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BOARD OF TRUSTEES

CLEAN WATER MANAGEMENT TRUST FUND

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MINUTES OF MEETING

MONDAY, JUNE 10TH, 2013

8:35 A.M.

ARCHDALE BUILDING, GROUND FLOOR  
512 NORTH SALISBURY 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:

JOHN MCMILLAN, CHAIRMAN

HONORABLE HAROLD A. BASS, SR.

DR. YEVONNE BRANNON

KAREN CRAGNOLIN

JOHN GARROU

WILLIAM HOLLAN

RENEE KUMOR

KEVIN MARKHAM

AARON THOMAS

STAN VAUGHAN

CHARLES VINES

JERRY WRIGHT

ATTORNEY GENERAL'S OFFICE:

FRANK CRAWLEY, SPECIAL DEPUTY ATTORNEY GENERAL

CLEAN WATER MANAGEMENT TRUST FUND STAFF:

RICHARD ROGERS, EXECUTIVE DIRECTOR

BETH MCGEE, DEPUTY DIRECTOR

CHRISTOPHER FIPPS, BUSINESS OFFICER

PENNY ADAMS, EXECUTIVE/ACQUISITION ADMINISTRATIVE  
ASSISTANT

LARRY HORTON, P.E. WASTEWATER INFRASTRUCTURE

PROJECT MANAGER

EVERETTE MOORE, REAL PROPERTY AGENT, STATE

PROPERTY OFFICE

CLEAN WATER MANAGEMENT TRUST FUND FIELD REPRESENTATIVES:

TOM MASSIE, WESTERN REGION

BERN SCHUMAK, CENTRAL REGION

WILL SUMMER, EASTERN REGION

A G E N D A

- 8:30 a.m. A. Call to Order - Chairman McMillan  
1) Welcome  
2) Roll Call - Penny Adams  
3) Compliance With General Statute 138A-15  
4) Revisions, Additions and Adoption of the Agenda (Action Item)  
5) Please Put Cell Phones on Vibrate or Off  
6) Review and Approval of the Transcripts of the February 2013 Meeting of the Board of Trustees (Action Item)
- 8:40 a.m. B. Public Comments (Three Minutes Per Person) -Chairman McMillan
- 8:50 a.m. C. Attorney General's Report - Frank Crawley
- 9:05 a.m. D. Executive Director's Report - Richard Rogers
- 9:25 a.m. E. Administrative Committee Report - Committee Co-Chair Vaughan (Potential Action Items)
- 9:35 a.m. F. Break
- 9:50 a.m. G. Program Committee - Committee Co-Chair Garrou (Action Item)
- 10:00 a.m. H. Acquisition Committee Report - Committee Co-Chairs Hester and Wright (Action Items)
- 10:15 a.m. I. CWMTF Committee of the Whole - Chairman John McMillan (Potential Action Item)
- 10:25 a.m. J. Restoration/Stormwater/Greenways Committee Report - Committee Co-Chairs Brannon and Pate (Action Items)
- 10:35 a.m. K. Infrastructure/Wastewater Committee Report - Committee Co-Chairs Markham and Thomas (Action Items)
- 10:45 a.m. L. Consent Agenda Item: Ratify Chairman/Co-Chair and Staff Decisions Made per the Decision Matrix

10:55 a.m. M. Discussion

11:00 a.m. N. Adjourn

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

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1 M I N U T E S O F M E E T I N G

2 CHAIRMAN MCMILLAN: This is the June 10th,  
3 2013 meeting of the Board of Trustees Clean Water  
4 Management Trust Fund. I would ask Penny Adams to call  
5 the role please.

6 MS. ADAMS: Yes. Chairman McMillan?

7 CHAIRMAN MCMILLAN: Here.

8 MS. ADAMS: Mr. Bass?

9 MR. BASS: Here.

10 MS. ADAMS: Mr. Beane?

11 (No response.)

12 MS. ADAMS: Mr. Bragg?

13 (No response.)

14 MS. ADAMS: Ms. Brannon?

15 (No response.)

16 MS. ADAMS: Ms. Cragnolin?

17 MS. CRAGNOLIN: Here.

18 MS. ADAMS: Mr. Garrou?

19 MR. GARROU: Here.

20 MS. ADAMS: Mr. Hester?

21 (No response.)

22 MS. ADAMS: Mr. Hollan?

23 MR. HOLLAN: Here.

24 MS. ADAMS: Mr. Howard?

25 (No response.)

1 MS. ADAMS: Mr. Johnson?

2 (No response.)

3 MS. ADAMS: Ms. Kumor?

4 MS. KUMOR: Here.

5 MS. ADAMS: Mr. Markham?

6 MR. MARKHAM: Here.

7 MS. ADAMS: Ms. Mele?

8 (No response.)

9 MS. ADAMS: Mr. Pate?

10 (No response.)

11 MS. ADAMS: Ms. Rash?

12 (No response.)

13 MS. ADAMS: Mr. Thomas?

14 MR. THOMAS: Here.

15 MS. ADAMS: Mr. Vaughan?

16 MR. VAUGHAN: Here.

17 MS. ADAMS: Mr. Vines?

18 MR. VINES: Here.

19 MS. ADAMS: Ms. Weston?

20 (No response.)

21 MS. ADAMS: Mr. Wright?

22 MR. WRIGHT: Here.

23 CHAIRMAN MCMILLAN: Well, we have a quorum.

24 I'll remind you of your obligation to apply the General

25 Statute 138A-15 regarding conflicts of interest. If you

1 have a conflict or an appearance of conflict, please  
2 bring it to our attention.

