

**BOARD OF TRUSTEES**

**CLEAN WATER MANAGEMENT TRUST FUND**

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**MINUTES OF MEETING**

**VOLUME I**

**WEDNESDAY, DECEMBER 18, 2013**

**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

KEVIN MARKHAM

JOHNNY D. MARTIN

WILLIAM TOOLE

CHARLES VINES

FREDERICK BEAUJEU-DUFOUR

ATTORNEY GENERAL'S OFFICE:

MARY L. LUCASSE, SPECIAL DEPUTY ATTORNEY GENERAL

CLEAN WATER MANAGEMENT TRUST FUND STAFF:

BETH MCGEE

CHRISTOPHER FIPPS

NANCY GUTHRIE

LARRY HORTON

TERRI MURRAY

PENNY ADAMS

TOM MASSIE

BERN SCHUMAK

WILL SUMMER

BY TELEPHONE:

GREER CAWOOD

A G E N D A

## COMMENCEMENT

- 9:05 a.m. 1. Call to Order - Chairman Kickler
- a) Welcome
  - b) Compliance with General Statute § 138A-15 - Chairman Kickler
  - c) Please put cell phones on vibrate or off - Chairman Kickler
  - d) Revisions, Additions and Adoption of the Agenda - Chairman Kickler (Action Item)
  - e) Review and Approval of the Minutes of the November 2013 Meeting of the Board of Trustees - Chairman Kickler (Action Item)
2. AG's Office Remarks - Mary Lucasse
3. Executive Director's Remarks - Bryan Gossage
4. Welcome - Bryan Gossage, Executive Director

## OLD BUSINESS

1. Consideration of Resolution of Appreciation for Former Trustees - Chairman Kickler (Potential Action Item) Revisions, Additions and Adoption of the Agenda - Chairman Kickler (Action Item)
2. Ad Hoc Committee Reports
  - a. Funding Allocation - Chairman Kickler (Action Item)
  - b. Committee Organization - Chairman Kickler (Action Item)
3. Approval of 2014 Board Meeting Schedule - Chairman Kickler (Action Item)
4. Consideration of Requests on Existing Contracts

- a. Request Transfer of Grant Contract 2012-079 Duvall Tract from Land Trust for the Little Tennessee to Wildlife Resources Commission - Nancy Guthrie and Tom Massie (Action Item)
- b. Request Change to Scope of Work Grant Contract 2010-207 Jackson County Greenway - Nancy Guthrie and Tom Massie (Action Item)
- c. Request Change to Scope of Work Grant Contract 2012-028 The Nature Conservancy, Riverstone Tract, Phase I - Nancy Guthrie and Will Summer (Action Item)
- d. Request Change to Scope of Work to Natural Heritage Trust Fund (NHTF) Boiling Springs Lake Acquisition - Nancy Guthrie and Will Summer (Action Item)

NEW BUSINESS:

1. Review and Approval of 2013 Land Acquisition Applications Submitted to Former NHTF - Nancy Guthrie and Field Representatives (Action Item)

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

Proceedings	6
Certificate of Reporter	138

EXHIBITS

NO EXHIBITS WERE MARKED

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P R O C E E D I N G S

CHAIRMAN KICKLER: Good morning everyone.  
Welcome to the December 18th meeting, Board of Trustees of the Clean Water Management Trust Fund. Before we continue with the agenda, I need to make sure that everyone is in compliance with General Statute 138A-15. And although it's printed on your agenda, I will take the time to read it, and I'll then ask if anyone needs to recuse themselves, any parties.

General Statute 138A-15 mandates the Chair inquires as to whether any Trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda. If any Trustee knows of a conflict of interest or the appearance of a conflict of interest, please state so at this time.

Having read that General Statute, I will say that I will recuse myself from the Bentonville Grant Application.

MR. BRAGG: Mr. Chairman, I will recuse myself from the Tread Trail request.

COURT REPORTER: Can you speak up, please?

MR. BRAGG: Yes ma'am.

COURT REPORTER: Thank you.

1 MR. BRAGG: I'm sorry. I am  
2 recusing myself from the Tread Trail request. As a  
3 former board member of the Catawba Lands Conservancy  
4 and a member of the Advisory Board, I feel like that's  
5 the best.

6 CHAIRMAN KICKLER: Are there any others?

7 (No response.)

8 CHAIRMAN KICKLER: Okay. And I remind you  
9 as we go through the agenda, if you are reminded that  
10 there is a conflict, you can say so at that time, as  
11 well.

12 Moving to the next order of business on the  
13 agenda, we'd like to remind you, please put your cell  
14 phones on vibrate or off.

15 Although it's not listed on the agenda, I  
16 would like there to be a roll call, as well, for the  
17 written record. So I will -- so I will call the names  
18 of the trustees and let us know that you are here.

19 Troy Kickler, obviously here. Frank Bragg?

20 MR. BRAGG: Here.

21 CHAIRMAN KICKLER: Greer Cawood?

22 MS. CAWOOD: Present.

23 CHAIRMAN KICKLER: Frederick Beaujeu-  
24 Dufour?

25 MR. BEAUJEU-DUFOUR: Present.

1                   CHAIRMAN KICKLER:     Robin Hackney?  
2                   MS. HACKNEY:             (No response.)  
3                   CHAIRMAN KICKLER:     Kevin Markham?  
4                   MR. MARKHAM:            Here.  
5                   CHAIRMAN KICKLER:     Johnny Martin?  
6                   MR. MARTIN:             Here.  
7                   CHAIRMAN KICKLER:     William Toole?  
8                   MR. TOOLE:              (No response.)  
9                   CHAIRMAN KICKLER:     Charles Vines?  
10                  MR. VINES:              Here.  
11                  CHAIRMAN KICKLER:     Thank you. I'll take  
12                  the opportunity now to turn the time over to Secretary  
13                  Skvarla who has a few words he would like to say.  
14                  SECRETARY SKVARLA: I don't think I need a  
15                  microphone. Thank you. I will be very brief. Merry  
16                  Christmas to everyone. Have a great -- have a great  
17                  holiday.  
18                  When I was thinking about what I was going  
19                  to say this morning, all I could keep thinking of is  
20                  that song, "The Eyes of Texas Are Upon You." The eyes  
21                  of Texas in North Carolina are upon you, folks. You  
22                  know, we've had an amalgamation of two major projects,  
23                  the Clean Water and Natural Heritage. There's been a  
24                  consolidation. There's some continuity. Some of the  
25                  former folks are still involved, and you've got an



1 awesome responsibility, and there are rules and  
2 regulations for that responsibility, but there's  
3 obviously a lot of -- a lot of free board in your  
4 ability to make decisions. And my only challenge to  
5 you, and my only admonition to you and my only  
6 directive to you is do the right thing. You're smart,  
7 you're foresighted, you're confident, and as long as  
8 you do the right thing, everything will be okay.

9 And I'm proud of everyone. I thank you for  
10 your service. I can't tell you how important this is  
11 for the environment and the State of North Carolina  
12 and everything you're doing, and I know it's a real  
13 sacrifice to do this. I know you give up weekends and  
14 lots of time to do this, and we are so appreciative.

15 But remember, this is your decision, your  
16 determination, your call as to how this money gets  
17 spent, on what projects. Just do the right thing and  
18 everything will be okay.

19 So with that said, let's thank a couple of  
20 people. Beth -- Beth McGee has been with Clean Water  
21 Management for 28 years. Stand up Beth. You need a  
22 -- you need a --

23 (Applause.)

24 I'm very jealous of Beth because I was  
25 supposed to retire last January 1 and look what

1           happened to me. So Beth we can't thank you enough for  
2           your years of service. I understand you have a couple  
3           of young daughters you're going to be spending some  
4           time with.

5                       MS. MCGEE:                       Yes.

6                       SECRETARY SKVARLA: And I think that's a  
7           great thing, too. That in itself is probably a bigger  
8           challenge than what you do every day. So if you need  
9           to escape once in a while, you're always welcome back.

10                      MS. MCGEE:                      Thank you.

11                      SECRETARY SKVARLA: Thank you for your years  
12           of service. And also Charles Fipps has been with us,  
13           what, eight years?

14                      MS. MURRAY:                      It's Christopher.

15                      SECRETARY SKVARLA: Christopher, I'm sorry.  
16           Chris, I'm sorry, in the business section, and I guess  
17           you're -- you're retiring also of sorts.

18                      MR. FIPPS:                      Of sorts. Out to Person  
19           County, so yeah.

20                      SECRETARY SKVARLA: Anything to get out of  
21           Raleigh is not a bad thing.

22                      MR. FIPPS:                      More time on the farm in  
23           southern Person County is a great thing, but I'll miss  
24           these folks, too. Everybody has been great to work  
25           with and the program is a wonderful thing. So I --

1 I'm glad to have had the opportunity.

2 SECRETARY SKVARLA: Well, thank you for your  
3 service. Beth, any words of wisdom?

4 MS. MCGEE: No, I just -- I want to  
5 say it's really been -- I've had a great time every  
6 year that I've been with the State. I've had all  
7 sorts of different types of jobs and -- but the common  
8 thread has been -- or the common threads have been  
9 terrific people I've worked with. Very professional,  
10 creative. We've had a lot of fun. You know, it's  
11 just been -- I feel like I've been very blessed by my  
12 career, so I'll miss all of y'all, but I'll look  
13 forward to hearing about the good things that  
14 everybody does. I know you all make good decisions.  
15 Thanks so much.

16 SECRETARY SKVARLA: Well, thank you both for  
17 your years of service. God bless you in the future.  
18 And again, to everyone here, do the right thing. Have  
19 a very safe and joyful holiday with your friends and  
20 your family, and Merry Christmas to everybody. Thank  
21 you.

22 CHAIRMAN KICKLER: For the record, I want  
23 to note that two other Commissioners walked in while  
24 Secretary Skvarla was making his remarks. So for the  
25 record, Trustee William Toole and Trustee Robin

1 Hackney are present.

2 MR. TOOLE: I apologize for being  
3 late.

4 CHAIRMAN KICKLER: Moving on to call to  
5 order business in section D, "Revisions, Additions and  
6 Adoption of the Agenda". I hope all Trustees have had  
7 -- have taken the time to look over the agenda. Are  
8 there any revisions, additions to the agenda?

9 (No response.)

10 If there is no discussion, is there a motion  
11 to adopt the agenda?

12 MR. BRAGG: So moved.

13 CHAIRMAN KICKLER: Is there a second?

14 MR. MARTIN: Second.

15 COURT REPORTER: Who seconded, please?

16 MR. MARTIN: (Raised his hand.)

17 COURT REPORTER: Thank you.

18 CHAIRMAN KICKLER: Thank you. All those in  
19 favor say aye.

20 (Group responds.)

21 CHAIRMAN KICKLER: All those opposed say  
22 no.

23 (No response.)

24 CHAIRMAN KICKLER: The ayes carry it and  
25 the agenda has been adopted. I hope everyone has had

1 time to review the minutes of our last meeting. Is  
2 there any discussion regarding the minutes of our  
3 November meeting?

4 MR. MARKHAM: Mr. Chair?

5 CHAIRMAN KICKLER: Yes, sir.

6 MR. MARKHAM: Yes, on page 238, line  
7 15, "surfaces" should probably read "purposes".

8 CHAIRMAN KICKLER: What page?

9 MR. MARKHAM: 238, line 15.

10 CHAIRMAN KICKLER: Are there any other  
11 corrections or questions?

12 (No response.)

13 Okay. If not, is there a motion to accept  
14 the November meeting minutes as just revised?

15 MR. BRAGG: So moved.

16 CHAIRMAN KICKLER: Thank you. Is there a  
17 second?

18 MR. VINES: Second, Mr. Chairman.

19 CHAIRMAN KICKLER: Thank you.

20 COURT REPORTER: Who said that, please?

21 MR. VINES: Oh, sorry. Charles  
22 Vines.

23 COURT REPORTER: Thank you.

24 CHAIRMAN KICKLER: All those in favor of  
25 accepting the November 2013 minutes say aye.

1 (Group responds.)

2 CHAIRMAN KICKLER: All those opposed say  
3 no.

4 (No response.)

5 CHAIRMAN KICKLER: The ayes carry it and  
6 the minutes of the November 2013 meeting have been  
7 approved.

8 Our next item of business is AG's Office  
9 Remarks, and I will turn the time now over to Mary  
10 Lucasse.

11 MS. LUCASSE: I don't have anything  
12 special to say. I just want to thank folks who have  
13 identified conflicts of interest and I'm always  
14 available to discuss those with you ahead of time if  
15 you'd like to do so. Thank you.

16 CHAIRMAN KICKLER: The next item of  
17 business is the Executive Director's Remarks, so I'll  
18 turn it over to Bryan Gossage.

19 MR. GOSSAGE: Thank you, Chairman.  
20 Just real briefly I wanted to take a moment to thank  
21 Beth and Christopher for their time and they were both  
22 discouraged from leaving us because I very quickly saw  
23 their value to Clean Water Management Trust Fund and  
24 very quickly saw how much they would be missed. They  
25 will be missed. So thank you both very much for being

1 so incredibly helpful for the last six weeks in making  
2 it a much easier start for me as a -- as a result.

3 In your blue folders, for the Trustees, you  
4 will find that there are a couple of pages that staff  
5 have included that have just very minor differences  
6 from what is in your packet, old business committee  
7 reports if you want to replace what you have in your  
8 packet with these, as well as the spreadsheet for the  
9 Natural Heritage -- we'll get to that after --  
10 probably after lunch, which is new business number  
11 one. You also have in your blue folder a budget  
12 document, which is just information.

13 Finally, I would add that you may notice  
14 that your agenda has a slightly different format, and  
15 in terms of it being -- from the last meeting in terms  
16 of having an Old Business section and a New Business  
17 section, it's tabbed in a different way and it's also  
18 in a binder.

19 We are on a budget, so it would not hurt our  
20 feelings if you left your binders at the end of the  
21 meeting and we'll have binder clips for you to keep  
22 your content and clip everything together. But we  
23 will reuse the folders. So if you want to leave those  
24 with us, we will -- Penny will collect those at the  
25 end of the meeting. That would be very much

1 appreciated.

2 That's all I have. Just welcome and thank  
3 you for being here this morning.

4 MR. TOOLE: Mr. Gossage, how does  
5 old business to be new change from old business to be  
6 old? Is it important?

7 MR. GOSSAGE: We -- I think we had  
8 already sent via email almost immediately that these  
9 are the two committee reports.

10 MR. TOOLE: So this is -- we've  
11 already received this?

12 MR. GOSSAGE: I think you have, and it  
13 may -- yeah. Here's the email -- you might have to  
14 actually go to the email before you go to the agenda  
15 binder.

16 And I also -- I neglected to recognize  
17 Cecelia Holder.

18 CHAIRMAN KICKLER: Okay. Moving on to old  
19 business -- our first order of old business is the  
20 consideration of resolution appreciation for former  
21 trustees. At the last meeting, Trustee Toole brought  
22 that up as a good idea and we -- we concurred. In  
23 front of you are the resolutions to the former  
24 trustees of the Natural Heritage Trust Fund and former  
25 trustees to the Clean Water Management Trust Fund.



1                   We thought it would be a good idea to  
2                   recognize their prior service on both of these boards  
3                   respectively. So I was wondering if there is any  
4                   discussion regarding these resolutions, and if not --  
5                   you've had time to read them. If not, is there a  
6                   motion to accept the two resolutions and to send out  
7                   to the former trustees of the Natural Heritage Trust  
8                   Fund and Clean Water Management Trust Fund?

9                   MR. MARTIN:                So moved.

10                  MR. TOOLE:                 Second.

11                  COURT REPORTER:       Who did the first one,  
12                  please?

13                  CHAIRMAN KICKLER:       Trustee Martin.

14                  COURT REPORTER:       Okay. And who seconded?

15                  MR. TOOLE:                 (Raised his hand.)

16                  COURT REPORTER:       Thank you.

17                  CHAIRMAN KICKLER:       We have a motion and a  
18                  second. All those in favor say aye.

19                               (Group responds.)

20                  CHAIRMAN KICKLER:       All those opposed say  
21                  no.

22                               (No response.)

23                  CHAIRMAN KICKLER:       The ayes carry it. Our  
24                  next order of business are the Ad Hoc Committee  
25                  Reports. At the last meeting the Chair established

1 two committees to look at funding allocation and  
2 committee organization, and I do hope that we've all  
3 taken the time to look over these committee  
4 recommendations for the -- to present the committee  
5 reports, I'll turn -- the first one is Funding  
6 Allocation and I'll turn the time over to Trustee  
7 Bragg who is a member of that committee as long as --  
8 as well as me, and also Trustee Toole.

9 MR. BRAGG: Thank you, Mr. Chairman.  
10 Since I was handed these about five minutes ago, I'll  
11 try to piece it together for you. The Ad Hoc  
12 Committee did meet by telephone on November 25th.  
13 Kickler, Toole and Bragg were present on the phone  
14 conversation and the Ad Hoc Committee did decide and  
15 recommends the adoption of the following resolution.

16 Of the 8.6 million dollars transferred from  
17 the Natural Heritage Trust Fund to the Clean Water  
18 Management Trust Fund, the Committee acknowledges the  
19 requirement from the North Carolina General Assembly  
20 that a hundred percent of these funds be used for  
21 Natural Heritage acquisition grant applications.

22 Of the approximately 10 million dollars in  
23 funds made available for the Clean Water Management  
24 Trust Fund applicants in 2013, the Committee --  
25 recognizing that strict percentages or ratios may not

1 be practical and that the Board may need to make minor  
2 adjustments as prior project -- as actual project  
3 funding decisions are made -- recommends the  
4 following.

5 Approximately 65 to 75 percent towards  
6 Acquisition applications; approximately 25 to 35  
7 percent toward Restoration and Greenway applications.  
8 So our target is roughly 70/30 with a 5 percent  
9 deviation.

10 And the continued provision of approximately  
11 \$300,000, which is remaining funds for the mini-grant  
12 program.

13 Section B of our recommendations, based on  
14 the limited data available from the license plate  
15 sales that was under Natural Heritage, these funds  
16 will be distributed as follows.

17 Approximately 55 to 65 percent of these  
18 funds toward Clean Water Management Trust Fund  
19 applications; the remaining 35 to 45 percent of these  
20 funds towards Natural Heritage applications.

21 These funds dedicated to Clean Water  
22 Management Trust Fund are the same formula that will  
23 apply as projects fund the budget. If funds come back  
24 to us, then they will be allocated on the same  
25 percentage, the Clean Water monies and the same is

1 true with Natural Heritage monies.

2 Now, ask a question if you're not clear  
3 about that, and Bill Toole is the expert on this. So  
4 monies that come back for projects where the money was  
5 not used will be reallocated back into the respective  
6 pools.

7 Mr. Chairman, on behalf of the Ad Hoc  
8 Committee on Funding, I, Frank Bragg, a reporting  
9 member of the Ad Hoc Committee, move that option of  
10 the resolution just read.

11 CHAIRMAN KICKLER: Thank you. I want to  
12 remind all the Trustees that the Committee's  
13 recommendation applies to the fiscal year 2013/2014,  
14 and that allocation formulas for fiscal year 2014/2015  
15 and subsequent years will be looked at -- those  
16 decisions will be made at a later time.

17 So the Committee recommendation, simply put,  
18 is just for fiscal year 2013 and 2014 -- 2013/2014.

19 Is there any discussion, any questions  
20 regarding the Committee's recommendation?

21 (No response.)

