that information.

25 MR. GOSSAGE: And, Nancy, correct me if I'm

1 wrong, but I believe the existing amount of interest
2 is about \$90,000.

3 MS. GUTHRIE: Yes, as in the last statement.

4 MR. GOSSAGE: Right, which was in October,
5 so it would be slightly more than that at this point.

6 MS. GUTHRIE: Yes.

7 MR. TOOLE: So I don't feel the need to look
8 at \$2500 grant applications. And I'd be perfectly
9 comfortable assuming that we don't have so many that
10 bust whatever the interest is that we have at five
11 percent. I just think it's silly for this group to be
12 looking at these things. Why can't staff do that?
13 That's well within the policies we just adopted in old
14 business over here. So I'd amend that suggestion to
15 say let staff deal with that.

16 MR. VINES: I'd like to add to go along with
17 Bill's request there that just maybe once you get to
18 that point and you know what you're going to do then
19 come up and update the board on that point, but we'll
20 give them the authority to go ahead and do it.

21 MR. GOSSAGE: I appreciate that. And that
22 actually, as Nancy was explaining this program to me
23 and I learned independently as Nancy was explaining
24 that program to Bill Crowell, we both had the same
25 response that, gee, this seems like something that

1 staff could handle.

2 CHAIRMAN KICKLER: Were you finished with
3 your presentation?

4 MS. GUTHRIE: I'm finished with the
5 presentation. May I just clarify action at this
6 point?

7 CHAIRMAN KICKLER: Yes.

8 MS. GUTHRIE: Which would be that staff will
9 send out requests for proposals this spring. We'll
10 get those in and then give you an update in June as to
11 what was received. And at that point we can still
12 review the funds and just make sure that the endowment
13 is supporting it.

14 MR. TOOLE: As long as you're within the
15 budget and each line item activity is \$2500 or less, I
16 think that's just spending authority.

17 MR. GOSSAGE: Do we have an existing policy
18 on this? Do we need -- My question is can the board
19 just direct staff to do that, or do we need a motion
20 and something more official to enable staff to do
21 that?

22 MR. TOOLE: We need a motion.

23 MS. LUCASSE: We need a motion, and I think
24 your question goes to whether there is a policy on how
25 this is handled. And if there is an existing policy

1 it should probably move to the front for the June
2 meeting so it could be revised, if that makes sense.

3 MS. GUTHRIE: I will check on that.

4 MS. CAWOOD: So the Administrative Committee
5 will take that up when we meet next and present
6 something to the board in June.

7 MS. LUCASSE: And I'm not sure there is a
8 policy. I'm just guessing there is. The action item
9 today is how we're going to proceed.

10 MR. TOOLE: Yes, that's my motion.

11 MS. GUTHRIE: And I'm hesitating. I'm not
12 sure if there was a policy or if this was a process
13 that developed and then became practice. But we could
14 look at that and get the right path for it for the
15 Administrative Committee.

16 CHAIRMAN KICKLER: So for the record, what
17 is, exactly what is the motion?

18 MR. TOOLE: The motion is to go ahead and
19 get requests for proposals along the lines that's
20 described in new business 4, and to also deliver to
21 the board of trustees a policy that would give staff
22 the ability to go ahead and award these individual
23 grants not to exceed \$2500 and assuming that the total
24 of all grant applications received does not exceed the
25 budget derived from the principal under existing

1 policy.

2 CHAIRMAN KICKLER: Thank you for the
3 clarification for the record. Is there a second?

4 MR. VINES: Mr. Chairman, I'll second it,
5 but I would like to add a few words to that. In the
6 part where you're talking about giving staff, I think
7 we need to go ahead and list in there easement
8 management, and that way it doesn't look like it could
9 be any other grant but \$2500.

10 MR. TOOLE: Thank you. I accept the
11 clarification.

12 CHAIRMAN KICKLER: Okay. Any questions,
13 comments regarding the motion?

14 (No response.)

15 CHAIRMAN KICKLER: Okay, let's take a vote.
16 All those in favor of the motion, say aye.

17 TRUSTEES: Aye.

18 CHAIRMAN KICKLER: All those opposed say no.
19 (No response.)

20 CHAIRMAN KICKLER: The ayes carry it. Next
21 item of business is public comments. So we will open
22 up the floor now to anyone who would -- anyone
23 publicly who has a comment.

24 MR. VINES: I'd like to thank the Criteria
25 Committee and the Administrative Committee and the

1 staff for all the work that they've done and
2 especially all the work that the Criteria Committee
3 got done in a short period of time. I'm sure you've
4 still got a lot more meetings to go to get everything
5 lined up. You all have done a great job with that.
6 Thank you all so much.