3 Are there any revisions, additions to the  
4 agenda?

5 BOARD MEMBERS: (No response.)

6 CHAIRMAN MCMILLAN: Without objection, I'm  
7 going to move the Restoration/Stormwater/Greenways  
8 report up as soon as Dr. Brannon gets here. She has a  
9 graduation she needs to attend. Jerry?

10 MR. WRIGHT: Chairman, we had one item that  
11 we did not finish discussing yesterday in our  
12 consideration of H-E in the Acquisitions Committee.

13 I would ask that we be allowed to consider  
14 that item on Natural Community Restoration Provision  
15 which we failed to address technically, so I'm going to  
16 ask that we be able to discuss that and take action if  
17 possible.

18 BOARD MEMBERS: (No response.)

19 CHAIRMAN MCMILLAN: Without objection,  
20 that's so ordered. Please silence your electronic  
21 devices. You have in front of you transcripts of the  
22 February 2013 Meeting of the Board of Trustees. Are  
23 there corrections or additions to the minutes of that  
24 meeting?

25 BOARD MEMBERS: (No response.)

1                   CHAIRMAN MCMILLAN:  If not, is there a  
2 motion they be so approved?

3                   MR. WRIGHT:  So moved.

4                   MR. BASS:  Second.

5                   CHAIRMAN MCMILLAN:  A second.  Any  
6 discussion?

7                   BOARD MEMBERS:  (No response.)

8                   CHAIRMAN MCMILLAN:  All in favor say, "Aye."

9                   BOARD MEMBERS:  Aye.

10                  CHAIRMAN MCMILLAN:  Any opposed, "No"?

11                  BOARD MEMBERS:  (No response.)

12                  CHAIRMAN MCMILLAN:  The "Ayes" have it.  
13 Minutes are adopted.  Public comments.  Anyone here for  
14 from the public who would like to comment?  Yes.  A  
15 member of the public.

16                  MS. DURSO:  Good morning.  My name is  
17 Francine Durso.  I'm with the division of Water Quality  
18 Infrastructure Finance section, which was formally  
19 Construction Grants and Loans, which is where Larry  
20 Horton came from.  I hired him to work with me seven  
21 years ago?  Eight years ago?

22                  MR. HORTON:  Yes.

23                  MS. DURSO:  I don't know.  And I was a staff  
24 to the Clean Water Trust Fund from 2001 to 2007.  So I  
25 just wanted to comment that this group has continued to

1 do such, such impressive work through the years, and  
2 it's been wonderful to watch -- not being part of it  
3 anymore, it's still been wonderful to watch the projects  
4 that y'all have been taking on and just a lot of issues  
5 that y'all have addressed, water quality issues in the  
6 state.

7                   And I just wanted to thank you all, first of  
8 all, for my opportunity to have worked with y'all. And  
9 just second, those of y'all that have been on the Board  
10 since the beginning, you know, it's just very impressive  
11 that y'all are still here, and those of y'all that are  
12 newer I hope that you've really enjoyed being here.  
13 Because y'all are doing so much good work for the State  
14 of North Carolina. Thank you.

15                   CHAIRMAN MCMILLAN: Thank you, Francine, and  
16 welcome back. It's nice to see you. Any other public  
17 comments?

18                   (No response.)

19                   CHAIRMAN MCMILLAN: Attorney General's  
20 Report, Frank Crawley.

21                   MR. CRAWLEY: As Francine said, it is good  
22 to be back with you. I'm substituting for Mary Lucasse  
23 who is out of the office this week, and I'm happy to  
24 report y'all are doing just fine in the legal community.

25                   CHAIRMAN MCMILLAN: We haven't been sued is

1 what he means. Executive Director's Report. Richard?

2 MR. ROGERS: Thank you, Mr. Chairman. I  
3 will be brief. I think we've got 20 minutes allotted  
4 here but I won't take near that time. I wanted just to  
5 provide y'all a little update related to contracts.

6 Again, as we come into this new fiscal year  
7 we are in a little different position as we discussed  
8 yesterday. We're trying very diligently to make sure  
9 all funds are encumbered or close to all the funds are  
10 encumbered.

11 And on the back end of that I wanted to give  
12 you a little update on our contracts and where we are.  
13 Currently we have 151 contracts that are under contract,  
14 encumbered, that are processing. We have seven or so or  
15 eight that have not been, that are in process and five  
16 of those are close to being encumbered but we don't  
17 anticipate any problem. The final draft or two  
18 signatures which we got this weekend, we'll be  
19 processing those through DENR.

20 But the whole around these is getting them  
21 to the, through DENR and getting the money encumbered  
22 before they shut the fiscal office for the end of the  
23 year, end of the fiscal year.

24 We currently have, half of those contracts  
25 are covered right at \$50 million under contract.



1 the report of the Stormwater/Restoration/Greenways  
2 Committee.

3 MS. BRANNON: Mr. Chairman, we took up three  
4 items yesterday for discussion. And the first one is  
5 J-B, which was the discussion of construction projects  
6 that are under construction and it was to extend the  
7 contract for one year.

8 The Committee recommends that we do, make  
9 October the 10th, 2013 as the new date by which the  
10 National Committee for the New River. The South Fork  
11 Boone Greenway Restoration project must be completed.  
12 And so we do recommend to move into a new construction  
13 contract.

14 CHAIRMAN MCMILLAN: You heard the motion of  
15 the Committee. Is there discussion?

16 BOARD MEMBERS: (No response.)

17 CHAIRMAN MCMILLAN: If not, so many in favor  
18 of the motion say, "Aye."

19 BOARD MEMBERS: Aye.

20 CHAIRMAN MCMILLAN: All opposed say, "No."

21 BOARD MEMBERS: (No response.)

22 CHAIRMAN MCMILLAN: The "Ayes" have it.

23 MS. BRANNON: The second action that the  
24 Committee took was to look at the request to change the  
25 project scope of work and budget for the town of

1 Jonesville, Greenway Project, which was 2008-023.

2 The Committee recommending allowing the town  
3 of Jonesville to add additional properties to the scope  
4 of work to expand the Greenway Project and to  
5 re-allocate funds within the budget line items.