22 CHAIRMAN KICKLER: Okay. All those in  
23 favor --

24 MR. TOOLE: You don't need a second?

25 MR. BRAGG: It came as a motion from

1 the Committee, so I need a second, right?

2 MS. LUCASSE: You actually don't need  
3 a second because there's more than one person on the  
4 Committee and it's assumed that there's agreement and  
5 that is the second. If somebody wants to second it,  
6 there's no harm, but it's not necessary.

7 CHAIRMAN KICKLER: Okay. Is there a --  
8 well, since there's no harm, is there a second?

9 MR. TOOLE: I'll second the  
10 recommendation that you made.

11 CHAIRMAN KICKLER: Okay. All right. Since  
12 there seems to be no discussion or any questions about  
13 the Committee's recommendation, all those in favor of  
14 the recommendation say aye.

15 (Group responds.)

16 CHAIRMAN KICKLER: All those opposed say  
17 no.

18 (No response.)

19 CHAIRMAN KICKLER: Okay. The ayes carry  
20 it, and the Committee's recommendation for the fiscal  
21 year 2013/2014 has been adopted.

22 Moving on to the next Ad Hoc Committee  
23 Report, I asked the Committee Organization -- which I  
24 was on, and so was Trustee Vines and Trustee Hackney  
25 -- before I turn the time over to Trustee Vines to

1 talk about the Committee's recommendation, I wanted to  
2 -- I failed to mention that before we adopted the  
3 resolutions to send out to the former Trustees of the  
4 Natural Heritage Trust Fund and the Clean Water  
5 Management Trust Fund. I failed to thank the current  
6 members for their service and the time that they're  
7 putting into it because as we're going over these  
8 Committee recommendations, I'm reminded that folks  
9 took time out of their work schedules and their  
10 personal schedules to discuss these ideas that are  
11 being recommended to you now. So I want to thank all  
12 the current Trustees on the Clean Water Management  
13 Trust Fund.

14 So I will turn the time over to Trustee  
15 Vines to talk about the Committee Organization's  
16 recommendations.

17 MR. VINES: Thank you, Mr. Chairman.  
18 The Ad Hoc Committee on Committee Organization, we met  
19 either by phone or in person on November the 25th.  
20 Chairman Kickler, Ms. Hackney and Mr. Vines were  
21 either there in person or on the phone. We met that  
22 day to look at recommendations for Committee  
23 Organization, and the Ad Hoc Committee recommends the  
24 following resolutions I'm about to read.

25 The Special Committee on Committee

1 Organization, created at the November 12, 2013 meeting  
2 of the Clean Water Management Trust Fund Board, met on  
3 November the 25th. Committee members on the phone or  
4 present are Mr. Kickler, Ms. Hackney and Mr. Vines  
5 were all present.

6 The Committee was tasked to determine a  
7 structure for regular standing committees to assist in  
8 the distribution of the duties, tasks and general  
9 workload of the full Board. The Committee recommended  
10 the creation of two funding committees and two  
11 planning committees.

12 One, the funding committee consisting of  
13 four members plus the Chair, for a total of five  
14 members. Those Funding Committees are Acquisition and  
15 Restoration & Greenways. The Restoration & Greenways  
16 Committee would also be assigned any "innovative"  
17 storm water applications that might be received.

18 Two, the Grant Programs Committee, consists  
19 of three members. The Committee will be assigned the  
20 task of evaluation of grant criteria, allocation  
21 formulas and stewardship matters.

22 Third, the Administrative Committee,  
23 consisting of three members. The Committee is  
24 responsible for the review of Clean Water Management  
25 Trust Fund internal operating procedures, policies for

1 the presentation of grant application to the Board,  
2 and long-range planning.

3 Because the funding committees contain a  
4 majority of the full Committee Board which constitutes  
5 a quorum, they will be considered public meetings  
6 under North Carolina public meetings law and require a  
7 public notice and public accessibility. Chairman  
8 Kickler plans to discuss Trustee committee assignments  
9 at the December 18, 2013 Clean Water Management Trust  
10 Fund Board Meeting.

11 Finally, the Committee requests that the  
12 Clean Water Management Trust Fund staff issue a letter  
13 to the Agency listing as members of the Fund's  
14 Advisory Council as a reminder of their membership and  
15 with an open offer to participate as appropriate in  
16 the future.

17 Mr. Chairman, on behalf of the Ad Hoc  
18 Committee on Committee Organization, I, Charles Vines,  
19 a reporting member of the Ad Hoc Committee, move the  
20 adoption of this resolution as read.

21 MS. HACKNEY: Second.

22 CHAIRMAN KICKLER: Thank you. Is there any  
23 discussion regarding this particular recommendation?

24 (No response.)

25 CHAIRMAN KICKLER: It doesn't seem like



1           there is any. All those in favor, say aye.

2                           (Group responds.)

3           CHAIRMAN KICKLER: All those opposed say  
4 no.

5                           (No response.)

6           CHAIRMAN KICKLER: Ayes carry it and the  
7 Committee's recommendation has been adopted.

8                           As mentioned, I plan to -- well, I plan to  
9 do more than Trustee Committee assignments. I will  
10 take the opportunity now to assign Trustees to the  
11 various committees, and I want to encourage us all --  
12 there's a lot of work that needs to be done in the  
13 subsequent few months, and so I encourage all to  
14 please do their best on these committee assignments so  
15 we can have -- so we can make informed decisions and  
16 move as efficiently as possible in the meetings in  
17 2014.

18                           Okay. On the Acquisition Committee, which  
19 is four members, plus the Chair, obviously I am on  
20 that Committee. I would like to assign Trustees  
21 Bragg, Hackney, Beaujeu-Dufour and Vines on the  
22 Acquisitions Committee.

23                           For the Restoration & Greenways Committee,  
24 which is the Chair plus four members, obviously I am  
25 on that one, and I would like to assign Trustee Toole,

1 Trustee Markham and Trustee Martin, and Trustee  
2 Hackney.

3 For the Grant Programs Committee I assign  
4 Trustee Cawood, Trustee Markham and myself.

5 For the Administrative Committee I assign  
6 Trustee Martin, Trustee Vines and Trustee Cawood. I  
7 would like to make Trustee Cawood chair of that -- of  
8 the Administrative Committee.

9 Okay. Moving on, the next item, it is  
10 approval of the 2014 Board Meeting Schedule. We've  
11 had time to look at it and pick the best dates for the  
12 Trustees as well as we can anticipate how 2014 will  
13 unfold. We have the proposed 2014 meeting dates,  
14 which are February 10th, June 16th, August 18th and  
15 October 7th. So I ask the Board if there's any  
16 discussion or any questions on the proposed dates?

17 (No response.)

18 CHAIRMAN KICKLER: Is there a motion to  
19 accept the proposed 2014 calendar?

20 MR. MARTIN: So moved.

21 MR. BRAGG: Second.

22 COURT REPORTER: Who seconded?

23 MR. BRAGG: Second.

24 COURT REPORTER: Okay.

25 CHAIRMAN KICKLER: We have a motion and a

1 second. All those in favor of the proposed 2014  
2 meetings say aye.

3 (Group responds.)

4 CHAIRMAN KICKLER: All those opposed say  
5 no.

6 (No response.)

7 CHAIRMAN KICKLER: Ayes carry it, and the  
8 proposed meetings pass. Moving on to the next item of  
9 old business, Consideration of Request on Existing  
10 Contracts. The first consideration is the request of  
11 Grant Contract 2012-079 Duvall Tract from Land Trust  
12 for the Little Tennessee to Wildlife Resources  
13 Commission. So I -- okay, I'll turn the time over to  
14 Nancy.

15 MS. GUTHRIE: Thank you, Mr. Chairman.  
16 Clean Water Trust Fund did award a contract to the  
17 Little -- Land Trust for Little Tennessee for  
18 acquisition of property that was going to be turned  
19 over to Wildlife Resources Commission. That was part  
20 of the contract.

21 Little Tennessee and Wildlife Resources  
22 Commission at this point would like the contract  
23 transferred to Wildlife Resource Commission so that  
24 they can just directly administer and purchase the  
25 property without going through the Land Trust at this

1 point.

2 This is an action that has been taken in the  
3 past. It's just administrative. The same scope of  
4 work will be achieved at the end of the project. One  
5 small difference is Wildlife Resource Commission would  
6 not receive transaction costs or stewardship funds as  
7 policy from Clean Water Board, so there is actually  
8 some efficiency and a little bit of savings by  
9 transferring the contract. And so staff does support  
10 the transfer. Mr. Chairman?

11 CHAIRMAN KICKLER: Are there any questions?

12 (No response.)

13 MR. MARKHAM: Move to accept the staff  
14 recommendation.

15 CHAIRMAN KICKLER: Is there a second?

16 MS. HACKNEY: Second.

17 COURT REPORTER: Who was that, Hackney?

18 MS. HACKNEY: Second.

19 COURT REPORTER: Second.

20 CHAIRMAN KICKLER: All those in favor of  
21 Little Tennessee Request to Transfer Grant Contract  
22 2012-079 Duvall Tract to the Wildlife Resources  
23 Commissions say aye.

24 (Group responds.)

25 CHAIRMAN KICKLER: All those opposed say

1 no.

2 (No response.)

3 CHAIRMAN KICKLER: Ayes carry it. The next  
4 item of business is a change on existing contract  
5 2010-207. I'll turn the time over to Nancy or --

6 MS. GUTHRIE: I'll take it. Thank  
7 you.

8 CHAIRMAN KICKLER: You'll take it, thank  
9 you.

10 MS. GUTHRIE: Clean Water awarded a  
11 Greenway Contract to Jackson County for a Greenway  
12 along the Tuckasegee River. They have been working on  
13 this for a couple of years now and have acquired three  
14 of the eight properties in the original contract.  
15 There is a map for the Trustees that show the original  
16 properties and then they are asking to substitute  
17 eight additional properties for some of the original  
18 properties that they cannot obtain at this point  
19 because of landowner interest and expectations.

20 We have had other Greenways come back and  
21 request changes and we understand that putting these  
22 Greenways together is a lot of work, and that  
23 sometimes landowners in the middle do have some  
24 unrealistic expectations.

25 On this particular project, we would like to

1 see the contract, which expires January 2014, go ahead  
2 and expire, close that out, pay everything for the  
3 properties that have been acquired and then encourage  
4 Jackson County to come back with an application for  
5 these new set of properties that they would like to  
6 add, and we think that that would be a little bit  
7 cleaner way, since this project is so close to  
8 expiration at this point.

9 And I can take questions on that if anyone  
10 has them.

11 MR. TOOLE: Why would you like to  
12 see it expire? I'm unclear on that.

13 MS. GUTHRIE: Instead of amending the  
14 contract and working with additional property owners  
15 who at this point I don't believe are all committed,  
16 we'd like to see Jackson County come back with letters  
17 of intent, a really solid project for those eight  
18 additional projects.

19 MR. TOOLE: So it's your feeling  
20 this proposal is just too speculative at this point to  
21 maintain the commitment?

22 MS. GUTHRIE: Yes.

23 MR. MARKHAM: Nancy, if I'm clear on  
24 the map, one of the pieces that they're not able to  
25 acquire in the original grant isolates the new tract,

1 perhaps an advantage to the Greenway?

2 MS. GUTHRIE: Yes.

3 MR. MARKHAM: Okay. I agree with you  
4 in that respect.

5 MS. GUTHRIE: Ultimately, the plan is  
6 to have the Greenway through the entire corridor, so  
7 the new properties really start working at the lower  
8 end and they are all adjacent, but they are not up  
9 with the other properties.

10 MR. MARTIN: That conversation with  
11 the property owners, has that been started yet and are  
12 they looking somewhat favorable?

13 MR. MASSIE: Preliminary discussions  
14 have begun. There are no commitments from the eight  
15 new property owners at this point in time.

16 The other reality simply is is that the  
17 original commitment was for eight properties. Three  
18 have essentially been acquired. These are totally new  
19 properties. It's -- essentially you're starting from  
20 the beginning again, and due to our financial  
21 situation and the funds that are out there, we feel  
22 like there are probably other projects waiting in the  
23 wings that can better use that money at this point in  
24 time until they move a little bit farther along.

25 MS. GUTHRIE: Which is one more point,

1 Mr. Chairman, I'll make. There would be funds  
2 remaining in this contract at the end of January.  
3 Those funds would then become available maybe by  
4 February, at least in early spring, to move to other  
5 projects.

6 CHAIRMAN KICKLER: Are there any other  
7 questions? Any other comments?

8 MR. VINES: What is the amount that  
9 has been expended to date?

10 MS. GUTHRIE: I don't have that. I  
11 believe there's going to be about 200,000 remaining.

12 CHAIRMAN KICKLER: Any other questions?

13 (No response.)

14 CHAIRMAN KICKLER: Is there a motion to let  
15 the contract expire without amending the scope of work  
16 and allow Jackson County to reapply after additional  
17 landowners have made confirmed commitments?

18 MR. BRAGG: So moved.

19 CHAIRMAN KICKLER: Is there a second?

20 MR. TOOLE: I'll second it.

21 CHAIRMAN KICKLER: All those in favor say  
22 aye.

23 (Group responds.)

24 CHAIRMAN KICKLER: All those opposed say  
25 no.



1 (No response.)

2 CHAIRMAN KICKLER: Ayes carry it. Moving  
3 on to the next item, Request to Change the Scope of  
4 Work on Contract 2012-028 the Nature Conservancy,  
5 Riverstone Tract, Phase I.

6 MR. SUMMER: Thank you, Mr. Chair.  
7 In 2012, the Clean Water Management Trust Fund awarded  
8 \$600,000 to the Nature Conservancy for the fee simple  
9 purchase of 3,200 acres. This was Phase I of a much  
10 larger project to acquire approximately 18,000 acres.

11 After the grant was awarded, the landowners  
12 decided they would prefer to start at the south end,  
13 so this is the yellow -- the whole yellow outline is  
14 the entire parcel. This is Phase I which was  
15 originally approved last year. This is Phase I as the  
16 Nature Conservancy is requesting that we amend the  
17 contract.

18 Both parcels or both subdivisions are the  
19 same acreage; both would have got the same clean water  
20 score, 118. Although this southern one is not  
21 directly adjacent to existing conservation lands, I  
22 anticipate that the entire parcel will eventually be  
23 protected; therefore they'll all have a connected  
24 corridor.

25 And finally, because the southern parcel is

1 at the confluence of White Marsh and the Waccamaw  
2 River, we significantly increase the number of stream  
3 footage on this -- on this swap. So Staff supports  
4 TNC's request to move Phase I to the southernmost  
5 portion of this tract. Thank you.

6 CHAIRMAN KICKLER: Could you explain to the  
7 Trustees how this -- because the Riverstone/Waccamaw  
8 River area is also on the Natural Heritage Trust Fund.  
9 If you could explain how all this would go.

10 MR. SUMMER: Absolutely. And we'll  
11 see this twice more today. So last year in 2012 Clean  
12 Water approved a grant for Phase I, 600,000. When we  
13 begin reviewing the Natural Heritage Trust Fund  
14 applications you're going to see a request for 1.5  
15 million to match to Clean Water. That's also going to  
16 be for Phase I.

17 Once we get through the Natural Heritage  
18 applications and move on to this year's Clean Water  
19 Management Trust Fund applications, you're going to  
20 see a request for Phase II, and that's going to be  
21 this right here (indicating).

22 So we've already put half the puzzle piece  
23 in place for Phase I. Natural Heritage will  
24 contemplate the other half and then the last thing  
25 we'll see is the Clean Water application for Phase II.

1 CHAIRMAN KICKLER: Are there any questions  
2 for Will or Nancy?

3 (No response.)

4 CHAIRMAN KICKLER: Is there a motion to  
5 support TNC's request to move Phase I to the  
6 southernmost portion of the tract?

7 MR. MARKHAM: So moved.

8 CHAIRMAN KICKLER: Thank you. Is there a  
9 second?

10 MR. VINES: Second.

11 COURT REPORTER: Who seconded?

12 CHAIRMAN KICKLER: Vines. There's no more  
13 discussion. All those in favor of moving Phase I to  
14 the southernmost portion of the tract say aye.

15 (Group responds.)

16 CHAIRMAN KICKLER: All those opposed say  
17 no.

18 (No response.)

19 CHAIRMAN KICKLER: The ayes carry it.  
20 Moving on to the next agenda item, Request to Change  
21 the Scope of Work to Natural Heritage Trust Fund  
22 Boiling Springs Lake Acquisition.

23 MR. SUMMER: Thank you, Mr. Chairman.  
24 The North Carolina Plant Conservation Program has  
25 received grants from the Natural Heritage Trust Fund

1 to protect the nationally significant Boiling Springs  
2 Lakes Plant Conservation Preserve thus shown as a  
3 faint blue outline on this map. The grants require  
4 that acquisitions occur in specific areas outlined in  
5 yellow on this map, and since they've begun, they've  
6 found new imperiled species in the southwestern area,  
7 as well as fewer management constraints, and the  
8 primary management tool for this area, of course, is  
9 fine.

10 So in addition -- in addition to having  
11 willing landowners and large tracts, which the State  
12 Property Office is in favor of in this southwestern  
13 area -- so to this end, they are requesting that areas  
14 in pink be added to the list of those that are  
15 eligible to purchase with this grant. So the yellow  
16 is what they had previously been allowed to purchase.  
17 They just want to add this area.

18 You can see how small some of these parcels  
19 are in the -- in the yellow area. This they could get  
20 with much less difficulty, and I think it's going to  
21 give them a lot more access to this land, as well as  
22 there's more freedom to burn.

23 Terri, next slide please.

24 And this is just a close up. They've  
25 already secured Corbett. What they probably would do

1 is go to Caroon and that would round out the grant.  
2 But they want to have these other ones on the list  
3 just in case something falls through with Caroon that  
4 they've got to have a backstop for the application.

5 And Staff supports this request to expand  
6 the scope of work to include these six tracts at the  
7 southwest boundary of the area.

8 CHAIRMAN KICKLER: Thank you. Can you  
9 explain maybe in further detail why this particular  
10 tract of land is the best option?

11 MR. SUMMER: Could you go back there?  
12 Certainly. Just from a logistical standpoint, you  
13 know, these are as small as third and quarter acre  
14 lots, a lot of out-of-state landowners. They're  
15 having a lot of trouble piecing this together. They  
16 would love to -- and still a priority -- but in the  
17 interest of having something done in the near term,  
18 they've got these larger -- larger tracts with -- with  
19 willing landowners, and it's my understanding they  
20 found new imperiled species in this area, as well as  
21 there's so much large, open land. They really have an  
22 easier time of burning this area, which is what's  
23 necessary to maintain the plant communities, and you  
24 can see just by the parcel sizes in here (indicating)  
25 how difficult it might be with the outparcels to get a

1 burn done. Things would have to be just so.

2 CHAIRMAN KICKLER: Are there any questions  
3 or comments?

4 (No response.)

5 CHAIRMAN KICKLER: Is there a motion to  
6 support PCP's request to expand the scope of work to  
7 include six tracts at the southwest boundary of the  
8 Boiling Springs Lake Acquisition?

9 MR. BRAGG: So moved.

10 CHAIRMAN KICKLER: Thank you. Is there a  
11 second?

12 MR. MARKHAM: Second.

13 CHAIRMAN KICKLER: Thank you. All those in  
14 favor of the recommendation say -- or the motion say  
15 aye.

16 (Group responds.)

17 CHAIRMAN KICKLER: All those opposed say  
18 no.

19 (No response.)