7 CHAIRMAN KICKLER: Thank you. Anyone else?

8 MR. BONER: My name is Justin Boner, B-o-n-
9 e-r, for the Conservation Fund. I just wanted to
10 thank the board for their support of both the
11 headwaters project and the (indiscernible) project
12 back at the December meeting. Just to update you on
13 the status. We have got those approved by the Council
14 of State last week, so we are ready to put those funds
15 in the ground hopefully very soon. I believe our next
16 and only hurdle is just getting the surveys done,
17 which kind of brings me back to the transaction cost.
18 And just from the field, I mean, we're averaging for
19 that property about eighty dollars an acre for survey
20 costs, so just to give you an idea what some people or
21 some projects are incurring. That's rugged territory.
22 It's not -- certainly not a Piedmont or a coastal
23 plain project.

24 Anyway, I just wanted to show our sign of
25 gratitude and also on behalf of the North Carolina

1 Forestry Service as well. Thank you again.

2 CHAIRMAN KICKLER: Okay, thank you. Any
3 other public comments?

4 MS. HOLDEN: Chairman Kickler, I'd like to
5 take the opportunity to welcome Bill Crowell to the
6 table at this time and to introduce him to the board.
7 I don't know that it was formerly done, but Bill has
8 accepted the roles and responsibilities that were
9 previously filled at the last board meeting by Mr.
10 McGee. And Bill is not new to DENR, and he's not new
11 to this field. He comes with quite a bit of
12 experience and also owns the APNEP which is Albemarle
13 Pamlico National Estuary Partnership -- how did I do--
14 within DENR. So we felt that there was a lot of
15 partnership between these two programs. And that was
16 one of the other reasons why we felt that it was
17 appropriate for Clean Water to move over to this
18 building, which is where APNEP currently is. So
19 that's all part of the reorganization of the Office of
20 Land & Water Stewardship. So with that, I'd like to
21 welcome Bill Crowell to the Clean Water Management
22 Trust Fund team.

23 MR. CROWELL: I'd like to add a brief
24 comment.

25 CHAIRMAN KICKLER: Okay.

1 MR. CROWELL: I just want to say I'm looking
2 forward to working with you. Over the past month or
3 so I've gotten to know several of you on committees,
4 and I really appreciate the work and the time that the
5 committee members put in as trustees of the fund, and
6 the staff are just excellent. When I first talked
7 with Bryan and Cecilia, I said, "Well, I know what my
8 staff is capable of and I'm used to working with them,
9 but I don't know many of the Clean Water staff." And
10 those fears were laid to rest very, very quickly. You
11 have a very good staff working for you. And I'm
12 looking forward to Bryan and I frequently crossing
13 paths as we go between two buildings.

14 CHAIRMAN KICKELR: Well, I mentioned this in
15 the beginning, but I want to say again I, too, want to
16 reiterate I appreciate the staff's hard work because I
17 know it meant many times there were phone calls after
18 five o'clock and on weekends. And I also appreciate
19 the trustees taking time the past two and a half
20 months to three months have been busy. And I know
21 everybody has other responsibilities and other
22 activities, but the committee members and the trustee
23 members of the full board have taken time to be
24 diligent and to do good work. And so I just want to
25 say again that I'm appreciative of that. And I look

1 forward to working with everyone as we go through this
2 transition period, but we're getting farther and
3 farther along through it. So I just want to say thank
4 you, again. Are there any other comments?

5 MR. GOSSAGE: I just wanted to remind the
6 trustees that you should have a large binder clip to
7 remove the papers from your binders, and that way we
8 will be able to reuse the binder and save a little bit
9 of cost. Although I would add that the next time in
10 June you will receive your binder, but your entire
11 agenda packet should also be available either online
12 or in an email in some way electronic. And then the
13 time after that it will be available only
14 electronically or available in print upon request. So
15 we will be moving to an all-electronic format shortly.

16 And just a reminder that the application now
17 for acquisition projects will be online by the end of
18 this week, and that will be the first time that it
19 will be available online, if that's correct?

20 MR. SUMMER: It will be.

21 MR. GOSSAGE: And so we're off and moving to
22 a paperless application in that regard. And the
23 deadline for that will be April 7th. So if you have
24 anyone ask, the application goes online February 14th,
25 and the deadline is April the 7th. Thank you all.

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It's good to see you again.

CHAIRMAN KICKLER: Are there any other
comments?

(No response.)

CHAIRMAN KICKLER: Then this meeting is
adjourned.

(Meeting adjourned at 4:51 p.m.)