6 The Committee also recommends a new contract  
7 date to accomplish this addition to be August the 31st,  
8 2014 to allow the town one year to complete the  
9 additional work, which was an additional 1.5 miles.  
10 That's the recommendation of Committee.

11 CHAIRMAN MCMILLAN: You've heard the  
12 recommendation of the Committee. Is there discussion?

13 BOARD MEMBERS: (No response.)

14 CHAIRMAN MCMILLAN: If not, so many in favor  
15 of the motion say, "Aye."

16 BOARD MEMBERS: Aye.

17 CHAIRMAN MCMILLAN: All opposed say, "No."

18 BOARD MEMBERS: (No response.)

19 CHAIRMAN MCMILLAN: The "Ayes" have it.

20 MS. BRANNON: The last action that the  
21 Committee took was to look at a request to change the  
22 project scope of work and budget for the town of  
23 Aberdeen Greenway, which was project 2010-201. The  
24 Committee recommends approving changes to the properties  
25 acquired for the Greenway.

1                   CHAIRMAN MCMILLAN: You've heard the  
2 recommendation of the Committee. Is there discussion?

3                   BOARD MEMBERS: (No response.)

4                   CHAIRMAN MCMILLAN: If not, so many in favor  
5 of the motion say, "Aye."

6                   BOARD MEMBERS: Aye.

7                   CHAIRMAN MCMILLAN: Those opposed say, "No."

8                   BOARD MEMBERS: (No response.)

9                   CHAIRMAN MCMILLAN: The "Ayes" have it.

10                  MS. BRANNON: And that completes the  
11 Greenways Committee Report.

12                  CHAIRMAN MCMILLAN: Thank you very much.  
13 Administration Committees, Chairman Vaughan?

14                  MR. VAUGHAN: Hi, Mr. Chairman. We met  
15 yesterday and received a current status of our overall  
16 budget from Christopher and Richard. Needless to say  
17 we're about 20 days away from the end of our budget  
18 year, and everything indicates that we'll come in line  
19 on budget and be able to pay all of our bills.

20                  We did have one action related to that  
21 review that I'm going to present. Committee recommends  
22 approval of staff action to enter into a contract and  
23 encumber funds for 2012-549 town of Frisco for  
24 unencumbered funds from  
25 Wastewater/Stormwater/Restoration/Greenways and

1 Acquisition funds.

2 CHAIRMAN MCMILLAN: You've heard the  
3 recommendation of the Committee. Is there discussion?

4 BOARD MEMBERS: (No response.)

5 CHAIRMAN MCMILLAN: If not, so many in favor  
6 of the motion say, "Aye."

7 BOARD MEMBERS: Aye.

8 CHAIRMAN MCMILLAN: Those opposed say, "No."

9 BOARD MEMBERS: (No response.)

10 CHAIRMAN MCMILLAN: The "Ayes" have it.

11 MR. VAUGHAN: We also dicussed the  
12 (inaudible) set for June 30th relating to what we could  
13 do from a budget perspective. Committee recommends that  
14 Clean Water Management Trust Fund continue into the new  
15 fiscal year with the existing administrative budget  
16 subject to actions taken by the general assembly.

17 CHAIRMAN MCMILLAN: You've heard the  
18 recommendation of the Committee. Is there discussion?

19 BOARD MEMBERS: (No response.)

20 CHAIRMAN MCMILLAN: If not, so many in favor  
21 of the motion say, "Aye."

22 BOARD MEMBERS: Aye.

23 CHAIRMAN MCMILLAN: Those opposed say, "No."

24 BOARD MEMBERS: (No response.)

25 CHAIRMAN MCMILLAN: And the "Ayes" have it.

1 MR. VAUGHAN: And that's our report,  
2 Mr. Chairman.

3 CHAIRMAN MCMILLAN: Thank you very much.  
4 Program Committee, John Garrou?

5 MR. GARROU: Mr. Chairman, the Committee met  
6 yesterday. And I think everyone here was present at  
7 that meeting, so I won't repeat what was done yesterday  
8 but simply give you the Committee recommendation.

9 The Committee recommends withdrawing  
10 \$34,823.84 from the stewardship endowment interest  
11 earnings to be added to current stewardship cash reserve  
12 of \$79,298.86 to fund \$94,122.70 toward stewardship  
13 monitoring contracts and \$20,000 for easement management  
14 funds for physical year 2013-2014.

15 CHAIRMAN MCMILLAN: You've heard the  
16 recommendation of the Committee. Is there discussion?

17 BOARD MEMBERS: (No response.)

18 CHAIRMAN MCMILLAN: If not, so many in favor  
19 of that motion say, "Aye."

20 BOARD MEMBERS: Aye.

21 CHAIRMAN MCMILLAN: Those opposed say, "No."

22 BOARD MEMBERS: (No response.)

23 CHAIRMAN MCMILLAN: The "Ayes" have it.

24 MS. KUMOR: Mr. Chairman?

25 CHAIRMAN MCMILLAN: Yes?

1 MS. KUMOR: May I ask a question?

2 CHAIRMAN MCMILLAN: Certainly.

3 MS. KUMOR: Yesterday we asked Richard a  
4 question about the stewardship fund and its longevity,  
5 and I wondered if it were prudent to put that into our  
6 minutes for our board meeting so that we all understand  
7 that there's an expectation of longevity for this plot  
8 of money.