20 CHAIRMAN KICKLER: The ayes carry it.

21 Moving on to the majority of our day, new business.

22 Before I -- we will have presentations regarding the  
23 various Natural Heritage Trust Fund applications, but  
24 before we proceed, I want to try to provide a road  
25 map, a game plan, whichever, to provide some structure

1           for this new business section because I think we need  
2           to look at things incrementally.

3                       We've had our packet for applications -- the  
4           application materials for a while, and again, I hope  
5           everybody has taken time to look at it, and that  
6           you've asked questions of staff if you had a question  
7           about anything.

8                       But the first part will be the Natural  
9           Heritage Trust Fund presentations, which will be  
10          approximately three to five minutes for each one, and  
11          we will -- only the applications that are ranked  
12          Priority 1, 2 and 3 will be presented for the sake of  
13          time because we have a lot to do today, and then also  
14          while they're higher ranked, some of the other grant  
15          applications, and then of course the limited amount of  
16          funding, as well.

17                      Please ask questions during the  
18          presentations, but keep in mind that we are under time  
19          constraints today. Again, we want to make an informed  
20          decision, you know, so please ask questions, but also  
21          keep in mind that we have a lot to do today.

22                      After the Natural Heritage Trust Fund  
23          presentations, I would like for the Trustees to come  
24          up with a priority list to allocate the approximately  
25          8.6 million dollars to do that. By statute we have to

1 give the Natural Heritage Trust Fund-type projects  
2 that were granted for 2013.

3 After that, of course staff will be making  
4 spreadsheets that will help us move along, as well,  
5 because we will need to compare the Natural Heritage  
6 Priority list with some of the Clean Water  
7 Applications because they're matching funds. And so  
8 what has been awarded may influence what we -- what  
9 has been awarded to Natural Heritage-type projects may  
10 influence or will influence, more than likely, what we  
11 decide on Clean Water Management presentations.

12 There will be Clean Water Management  
13 presentations. They'll be approximately three to five  
14 minutes apiece, as well. The same ideas in mind.  
15 Please ask questions, but keep in mind that we are  
16 under time constraints. And the presentations will  
17 stop at number 18 on the list, and that's because of  
18 the scores. There are like four or five applications  
19 with 1 of 5 scores. So they're just listed in  
20 alphabetical order. Number 18 didn't come in 18th  
21 place. It just has the same score as four others and  
22 it happens -- you know, the first letter in the name  
23 happens to be later on into the alphabet.

24 So then after that, we'll vote for a  
25 priority list for Clean Water Management, so we'll



1           have -- then we'll have priority lists for Natural  
2           Heritage and Clean Water Management and then we will  
3           vote on how we will allocate the money to Natural  
4           Heritage and Clean Water.

5                       And after that because -- in anticipation of  
6           the license -- the license fees for the 2013/2014  
7           fiscal year, we will make a provisional list in  
8           anticipation of license revenue and we will vote on  
9           that provisional list because I think we'll be able to  
10          make better decisions after we know how the money has  
11          been allocated. We'll be able to make a better  
12          provisional list at that time. So that is -- that is  
13          the roadmap that we are going to take, and we're  
14          making good progress.

15                    MS. GUTHRIE:            The only thing I would  
16           like to add --

17                    CHAIRMAN KICKLER:    Yes.

18                    MS. GUTHRIE:            -- that we had  
19           discussed, if there are any projects below in the  
20           priority 4 and later or below project 18, our field  
21           reps do have presentations and Trustees can certainly  
22           ask for any of those and bring them up. Those are  
23           prepared if you want them.

24                    CHAIRMAN KICKLER:    So I will turn the time  
25           over for the Natural Heritage Trust Fund presentation.

1 MS. GUTHRIE: Thank you.

2 CHAIRMAN KICKLER: One other thing, if you  
3 need to recuse yourself as we go along, please remind  
4 us of that so one is not talking about it before you.

5 MS. GUTHRIE: Before the  
6 presentations, let me just very quickly go over the  
7 spreadsheet that is in your blue folder this morning  
8 for the Natural Heritage Program Application. There  
9 were a few changes and we wanted to give everyone the  
10 sheet.

11 So let me just tell you what the changes  
12 are. On the first page, Project -- the third project  
13 down, 2013N-014, Headwaters Tract, the request -- the  
14 updated request is 5 million dollars. There are  
15 options in the application that will be discussed in  
16 the presentation, but for the worksheet that's one of  
17 the changes that was made.

18 On the second page, the third project down,  
19 which is the Caraway Tract, the requested amount was  
20 reduced to \$250,000. There was some successful  
21 private fundraising. So that number has changed.

22 And on page 3, the fourth project, the  
23 Gilbert Town, the original spreadsheet just had an  
24 error on it, and so the requested amount is the  
25 \$183,400.

1           In addition to those numbers changing,  
2           Department of Agriculture and Consumer Services  
3           withdrew several projects just recently, and those are  
4           now marked as withdrawn on the spreadsheet.

5           So I just wanted you to know what the  
6           changes were. Now we're ready. The first  
7           presentation, again, with the Natural Heritage --  
8           these are being presented in priority order for the  
9           Agency, and then the second sort is by the Natural  
10          Heritage Significance. So our first presentation is  
11          by Tom, 2013N-005, the Yellow Mountain State Natural  
12          Area - Grassy Ridge and Vance-Odom Heirs Tracts.

13                   MR. MASSIE:           Thank you, Nancy. Good  
14           morning to everybody, and Merry Christmas. You know,  
15           Christmas -- excuse me. I'm getting over a cold that  
16           I believe somebody with the Department of Agriculture  
17           and Plant Conservation Program gave to me about two  
18           weeks ago, but I'm not going to hold that against you  
19           guys today. Now, I just want you to know that.

20                            You know, at Christmas a lot of times you'll  
21           get something like an orange or a tangerine or  
22           something. This is a brave new world for us. We've  
23           never done -- the Clean Water Staff has never done  
24           Natural Heritage Applications. It's always been a  
25           presentation by the Agency, themselves, as to why

1           these are important projects to them.

2                       Now, we're going to try to present these and  
3 do justice to them. If I get plummeted with questions  
4 that the Trustees have, then I'm going to call on the  
5 Agency people to straighten it out and to clarify  
6 questions. So just be aware that I may be calling on  
7 any of you to do that at some point in time.

8                       As I say, at Christmas a lot of people used  
9 to get oranges or get tangerines or something like  
10 that, and those are fruits. And while Clean Water  
11 Applications and Natural Heritage Applications have a  
12 whole lot in common, it's like oranges and tangerines.  
13 It's not the same fruit. There's different sizes,  
14 different species, different varieties. They don't  
15 match up exactly. They've got a lot of similarities  
16 and commonalities, but there's some differences, too,  
17 and you're going to notice that today, and some of you  
18 already have in terms of calling me about these  
19 projects saying the dollar figures don't add up, the  
20 acreage figures don't add up exactly.

21                       So these are a little bit confusing, so  
22 remember these are two separate types of animals  
23 completely, and I'm going to try to walk you through  
24 this, and Yellow Mountain State Natural Area is one of  
25 the most confusing applications out here. So bear

1 with me. I'm going to try to explain it as we go.

2 This is actually two separate parcels. We  
3 have two applications to Clean Water on these two  
4 individual tracts. They are combined into one  
5 application with Natural Heritage Trust Fund.

6 So this is actually the Grassy Ridge Tract  
7 and the Vance-Odom Heirs Tract, and this is looking at  
8 Grassy Ridge. Next slide, please, Terri.

9 DENR has requested a million-eight to  
10 purchase in fee these two tracts that lie within the  
11 Yellow Mountain State Natural Area in Avery County.  
12 Next slide, please.

13 Here you see the two separate tracts.  
14 Essentially the way the Natural Heritage Application  
15 breaks down, it's a combined application of 1.8  
16 million dollars, but it breaks down to 1.5 million for  
17 the 560 acres in Grassy Ridge in the top portion of  
18 the slide. The Odom Heirs is 442,000 for 368 acres.  
19 Next slide, please.

20 The Natural Area was authorized in 2008 to  
21 meet some deficiencies within the park system for high  
22 quality Montane Natural Communities and to date the --  
23 the area currently has about 255 acres.

24 By acquiring these two separate tracts,  
25 we'll reach almost 3,500 acres in the Natural Heritage

1 Area. Next slide, please.

2 So Grassy Ridge lies within the Roan  
3 Mountain Mastiff State Natural Heritage Area. It  
4 contains high elevation rocky summits, northern  
5 hardwood forests, Montane acid cliffs, Rich Cove  
6 forests, Red Oak Chestnut forests and Heath Bald  
7 communities, all of which are important to the  
8 program.

9 Grassy Ridge is owned by the Southern  
10 Appalachian Highlands Conservancy. They've already  
11 purchased it, and this tract has received funding from  
12 both Natural Heritage and Clean Water last fiscal  
13 year. And this, again, is a view of Grassy Ridge.  
14 Next slide.

15 The Vance-Odom Tract is 368 acres and it  
16 lies within the Yellow Mountain Raven Cliff State  
17 Natural Heritage Area. It contains high quality  
18 examples of acidic cove forests, high elevation seeps,  
19 northern hardwoods and Red Oak forests.

20 The tract does have some agricultural uses  
21 at the lower elevations, primarily grazing land for  
22 cattle and also a Christmas tree farm; about 22 acres  
23 total of the entire tract.

24 Part of this particular tract is access to  
25 the Yellow Mountain Raven Cliff area. It's very

1 limited access to the public right now. That's  
2 important to state parks. Next slide, please.

3 There are numerous rare and endangered  
4 species throughout this area in close proximity to  
5 these parcels and in high probability that they  
6 actually occur on these parcels, themselves, even  
7 though they haven't been completely surveyed.

8 There are two trout streams on the tracts;  
9 Jerry Creek on Grassy Ridge, Justice Creek on the  
10 Vance-Odom tract. Next slide, please.

11 As I say, we currently have two applications  
12 pending before us that you'll see later on today.  
13 You've got 028 which is Yellow Mountain Gateway, which  
14 is Clean Water's number one priority, the request for  
15 \$733,000; and then you have 027, which is Grassy Ridge  
16 Phase II, which is a million-three roughly. And then  
17 you've got the cost per acre, 6,500 for Grassy Ridge,  
18 5,000 for the Vance-Odom tract. This is DENR's number  
19 one priority on Natural Heritage.

20 Now, I know that's a lot of figures. It's  
21 confusing. Next slide, please. Let me try to explain  
22 how this can work.

23 Southern Appalachian owns both of these  
24 tracts of land. State Parks has expressed interest in  
25 owning both parcels. So Natural Heritage requests, as

1 I say, 1.8 million dollars, of which 442,000 goes to  
2 -- is from Natural Heritage for Vance-Odom; 1.7 -- or  
3 1.4 is for Grassy Ridge II.

4 State Parks has \$657,000 in Land and Water  
5 Conservation Fund monies that they could put together  
6 with the \$442,000 to meet Southern Appalachian's sale  
7 price on the Vance-Odom Heirs, which is 1.1 million  
8 dollars.

9 Southern Appalachian has 1.7 -- nearly 1.8  
10 million dollars in debt on the Grassy Ridge tract. If  
11 Natural Heritage is fully funded at 1.4 for that, then  
12 there will only be \$350,000 in remaining debt on the  
13 Grassy Ridge tract. So what that means is if we fund  
14 the full Natural Heritage request for this Yellow  
15 Mountain State Heritage Area, then 028, which is the  
16 Vance-Odom Heirs, Clean Water Application will not --  
17 they will not need any Clean Water money whatsoever,  
18 as exempted down here in the right-hand corner, and it  
19 will reduce the amount that's requested for 027, which  
20 is Grassy Ridge II will be reduced from 1.2 million  
21 dollars to \$350,000.

22 So by fully funding Natural Heritage, what  
23 you actually do is you free up 1.6 million dollars of  
24 Clean Water money to move farther down the list to do  
25 more Clean Water projects.



1                   Now, that's a mouth full so let me try to  
2                   answer any questions that I can. If not, I'll call on  
3                   State Parks to help us.

4                   MR. BRAGG:                   Tom, how was the price  
5                   -- the value of the land arrived at?

6                   MR. MASSIE:                   They go through  
7                   appraisals.

8                   MR. BRAGG:                   So that's through an  
9                   appraisal?

10                  MR. MASSIE:                   Yes, sir.

11                  MR. BRAGG:                   Well, the question to me  
12                  appears to be that you want more monies left in  
13                  Natural Heritage or if we fully fund this through  
14                  Natural Heritage and it frees up money on the Clean  
15                  Water side.

16                  MR. MASSIE:                   That's correct.

17                  MR. BRAGG:                   So it's --

18                  MR. MASSIE:                   And that's the decision  
19                  for the Board to make.

20                  MR. VINES:                   Let me comment, please.  
21                  In looking at what Tom said here, this is one that I  
22                  picked up. I'm trying to figure out where it ends as  
23                  we begin eliminating.

24                                I think the dilemma we're going to have here  
25                                is if you look at what we say we're going to do in

1 Section A of the -- of the finance allocation of  
2 dollars and Section B, we're going to need to know  
3 where we stand on what percentage that we may cap  
4 these funds will determine whether -- what the savings  
5 is going to be on here. Are we going to fund -- fund  
6 all these projects based on the -- the face amount of  
7 them? Are we going to cap the projects? That's where  
8 I think -- that's where I think the Board has got to  
9 take a look at where -- we want to set whatever  
10 figures we're going to use. It makes a whole lot of  
11 sense to fund the \$1,857,261 to put additional funds  
12 back in Clean Water because it will reduce the 028 --  
13 or 027 project will reduce down, but the number one  
14 priority would actually go away for the Clean Water  
15 side, so that would put additional dollars, about 1.6,  
16 that could be spent on other Clean Water Management  
17 projects.

18 I think when you determine -- we need to  
19 determine where we're going to be with our money, how  
20 we're going to be with our money, how we're going to  
21 make decisions and what we're going to fund. Are we  
22 going to fund the project based on face value?

23 MR. TOOLE: Mr. Chairman, to that  
24 point, I gave some thought to that. It's funny you  
25 mentioned the cap Trustee Vines. I thought that if we

1           took a -- this is arbitrary, but if you took a two  
2 million dollar cap on Natural Heritage money, that  
3 gets all -- it gives us the opportunity to fund all  
4 but the top three priority projects with the -- at the  
5 face amount with the exception of the French Broad  
6 project.

7                         Now, that's also assuming that we're going  
8 to get some extra money from the -- from the license  
9 plate money, which I'm guessing will be about a  
10 million dollars for Natural Heritage. So I'm making  
11 an assumption there, but I would guess down to Gilbert  
12 Town.

13                        Whether we want to do that or not, you know,  
14 that's a conversation, but it seems to me that that  
15 would be an approach that would really have a lot of  
16 impact with this Natural Heritage money and we could  
17 then talk about the same sort of cap over the Clean  
18 Water Trust Fund, as well. We can see where that  
19 goes.

20                        In the future, it would help me if I could  
21 have a -- instead of having to build my own  
22 spreadsheet, if we could have this spreadsheet sent to  
23 us in live format, I would be grateful, and then I  
24 could play what if very quickly. That's just a  
25 request.

1                   MR. GOSSAGE:            As an electronic Excel  
2                   spreadsheet?

3                   MR. TOOLE:                Yeah.

4                   MR. GOSSAGE:            Absolutely.

5                   MR. VINES:                I agree with you. I  
6                   looked at it from the standpoint of a two million  
7                   dollar cap and in looking at that, we would get -- not  
8                   counting the changes that were made on the one that I  
9                   saw this morning, but going back to the previous one.  
10                  They were to fund one, two, three, four, five, six,  
11                  seven, eight, nine, ten, eleven projects in Natural  
12                  Heritage, and not counting -- not counting the --  
13                  whatever the allocation is going to be, between 35 and  
14                  45 percent of the -- of the license plate money over  
15                  that two million dollars, and that would open up and  
16                  free up the same projects you have on the -- on the  
17                  Clean Water side which would allow several -- several  
18                  projects probably pretty low to the majority. Those  
19                  projects could be funded if we look at a cap. And I'm  
20                  not saying that's what we need to do. It would make  
21                  sense for us to try to fund as much as we can, and  
22                  with the Headwaters Project in Transylvania County,  
23                  five million dollars is requested and it is for Phase  
24                  5 of the project, and we could phase that in over the  
25                  next couple years and probably be able to free that

1           one up, too, and that's the largest one that we have  
2           there. The only other one -- all the other ones would  
3           be under the two million dollar cap.

4                   MR. BRAGG:                   Yeah, I -- I think  
5           that's something we need to know before we start  
6           talking about what we want to fund and not fund.  
7           Where are we going to set our limits?

8                   CHAIRMAN KICKLER:        Yeah, I wanted to have  
9           this conversation, but having it now is just as good  
10          as having it later. Of course, we're just talking  
11          about Natural Heritage Trust Fund projects at this  
12          point. You know, I was thinking over the weekend -- I  
13          was looking over the packet and stuff -- you know, do  
14          we want to fund a few good -- you know, a couple -- a  
15          few good projects or do we -- or do we want, you know,  
16          for the grant allocation to reflect the geographical  
17          diversity of the State? Those are some questions I  
18          think we should -- you know, we were probably asking  
19          and probably formed a conversation that we're going to  
20          have. So I'll just -- I mean, is there any other  
21          discussion about what's been talked about about  
22          capping the Natural Heritage Trust Fund? Any other  
23          ideas?

24                   MR. BRAGG:                   I think it's important  
25          to know from the Staff if there's a project that if we

1 cap, it's going to mean the elimination of that  
2 project, that it can't be done. We need to know that  
3 because that's a decision.

4 At the same time, that project, if at least  
5 partially funded, that would enable part of it be done  
6 and maybe fund the rest of it next year. So these are  
7 things that the Staff can help us with, I think, so  
8 that we don't have to just say, "Let's do a cap."

9 I mean, a cap on a ten million dollar  
10 project we're capping at two, the percentage of that  
11 project is huge. So I think we need to go case by  
12 case and prorate -- when we get down to it, maybe  
13 prorate some of these cases that we can still fund  
14 maybe in the next cycle, I think that might be a good  
15 approach.

16 MR. TOOLE: Well, if we were to use  
17 a two million dollar cap -- this is just a talking  
18 number -- that would only -- on Natural Heritage only  
19 touch the Headwaters Project, and I guess the question  
20 would then be to Tom, would that kill the project or  
21 are we still in the game?

22 MR. MASSIE: This project has been  
23 phased over a number of years. It's 8,100 acres.  
24 There are a remaining 3,000 acres to be purchased.  
25 What it breaks down to roughly is about -- for every

1           \$4,000 that's allocated, they could buy one acre of  
2           land; plus you've got to add in some for your  
3           transaction costs and we handle it different ways in  
4           the different programs.

5                        So even this year if we fully funded what we  
6           had for Natural Heritage and the Clean Water  
7           Applications, they still couldn't buy all 3,000 acres.  
8           So you're going to see this one again. It's been --  
9           this is Phase 5. You're going to see Phase 6 next  
10          year, sure as the world. So --

11                   MR. TOOLE:                    So just to put it  
12          plainly, if we --

13                   MR. MASSIE:                    Yes.

14                   MR. TOOLE:                    -- put a cap, it would  
15          not kill the project. We're going to see it anyway  
16          and we're going to be mowing the lawn of this one for  
17          a while anyway?

18                   MR. MASSIE:                    Yes, sir.

19                   MR. TOOLE:                    Okay.

20                   MR. MASSIE:                    The option goes through  
21          December of 2014.

22                   MR. GOSSAGE:                   Mr. Chairman, would you  
23          -- you know, sensing kind of the direction this  
24          conversation is going, would you like, as the  
25          presentations go on, for each of these would you like

1           for Staff to indicate whether or not it needs to be  
2           funded in its entirety or if it could be funded  
3           partially, or would you like for Staff right now to  
4           just work down the list and show -- explain whether or  
5           not that's the case for each one?

6                   CHAIRMAN KICKLER:     It seems like we'd have  
7           to know what the cap is to know whether --

8                   MS. CAWOOD:                 This is Greer. One  
9           other thing that I think to keep in mind with  
10          Headwaters is they are looking for federal funding, if  
11          I remember correctly, which also should help in the  
12          purchase.

13                   MS. GUTHRIE:                 Mr. Chairman --

14                   CHAIRMAN KICKLER:     Yes.

15                   MS. GUTHRIE:                 -- one of the  
16          discussions we had was to go through all of the  
17          projects, but at the end of each one not yet decide  
18          the funding amount, and this -- I'm trying to think if  
19          this helps you all with the cap discussion.

20                                 Look at the projects, see if there are any  
21          that you want to pull up, see if there are any that  
22          are -- any particular reasons you do want to partially  
23          fund them. At the end of the presentations we can  
24          project a sheet that will have -- you know, it would  
25          be live and you could play with some caps at that



1 time.

2 CHAIRMAN KICKLER: Now that I'm thinking  
3 about it, as we're -- this is a discussion we need to  
4 have and maybe we need to have it at the end of the  
5 presentations so we can have an idea of what all the  
6 projects are, and we're making a priority list for  
7 Natural Heritage Trust Fund and Clean Water, and then  
8 we'll vote on what money we want to give each -- each  
9 one.

10 MR. MARKHAM: Some questions have been  
11 answered, but this -- there are a couple of form  
12 letters of the Heritage Trust Fund that let us know  
13 how the projects did in the past, whether there were  
14 caps. When an agency comes forward with its  
15 application (indiscernible) funded in full at the  
16 requested amount.

17 CHAIRMAN KICKLER: Okay. I was on the  
18 Natural Heritage Trust Fund Board for a couple years,  
19 maybe a couple and a half, and funds were partially --  
20 I mean, I use the word partially funded -- the full  
21 amount wasn't granted, and as it was mentioned, the  
22 Headwaters Project was at -- since I have been on the  
23 Board, there was always an application for the  
24 Headwaters Project and I have always been curious  
25 about the status of the Forest Legacy (phonetic) and

1           that was supposed to be matching funds.

2                       So, I mean, since I was on the Board, if I  
3 recall correctly, there was always the application for  
4 Headwaters, and not all applications were funded, and  
5 I do not recall -- and Greer, you can correct me if  
6 I'm wrong; I do not recall caps being --

7                       MS. CAWOOD:               That is my recollection  
8 also.

9                       MR. MARTIN:               Mr. Chairman,  
10 (indiscernible) geographic coverage, and so I think as  
11 much spread over the state as we can have -- I know  
12 there's a preponderance of regional diversity, and you  
13 can still see that I think anything we can do kind of  
14 -- would be a good idea, as well.

15                      MS. HACKNEY:            I agree with that.

16                      MR. MASSIE:            Mr. Chairman, I think  
17 what we'll see -- we seem to be stuck on the word  
18 "cap" and -- on the Headwaters Tract. When we get  
19 into the presentation on Headwaters Tract we'll see  
20 that there are three funding options that have been  
21 offered to us by the Agency, itself.

22                      So perhaps when we get down there you can  
23 look at all three funding options and see if one of  
24 those is more appealing to the Board than something  
25 else, and then make a decision at the end.

1                   CHAIRMAN KICKLER:    Right.  Okay, thank you.  
2                   Yes, there are options for different amounts.  You've  
3                   mentioned three options.  So for the sake of time, why  
4                   don't we keep that in the back of our minds whether  
5                   there should be caps or not, but let's proceed with  
6                   the presentations and see -- learn more about the  
7                   various projects, and that may help us decide whether  
8                   there should be caps or not.

9                   Also in regards to regional diversity I mean  
10                  in my mind because the project simply happens to be in  
11                  the central part of the state, I don't think it should  
12                  be funded for that reason.  So we'll go on to the next  
13                  presentation for the Natural Heritage Trust Fund.

14                 MR. SUMMER:                 Thank you.  The Wildlife  
15                 Resources Commission is requesting 1.5 million out of  
16                 2.5 million to purchase 3,200 acres.  It's located in  
17                 Columbus County in the Lumber River Basin.

18                 What we're looking at at this moment is  
19                 Phase I, which we've already seen a little bit about,  
20                 and this is the Waccamaw River right here  
21                 (indicating).  White Marsh Swamp comes in right here  
22                 (indicating).  As you see, there's a lot of -- a lot  
23                 of water on these two -- on this parcel.  Next slide,  
24                 please.

25                 This is a picture where the Waccamaw River

1 leaves Lake Waccamaw. Next slide.

2 This is a typical view from the water of the  
3 Waccamaw River. This is a typical, quote, unquote,  
4 "upland". This is about as dry as the property gets,  
5 right? It looks like this for the vast majority of  
6 the 18,000 acres. Next slide, please.

7 This is a view from the sky, Lake Waccamaw  
8 in the background. Next slide.

9 This is just a raw breakdown of the farming.  
10 Natural Heritage Trust Fund is 60 percent of it, 1.5  
11 million. Clean Water Management Trust Fund -- now,  
12 this is not this year's application. This is an  
13 already approved application from 2012. That's  
14 600,000. And then TNC has committed to private  
15 fundraising, 400,000 to make the total two and a half  
16 million. Next slide, please.

17 As I said earlier, it's part of a larger  
18 parcel that they intend to fully inquire over time.  
19 The tract condition is better than 9 percent attached  
20 cypress-gum forest. A very small portion has been  
21 harvested in the recent years. It's a nationally  
22 significant site. I won't read them all out, but  
23 there's the list of what's -- what's in this area, and  
24 you can see that many of them have Waccamaw in the  
25 first name, so it's safe to say that there's probably

1           some endangered species on this -- on this list. Next  
2           slide.

3                        Again, we were awarded funds for it last  
4           year. You'll see another request when we get to Clean  
5           Water Applications for Phase II later today. Phase I  
6           is moving forward and a timber cruise is being  
7           conducted now to determine the market value of both  
8           Phases I and II. Next slide.

9                        So this is just a summary slide. This is  
10          Priority 1 of 4. The Wildlife Resources Commission  
11          and in as much as the Nature Conservancy is concerned,  
12          it's Priority 1 of 4 for them, as well.

13                      Thank you and I'll take any questions.

14                      CHAIRMAN KICKLER:    Are there any questions?

15                      (No response.)

16                      CHAIRMAN KICKLER:    Then we'll move on to --

17                      MR. MASSIE:                Move on to the  
18          Headwaters Tract. We've already talked a good bit  
19          about the Headwaters Tract. Some of you will have  
20          some familiarity with it, with the former members on  
21          Clean Water and Natural Heritage, and others will not.  
22          This is a view of the Headwaters Tract. It's 8,100  
23          acres in Transylvania County. Next slide, please,  
24          Terri.

25                      It's in Transylvania County right down on

1 the state line. Next slide.

2 This is a -- this picture indicates the  
3 entire 8,100 acres. It shows the various phases that  
4 have already been closed. The bright yellow in the  
5 left-hand side of the corner is the Forest Legacy  
6 Program that is pending, applications that are  
7 currently pending with the federal government.

8 The area down here in dark blue that's  
9 surrounded with a circle are the combination of both  
10 the Clean Water Applications and the Natural Heritage  
11 Applications. You will notice that the -- that the  
12 actual acreage amounts requested in the two -- to the  
13 two different programs do not match, but this shows  
14 the entirety of the two programs together. Next  
15 slide, please, Terri.

16 Option 1 funding is -- is North Carolina  
17 Forest Service requests essentially five million  
18 dollars to assist with the final phase in purchasing  
19 1,236 acres on the Headwaters Tract, and this is just  
20 part of the French Broad River. Next slide.

21 This is Option 1, and you can see it here.  
22 It's not quite as big as -- as the other picture was,  
23 but it's 1,236 acres. Next slide, please.

24 This purchase has been ongoing over a number  
25 of years now. This is Phase 5. There's 3,030 acres

1 remaining of the 8,100 acres. Free funding options,  
2 five million, 3.5 million and two million dollars,  
3 everything from 1,200 acres to 493 acres. Next slide,  
4 please.

5 This is Option 2. It shows 865 acres.  
6 Again, it's smaller, but it's the same tract. Next  
7 slide.

8 And then this is Option 3, roughly 500  
9 acres, again, smaller. But the same general area  
10 there, and the way these applications would work would  
11 be in tandem. Clean Water buys the riparian areas,  
12 then the Natural Heritage money buys the uplands  
13 portions that are outside the riparian buffers. They  
14 would work from east to west so that we've got  
15 contiguous ownership of the property, and if the  
16 project should fall through at a later date than the  
17 other areas that would not be acquired could perhaps  
18 be sold by the owner to another -- another buyer at  
19 sometime in the future.

20 Again, any amount of money that's given to  
21 these projects is roughly -- the option is \$4,000 per  
22 acre plus your survey and your transaction costs, and  
23 it's handled different ways. Next slide, please.

24 Again, we've got two -- we've got one Clean  
25 Water Application for four million dollars and 1,550

1           acres that we will be looking at later today. The  
2           tract -- this particular tract or this section of the  
3           tract, 1,236 acres, has both Jane Cantrel Creek and  
4           the south fork of Glady Creek on it. These all are  
5           tributaries to the headwaters of the East Fork and  
6           French Broad River. It would be managed jointly by  
7           the Forest Service and Wildlife Resources Commission  
8           for public usage. Next slide.

9                        There are at least two federally endangered  
10           species that we know reside on this particular parcel  
11           of the tract. None of the rare species are suspected  
12           throughout the area. There was a list so long I  
13           didn't even attempt to copy it of the number of rare,  
14           threatened or endangered species that are found  
15           throughout the 8,000 acres.

16                       We know of at least three mountain bogs on  
17           the tract. We know that there's the potential for  
18           restoring other mountain bogs on the tract. The  
19           reason that -- that both programs have had interest in  
20           this in a number of years is obvious. There's a lot  
21           of endangered species. This is a tremendous tract of  
22           land in western North Carolina with excellent  
23           populations of endangered species, as well as -- as  
24           popular wildlife species like deer and turkey and  
25           trout. Next slide, please.



1                   The majority of the land, second growth  
2                   forest. 83 percent is oak forest habitat, 16 percent  
3                   in white pine plantations that will need commercial  
4                   thinning in the future. The Forest Service will  
5                   manage it for sustainable forestry to improve forest  
6                   health and habitat for the Wildlife Commission. The  
7                   land is under contract, the 4,000 acres, and this is  
8                   the number one priority for the North Carolina  
9                   Department of Agriculture and Consumer Services. I  
10                  think I got that right. So that's the long and the  
11                  short of it.

12                   MS. CAWOOD:                   Mr. Chairman, it's  
13                  Greer. If I could just have a second to comment on  
14                  that land, when I was a Natural Heritage Trust Fund  
15                  member I got to go visit that land and it is just  
16                  amazing, and I hope Clean Water Management Trust Fund  
17                  members now will have that opportunity because it  
18                  really -- to see that really puts them in context to  
19                  talk about the land that we've protected in the past  
20                  that has already been funded because really it's a  
21                  priority on getting the money for lands that are  
22                  contiguous to other lands that have been protected and  
23                  purchased by state funds.

24                   MR. MASSIE:                   Other questions?

25                   MR. MARKHAM:                  Tom?

1 MR. MASSIE: Sir?

2 MR. MARKHAM: You came up with a  
3 different funding amount than they're requesting due  
4 to other options. Would the corresponding Clean Water  
5 match fast-forward also decrease?

6 MR. MASSIE: Good question, Kevin. I  
7 think the answer to that, the match would decrease.  
8 What do you think, Nancy?

9 MS. GUTHRIE: I think that not  
10 necessarily. If the trust fund -- the Trustees looked  
11 at the Clean Water and were playing the two lists  
12 against -- and leveraging the best you could for the  
13 amount of funding for this tract overall, any time a  
14 project is partially funded, Clean Water Staff and the  
15 applicant, we are going to have to work to rescope the  
16 project some and get the corresponding number of acres  
17 under the contract. We will look on Headwaters  
18 working east to west, but trying to get the most  
19 significant acres and putting the best project  
20 together. And on this one, I think because the  
21 numbers are moving so much, the Trustees, you'll have  
22 to be somewhat comfortable with -- the matching  
23 percentage will be what you decide today and not  
24 necessarily what was in the application.

25 MR. TOOLE: I have the impression

1           that the seller is conservation minded and seems to be  
2           flexible based upon what we've seen. Is that  
3           accurate, Tom?

4                   MR. MASSIE:                That is my  
5           understanding.

6                   CHAIRMAN KICKLER:        Just a reminder, the  
7           other two options, Option 1 was a request -- Natural  
8           Heritage request, but five million.

9                   MR. MASSIE:                That's correct.

10                  CHAIRMAN KICKLER:        Option 2 is 3.5, Option  
11           3 is two million.

12                  MR. MASSIE:                That's correct.

13                  CHAIRMAN KICKLER:        And I was curious to  
14           know what was -- because I know -- if I remember the  
15           documentation, they're seeking federal funding.  
16           What's the status -- does anyone know what the status  
17           on that application is? Is it in the process of --

18                  MR. MASSIE:                I believe the  
19           applications have been submitted. My --

20                  MR. CHEEKS:                With the coupled funding  
21           to the U.S. Forest Service Forest Legacy Program we  
22           did get one application approved about a year and a  
23           half ago of three million dollars, and we're actually  
24           about to close on that piece of land hopefully this  
25           week, and then we've got an application pending review

1 this coming January for an additional seven million.

2 COURT REPORTER: What is his last name?

3 MR. MASSIE: Cheeks.

4 CHAIRMAN KICKLER: Are there any other  
5 questions about the Headwaters property?

6 (No response.)

7 MR. MARTIN: So just to clarify, so  
8 essentially whatever decision we end up making,  
9 there's an opportunity with a willing seller to  
10 purchase land at \$4,000 an acre and pretty much  
11 whatever we decide, we can move forward with that,  
12 especially with -- since there's an option of some  
13 additional funds coming in from other sources.

14 MR. MASSIE: And the option with the  
15 owner lasts for another year, so --

16 CHAIRMAN KICKLER: If there are no other  
17 questions, we'll move on to the next presentation.

18 MR. SCHUMAK: Good morning. As Tom  
19 mentioned earlier today, we're kind of breaking new  
20 ground. I'm a hydrogeologist by background, but this  
21 is a battlefield site, and I have to admit the day I  
22 was out there there was school kids out there and I'm  
23 not sure if I was more excited about learning some of  
24 the stuff than the kids were at the time.

25 But this is from the Department of Cultural

1 Resources. Next slide, please.

2 It is located pretty much in the center of  
3 the state. It's Alamance County, Cape Fear River  
4 Basin. Next slide, please.

5 It's a old Revolutionary War site. It's the  
6 Alamance Battleground Site. It's statewide  
7 significance and possibly national significance. I'll  
8 give you a little bit of history here. On May 16th,  
9 1771, which about two weeks before the battlefield --  
10 or the Guilford Courthouse Battle, frontiersmen, also  
11 known as regulators, battled the British crown. Some  
12 of the tactics used here were used throughout the  
13 Revolutionary War. Next slide, please. You can go  
14 ahead and go to the next slide.

15 The existing facility is what's outlined in  
16 brown here. The subject tract is immediately adjacent  
17 to it outlined in red, and also outlined in yellow  
18 here. It is right next to the existing Visitor's  
19 Center on the facility. Next slide.

20 This is some of the documentation from the  
21 1771 campaign. One thing that I wanted to emphasize  
22 here is the exact location of some of the battles is  
23 not totally clear. The subject site that they're  
24 looking to buy may actually have more historical  
25 significance than the existing facility. Next slide.

1                   Go ahead and go to the next slide. That was  
2                   from the State archives.

3                   These are some representative pictures of  
4                   the area. The area is kind of surrounded by big lot  
5                   homes. It's an area that's being developed. It's an  
6                   area that if this tract is not acquired will likely be  
7                   purchased by another group and most likely a  
8                   homeowner.

9                   The Cultural Resources is asking for a  
10                  modest request of \$143 -- or \$143,000. About almost a  
11                  \$190,000 project. It's just shy of 19 acres. The  
12                  Piedmont Land Conservancy actually has an option on  
13                  this property, so it's ready to go. The State  
14                  Property Office has looked at the tract and the  
15                  numbers hold true such that the appraisal values  
16                  should be solid.

17                  There is a match of \$45,000 from a private  
18                  donor, and again, if this isn't acquired, it will  
19                  likely be purchased by a third party. It's a tract  
20                  that they've been trying to acquire for a long time  
21                  and has not been available. Next slide.

22                  This is the existing facility. Again, when  
23                  I was out there there was elementary kids doing a  
24                  field trip. Next slide.

25                  Again, here's the current Visitor's Center.

1 Next slide. There's existing walking trails on the  
2 facility. Next slide. Go ahead and go to the next  
3 slide. Next slide, please.

4 Here is a picture taken from the entrance of  
5 the Visitor's Center. Right behind these two pine  
6 trees is the actual 19-acre tract. It's right in the  
7 -- when I say immediately adjacent, it's immediately  
8 adjacent to the tract. Next slide.

9 Here's the entrance to the existing  
10 facility. Here's the tract that they're trying to  
11 acquire. Next slide.

12 It does have some nice hardwood trees on it.  
13 Next slide.

14 Just go ahead and go through these to give  
15 you a feel for what the property looks like as it  
16 exists. Currently wooded. There is a couple of small  
17 streams on that and I believe that's the last slide.  
18 And I'll answer any questions if you have any.

19 CHAIRMAN KICKLER: One thing about this  
20 property, I know it's about seven miles from  
21 Burlington.

22 MR. SCHUMAK: That's correct.

23 CHAIRMAN KICKLER: And I won't bore you  
24 with a history lesson, but you know the Battle of  
25 Alamance, that does reflect the regionalism that

1           existed in North Carolina, a place where a group of  
2           Piedmont farmers met the North Carolina Militia and  
3           people from the east on the battlefield and fought it  
4           out over political disagreements. So it's an  
5           important piece of North Carolina history.

6                     Bill, did you have your --

7                     MR. TOOLE:                 I did. What's it mean  
8           being -- in the option status being sought as opposed  
9           to being a verbal?

10                    MR. SCHUMAK:                The Piedmont Lands  
11           Conservancy has a formal option on the tract. It is  
12           past the being sought stage and it's actually a formal  
13           option.

14                    MR. TOOLE:                 Good, thank you.

15                    MS. CAWOOD:                Mr. Chairman, this is  
16           Greer. I need to recuse myself from any vote on this.

17                    MS. LUCASSE:                Thank you.

18                    MR. TOOLE:                 But in the future, just  
19           so I'm -- I'm clear, being sought means we're in the  
20           process of --

21                    MR. SCHUMAK:                Trying to acquire it and  
22           it usually goes from the standpoint of being sought to  
23           a formal option.