9 CHAIRMAN MCMILLAN: We can certainly do  
10 that. Richard, do you want to review?

11 MR. ROGERS: Yes, sir. Mr. Chairman, I  
12 think the question that was put yesterday was dealing,  
13 is the endowment fund vulnerable? This question has  
14 come up to the Board several times as we've gone through  
15 the process of establishing the endowment and investing  
16 in that endowment.

17 The endowment resides with the Treasurer's  
18 Office and they oversee that fund. All indications that  
19 we have is that it's not accessible by the general  
20 assembly and that it is safe as any public funds can be  
21 and that it will be there in the long term for us to  
22 continue stewardship on the properties and easements  
23 that the State hold that have been funded by Clean Water  
24 Management Trust Fund.

25 MS. KUMOR: Thank you.

1                   CHAIRMAN MCMILLAN: Thank you very much.

2 All right. We're down to the Acquisition Committee.

3 Jerry?

4                   MR. WRIGHT: Yes, sir. Mr. Chairman, the  
5 Acquisition Committee met yesterday afternoon. We had  
6 quite a few representatives here for applications and we  
7 considered six items.

8                   Todd was here on the North River Farms  
9 Recycling of Natural Resources Conservation Service  
10 Funds, and he gave us a history of that very  
11 long-running fund.

12                   It was interesting to hear George Howard  
13 yesterday comment about the success of the North River  
14 Farms application and its impact on North Carolina and  
15 the Nation as a whole as being one of the largest  
16 restorations projects ever done in North America. And  
17 this is a continuance of that.

18                   They had asked, as was required in their  
19 application, original application, about getting plans  
20 done if they were able to get funds to re-do some of the  
21 land down there or sell some of the use down there.

22                   And so the Committee recommends to the Board  
23 in concurrence with the federal Wetland's plan for  
24 continued conservation with the understanding that lands  
25 will be put into public use within ten years.

1                   Now, also yesterday there was a change from  
2 the letter that he had written, the Exhibit H-B, that  
3 the money, instead of being about 3.9 million, that they  
4 had come up with a requirement that they repay a loan  
5 for approximately \$1 million, so it's going to be closer  
6 to the \$3 million figure.

7                   But our Committee does recommend the  
8 concurrence with our plans that they have given us and  
9 that's what we move.

10                   CHAIRMAN MCMILLAN: You've heard the motion  
11 of the Committee. Is there discussion?

12                   BOARD MEMBERS: (No response.)

13                   CHAIRMAN MCMILLAN: If not, so many in favor  
14 of that motion say, "Aye."

15                   BOARD MEMBERS: Aye.

16                   CHAIRMAN MCMILLAN: Those opposed say, "No."

17                   BOARD MEMBERS: (No response.)

18                   CHAIRMAN MCMILLAN: The "Ayes" have it.

19                   MR. WRIGHT: The next think we looked at is  
20 Consideration of Protocol for Conservation Easement  
21 Amendments or Releases. And last meeting we went  
22 through this and some of our members asked that we go  
23 back and look at several things, and we have gone back  
24 and redone and presented H-C to you.

25                   And we, the Committee, has recommended

1 adopting the easement amendment protocol which has been  
2 redone.

3 CHAIRMAN MCMILLAN: You've heard the motion  
4 of the Committee. Is there discussion?

5 BOARD MEMBERS: (No response.)

6 CHAIRMAN MCMILLAN: If not, so many in favor  
7 of the motion say, "Aye."

8 BOARD MEMBERS: Aye.

9 CHAIRMAN MCMILLAN: Opposed say, "No."

10 BOARD MEMBERS: (No response.)

11 CHAIRMAN MCMILLAN: The "Ayes" have it.

12 MR. WRIGHT: In H-D, Request to Release  
13 Easement Property in Exchange for Riparian Buffer in the  
14 town of Apex, Beaver Creek Acquisition, the Committee  
15 recommends accepting plans from Apex to release .446  
16 acres of existing easement for exchange of 1.338  
17 Riparian Buffers along confluence of Beaver Creek.

18 We have been in business for 17 years and  
19 this is a first request that we have had for amending  
20 this. And we feel like for the public health and safety  
21 and the actual good of the initial acquisition that the  
22 Committee recommends this change.

23 CHAIRMAN MCMILLAN: You've heard the motion  
24 of the Committee. Is there discussion?

25 BOARD MEMBERS: (No response.)

1                   CHAIRMAN MCMILLAN:  If not, so many in favor  
2 of the motion say, "Aye."

3                   BOARD MEMBERS:  Aye.

4                   CHAIRMAN MCMILLAN:  Those opposed say, "No."

5                   CHAIRMAN MCMILLAN:  The "Ayes" have it.

6                   MR. WRIGHT:  H-E, Request to Amend Easement  
7 to Allow for Access to Drinking Water Wells and to Allow  
8 for Natural Community Restoration.  Yesterday we  
9 considered this.

10                   Now, there was -- it did come up that the  
11 Committee recommended specifically to not allow the  
12 amendment for access to the drinking water wells, and it  
13 was some concern as to whether that nomination, that  
14 motion included the request to amend the easement for  
15 the allowance of natural community restoration, which is  
16 currently allowed in all our contracts.

17                   So I'm going to ask Bill who made that  
18 motion, if he would clear, I guess clear up for us what  
19 he meant to, the motion meant to not allow either one of  
20 these and -- in that motion.

21                   CHAIRMAN MCMILLAN:  All right.  Bill, for  
22 clarification of the motion?

23                   MR. HOLLAN:  Mr. Chairman, I made the motion  
24 not to allow the access to the existing wells on the  
25 property and did not intend to include in my motion any

1 action with respect to the clearing of the plantation  
2 there.

3 My understanding from Richard is that this,  
4 our easements have evolved to the point that this would  
5 be a permitted use under our existing easement, so since  
6 this request is that we amend the easement to make it  
7 consistent with our existing easements I'm fine with  
8 that.

9 MR. WRIGHT: Mr. Chairman, first, we'd move  
10 that we not allow the change in the easement to allow  
11 access to the water wells, and that is our motion for  
12 that specific subject.

13 CHAIRMAN MCMILLAN: You've heard the motion  
14 of the Committee. Is there discussion?

15 BOARD MEMBERS: (No response.)

16 CHAIRMAN MCMILLAN: If not, so many in favor  
17 of the motion say, "Aye."

18 BOARD MEMBERS: Aye.

19 CHAIRMAN MCMILLAN: Those opposed say, "No."

20 CHAIRMAN MCMILLAN: The "Ayes" have it.

21 MR. WRIGHT: If allowable, I will make a  
22 motion on the floor, which will probably in a second, to  
23 allow the request to amend the meeting to add the Native  
24 Community Restoration Provision.

25 This provision is now included in all our

1 contracts and we see that as no threat to this easement.

2 CHAIRMAN MCMILLAN: You've heard the motion  
3 of Jerry Wright. Is there a second?

4 MS. KUMOR: Second.

5 CHAIRMAN MCMILLAN: Is there discussion?

6 BOARD MEMBERS: (No response.)

7 CHAIRMAN MCMILLAN: If not, so many in favor  
8 of the motion say, "Aye."

9 BOARD MEMBERS: Aye.

10 CHAIRMAN MCMILLAN: Opposed, "No."

11 BOARD MEMBERS: (No response.)

12 CHAIRMAN MCMILLAN: The "Ayes" have it.

13 MR. WRIGHT: Okay. We'll go to H-F, Request  
14 to Use Unspent Transactions Funds for Interest Payment:  
15 The Nature Conservancy, Davis Killkenny Tract down in  
16 eastern North Carolina.

17 Committee recommends paying 50 percent of  
18 the interest charge from the date of TNC's closing on  
19 Kilkenny Davis tracts to the time Clean Water Management  
20 Funds were available, not to exceed \$11,000. And that  
21 is our recommendation.

22 CHAIRMAN MCMILLAN: You've heard the motion  
23 of the Committee. Is there discussion?

24 BOARD MEMBERS: (No response.)

25 CHAIRMAN MCMILLAN: If not, so many in favor

1 of the motion say, "Aye."

2 BOARD MEMBERS: Aye.

3 CHAIRMAN MCMILLAN: Those opposed say, "No."

4 BOARD MEMBERS: (No response.)

5 CHAIRMAN MCMILLAN: The "Ayes" have it.

6 MR. WRIGHT: And our last item is H-G,  
7 Request for Additional Stewardship Monitoring Funds,  
8 Town of Creedmoor, Fontaine Tract.

9 The Committee recommends that the additional  
10 \$5,111 be added to endowment for stewarding the property  
11 in perpetuity, and the Committee recommends that the  
12 additional funds for the property endowment come from  
13 unallocated funds in the Acquisition Committee budget.

14 CHAIRMAN MCMILLAN: You've heard the motion  
15 of Committee. Is there discussion?

16 BOARD MEMBERS: (No response.)

17 CHAIRMAN MCMILLAN: If not, so many in favor  
18 of the motion say, "Aye."

19 BOARD MEMBERS: Aye.

20 CHAIRMAN MCMILLAN: Those opposed say, "No."

21 BOARD MEMBERS: (No response.)

22 CHAIRMAN MCMILLAN: The "Ayes" have it.

23 MR. WRIGHT: Mr. Chairman, that concludes  
24 our business.

25 CHAIRMAN MCMILLAN: Thank you very much.

1 The Board met yesterday as a Committee of a Whole to  
2 discuss a couple of items. One, was the status of the  
3 budget, which is working its way through the House and  
4 the Senate. The bill number is Senate Bill 402.

5 We had discussion about the Senate's version  
6 of the budget and its proposal to abolish the Clean  
7 Water Management Trust Fund and the Natural Heritage  
8 Trust Fund and create a water and land conservation  
9 authority.

10 The House Subcommittee on environment  
11 natural resources appropriations met last week. They  
12 recommended their version of that, and that would be to  
13 continue the Clean Water Management Trust Fund Board but  
14 to put it under DENR, to abolish the Natural Heritage  
15 Trust Fund and to abolish the Natural Heritage Program.

16 So there are large differences between the  
17 two versions of the budget. We had an extensive  
18 discussion about that yesterday and won't repeat that.

19 The House Full Appropriations Committee will  
20 meet tomorrow morning at 8:30 to discuss the bill. It's  
21 online, Senate Bill 402. You can look at that. They  
22 will take it up and it will go to the Full House  
23 Wednesday and Thursday.

24 In all likelihood, the Senate won't agree to  
25 all of the provisions in the House budget and there will

1 be a conference committee appointed. The committee will  
2 work out the differences over the next few weeks.

3 Some of you have asked about whether or not  
4 there could be input into that process and there  
5 certainly can. You can contact your legislators. The  
6 major players are: The President and Co-Chairman of the  
7 Senate Phil Berger, Speaker of the House Tom Tillis, the  
8 Appropriations Senior Chair Pete Brunstedder, the House  
9 Senior Chair Nelson Dollar.

10 And there are various other Appropriations  
11 chairs. You have that information. But those are the  
12 ones who will be making the decision with respect to  
13 Clean Water. Any question about that?

14 BOARD MEMBERS: (No response.)

15 CHAIRMAN MCMILLAN: We next had a discussion  
16 about the contract we awarded to Durham Soil and Water  
17 Conservation District in 2012-433. There was discussion  
18 about that application and that contract. There was a  
19 motion to affirm the action taken by the Board with  
20 respect to that application.