24                    MR. TOOLE:                 And a verbal would be  
25           it's a hand shake, but we haven't signed anything?



1 MR. SCHUMAK: Yes.

2 MR. TOOLE: Thank you.

3 CHAIRMAN KICKLER: Are there any other  
4 questions or comments regarding Alamance? Yes.

5 MS. BARTOS: Mr. Chair, if I could  
6 just be recognized. I'm Ramona Bartos for the  
7 Department of Cultural Resources and I just wanted to  
8 thank Bern for coming out and looking at the site on  
9 behalf of the Board. But I also want to say there's  
10 actually two battles that happened there. One is the  
11 1771 battle, which Bern mentioned, which did happen,  
12 as we know, in the Revolutionary War, as well as the  
13 War of Regulation which Dr. Kickler mentioned. But we  
14 also have done archeological work on the state-owned  
15 sites which Bern outlined, and we believe from the  
16 maps and the archeological evidence that we have that  
17 part of the battle actually took place on the site  
18 that we're trying and Bern mentioned that. But if we  
19 line it up with today's maps, the road -- Alamance  
20 Road, which is right there (indicating) is the  
21 original road that we believe was there back when all  
22 of this took place.

23 So you line it all up, battles have a way of  
24 spilling about, so it's -- it's not just views shed in  
25 this case. It's also actual areas that need to be

1 interpreted and protected for historical resources  
2 that are there. So thank you.

3 CHAIRMAN KICKLER: Moving on to the  
4 priority twos.

5 MR. MASSIE: Thank you, Mr. Chairman.  
6 This is from State Parks, also from DENR. This is  
7 Chimney Rock State Park. You can see the iconic  
8 chimney there in the picture, itself, and we're going  
9 to be looking at the Jeffreys Tract. Next slide,  
10 please, Terri.

11 This is the Jeffreys Tract. It's actually  
12 two tracts owned by the same owner or the same family.  
13 It covers Shumont Mountain. If you've been to Chimney  
14 Rock Park, which is on the south side of Chimney Rock  
15 Gorge, this is on the north side. If you were in  
16 Chimney Rock standing on the chimney and you're  
17 looking straight across the gorge, itself, and the  
18 Town of Chimney Rock, you'd be looking up toward the  
19 Shumont Mountain, the Rumbling Bald, a significant  
20 Natural Heritage area. So you'd really be down here  
21 in the bottom down toward Round Top looking across the  
22 valley. Next slide, please.

23 The Division of Parks and Rec is requesting  
24 a little over a half a million dollars to assist in  
25 acquiring 295 acres at Shumont Mountain in Buncombe

1 and Rutherford Counties. It's right on the line there  
2 at the Chimney Rock State Park. Next slide.

3 It's the highest peak on the north side of  
4 Chimney Rock Gorge. The entire tract lies within the  
5 Rumbling Bald/Shumont Mountain significant Natural  
6 Heritage area. There's 13 rare animals and 16 rare  
7 plants that have been documented on or near the 300  
8 acres of the Jeffreys Tract and three animals and four  
9 of those plants have a federal status. So they're  
10 rare or endangered. Next slide, please.

11 Host high quality examples of Chestnut Oak  
12 Forest, low elevation rocky summits, granitic domes,  
13 pine, oak -- Montane oak hickory forests, which is the  
14 most prevalent, the oak hickory forest, and here's an  
15 example of a granitic dome. Next slide, please.

16 It expands the boundaries of the state park  
17 by 300 acres. It offers protection to the unique  
18 resources. It ties together the protection efforts of  
19 the State and a couple of TNC areas that have already  
20 been protected. This is the number two priority for  
21 DENR, and I'll be happy to try to answer any  
22 questions.

23 CHAIRMAN KICKLER: Are there any questions?

24 (No response.)

25 CHAIRMAN KICKLER: If not, moving on to the

1 Three Top Game Land presentation.

2 MR. MASSIE: This is an addition to  
3 Three Top Mountain's Game Lands. It's part of the  
4 Amphibolite Mountains in the northwestern part of the  
5 state. This is actually in Ashe County and this is a  
6 small addition to that large game land that's already  
7 there. This is the Sherill Tract. Next slide,  
8 please.

9 The Wildlife Resources Commission is asking  
10 for \$860,000 to buy a little over 200 acres to add to  
11 the game lands in Ashe County. The purchase of this  
12 tract will protect the ecosystem's integrity, but in  
13 addition to that -- go back one -- go ahead, Terri.  
14 But in addition to that, one of the major problems  
15 with Three Top Mountains Game Lands is on the east  
16 side there's very limited public access. And so this  
17 will provide public access to get in there to this for  
18 hunting and fishing. Next slide, please.

19 Here's a map. This shows Three Top  
20 Mountains Game Lands, itself. The -- the  
21 representative tract is in pink up here (indicating).  
22 You can see the stars in red. Those are all access  
23 points to the game lands, and on the east there's no  
24 access whatsoever. By the addition of this 205 acres  
25 -- and you've got direct access off a public road to

1 the game lands, itself, for better access into the  
2 eastern portion. Next slide, please.

3 It also protects the oak and cove forests,  
4 which are priority habitats in the Wildlife Action  
5 Plan. And while they haven't actually been on the  
6 property enough to inventory to see if there are rare  
7 and endangered species, there's a high probability  
8 that some of the same species that are found  
9 throughout the game lands will also be found on this,  
10 primarily because the unique nature of the Amphibolite  
11 Mountains up there. Next slide.

12 Again, it adds public access to the eastern  
13 part of the park. The property is under threat of  
14 future development and for sale. The cost is \$4,200  
15 an acre, and this is Wildlife Resources number two  
16 priority behind the Waccamaw Tract. And I'll be happy  
17 to try to answer any questions.

18 Yes, sir?

19 MR. TOOLE: So being sought, how  
20 close are we? Do we know?

21 MR. MASSIE: I do not know. George,  
22 do you know?

23 MR. (UNIDENTIFIED SPEAKER): We have a  
24 verbal and the option is in the mail to the landowner.

25 MR. TOOLE: Okay. Thank you.

1 CHAIRMAN KICKLER: Any other questions?

2 (No response.)

3 CHAIRMAN KICKLER: Comments?

4 (No response.)

5 CHAIRMAN KICKLER: We'll move on. Tom, I  
6 think you'll have to stand again.

7 MR. MASSIE: Yeah, y'all are going to  
8 get a belly full of me before it's over with today.  
9 I've got a bunch of these.

10 This is the Caraway Tract. The Department  
11 of Agriculture, the Plant Conservation Program, this  
12 is -- this is an extremely unique site. It's in  
13 McDowell County. Next slide, please.

14 Plant Conservation Program is requesting  
15 \$250,000, which is a revision that you'll note on your  
16 -- today. Yesterday I believe the spreadsheet said it  
17 was 400,000. The Department of Agriculture has done a  
18 good job of going out and finding private funds to go  
19 ahead and reduce the request down to \$250,000 to buy  
20 35 acres in McDowell County for the purpose of  
21 establishing a preserve for the Northern Oconee Bells.

22 Now, it's commonly known as Shortia. It was  
23 originally found down around Lake Jocassee. This is  
24 an entirely different species. It's a northern -- my  
25 understanding is is it's -- it's smaller size petals

1 and it's only found in North Carolina. Next slide,  
2 please.

3 This shows the worldwide distribution. You  
4 can see some down in Transylvania County. You can see  
5 it in McDowell County; and I think there are nine  
6 sites found throughout the world and they're all in  
7 North Carolina. Some of them on public land, some of  
8 them on private land. Next slide, please.

9 Here's the tract. It's 35 acres. It shows  
10 the projected other areas that they've been found on  
11 private lands around it there. But this is probably  
12 the biggest site in the world for this species. Next  
13 slide.

14 Northern Oconee Bells are globally  
15 endangered. Only nine locations, all in western North  
16 Carolina. And again, they believe this is the biggest  
17 tract in the world, and it's a beautiful plant. Next  
18 slide.

19 Here are some examples of -- I've known  
20 Oconee Bells, or Shortia, for a long time because they  
21 occur in southern Jackson County, and I have a little  
22 patch of them that was saved from under the bottom of  
23 Lake Jocassee. But I've never seen a distribution  
24 like this. I mean, it's just a carpet along the  
25 stream and all through there. It's amazing. It's

1 endemic to McDowell County, the Northern Oconee Bells  
2 are.

3 Most of the other sites are very small and  
4 just a few square meters in size. This is very large.  
5 We already know that two of the known sites have been  
6 completely extirpated, primarily through poaching, and  
7 this site is already starting to have some problems  
8 with some poachers going in and removing things. I  
9 think they had pictures on a camera -- a game camera  
10 that's used for tracking deer and stuff. They had it  
11 set out on the edge of the tract. They got pictures  
12 of guys digging up Shortia at 2:00 in the morning. So  
13 they obviously know that this is there. Next slide.

14 This property does adjoin the U.S. Forest  
15 Service. The Forest Service is interested in  
16 protecting this species also, and there is an  
17 agreement being worked on and will be put in place for  
18 the Forest Service to help protect this tract also, if  
19 the state gets it. Next slide, please.

20 It is threatened by increased poaching  
21 activities. The owner of this tract has just recently  
22 passed and the family is still interested in selling.  
23 There are several other types of plant communities  
24 that the State is interested in that are essentially  
25 bonus properties or bonus species that go with the



1 tract that the State is interested in. The cost is an  
2 estimated \$5,000 an acre, and this is the number two  
3 priority for the Department of Agriculture. And I'll  
4 be happy to try to answer any questions. Thank you.

5 CHAIRMAN KICKLER: If there are no other  
6 questions, we'll move on to the next one, which is  
7 Bentonville, and this is the one where I have -- where  
8 I will recuse myself. And for this presentation and  
9 any questions, Trustee Martin will act as the chair.

10 MR. SUMMER: The Department of  
11 Cultural Resources is requesting \$268,000 out of  
12 \$543,000 to purchase multiple parcels totaling 94  
13 acres in fee. Next slide.

14 This is located in Johnston County in the  
15 Neuse River Basin. There are essentially three groups  
16 of parcels. The northern most is Westbrook. In the  
17 middle there's the Wise Tracts and on the -- further  
18 south is Dunn. Next slide.

19 Westbrook is 13 acres. It's with -- within  
20 the Battlefield Study area, and on this map -- and the  
21 same on the subsequent maps. The pink area is the  
22 battlefield -- the core area and the yellow area is  
23 the battlefield study area. And that's how these  
24 parcels are prioritized by the Department of Cultural  
25 Resources. Next slide.

1           This is an outline of this parcel on one of  
2           the old battle maps just showing you kind of where it  
3           was in relation to the battle. Next slide.

4           And this is a picture of the upland to that  
5           parcel.

6           Moving on to the next one, the second group  
7           of tracts, the Wise Tracts total 59 acres. They're  
8           within the battlefield core area and the study area,  
9           and one other notice. There may have to be a small  
10          area cut out. There's a home site right here  
11          (indicating) that I imagine will -- in that southern  
12          most parcel, just to give you a heads up. Next slide.

13          This is where this appears on the battle  
14          map. Next slide.

15          And this upland is also in Agriculture and  
16          probably will be after the change of ownership. Next  
17          slide.

18          The final parcel is Dunn Tract. This one is  
19          22 acres. It's within the battlefield study area, and  
20          the primary points of this one, in addition to being  
21          involved in the battle, is that it's actually a buffer  
22          to the main Visitor's Center and the Harper House. So  
23          the Harper House is right here (indicating). The main  
24          Visitor's Center is right there, as well (indicating).  
25          Next slide.

1                   This is the Harper House. I believe it was  
2                   a military hospital during the war. Next slide. And  
3                   this is a viewing from the edge of the Dunn parcel.  
4                   You can see right across this field, which is owned by  
5                   the Bentonville Battlefield site, and there is the  
6                   Harper House right there (indicating). So this parcel  
7                   is adjacent to -- is adjacent to the -- in the  
8                   Visitor's Center you're right there, so it's adjacent  
9                   to the Visitor's Center, adjacent to the Harper House.  
10                  They use this field a lot and they would certainly  
11                  love to have control of this next parcel over for  
12                  management reasons. Next slide.

13                  It's 51 percent match and that comes from  
14                  the American Battlefield Protection Program and the  
15                  Civil War Presentation Trust. Next slide.

16                  This is the priority two of four for the  
17                  Department of Cultural Resources. With that, I will  
18                  take any questions. Thank you.

19                  MR. MARTIN:                Any questions or  
20                  comments?

21                  (No response.)

22                  MR. MARTIN:                I guess you're back,  
23                  boss.

24                  CHAIRMAN KICKLER:    All righty. Moving on  
25                  to priority three of the Natural Heritage Trust Fund

1 presentations. As a reminder --

2 MR. MASSIE: It's withdrawn.

3 CHAIRMAN KICKLER: -- this will be the  
4 last --

5 MR. MASSIE: Withdrawn.

6 CHAIRMAN KICKLER: Okay.

7 MR. MASSIE: Warwick Mill.

8 CHAIRMAN KICKLER: The last presentations  
9 under the Natural Heritage category. So I'll turn the  
10 time over to Bern to talk about the Warwick Mill Bay  
11 Conservation Land.

12 MR. SCHUMAK: Yeah.

13 MR. TOOLE: We're not talking about  
14 Cedar Mountain?

15 MR. MASSIE: No, no. It's been  
16 withdrawn.

17 CHAIRMAN KICKLER: It's been withdrawn.

18 MR. TOOLE: Oh, it's withdrawn.

19 MR. SCHUMAK: I mentioned the  
20 enjoyment of going to the battlefield site. I also  
21 had a great time on this site. This is an application  
22 from the Division of Parks and Rec. It's the Warwick  
23 Mill Pond. It's at Carolina Bay. Next slide, please.

24 It's located in Robeson County in the Lumber  
25 River Basin. Here is the tract, itself. We also have

1 an application from Clean Water Management Trust Fund  
2 that you'll see later today. Next slide, please.

3 Here you can see the outline of the Carolina  
4 Bay (indicating). Here is some of the Lumber River  
5 State Park and here's Lumberton for orientation. Next  
6 slide.

7 Almost the entire tract is the Carolina Bay.  
8 There's a small section of property that is not the  
9 bay, itself. Next slide, please. Parks and Rec is  
10 asking for \$875,000 of about a 1.775 project. They  
11 believe it's about 1,325 acres. A couple of maps show  
12 the acreage varying a little bit. So that number may  
13 move.

14 A hundred percent of it is in the flood  
15 plain area and the biggest match is the North American  
16 Wetlands Conservation Act Grant. Next slide, please.

17 It -- this property has got significance for  
18 several reasons. It's Carolina Bay, but as you'll see  
19 it's one of the largest nesting sites of several  
20 federally endangered species. Next slide.

21 Those include Egrets, Green Herons, Blue  
22 Herons, and actually when I was out on the property I  
23 had the unique opportunity to see the endangered Wood  
24 Stork. Next slide, please.

25 When I was out there, there were close to

1 thousands of Egrets on the property. You'll see some  
2 pictures where you just see white dots. Those are  
3 just nesting birds in the trees. Next slide.

4 Here you can see them. Next slide, please.

5 You can see all these nesting Egrets and  
6 Herons. I saw about six to eight alligators when I  
7 was out there. They were perched underneath the nets  
8 getting treats. Next slide.

9 When I was -- here is my attempt to take a  
10 picture of a Wood Stork with my little camera.  
11 Luckily the individual and applicant, when I was out  
12 there, had a nice camera. Next slide.

13 And here is the better picture of the Wood  
14 Stork and Passion Flower. Next slide, please.

15 The land owner lives out of state and is  
16 interested in seeing this property protected. Next  
17 slide, please. Go ahead and go to the next slide. It  
18 has a well established Cypress-gum type forest around  
19 it. It's one of the last large remaining -- Carolina  
20 Bay is really still intact. Next slide, please.

21 You can see some of the existing timber.  
22 Next slide. Go ahead and go to the next slide.

23 There's some ponds on the property. Next  
24 slide. I believe there's one more.

25 I will mention that I know that there's a

1 third party that has made an offer on this tract. I  
2 actually met him. He waived me over as I was leaving  
3 and got me to pull over, and that's the first time in  
4 17 years of doing this where a -- someone has pulled  
5 me over and told me that they were interested in  
6 buying the tract, and it's my understanding that they  
7 put in an offer. And with that, I'll answer any  
8 questions.

9 MR. MARKHAM: This same tract is also  
10 a Clean Water Management Trust Fund Application --

11 MR. SCHUMAK: That's correct.

12 MR. MARKHAM: -- for a different  
13 acreage and different amount?

14 MR. SCHUMAK: That's correct.

15 MR. MARKHAM: It's smaller and  
16 cheaper, but is it the same exact tract?

17 MR. SCHUMAK: It's essentially the  
18 exact same tract. The acreage is varied because the  
19 applicant -- the Audubon Society is helping Parks and  
20 Rec. They put in applications through both programs  
21 to kind of hedge that. So when applications were  
22 being made, there was a lot of uncertainty about  
23 programs. So the acreage is probably going to vary.

24 The cost on the Clean Water side, when I met  
25 with the applicant they had included some biological

1 surveys and those types of things that Clean Water  
2 typically does not fund, so they revised their request  
3 for a lower dollar amount. So that's why there's a  
4 discrepancy in the dollar amounts. But it is the  
5 exact same tract.

6 CHAIRMAN KICKLER: Are there any other  
7 questions?

8 (No response.)

9 CHAIRMAN KICKLER: Okay. Moving on to  
10 Uwharrie Game Land - Birkhead Tract presentation.

11 MR. SCHUMAK: Okay. This is a tract  
12 that I actually visited back in 2006. Go ahead and go  
13 to the next slide.

14 It's located in Randolph County in the  
15 Yadkin River Basin. Next slide, please.

16 Here you can see the tract and its  
17 significance. It links two large existing holdings.  
18 The Birkhead Wilderness area is the only wilderness  
19 area in the Piedmont, and actually this tract provides  
20 the only eastern access to the tract. Next slide,  
21 please. Here you can see it, again, depicted. Next  
22 slide, please.

23 They're asking -- Wildlife Resources  
24 Commission is asking for essentially \$192,000. This  
25 is the last piece of what's been going on for several



1           years. Again, they came to us in 2006 and received a  
2           award of \$900,000 to buy the riparian area. There was  
3           a \$400,000 private match. The Wild Turkey Foundation  
4           had some money. This tract actually closed with the  
5           State in 2011 and what you'll see in the Land Trust  
6           had to move quick on the property and buy the tract in  
7           2006 to prevent a development that had actually  
8           started on the property. Again, it's a key link.  
9           It's got nationally significant aquatic habitat. This  
10          last piece pays off the loan of what the Land Trust  
11          did in 2006. Next slide, please. Go ahead and go to  
12          the next slide.

13                    You can see some of the riparian areas that  
14                    were acquired back in 2006 with our Clean Water Grant.  
15                    Next slide. Go ahead and go to the next slide.

16                    This is what was going on in 2006. A  
17                    developer was cutting in roads and was going to put a  
18                    40-home development in the property. The Land Trust  
19                    quickly bought the tract. Next slide. Go ahead and  
20                    go to the next slide.

21                    Actually, the streams had kind of gotten  
22                    excessive sediment from some of the clearing that they  
23                    had done. Next slide. Go ahead and go to the next  
24                    slide. Next slide, please.