21 And I don't know if we need to repeat that  
22 in the full Board for the record; we probably do. So I  
23 will report that the Committee of the Whole recommended  
24 that the Board re-affirm the decision that was made in  
25 2012-433. And that's the recommendation of the

1 Committee of the Whole. Is there discussion of that?

2 BOARD MEMBERS: (No response.)

3 CHAIRMAN MCMILLAN: If not, so many in favor  
4 of that motion say, "Aye."

5 BOARD MEMBERS: Aye.

6 CHAIRMAN MCMILLAN: Opposed say, "No."

7 MR. HOLLAN: No.

8 CHAIRMAN MCMILLAN: The "Ayes" appear to  
9 have it. The "Ayes" do have it. And that's the report  
10 from the Committee of the Whole.  
11 Infrastructure/Wastewater.

12 MR. MARKHAM: Thank you, Mr. Chair. The  
13 Infrastructure/Wastewater Committee met yesterday, and I  
14 believe all the other Board Member present here today  
15 were present for our discussions.

16 We have two action items to bring before the  
17 Board. Item K-B, Request to Release Grant Contract  
18 Retainage Funds for the Handy Sanitary District, which  
19 is 2005B-601.

20 The committee recommends revising the final  
21 retainage amount from \$300,000 to \$50,000 and allowing  
22 incremental access to \$250,000 as additional project  
23 scope items are completed as follows:

24 One, up to \$200,000 would be available  
25 immediately to reimburse expenses that are within the

1 scope of the current grant contract;

2 Two, up to \$50,000 would be available after  
3 the Badin Shores Wastewater Treatment Plant is  
4 decommissioned and the permit rescinded;

5 And three, the remaining \$50,000 would be  
6 held as final retainage until the work to connect the  
7 residences is finished and the final report and grant  
8 contract closeout work are completed.

9 And the Committee further clarifies, Clean  
10 Water Management Trust funds will not be used to cover  
11 costs of any litigation.

12 CHAIRMAN MCMILLAN: You've heard the  
13 recommendation of the Committee. Is there discussion?

14 BOARD MEMBERS: (No response.)

15 CHAIRMAN MCMILLAN: If not, so many in favor  
16 of the motion say, "Aye."

17 BOARD MEMBERS: Aye.

18 CHAIRMAN MCMILLAN: Those opposed say, "No."

19 BOARD MEMBERS: (No response.)

20 CHAIRMAN MCMILLAN: The "Ayes" have it.

21 MR. MARKHAM: Thank you. The second action  
22 item is K-C, Discussion of Construction Projects Not  
23 Under Construction Contract Within One Year. The  
24 Committee has two recommendations and we'll treat those  
25 together.

1                   The Committee recommends August 15th, 2013  
2 as the new date by which the town of Fairmont must enter  
3 into a construction contract for grant contract  
4 2011-510, Sewer Rehabilitation Phase One, Lumber River.

5                   And the Committee further recommends  
6 August 23rd, 2013 as the new date by which the town of  
7 West Jefferson must enter into a construction contract  
8 for grant contract 2011-535, Sewer Rehabilitation on  
9 Little Buffalo Creek.

10                   CHAIRMAN MCMILLAN: You've heard the  
11 recommendation of the Committee. Is there discussion?

12                   BOARD MEMBERS: (No response.)

13                   CHAIRMAN MCMILLAN: If not, so many in favor  
14 of the motion say, "Aye."

15                   BOARD MEMBERS: Aye.

16                   CHAIRMAN MCMILLAN: Those opposed say, "No."

17                   BOARD MEMBERS: (No response.)

18                   CHAIRMAN MCMILLAN: The "Ayes" have it.

19                   MR. MARKHAM: Thank you, Mr. Chairman. That  
20 concludes our Committee recommendations.

21                   CHAIRMAN MCMILLAN: Thank you very much.  
22 Item L, Consent Agenda Item, Ratify Chairman's Co-Chair  
23 Staff Decisions made per the Decision Matrix. Richard?

24                   MR. ROGERS: I'm going to go to Beth on  
25 this.

1 MS. MCGEE: Every June we try to summarize  
2 for y'all as a Consent Agenda item all the decisions  
3 that were made to contracts, changes in contracts,  
4 either budget re-allocations, scope changes, match  
5 changes.

6 Y'all had adopted a few years ago a process  
7 so that smaller changes could be determined or could be  
8 approved by staff and then the next level up would be  
9 the Chairman and Co-Chairs and finally the Board.

10 So in your Agenda Item L there's a table  
11 that's summarized with the staff decisions on the top  
12 followed by Co-Chair -- Chairman and Co-Chairs and Board  
13 at the bottom.

14 Most of them were this year -- like last  
15 year, most of them were the construction contract  
16 deadline changes and then match and scope changes  
17 amounted to the other ones. But most of them are by far  
18 come to y'all -- about 70 percent come to y'all; only  
19 about 17 percent are determined by the Board.

20 So anyway, it's just a Consent Agenda Item  
21 and I can answer any questions, if you'd like.

22 MR. ROGERS: Mr. Chairman, just to comment,  
23 the decision-making process, I guess, we established  
24 three years ago or so, it has greatly benefited our  
25 ability to manage contracts. Flexibility, making small

1 changes to contracts.

2 But at the same time using the Co-Chairs and  
3 the Chairman to bounce rather substantive things off  
4 while the Board is not meeting and during those interims  
5 has allowed us to be more flexible and move forward on  
6 contracts and manage those more effectively. So we  
7 certainly appreciate that.

8 Also, I want you to note that there's about  
9 60 of these things that went on over the last year, and  
10 that's only a small part of the contract management that  
11 we go through out of the 150 contracts that we manage.

12 Staff does a great job keeping track of  
13 these and also processing the contracts and working, not  
14 only with the Co-Chairs, you, but also our clients as  
15 well. Thank you.

16 CHAIRMAN MCMILLAN: Any questions about that  
17 process?

18 BOARD MEMBERS: (No response.)

19 CHAIRMAN MCMILLAN: Well, the item is on the  
20 agenda to be ratified by the Board so --

21 MS. BRANNON: So moved.

22 CHAIRMAN MCMILLAN: I hear a motion to  
23 ratify that list of decisions. Is there a second?

24 MR. WRIGHT: Second.

25 CHAIRMAN MCMILLAN: Any discussion?

1 BOARD MEMBERS: (No response.)

2 CHAIRMAN MCMILLAN: All right. So many in  
3 favor of the motion say, "Aye."

4 BOARD MEMBERS: Aye.

5 CHAIRMAN MCMILLAN: Those opposed say, "No."

6 BOARD MEMBERS: (No response.)

7 CHAIRMAN MCMILLAN: That completes the  
8 agenda with the exception of discussion items and I've  
9 said my peace about the budget process.

10 I would just add that we have somewhere  
11 between 125 and 150 years of Board experience sitting  
12 around the room. It would be a loss to lose all of that  
13 experience, if the Senate version of this budget  
14 abolishing this Board is ultimately enacted.

15 I would like to also echo what Richard said  
16 about the staff and include him in my comments. I do  
17 understand the value of this staff and have worked with  
18 them now for eleven years. They're terrific in every  
19 way, and the fact that they have stayed with us in an  
20 uncertain budget speaks volumes for their dedication to  
21 the work of the Clean Water Management Trust Fund.

22 They're just the best and we're privileged  
23 to have them working for us. I think that they will  
24 continue, whichever version of the budget passes, as  
25 employees of DENR, and we would certainly urge the

1 Secretary to retain them all.

2                   It's been my privilege to serve as your  
3 Chairman for the last couple of years and I appreciate  
4 all the hard work of the members of this Board.  
5 Anything else anybody would like say?

6                   MR. MASSIE: (Indicating.)

7                   CHAIRMAN MCMILLAN: Tom?

8                   MR. MASSIE: Mr. Chairman, thank you, sir.  
9 I just wanted to express my appreciation to the Board.  
10 Some of y'all have been here longer than I have and I'm  
11 at 17 years now. Several of you have been here even the  
12 year before that, before I was hired.

13                   And I appreciate the professionalism that  
14 y'all have brought to this Board, as well as the ability  
15 for the staff to get to you know socially. It's been a  
16 privilege to work for y'all. The dedication that you've  
17 put in over these years is amazing.

18                   I mean, I remember Board meetings that went  
19 15 and 16 hours and people there month after month. And  
20 the first five years we met every month except two  
21 months of the year.

22                   So I appreciate what you've done. This may  
23 be our last chance to get together and that's the reason  
24 I take this time to talk about this now. Who knows what  
25 will happen? I hope to see you again in August. But if

1 we don't, we appreciate you. Thank you for your hard  
2 work.

3 As a citizen, I appreciate everything that  
4 this Board has done for my county, for my region. It's  
5 meant a lot to Western North Carolina. So thank you  
6 very much. I appreciate you.

7 CHAIRMAN MCMILLAN: Thank you, Tom.

8 MR. WRIGHT: Mr. Chairman?

9 CHAIRMAN MCMILLAN: Jerry.

10 MR. WRIGHT: As one of the original  
11 appointees to the Board I've sat through a lot of  
12 meetings with a lot of you people. And I guess in my  
13 work for conservation over the years I found that water  
14 is without a fact one of the most important things that  
15 we have in our environment and in our lifestyle.

16 And after working ten years with the  
17 wildlife I realized that even more and, because without  
18 clean water we simply do not have the resources that we  
19 have otherwise that controls basically all the species  
20 on the planet and is one reason why I have put as much  
21 time and many of you that I know have put time in it,  
22 the importance of it and what we do with it in a growing  
23 state like North Carolina.

24 And for 17 years we have gone at this work,  
25 and I think the really nice thing about it is that over

1 that timeframe we have started to see the repercussions  
2 of what work we have done helping, actually going out  
3 and helping.

4 I think George said yesterday it was amazing  
5 that at North River they had actually, through work they  
6 had done, gone back and opened up waters for use that  
7 had been closed. And when you see those kind of things  
8 happening in your neighborhoods and whatever, it really  
9 makes you feel worthwhile and good.

10 And the other thing that I talked about  
11 yesterday was that actually it is a citizen's committee,  
12 and the work that we do as citizens for protection of  
13 our waters, you see happen and know that it's because  
14 the work the staff and the people in North Carolina is  
15 so important to the program.

16 I think what will save us in the end is that  
17 Clean Water has become something that people know  
18 delivers in terms of making a difference. And so I  
19 would like to thank the staff. John, you're stepping up  
20 to the plate. And Richard, a good job, too.

21 CHAIRMAN MCMILLAN: Thank you, Jerry.  
22 Anything else?

23 MS. CRAGNOLIN: (Indicating.)

24 CHAIRMAN MCMILLAN: Karen?

25 MS. CRAGNOLIN: I want to sort of echo what

1 everybody has said and just say from a very personal way  
2 when I came to North Carolina in 1986 to the French  
3 Broad River Basin, people used to joke that you could  
4 smell it before you could see it. It was considered to  
5 be an open sewer.

6                   Thanks to the \$213 million that was  
7 leveraged, in some cases two to one, in that French  
8 Broad River Basin that the Clean Water Management Trust  
9 Fund has done and a lot of volunteers and a lot of focus  
10 on the river, we are now home to the second and third  
11 largest breweries, craft breweries in the United States.