25                    This is what it looks like in 2013. The

1 Land Trust working with the Forest Service went in and  
2 did some replanting. So this was the same cut that  
3 was back in 2006. So it's very much improved. This  
4 would likely be the access trail to the Birkhead  
5 Wilderness Area. Next slide. Go ahead and go to the  
6 next slide.

7 Again, this was probably going to be the  
8 trail entrance. Next slide. It's rated 9 out of 10  
9 by the Greater Uwharrie Conservation Partnership which  
10 is a large organization of those interested in the  
11 Uwharrie that have come together as a partnership and  
12 ranked properties. Next slide.

13 Here's the stream now. It looks -- it's in  
14 a lot better shape. Next slide. Next slide. I think  
15 there's one more. Go ahead and go to the next slide.  
16 And go ahead and finish. I had too many slides in  
17 here.

18 But again, it has a nice stand of timber and  
19 it, again, ties into the Birkhead Mountain there. And  
20 I'll answer any questions if you have any.

21 CHAIRMAN KICKLER: If there are no  
22 questions, we'll move on to the Gilbert Town  
23 application.

24 MR. MASSIE: This is an application  
25 from the Department of Cultural Resources. This is

1 Gilbert Town in Rutherford County. It's -- Gilbert  
2 County, I guess, was the first county seat pretty much  
3 in western North Carolina. This tract is important  
4 because it's on the Overmountain Victory Trail.  
5 There's a campground for both the Tory and the Patriot  
6 forces on the way to the Battle of Cowpens and Kings  
7 Mountain, ultimately. Next slide, please.

8 Gilbert Town was the first county seat in  
9 1779. You can see it's part of the Overmountain  
10 Victory Trail, the federally approved trail, itself.  
11 Next slide, please.

12 Here you can see the actual tract in the  
13 core of the Gilbert Town Historical Area, the study  
14 area, itself. The Ferguson Ridge and Camp Tracts are  
15 outlined here in the -- I guess that's fuchsia, I  
16 don't know. The kind of purple looking color there.  
17 It's two separate tracts. Next slide, please.

18 They've asked for \$183,000 to buy a  
19 conservation easement. They're not buying this in  
20 fee. It's only a conservation easement on this only  
21 unprotected Class A Revolutionary War site in North  
22 Carolina.

23 This is the Ferguson Ridge Camp Tract, which  
24 has been documented as a camp site for both the Tory  
25 and the Patriot forces during the Overmountain

1 Campaign, and this is standing on the lower edge of  
2 the property looking up to Ferguson Ridge.

3 Of course, Rutherford County is in the  
4 foothills and I wouldn't necessarily call that a  
5 ridge. Where I come from, that's kind of a hill, but  
6 I'm not going to argue with the Department of Cultural  
7 Resources. Next slide, please.

8 The conservation easement would cover 153  
9 acres. It's actually a 183-acre tract, but there are  
10 some reservations of about 30 acres that would be  
11 excluded that either have current houses or structures  
12 on it or a reserve for the future.

13 85 acres of the 153 are in hardwoods at  
14 present. There's a hundred-plus acres that are  
15 pasture land. The entire tract is within the middle  
16 of the Gilbert Town National Register District itself,  
17 and this is a pretty representative site. You can see  
18 the pasture land. You can see the wooded parcels down  
19 along Catheys Creek. And then this upper ridge is the  
20 Ferguson Ridge Campground itself. Next slide, please.

21 2,500 linear feet of Catheys Creek which is  
22 a WF-5 watershed flows through the tract and it  
23 actually has been documented to having the Santee  
24 Chub, which is a rare and endangered species within  
25 the creek, itself. And again, this is a view from

1 down in the creek bottom looking back up at Ferguson  
2 Ridge. Next slide, please.

3 This map shows the exclusionary areas.  
4 You've got five acres that's got an existing structure  
5 on it. The ten acres in the middle also has an  
6 existing homeplace on it, and then the 10 or 15 acres  
7 over on the -- on the road in the right-hand side,  
8 that's been reserved for future home sites for the  
9 next generation of the property owner. Next slide,  
10 please.

11 The land use is historically in character  
12 with the district. It was either row crops or pasture  
13 land back at the time of the Revolutionary -- it  
14 remains that way now. The cost of the conservation  
15 easement seems to be a reasonable \$1,200 an acre.  
16 This was the number three priority for Cultural  
17 Resources. And I'll be happy to try to answer any  
18 questions. Thank you.

19 CHAIRMAN KICKLER: If there are no  
20 questions or comments, why don't we take a five minute  
21 break, give or take a minute, and we'll come back and  
22 discuss our priority list.

23 (Recess taken from  
24 11:08 a.m. to 11:19 a.m.)

25 CHAIRMAN KICKLER: We are reconvening to

1 discuss our priority list for the Natural Heritage  
2 Trust Fund, and possibly continue the conversation  
3 that we were having earlier about the allocation of  
4 the Natural Heritage Trust Fund, as well.

5 So I was wondering if there was any  
6 discussion or any opinion regarding the projects that  
7 were presented, the amount of -- and then the  
8 allocation of funds, how we'd like to do that and  
9 which projects, and before we embark on that, I'll  
10 tell you how we are going to make the priority list  
11 because there are a couple recusals.

12 MS. LUCASSE: I was just going to  
13 suggest after talking with the Chairman that the best  
14 way to do this and to honor the recusals is as you  
15 build your priority list do not include the two  
16 projects that different Commissioners have recused  
17 themselves on, and that would be 2013N-010 that  
18 Commissioner Cawood recused herself on, and project  
19 2013N-011, the Bentonville Battlefield, Commissioner  
20 Kickler recused himself on.

21 So first, talk about the priority list  
22 without those two projects because then the whole  
23 Board can vote and have that discussion. After you do  
24 a Step 2 priority list without those two projects you  
25 can take two separate votes. The first vote will be

1           that 2013N-010 project and the Commissioners, without  
2           Commissioner Cawood, will decide where to insert that  
3           project into the list. The second vote, without the  
4           participation of Commissioner Kickler, will be to  
5           discuss and vote on where to insert the Bentonville  
6           project into the priority list.

7                        So I hope that makes sense and I think it  
8           will give us an efficient way to develop and have a  
9           discussion together as a Board on the priority list  
10          while respecting that recusal that we had.

11                       And we are just developing a priority list,  
12          but I guess as Beth has asked me to clarify, we're not  
13          voting on the projects. We're voting on the priority  
14          list. But to be able to have that discussion  
15          together, we need not to be discussing the issues that  
16          have been recused, except when that Commissioner is  
17          not participating.

18                       MR. BRAGG:                        What are those two? One  
19          is Bentonville and what was the other one?

20                       MS. LUCASSE:                      Alamance Battlefield,  
21          which is 2013N-010.

22                       CHAIRMAN KICKLER:                So right now we'll talk  
23          about all of the projects except for the Alamance one  
24          and the Bentonville one, and then we'll have an  
25          opportunity to talk about that later without them

1 being present.

2 So is there any -- are there any thoughts,  
3 is there any discussion regarding the projects, other  
4 than Alamance and Bentonville that were presented in  
5 the past few hours? Any thoughts regarding, you know,  
6 the grants represented, geographical diversity,  
7 partial funding, funding in its entirety?

8 MR. MARTIN: Mr. Chairman, I'd like  
9 to say that, you know, I do feel there are some good  
10 reasons for -- to talk about the partial funding just  
11 because of the size of some of the grants. I think  
12 that would really affect how much good overall that we  
13 could do. So I'm in favor of having that discussion  
14 about some of the partial funding just so we can go  
15 further down the list and take as many of these  
16 projects as possible.

17 CHAIRMAN KICKLER: Right. Are there any  
18 projects that you're thinking about in particular?

19 MR. MARTIN: Sure, the Headwaters  
20 Project would be one that would be partial funding,  
21 especially given the fact that we've heard that it  
22 will be coming back online and that we could sort of  
23 taper that project. Giving \$4,000 per acre, we can  
24 (indiscernible) that project. It's not an all or  
25 nothing.



1 MR. TOOLE: I'd reaffirm that  
2 suggestion from Mr. Martin and say that if you took  
3 the two million dollars -- that's one of the options  
4 that was presented to us, so it's not even partial  
5 funding. It's being Option 3. And I believe -- of  
6 course, we'd need to see the Excel spreadsheet, but I  
7 believe that would get us full funding for all the  
8 other projects through Priority 3. That would be a  
9 homerun and I'd be delighted. I would be tickled with  
10 the priorities because there you go.

11 MS. MCGEE: Yeah, you're close.  
12 You're talking about 8.637.

13 MR. TOOLE: I'll take the rounding  
14 error.

15 MR. BRAGG: Mr. Chairman, I  
16 certainly agree with that approach. I don't expect it  
17 needs juggled around at all. We've got the funding.  
18 Insert that cap.

19 MR. TOOLE: Partial funding, Mr.  
20 Bragg.

21 CHAIRMAN KICKLER: Are there -- is there  
22 any other discussion regarding any of the particular  
23 projects?

24 MR. MARKHAM: Can we see the total  
25 with that two million dollars in place of the five

1 million request?

2 MS. MCGEE: 8,637,212, and the  
3 amount available 8,613,414.

4 MR. VINES: We'll still have the  
5 opportunity to look at provisions from the license  
6 plates also.

7 MS. MCGEE: Right, and that's --

8 MR. MARTIN: We have the provisionals  
9 because we still have portions to be distributed  
10 (indiscernible) than we have coming in.

11 CHAIRMAN KICKLER: Right, right.

12 MS. MCGEE: Yeah, I think you'd have  
13 between 750,000 and 978 for the license -- for the  
14 projected license plate based on the revenue.

15 CHAIRMAN KICKLER: Are you suggesting --

16 MS. CAWOOD: Mr. Chairman, this is  
17 Greer again. I hope I'm not talking over anybody, but  
18 I didn't know if this would be the appropriate time to  
19 talk about reserve and balance, which at one time  
20 Natural Heritage Fund might have been carrying a  
21 reserve just in case if a major project came along but  
22 due to the budget difficulties and our smaller amount  
23 of funds were already becoming very private, the small  
24 amount of money that we had, and I didn't know if this  
25 was the appropriate time to talk about that.

1 MR. TOOLE: Can we defer that  
2 discussion and have that in connection with  
3 provisional money? I think the reserve might well be  
4 -- if we choose to do that could come from the license  
5 money -- license plate money.

6 CHAIRMAN KICKLER: Yeah, I think it can be  
7 deferred in subsequent years. This is something that  
8 the Committee -- the Committee is going to talk about  
9 how we can do this in subsequent years, as well.

10 MR. BRAGG: Mr. Chairman, I don't  
11 think the reserve money should come from the money  
12 that's transferred in from the Agency.

13 CHAIRMAN KICKLER: My understanding is, by  
14 statute, we have to -- I mean, we have an amount we  
15 have to (indiscernible).

16 Are there any other comments, questions?

17 MR. BRAGG: After a couple years of  
18 not having money to fund projects, or very little, it  
19 is certainly a wonderful lead, since this great  
20 project, I mean, it's a real thrill for all of us who  
21 work in this area. So I want to thank the staff and  
22 thank the people who submitted these applications.

23 CHAIRMAN KICKLER: Well, if there's no  
24 other discussion, is there -- well, okay, do put the  
25 maximum amount of partial funding. I see. So our

1 priority list would reflect how it's --

2 MR. TOOLE: With the priority list  
3 you really -- if you've got -- if you partially fund  
4 the Headwaters Project at two million, that allows --  
5 that provides us with \$50,000 and something. The  
6 statutory amount of 8.6 million and change to fund all  
7 the group priorities and you don't even need to  
8 organize them because --

9 MR. MARKHAM: If I'm not mistaken,  
10 it's still only one pot of money. We are required to  
11 reserve the \$8,613,414 to Natural Heritage Trust Fund  
12 projects, but we would still use some funds from Clean  
13 Water to fund the whole -- to fund all these top  
14 priorities, reach the agencies in full and be done.

15 We've got partial funding with a balance  
16 left over (indiscernible) thousand dollar difference  
17 between funding --

18 MR. TOOLE: Somebody is going to say  
19 something.

20 MR. MARTIN: Worse case, we could buy  
21 ten less acres, right?

22 CHAIRMAN KICKLER: Are there any other  
23 questions, comments?

24 (No response.)

25 CHAIRMAN KICKLER: Is there a motion that

1 the maximum partial funding -- the two million dollars  
2 for the Natural Heritage Trust Fund Grants, excluding  
3 the Bentonville application and the Alamance tract --

4 MR. TOOLE: If I might make a motion  
5 this way --

6 CHAIRMAN KICKLER: Okay.

7 MR. TOOLE: -- Mr. Chairman, I move  
8 that we fund all requests as made for Agency Priority  
9 1, 2 and 3, with the exception that Request Number  
10 2013N-014 be funded at two million dollars and not the  
11 request for five million.

12 MS. LUCASSE: Can we exempt from that  
13 motion two projects that will be dealt with on  
14 separate motions, and that would be 2013N-010 and  
15 2013N-011?

16 MR. TOOLE: As you wish.

17 MS. LUCASSE: Thank you.

18 MR. MARKHAM: I'll second the motion.

19 COURT REPORTER: Who did that, please?

20 MR. MARKHAM: (Raised his hand.)

21 CHAIRMAN KICKLER: Can you restate it as  
22 best you recall?

23 MR. TOOLE: I move that all the  
24 Agency Priorities Number 1, 2 and 3 be fully funded at  
25 the requested level, with the exception that Project

1           Number 2013N-014 be funded at two million dollars --  
2           and Ms. Lucasse, which ones am I exempting out?

3                   MS. LUCASSE:           2013N-010 and 2013N-011.

4                   MR. TOOLE:           -- which would be funded  
5           in separate motions.

6                   MS. LUCASSE:           (Nods affirmatively.)

7                   MR. MARTIN:           Would it be reasonable  
8           to say instead of the two million say all these  
9           projects up to the 8.613 just so that we -- I agree --  
10          I think 50,000 will be funded, but I'm just trying  
11          to --

12                   MS. LUCASSE:           I'm just establishing a  
13          priority list right now, so I don't think we've got to  
14          worry about what you have exactly.

15                   MR. MARTIN:           Okay. Fair enough.

16                   CHAIRMAN KICKLER:    Okay. If you'll bear  
17          with me for another 20 seconds. Okay. So the motion  
18          on the table is -- Trustee Toole moves that all -- all  
19          Priorities 1, 2 and 3, except Application 2013N-014,  
20          be fully funded.

21                   MR. TOOLE:           2013N-014 be funded at  
22          two million dollars.

23                   CHAIRMAN KICKLER:    And Application 2013N-  
24          014 be funded at two million dollars.

25                   MR. GOSSAGE:          And cannot be

1 (indiscernible) in regards to fully funded -- reflect  
2 fully funded as requested.

3 MR. TOOLE: That was exactly the  
4 motion, fully funded as requested.

5 CHAIRMAN KICKLER: Be fully funded as  
6 requested. Okay. Let me see if this accurately  
7 reflects all the concerns. Okay. Except for 2013N-  
8 010 and 2013N-011, Trustee Toole moves that all  
9 applications except for 2013N-014, which is to be  
10 funded at two million dollars, be fully funded as --  
11 to the amount indicated in the request column, that is  
12 up to the approximately 8.6 million?

13 MR. MARKHAM: In Priorities 1, 2 and  
14 3.

15 CHAIRMAN KICKLER: In Priorities 1, 2 and  
16 3.

17 MR. TOOLE: Yes.

18 CHAIRMAN KICKLER: Third time will be a  
19 charm. While she's writing that out, is there any  
20 other discussion? I think we've got it. Why don't we  
21 just -- I want to make sure that it accurately  
22 reflects this.

23 Okay. We have now -- Trustee Toole has  
24 moved that we fund all requests as made for the Agency  
25 Priorities 1, 2 and 3 at the requested level, except

1 for Project 2013N-014, which will be funded at two  
2 million, and that projects 2013N-010 and 2013N-011,  
3 which will be addressed by a separate motion.

4 MR. TOOLE: That's my motion.

5 CHAIRMAN KICKLER: That is -- is there a  
6 second to that motion?

7 MR. MARTIN: I'll second.

8 CHAIRMAN KICKLER: Martin seconds that  
9 motion. If there's no discussion on that motion, all  
10 those in favor of the motion say aye.

11 (Group responds.)

12 CHAIRMAN KICKLER: All those opposed say  
13 no.

14 (No response.)

15 CHAIRMAN KICKLER: The ayes carry it and  
16 that motion has passed. Now to address the other  
17 grant applications, I will turn it over.

18 MR. MARTIN: Is there any discussion  
19 concerning Applications 2013N-010 and -011?

20 MR. TOOLE: Mr. Substitute Chairman,  
21 I'd like to move that we fund as requested 2013N-010  
22 and 2013N-011.

23 MR. MARKHAM: I second that motion.

24 MR. MARTIN: We've got a second. Is  
25 there any discussion?



1 (No response.)

2 MR. MARKHAM: It will be at the  
3 requested amount?

4 MR. TOOLE: At the requested amount,  
5 yes.

6 MR. MARTIN: Any other discussion?

7 (No response.)

8 MR. MARTIN: I'll call for the vote.

9 All those in favor of the motion say aye.

10 (Group responds.)

11 MR. MARTIN: All those opposed same  
12 sign.

13 (No response.)

14 MR. MARTIN: Motion carries. Come  
15 back, Boss.

16 MS. LUCASSE: The record should  
17 reflect that Chairman Kickler and Trustee Cawood did  
18 not participate in the vote of that motion.

19 MR. VINES: Mr. Chairman, if I may  
20 ask. This may not be the time for it, but it may be  
21 the time for it. Based off the information provided  
22 earlier on with the funding of 2013N-005, that was  
23 removed under the Clean Water Management Trust Fund  
24 Application Number 2013-028 and changed applications  
25 to 2013-027.

1 CHAIRMAN KICKLER: What was the other one?

2 MR. VINES: That would have been  
3 Number 2013N-027.

4 MR. TOOLE: Mr. Chairman, I'd like  
5 to ask is it correct that the Riverstone Tract  
6 Waccamaw River (indiscernible)?

7 CHAIRMAN KICKLER: Oh, I'm sorry, that's  
8 the wrong one.

9 MR. TOOLE: Yeah.

10 CHAIRMAN KICKLER: It's 111 -- 2013N-001.  
11 We have some time before lunch and I thought that we  
12 would hear some Clean Water Trust presentations before  
13 we adjourn for lunch and we can get as far as we  
14 possibly can. Then we'll adjourn for lunch, come back  
15 and hear the remaining Clean Water proposals.

16 Okay. We may have jumped the gun. Since we  
17 have decided on the allocation of funding for the  
18 Natural Heritage Trust Fund, I would suggest that now  
19 is the appropriate time to come up with the  
20 provisional list. And with that, everything Priority  
21 4 is excluded (phonetic). We are anticipating that  
22 for every -- we are in license money. We are  
23 anticipating, according to my figures, 875,000 to  
24 1,125,000 dollars. That's the range. Am I correct?

25 MS. MCGEE: I think it's actually

1 more. Additionally, I think we're anticipating 2.1  
2 million overall, and if you take the percentage for  
3 Natural Heritage it's 35 to 45 percent, and I think  
4 that's 761,000 to 978.

5 CHAIRMAN KICKLER: Okay. So we are  
6 anticipating 761,000 to 978,000 dollars? That's the  
7 ballpark?

8 MS. MCGEE: Too, yeah. The minimum  
9 was 761,000 to --

10 MR. GOSSAGE: That would be based on  
11 the formula decided by the subcommittee.

12 MS. MCGEE: And just so you'll know  
13 that, priority number 4 with the Paddy Mountain  
14 Preserve is zero. Those requested amounts total  
15 601,700, I believe. So that's within your -- that's  
16 actually below the minimum that we were thinking  
17 about.

18 MR. BRAGG: So you want a motion?

19 CHAIRMAN KICKLER: Well, maybe we should  
20 finish the presentations.

21 MR. BRAGG: That's fine.

22 MR. MASSIE: Mr. Chairman, we have  
23 the presentations ready if y'all would like to see  
24 them. We can whip through them very quickly so you  
25 know what's on your provisional list if you wish.

1                   CHAIRMAN KICKLER:    Yes, I think that's what  
2                   we'll do.

3                   MR. MASSIE:                   Carl Sandburg would be  
4                   the next one, Terri. Carl Sandburg home.

5                   MR. SUMMER:                   We're skipping over  
6                   Paddy Mountain.

7                   MR. MASSIE:                   All right, Mr. Chairman.  
8                   This is a request from Cultural Resources. This is  
9                   for the Glassy Mountain Conservation Easement that's  
10                  adjacent to the Carl Sandburg home in Flat Rock in  
11                  Henderson County. A picture of Carl Sandburg's home.  
12                  Next slide, please.

13                  You can see the tract here. You can -- in  
14                  the dark green is actually the National Historic Site,  
15                  Carl Sandburg. The light green to the left of the  
16                  dark green is an area that Cultural Resources picked  
17                  up several years ago and the tract that we're looking  
18                  at for the conservation easement, the 50 acres, is in  
19                  the brown. Next slide, please.

20                  This is just a picture of the Sandburg  
21                  National Historic Site, what they've got there. The  
22                  main house, the goat shed, the hiking trails, and the  
23                  tract that we're looking at actually goes off this map  
24                  up into the -- to the center of it. Next slide,  
25                  please.

1                   For those of you who don't know, Carl  
2                   Sandburg was a poet and also the biographer of  
3                   Lincoln, and was, I guess, from Chicago originally.  
4                   Here you can see the actual Sandburg home again and  
5                   see it was funded previously by the Natural Heritage  
6                   Trust Fund, and then you see the 50 acres down here in  
7                   red in the lower left-hand corner. Next slide,  
8                   please.

9                   DCR has requested \$116,700 to purchase a  
10                  conservation easement on 50 acres on Glassy Mountain  
11                  in Henderson County in Flat Rock. Next slide, please.

12                 The project would protect the northern and  
13                 western flanks of Grassy Mountain from future  
14                 development. The easement would provide public access  
15                 and a future trail through the -- through the private  
16                 lands. The property is known to harbor endangered  
17                 state green salamander species and high elevation  
18                 granitic dome communities, and there are several other  
19                 uncommon plants that are also found in the area. This  
20                 is an example of a granitic dome on the property.  
21                 Next slide, please.

22                 The total project acreage is 50 acres. It's  
23                 \$4,200 an acre for the conservation easement. It's  
24                 DCR's number four priority, and then this is looking  
25                 off private lands in -- back toward the National Park

1 Service boundary and on both sides is the private land  
2 that the conservation easement would be on. And I'll  
3 be happy to try to answer questions.

4 CHAIRMAN KICKLER: If there aren't any  
5 questions we'll move on to the next one, the Roanoke  
6 River Game Land - The Harris Tract.

7 MR. SUMMER: The Wildlife Resource  
8 Commission is requesting 300,000 out of 350,000 to  
9 purchase 259 acres. It's in Martin County in the  
10 Roanoke River Basin. Next slide.

11 This is the parcel right here (indicating)  
12 in red. The light green is the WRC Roanoke River Game  
13 Land. The dark green is the Roanoke River National  
14 Wildlife Refuge. Next slide.

15 The uplands consist kind of three types.  
16 There's some ag fields. Next slide.

17 Some Upland Pine. Next slide.

18 And then swamp (indiscernible) recently cut.  
19 It's kind of on its way back, but I think that the  
20 idea here is that you've got the opportunity to manage  
21 it and bring it back to a good condition. Next slide,  
22 please.

23 Match is 14 percent from the U.S. Forest  
24 Service. Next slide, please.

25 So mostly the tract is covered in swamp.

1           There's an island of high gravel mature pines, some ag  
2           fields. It is a state significant site. These are  
3           the species that are found in the area. Next slide,  
4           please.

5                        The Roanoke River Flood Plain is very wide  
6           in this area, largely undeveloped and it scores very  
7           high on the Wildlife Habitat Index, the Conservation  
8           Planning Tool.

9                        As you see, this is the parcel right here  
10          (indicating). It's mostly green in the -- in the  
11          flood plain areas, which is eight, nine and ten, a  
12          little bit midgrade values on the upper ag layers  
13          (phonetic). Next slide.

14                      Again, it's one of two end holdings, so it's  
15          support in consideration for access and management of  
16          the tract as a whole, and this is priority four out of  
17          four for Wildlife Resources. Thank you. I'll take  
18          any questions.

19                      CHAIRMAN KICKLER:    So if there are none,  
20          moving on to the next item, South Mountain State Park  
21          - McCurry Tract.

22                      MR. MASSIE:                The McCurry Tract is a  
23          tract of land that Foothills Conservancy has been  
24          working with the Division of Parks and Recreation to  
25          pick up. You'll see it's a rather large tract. We'll

1 see this is -- this is the Simms Tract. We need the  
2 McCurry Tract, please.

3 We will see the Simms Tract again when we  
4 come to Clean Water Applications in a little bit, as  
5 well as from Natural Heritage, also.

6 The McCurry Tract actually is a piece that's  
7 going to tie together the existing South Mountain  
8 State Park with some lands that were picked up several  
9 years ago on Highway 64. So this is a connective  
10 piece. Next slide, please.

11 Here you see in the dark green you see South  
12 Mountain State Park. You see South Mountain Game  
13 Land, Wildlife Resources Management, and then you see  
14 the 95 acres of the McCurry Tract that ties together  
15 the -- the two disjointed tracts that are in South  
16 Mountains. Next slide, please.

17 It's in Burke County. The Division of Parks  
18 and Rec has requested a \$185,000 to assist with the  
19 fee purchase of the 95 acres. The tract does connect  
20 with some recently acquired properties along U.S. 64.  
21 Next slide, please.

22 Here's a little bit better picture. It  
23 shows how the tracts tie together. How McCurry ties  
24 to the already state park lands. Next slide.

25 The project area contains upward of



1 approximately ten rare and endangered species; the  
2 most notable being the -- the endangered White  
3 Irisette. Multiple forest communities occur upon the  
4 property, itself. And again, it is connected between  
5 the disjointed sections of the park. Next slide.

6 This is a picture of the White Irisette,  
7 which is federally endangered. Next slide, please.

8 The tract contains the headwaters of Shoal  
9 Creek which is high quality waters. There are two  
10 waterfalls occurring on the tract. They're both  
11 approximately 30 feet tall. It will -- if this 95  
12 acres is added, it will make about 40,000 acres  
13 available to the public in this South Mountains area  
14 of Burke County and Rutherford County. Next slide,  
15 please.

16 The cost per acre is a reasonable \$2,500 per  
17 acre. This is DENR's number four priority. I'll be  
18 happy to try to answer any questions.

19 CHAIRMAN KICKLER: Are there any questions?

20 (No response.)

21 CHAIRMAN KICKLER: Is there any discussion?

22 I mean, any member want to, you know, think of an  
23 application in priority four that is more important  
24 than another one and want to prioritize it as number  
25 one or number two? Or do we just want to prioritize

1           them as they are listed in alphabetical order? And  
2           then another thing to remember, too, is that who knows  
3           what money -- how much money there will be, but if --  
4           if we do have -- if enough comes in to fund all three  
5           of those in priority four, the anticipated funds  
6           actually -- are anticipated somewhere in the ballpark  
7           of 761,000 to 978,000.

8                        So the other question that remains is do you  
9           want to partially fund a project, like a priority  
10          project, if the money is there?

11                       MR. BRAGG:                        Don't these monies come  
12          in each month?

13                       CHAIRMAN KICKLER:                Yes, that's my  
14          understanding.

15                       MR. BRAGG:                        So we're going to meet  
16          in a couple months, so it's not mandatory that we deal  
17          with this today and decide --

18                       CHAIRMAN KICKLER:                My understanding, we  
19          already have the money in the -- from license fees.

20                       MR. BRAGG:                        Oh, we do have money  
21          now?

22                       MS. MCGEE:                        The money you're talking  
23          about is what we anticipate getting. The money that  
24          y'all have gotten is already -- yeah, in the Clean  
25          Water side.

1                   CHAIRMAN KICKLER:    Nancy, you wanted to say  
2 something.

3                   MS. GUTHRIE:            With the schedule that  
4 was adopted earlier today, we'll meet in February, but  
5 then not again until June, and that is getting really  
6 close to the end of our fiscal year, if that comes  
7 into play. So the urgency of deciding on the  
8 provisional list today, I think maybe it could go to  
9 February, but then we have a gap, and just thinking  
10 about the schedule, I think we need to stay away and  
11 have everything on a list and lined up before we get  
12 close to June.

13                    (UNIDENTIFIED SPEAKER): Does it in any way  
14 impact the applicants to know in December versus  
15 February?

16                   MS. GUTHRIE:            If someone is on the  
17 provisional list, Staff -- we would recommend to them  
18 that they go ahead and put in another application  
19 because we don't know how far we'll get down this  
20 list. So -- and if they are funded, that application  
21 is just withdrawn.

22                   MR. TOOLE:                    I can be comfortable  
23 recommending these three priority four projects on a  
24 provisional list. I'm not anxious at this time to go  
25 deeper because -- and you talk about in February, but

1 I'd like to see how the money rolls. I'd like to  
2 rethink whether we like where the money is going, if  
3 we want to increase the amount of the Headwaters  
4 Project, for example, since we only partially funded  
5 it. There's lot of things I'd like to think about and  
6 today's not the day that I'd like to do it given the  
7 other stuff on the Agenda.

8 MR. MARTIN: Yeah, I kind of agree  
9 with that statement, as well, although I do think we  
10 can --

11 MS. CAWOOD: Mr. Chairman, it's Greer  
12 again. The other thing that I would be interested in  
13 is historically Natural Heritage Trust Fund, because  
14 we did a lot of funding of agencies, priority 4 is  
15 pretty low on their priorities. I'm thinking it might  
16 make better and make more sense to put money in the  
17 Headwaters because it's like a high priority and  
18 you're going as low as an Agency four priority? I  
19 just think we need a little bit more information.

20 CHAIRMAN KICKLER: Okay. Thank you. Mr.  
21 Martin, you had something you wanted to say.

22 MR. MARTIN: Yeah. All I was going  
23 to say is, you know, given the fact that in February  
24 we're going to be talking about criteria and fully  
25 revamping the whole program, I wonder how full our

1 schedule is going to be. So I think there's some  
2 value in making some decision on going ahead and  
3 appropriating a portion of these funds, you know, to  
4 give some direction.

5 So, I mean, I feel comfortable going to  
6 priority four. The other nice thing -- you know,  
7 nothing against Mr. Massie, but, you know, we do have  
8 another (indiscernible) that comes into play there, as  
9 well. So it does help a little bit that some of our  
10 geographic spreading --

11 (UNIDENTIFIED SPEAKER): What county is that?

12 MR. MARTIN: Martin, but there's no  
13 relation, I promise.

14 MR. MARKHAM: That raises the  
15 question. Do you want the provisional listing to go  
16 to priority four or do we give it to, as Greer  
17 suggested, possibly to the Headwaters Program, which  
18 is a high priority? Is there any discussion regarding  
19 that idea?

20 MS. HACKNEY: This is just a question.  
21 The Headwaters -- if we were funding the two million,  
22 then you're getting their option -- 493 acres. The  
23 next option is a million and a half more for 855  
24 acres, which is still -- we don't -- not necessarily a  
25 million and a half (indiscernible) to get to that next

1 level of limit. And if I'm not mistaken, we're also  
2 going to address it again through Clean Water. So I'm  
3 just trying to give -- you know, give the most time  
4 out in the process, I guess. You know, these are  
5 smaller -- you get three projects and, you know, we  
6 can't even get the million and a half unless you were  
7 to -- everybody agree to give all the license plate  
8 money to the Headwaters to get to their next level is  
9 my understanding.

10 CHAIRMAN KICKLER: Okay. Thank you. Any  
11 other?

12 (No response.)

13 CHAIRMAN KICKLER: Well, is there a motion  
14 that the Commission adopt the Agency Priority List  
15 included in priority four at the funding amounts  
16 requested for the provisional listing? In addition,  
17 is there a motion that the projects on this list be  
18 funded with provisional funds from license plate  
19 revenue as that money becomes available?

20 MR. TOOLE: I will make that motion.

21 MS. HACKNEY: I will second.

22 CHAIRMAN KICKLER: Okay. If there's no  
23 further -- is there further discussion?

24 MR. MARKHAM: (Indiscernible) the list  
25 we've got currently or the (indiscernible) options or

1 -- my suggestion would be to fund projects as you go  
2 on the provisional list versus (indiscernible).

3 MR. TOOLE: I will amend the motion.

4 MR. MARKHAM: I'm sorry. Maybe the  
5 Staff will give us some discussion on that, which  
6 projects --

7 MR. TOOLE: Okay. I'll amend the  
8 motion if we don't hear from Staff. Staff want to say  
9 something?

10 (No response.)

11 MR. TOOLE: So we will go with a  
12 sign to be purchased in November, which is the South  
13 Mountain State Park - McCurry Tract 2013N-008. That  
14 would be recommended first; 2013N-004, the Game Land -  
15 Harris Tract being recommended second because there's  
16 a willing seller, but apparently not a signed  
17 agreement yet.

18 MR. NORRIS: We have a signed option.

19 MR. TOOLE: Boom, you're in.

20 COURT REPORTER: What is your name?

21 MR. MASSIE: George Norris.

22 COURT REPORTER: George Norris, thank  
23 you.

24 MR. TOOLE: The Game Land - Harris  
25 Tract with the Carl Sandburg Home Glassy Mountain

1 Conservation Easement, number 2013N-013 being the  
2 third of the three priorities in the provisional list  
3 because it's being sought and hasn't yet been  
4 (indiscernible).

5 MS. LUCASSE: The previous second of  
6 that motion, are you willing to accept that amendment?

7 MS. HACKNEY: Yes, I do.

8 MR. TOOLE: Thank you, Ms. Hackney.

9 CHAIRMAN KICKLER: Are there any other  
10 questions?

11 MR. GOSSAGE: Mr. Chairman?

12 CHAIRMAN KICKLER: Yes?

13 MR. GOSSAGE: I just want to add at  
14 this time that inclusion on the provisional list does  
15 not reflect a priority in a future year --

16 CHAIRMAN KICKLER: Right.

17 MR. GOSSAGE: -- in terms of  
18 applications going forward.

19 CHAIRMAN KICKLER: All right. Thank you  
20 for pointing that out. That is a good reminder that  
21 this is a provisional list and it's dependant on  
22 revenue from license -- from license plate revenue.  
23 Allocations are dependent on that and in the next  
24 cycle folks would have to reapply.

25 MS. MCGEE: The way we've done it in



1 the past is revenue received through June 30th of  
2 2014, which is the end of the State fiscal year.

3 CHAIRMAN KICKLER: So this is no guarantee.  
4 It's no guarantee that these three will be funded and  
5 that if the money is not there by the end of the  
6 fiscal -- 2013 fiscal year, then they would have to  
7 reapply. It's a whole new ballgame, as some would  
8 say. Thank you for that.

9 Okay. Is there further discussion regarding  
10 the motion that's before us?

11 (No response.)

12 CHAIRMAN KICKLER: All those in favor of  
13 the motion say aye.

14 (Group responds.)

15 CHAIRMAN KICKLER: All those opposed say  
16 no.

17 (No response.)

18 CHAIRMAN KICKLER: The ayes carry it. We  
19 have made good progress so far. It is ten after  
20 12:00. Let's -- let's go foraging, but let's be back  
21 here at -- I want to start at ten after 1:00, no later  
22 -- no later than that. There are some restaurants  
23 nearby. There's one across the street. If you're a  
24 Quizno's fan there's one down a block to my left.

25 MS. GUTHRIE: I think that closed.

1                   CHAIRMAN KICKLER:    It closed?  Obviously  
2                   I'm not that big of a fan then.

3   (Recess was taken --  
4   12:10 p.m. to 1:15 p.m.)

5                   CHAIRMAN KICKLER:    Welcome back.  As I  
6                   mentioned before we went to our lunch break, we made a  
7                   lot of progress and I think we'll continue to do so in  
8                   the afternoon.  So we are -- this portion of the  
9                   meeting we are -- we will be hearing presentations for  
10                  the Clean Water Management Trust Fund Applications and  
11                  we will be making a priority list and approving  
12                  applications as we see fit.

13                                        Before I turn it over to Clean Water Staff  
14                                        for the presentations, I'd like Mary to say a few  
15                                        words about one item in the packet that may have been  
16                                        overlooked.

17                                        MS. LUCASSE:           And I just wanted to  
18                                        direct you to Application Number 2013-801.  You might  
19                                        have noticed that it was exactly the last three pages  
20                                        of your materials and it looks a little different from  
21                                        the rest of the acquisitions because it's for a  
22                                        planning grant, and this hasn't been specifically  
23                                        called out on your Agenda, and so I was -- after a  
24                                        discussion with Nancy and the director and the  
25                                        (indiscernible) we've decided that we're going to hold

1           this and consider it at the next meeting when it will  
2           be on the Agenda.

3                   CHAIRMAN KICKLER:     Okay.  Thank you.  I  
4           will turn the time over to Staff to make  
5           presentations, and again, we'll hear the first -- the  
6           first 18 presentations based on score, and again, to  
7           remind folks that a 1 of 5 score, although Number 18  
8           is below Number 14 they received the same score and  
9           that's just an alphabetical listing of the projects.

10                   MR. MASSIE:             Mr. Chairman, what do we  
11           want to do about the Yellow Mountain Gateway project,  
12           028, that funding is not necessary for now because it  
13           was just funded fully by Natural Heritage?  Do you  
14           still want to have that presentation?

15                   CHAIRMAN KICKLER:     Which line is that?

16                   MR. MASSIE:             It's the first line.  
17           It's Item Number 1.

18                   CHAIRMAN KICKLER:     Well, if it's not  
19           needed, then I don't --

20                   MR. MASSIE:             Well, then do you want  
21           to extend the ones that we look at down through Item  
22           19?  I'm just asking if we want to add one more  
23           project because we've lost that project down through  
24           Item 19.

25                   CHAIRMAN KICKLER:     Yes.

1 MS. GUTHRIE: If we do that, we  
2 probably also need to pick up 20 because of the score;  
3 19 and 20 have identical scores.

4 MR. SCHUMAK: Identical scores.

5 CHAIRMAN KICKLER: That's fine. Yeah.

6 MR. MASSIE: All right. Terri, if  
7 you would put up one we haven't seen before,  
8 Headwaters. This is one we're very familiar with by  
9 now. This is the French Broad Headwaters again. This  
10 is the Headwaters application in Transylvania County,  
11 but there are some different pictures. Next slide,  
12 please.