12                   If ever there's been a tribute to Clean  
13 Water, I think the French Broad River Basin story is a  
14 prime example of the importance to our state for  
15 sustainability and for not just in environmental reasons  
16 but for the economic develop reasons.

17                   I've really learned so much in working with  
18 you all. There were times in the beginning when I saw  
19 Trustees more than I saw my family. And you know, we've  
20 fought; we've laughed; we've done lots of things  
21 together.

22                   And I'm hoping that we continue no matter  
23 what to see each other and participate in the great  
24 State of North Carolina. So thank you.

25                   CHAIRMAN MCMILLAN: Thanks, Karen.

1                   MR. ROGERS: I've been compelled to speak.  
2 I came into this Trust Fund seven years ago this August.  
3 I came in not as an environmental activist but an  
4 administrator. In working, the thing that initially I  
5 came in and what I appreciated -- and you could tell at  
6 the time -- about the Trustees and developing the  
7 processes by which they reviewed applications, by which  
8 they approved applications, and to me today is  
9 fantastic.

10                   And it provides the opportunity for you  
11 citizen representatives to come in, make good decisions.  
12 It provides the opportunity for staff to evaluate fully  
13 the applications. And the outcome of that, I think, is  
14 obvious as Karen mentioned, the water quality benefits  
15 that it's obviously provided the State of North  
16 Carolina.

17                   All the things that are going on in  
18 Legislature right now, I think the work that has been  
19 done by this Board, it's still there. They understand  
20 the importance of water quality because of a lot of work  
21 that's been done by this Board. They might be wanting  
22 to look at it and do it a little differently, but the  
23 tenants of this program will remain.

24                   It may be different but I think credit is to  
25 you Trustees for carrying out your obligations as it

1 relates to the Statute and doing a fine job and keeping  
2 your eye on the target of improving, restoring and  
3 enhancing service water quality across the state. It's  
4 been a pleasure.

5 CHAIRMAN MCMILLAN: Thank you.

6 MR. VAUGHAN: I'm going to be an optimist  
7 and say see you guys in August. With the recommendation  
8 for future action, I would suggest in the future we give  
9 the Chairman and Richard the opportunity when they see  
10 the agenda -- if they see the agenda's going to run an  
11 hour, find a way to do it all in one day so we don't  
12 have to stay over.

13 So being an optimist, I would suggest we  
14 take a closer look at that in the future when you look  
15 at the agenda. I think it can be done in one day.

16 CHAIRMAN MCMILLAN: We can do that.

17 MR. HOLLAN: Do we have tendered dates for  
18 the August meeting?

19 MR. ROGERS: Yes, sir. We're still here.

20 CHAIRMAN MCMILLAN: And keep in mind that  
21 both versions of the budget have recurring funds for  
22 water programs, whether it's Clean Water Management  
23 Trust Fund or whether it's a new commission. So those  
24 are some positive things and we'll just see how it all  
25 play s out.

1                   MR. ROGERS: The August board meeting is  
2 August 18th and 19th. Scheduled.

3                   MS. BRANNON: John?

4                   CHAIRMAN MCMILLAN: Yes, Yevonne.

5                   MS. BRANNON: Well, I've spent my entire  
6 career, 36 years, as a state employee. I just wanted to  
7 say that I'm so proud of all the staff that I've worked  
8 with over the years on the Clean Water Management Trust  
9 Fund.

10                   Because I've seen them exemplify what I know  
11 is the typical state employee: Someone who works very  
12 hard, who's dedicated to being cost-effective, who cares  
13 very much about the quality of their work. And they've  
14 really never let this Board down.

15                   You can come to every board meeting and you  
16 can read your materials. And you can feel very  
17 confident about the data, the information, the  
18 recommendation, and you knew that there was a lot of  
19 thought, a lot of research, a lot of conscientious  
20 application to the recommendations.

21                   And that really gives the Board Members --  
22 it gave me a tremendous amount of trust, that I really  
23 cared about, what did the staff think about this?  
24 Because I knew they've done their due diligence. That  
25 made serving on this Board so much easier.

1                   I also commend all the members of this Trust  
2 Fund from the very beginning to now and many who were  
3 before us and who aren't here today, and we stood on all  
4 their shoulders and they defended and created this  
5 thing. And we're lucky to have Bill and Karen and Stan  
6 and Jerry Wright -- those folks who have been here so  
7 long, stuck with us, to guide us and help the next  
8 Board.

9                   I do hope that all of the staff will be in  
10 even better situations and I do hope y'all continue to  
11 call on us as ex-board members and forever friends.

12                   CHAIRMAN MCMILLAN: Thank you. If there is  
13 nothing further, we will stand adjourned.

14                   (Meeting adjourned at 9:20 a.m.)

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1 CERTIFICATE OF NOTARY - COURT REPORTER

2

3 STATE OF NORTH CAROLINA )

4 COUNTY OF WAKE )

5

6 I, Dana New, Court Reporter, Notary Public in and  
7 for the above county and state, do hereby certify that  
8 the foregoing CLEAN WATER MANAGEMENT TRUST FUND BOARD OF  
9 TRUSTEES MEETING was taken before me at the time and  
10 place hereinbefore and was duly recorded by me by means  
11 of stenotype, which is reduced to written form under my  
12 direction and supervision; and that this is, to the best  
13 of my knowledge and belief, a true and correct  
14 transcript of the meeting of the Board of Trustees of  
15 the Clean Water Management Trust Fund held at 512 North  
16 Salisbury Street, Raleigh, North Carolina, on the 10th  
17 day of June, 2013.

18 I further certify that I am neither counsel to  
19 this agency or interested in the event of this agency on  
20 the 17th day of June, 2013.

21

22

23

24 Dana New, Court Reporter  
25 Notary Public, Wake County  
North Carolina  
Notary Number: 201314400107