13 Again, it's in Transylvania County right on  
14 the -- on the South Carolina line. Next slide,  
15 please.

16 Again, this shows all 8,000 acres that was  
17 involved in the first acquisition. Next slide.

18 The request today to Clean Water from the  
19 Forest Service is for \$4,057,000 to continue the fee  
20 simple acquisition of the 8,000 acre tract. Next  
21 slide.

22 Again, this is -- this is the Clean Water  
23 and Natural Heritage Combination, so this is what  
24 we're looking at in Phase 5. Next slide, please.

25 Okay. So it's obviously been conducted over

1 several years and once the entire project is done we  
2 will have protected over 4,400 riparian acres, and  
3 that's about 54 percent of the entire total of 8,000  
4 acres.

5 We began buying land with Clean Water in  
6 2010 where we purchased 286 acres with a Clean Water  
7 Grant. We bought additional acreages in 2012, 342  
8 acres. This application would allow the acquisition  
9 of another 1,550 acres of the tract. 79 percent of  
10 that 1,550 acres is within 300 feet of the streams.  
11 Next slide, please.

12 This is an outlay of the tract. Everything  
13 in blue is within 300 feet, which is what the Clean  
14 Water Applications have normally looked at.  
15 Everything that's outside of that in the green  
16 contours, inside the yellow, would be areas that  
17 Natural Heritage would have to purchase or that  
18 private donations would get because they're outside of  
19 the riparian quarters. Next slide, please.

20 These are a list of the streams that are  
21 included: Jane Cantrell Creek, which is classified by  
22 Division of Water Resources as C, trout (phonetic).  
23 It buffers about 10,000 linear feet of the stream on  
24 both sides. You've got an unnamed tributary, which is  
25 also sea trout and it buffers 48,000 linear feet on

1 both sides. You've got Sal Tom Creek, which is C,  
2 trout, 3,400 -- really 3,500 feet on both sides, an  
3 unnamed tributary to the same creek, which is nearly  
4 8,000 linear feet on both sides, South Prong of Glady  
5 Fork, which is C, trout, 32,000 on both sides, and  
6 unnamed tributaries. And the two major streams here  
7 are Jane Cantrell Creek and the South Prong of Glady  
8 Fork. Next slide, please.

9 The tract was a high priority identified  
10 originally in a Clean Water Grant for riparian quarter  
11 plans that was done by Foothills Conservancy. So it's  
12 been identified for a long time as an important  
13 project. It protects a total of 238 -- nearly 237,000  
14 linear feet of buffer along both sides of all the  
15 streams and the tributaries. Next slide.

16 We know there are two federally endangered  
17 species that are known to be on the tract; nine other  
18 rare species that are suspected, and then three  
19 mountain bogs on the tract. And again, this is just  
20 representative samples of the water in there. Go  
21 ahead, Terri.

22 The property will be owned and managed by  
23 the Forest Service and Wildlife Resources. It will be  
24 dedicated under the Nature Preserves Act. And again,  
25 as we talked about earlier, we've already had a

1 request from them that covered it with the three  
2 options of the varying acreage. Next slide.

3 The project had a 63 percent match. The  
4 average cost is a little over \$7,000 per acre when you  
5 figure in -- now, we've talked about 4,000 per acre.  
6 This figure is higher because of survey costs, because  
7 of the fact you've got closing costs, because you have  
8 all those transactional costs that are added into the  
9 total of it. But I'll be happy to try to answer  
10 questions.

11 MR. TOOLE: Tom, does that price  
12 seem fair?

13 MR. MASSIE: Well, it's really -- who  
14 knows? I mean, the State Property Office will make  
15 that decision as to what a fair price is. But it  
16 basically works out to \$4,000 an acre, and I may have  
17 it a little bit wrong. Justin, did you --

18 MR. BONER: Yeah, I just want to  
19 clarify. I mean, that actually is the appraised  
20 value, the \$7,000 an acre. So part of the match is  
21 the bargain sale that gets it down to the 4,000. So  
22 that's not just reflective of survey and other closing  
23 costs. That's -- I think that's what has the other 37  
24 (indiscernible), but that's reflective of the total  
25 budget cost, including the parts.

1 MR. MASSIE: Thanks for that  
2 correction. Bill, does that answer your questions?

3 MR. TOOLE: Yes, it does. Thank  
4 you.

5 MR. MASSIE: Other questions?  
6 (No response.)

7 MR. MASSIE: Thank you.

8 CHAIRMAN KICKLER: If there aren't any  
9 other questions, we'll move on to line number three.

10 MR. SCHUMAK: The Town of Star has an  
11 application on McFeters Tract. Next slide, please.

12 It's located in Montgomery County. It's on  
13 the Yadkin River Basin. Next slide, please.

14 It's conveyed here in red. It's on kind of  
15 both sides of the stream. Also, the Town already owns  
16 a small tract just on the south side of it. Next  
17 slide, please.

18 They're asking for a \$60,100 grant, which is  
19 a revision from the original grant. Nine times out of  
20 ten I'm going to present a revision that's going to be  
21 for a lower amount. Here's a case where we added  
22 \$4,000 to their project because they did not include  
23 stewardship monitoring on that and the Land Trust for  
24 Central North Carolina has agreed to do that. So just  
25 -- again, usually the number is going to go down, but



1           that base was not covered, so we caught it early on  
2           and the Land Trust is going to do that.

3                        They would purchase 31 acres, about 23 acres  
4           of this riparian. The match will either come from a  
5           PARTF grant or private funds. If the PARTF grant does  
6           not come through, the private funds will carry the  
7           full amount.

8                        Let's see, again, I mentioned that the Land  
9           Trust will now do the monitoring. It's a HQW water.  
10          It's got rare aquatic species. It's a high  
11          recreational area and very high development potential.  
12          Next slide, please.

13                       Here is just an illustration of the tract,  
14          itself. Next slide. Here you can see it again. Next  
15          slide, please. There is the riparian area so it's  
16          just a small piece that's upland. Again, there's  
17          private dollars going into this project. Next slide.

18                       And this is the creek, itself. Go ahead and  
19          go to the next slide.

20                       It's got about 5,500 linear feet of stream.  
21          Next slide.

22                       It's got some nice timber on it and actually  
23          some nice bluffs that would make ideal building sites  
24          if it wasn't protected. Next slide. And go ahead and  
25          go to the next slide. And I think that's it.

1 I'll answer any questions if you have them.

2 Kevin?

3 MR. MARKHAM: It seems like one of the  
4 primary purposes is to -- in addition to the riparian  
5 buffer is to put in a canoe access.

6 MR. SCHUMAK: That's correct.

7 MR. MARKHAM: Are they looking to -- I  
8 guess between the canoe access and parking, they're  
9 looking at 1 to 2 acres being pulled out of the  
10 riparian zone?

11 MR. SCHUMAK: Yes, that's correct.

12 MR. MARKHAM: Do you have any idea  
13 where they're proposing to do that, upstream or  
14 downstream of the existing road?

15 MR. SCHUMAK: It would -- let's go  
16 back to the map. I do not know, but I know it would  
17 not be in the buffer area that we're going to protect.

18 MR. MARKHAM: But we are assuming  
19 they're putting --

20 MR. SCHUMAK: Yeah. Yeah, they want  
21 to include this as a passive-type park with some  
22 walking trails, a canoe landing, which I do not know  
23 specifically where they've identified the canoe  
24 landing. But the parking area would be small, as we  
25 mentioned, about an acre.

1 MR. MARKHAM: So Staff would work with  
2 them to insure that it does minimal -- minimal  
3 disruption to the buffer that we're purchasing?

4 MR. SCHUMAK: That's correct.

5 MR. MARKHAM: And you don't think the  
6 canoe access will have any problems with eroding on  
7 stream banks or bluffs?

8 MR. SCHUMAK: No, it's one of these  
9 tracts that has a bluff. It goes down and then it's a  
10 pretty flat area. There's kind of a walking trail  
11 that hooks in, so they would not be going down the  
12 bluffs to get to the canoe area.

13 MR. MARKHAM: Okay.

14 MR. SCHUMAK: And again, we'll work  
15 with them with the easement as it's put together.  
16 Thank you.

17 CHAIRMAN KICKLER: Okay. Moving on to line  
18 item four.

19 MR. MASSIE: This is like deja vu all  
20 over again. This is Southern Appalachian Highlands  
21 Conservancy, Grassy Ridge II. We looked at this also  
22 in the Natural Heritage Application. Next slide,  
23 please, Terri.

24 This is in Avery County. It's right up  
25 close to Roan Mountain. Next slide, please.

1           This gives you an idea of where it is. You  
2           can see it. It's -- it's right up against a lot of  
3           protected areas with the U.S. Forest Service. There's  
4           several protected areas in the region. Next slide,  
5           please.

6           Here's a view of the Grassy Ridge Property.  
7           You can see Roan Knob to your left. You see Grassy  
8           Ridge to the right. You can see the Appalachian Trail  
9           going through the balds there, over Grassy Ridge Bald,  
10          and then you can see the Grassy Ridge property down  
11          here.

12          The State of North Carolina and Clean Water  
13          actually helped purchase the Rhyne Tract down here in  
14          the lower corner. It's mainly the saddle in here all  
15          the way over into this bald area (indicating). Next  
16          slide, please, Terri.

17          Southern Appalachian Highlands Conservancy  
18          requested 1.3 million dollars to assist with the fee  
19          purchase of 423 acres. Because we fully funded  
20          Natural Heritage, the requested amount is reduced to  
21          \$350,000 to make this transaction happen.

22          The -- as I say, it's part of -- within the  
23          Roan Highlands in Avery County. This tract has been  
24          the Southern Appalachian Highlands Conservancy top  
25          priority since 1974, shortly after they became the

1 first Land Trust in North Carolina.

2 It's been identified in one of our riparian  
3 quarter plans. We awarded \$600,000 in 2012 to buy 115  
4 acres. Our -- this new, reduced request of \$350,000  
5 would purchase another 185 riparian acres, and then  
6 the matching funds would buy the remaining uplands  
7 acres. Next slide, please.

8 Here you've got a little bit better view of  
9 what's going on. We bought the 115 acres in the lower  
10 part last year. This is the second phase of it, 423  
11 acres. Clean Water monies would go into essentially  
12 purchasing the areas within the blue lines. The  
13 uplands portions would come from other funds, Natural  
14 Heritage in this case. And then you can see some of  
15 the identified significant species and types of  
16 mountain communities that are found on the property,  
17 itself. Next slide, please.

18 Very similar thing. Again, it just shows  
19 the break down in it. Next slide.

20 What makes this important to Clean Water is  
21 there are 25 Headwater streams that originate on this  
22 tract of land. The main streams are Jerry Creek and  
23 Martin Creek. They're both Water Supply-V, which  
24 means that's the lowest -- lowest level of drinking  
25 water supplies, but still being able to use it for

1           potable water.

2                     It's trout waters. All the streams and  
3           tributaries of the Toe River, which has places right  
4           outside of this on the 303(d) list. It will protect  
5           nearly 57,000 linear feet of buffer along Jerry Creek  
6           and the tributaries, and 61 percent of the total tract  
7           is within 300 feet of water. Next slide, please.

8                     It falls within two significant Natural  
9           Heritage Areas, Roan Mountain Macrosite and Roan  
10          Mountain Massif and it harbors rare aquatic species  
11          and is an important birding area also. It has tie  
12          ins, as I said, to the Appalachian Trail.

13                    There you have the average cost, nearly  
14          \$7,000 an acre. And again, we relied on the Natural  
15          Heritage Funds that you have already provided with a  
16          56 percent match. Is there one more slide? That's  
17          it. And I'll be happy to answer questions.

18                    Yes, sir, Mr. Toole.

19                    MR. TOOLE:                    What is a Macrosite?

20                    MR. MASSIE:                   Where is Linda?

21                    MS. PEARSALL:                It's a conservation  
22          planning concept that identifies where you have  
23          several distinct, what we call, significant Natural  
24          Heritage Areas, but it represents the (indiscernible)  
25          perspective and these all have some ecological

1 relationship to each other.

2 MR. TOOLE: So it's kind of like a  
3 big ecosystem?

4 MS. PEARSALL: Kind of like a big  
5 ecosystem.

6 MR. TOOLE: All right. And then a  
7 Massif is a geological something or other?

8 MS. PEARSALL: It's a geographic  
9 geological feature and the Roan Massey is the bedrock  
10 that underlies -- the similar kind of bedrock that  
11 underlies the whole Roan Mountain area.

12 MR. TOOLE: So that whole thing is a  
13 Massif?

14 MS. PEARSALL: That's a peak of a  
15 Massif.

16 MR. TOOLE: It's a massive Massif?

17 MS. PEARSALL: It is.

18 MR. MARKHAM: I see here that it's  
19 going to transfer to State ownership. I think the  
20 grant said it may be transferred to Forest Service --  
21 the U.S. Forest Service; is that correct?

22 MR. MASSIE: A small piece of it at  
23 the top up near the Appalachian Trail was originally  
24 to go to the Forest Service. All this now will become  
25 State property through State Parks.

1 MR. MARKHAM: Again, my preference is  
2 that we not transfer lands to the federal government  
3 on things like this.

4 MR. MASSIE: If I'm not mistaken, the  
5 federal government is putting some money into this  
6 project --

7 MR. MARKHAM: Okay.

8 MR. MASSIE: -- which would buy that  
9 portion.

10 MR. MARKHAM: That would buy that  
11 portion. All right. So the entire tract that we're  
12 paying for, the State is obtaining --

13 MR. MASSIE: The entire tract that  
14 we're purchasing will become property of the State of  
15 North Carolina.

16 CHAIRMAN KICKLER: Any other questions?

17 (No response.)

18 CHAIRMAN KICKLER: Okay.

19 MS. ADAMS: Mr. Chairman, can we  
20 transition the reporters for just a minute, please?

21 CHAIRMAN KICKLER: Oh, sure. Yes.

22 MS. ADAMS: So it needs to be off  
23 the record like we discussed until they get set up.  
24 Is that okay?

25 CHAIRMAN KICKLER: How long do you think it



1  
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will take?

COURT REPORTER: Two minutes, five  
minutes tops.

CHAIRMAN KICKLER: Let's take a five minute  
break.

(Off the record in Volume 1  
at 1:34 p.m.)

*(Volume I concluded at 1:34 p.m.)*

CERTIFICATE OF NOTARY - COURT REPORTER

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE )

I, Lindsey D'Anne Cline, Court Reporter, Notary Public in and for the above county and state, do hereby certify that foregoing CLEAN WATER MANAGEMENT TRUST FUND BOARD OF TRUSTEES MEETING was taken before me at the time and place hereinbefore and was duly recorded by me by means of stenomask and speech recognition; which is reduced to written form under my direction and supervision, and that this is, to the best of my knowledge and belief, a true and correct transcript of the meeting of the Board of Trustees of the Clean Water Management Trust Fund held at Room 1210 Green Square Building, 217 West Jones Street, Raleigh, North Carolina, on the 18th day of December, 2013.

I further certify that I am neither of counsel to this agency or interested in the event of this agency on this 3rd day of January, 2014.

Lindsey D'Anne Cline, Court Reporter Notary Public, Wake County, North Carolina
Notary Number: 20002130221

**BOARD OF TRUSTEES**

**CLEAN WATER MANAGEMENT TRUST FUND**

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**MINUTES OF MEETING**

**VOLUME II**

**WEDNESDAY, DECEMBER 18, 2013**

**1:43 P.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

KEVIN MARKHAM

JOHNNY D. MARTIN

WILLIAM TOOLE

CHARLES VINES

FREDERICK BEAUJEU-DUFOUR

GREER CAWOOD (APPEARING TELEPHONICALLY)

ATTORNEY GENERAL'S OFFICE:

MARY L. LUCASSE, SPECIAL DEPUTY ATTORNEY GENERAL

CLEAN WATER MANAGEMENT TRUST FUND STAFF:

BETH MCGEE

CHRISTOPHER FIPPS

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 Resolution of Appreciation for Former Trustees - Chairman Kickler (Potential Action Item)
- 2) Ad Hoc Committee Reports - Chairman Kickler
- 3) Approval of 2014 Board Meeting Schedule - Chairman Kickler
- 4) Consideration of Requests on Existing Contracts - Nancy Guthrie, Tom Massie, Will Summer (Action Item)

NEW BUSINESS

- 1) Review and Approval of 2013 Land Acquisition Applications Submitted to Former NHTF - Nancy Guthrie and Field Representatives (Action Item)
- 2) Review and Approval of 2013 Land Acquisition Applications Submitted to CWMTF - Nancy Guthrie and Field Representatives (Action Item)

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

Proceedings	5
Certificate of Reporter	111

EXHIBITS

CWMTF 2013 APPLICATIONS FOR ACQUISITION

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P R O C E E D I N G S

CHAIRMAN KICKLER: We will reconvene. I'll ask Trustees for the record, the first time to speak, because we have a new reporter, if you'll identify who you are. And having said that, I'm Chairman Troy Kickler.

Greer, I was wondering, are you on the line?

MS. CAWOOD: I am, Troy.

CHAIRMAN KICKLER: Okay. Thank you. And Trustee, Greer Cawood, is on the telephone via conference call.

So, again, as a courtesy for the record, if you could identify who you are the first time you speak.

The last application that was presented -- and if it was mentioned, I didn't hear it, forgive me -- but I want to take the opportunity to remind everybody that the amount requested from Clean Water because there was a Natural Heritage Priority 1 grant allocated to Grassy Ridge, the amount is \$350,000, so significantly less than what is listed there.

And I want to take this opportunity so we can look at it at the macro level, if Beth or Nancy could tell us about any other changes to this Clean Water spreadsheet before we proceed on with the next

1 presentation.

2 MS. GUTHRIE: The only other change --  
3 there was not a new sheet provided today, so none of  
4 the numbers changed there. The only other change as a  
5 result of action this morning was on line number 11,  
6 application 2013-001, Audubon North Carolina. That  
7 has now been funded with Natural Heritage.

8 CHAIRMAN KICKLER: So it's been removed?

9 MS. GUTHRIE: Yes.

10 CHAIRMAN KICKLER: Okay. So line item one  
11 was removed. The request on line item four is  
12 \$350,000, and the request on line 11 has been funded  
13 by Natural Heritage, so it has been removed from our  
14 consideration in this part of our meeting.

15 Thank you for having made those  
16 clarifications. I think it will help us move along  
17 more efficiently.

18 So we will move on to the Tar River Land  
19 Conservancy, Lane Tract presentation.

20 MR. SUMMER: Thank you, Mr. Chairman. My  
21 name is Will Summer.

22 The Tar River Land Conservancy is requesting  
23 \$71,500 out of a \$169,000 to purchase 50 acres in fee.  
24 This is in Halifax County in the Tar-Pam River Basin.  
25 The project is going to be a total of 50 acres, 32 of



1 which are riparian and would be protected under a  
2 Clean Water easement. The 18 upland acres would be  
3 protected by restrictive covenants.

4 It's kind of faint on this map, but here's  
5 two tributaries to Fishing Creek. Here's Fishing  
6 Creek, so this is the buffer area here. These are the  
7 upland areas that TRLC plans to put some paths of  
8 recreation on in the future, and to the west in Shocco  
9 Creek game land to show support.

10 Next slide, please. This is just an aerial  
11 photograph showing the lay of the land, Fishing Creek  
12 coming through here, the property boundary.

13 Next slide. This is one of the unnamed  
14 tributaries on the property.

15 Next slide. This is Fishing Creek.

16 Next slide. As I said, the property is  
17 adjacent to game lands.

18 Next slide. This is the breakdown of the 58  
19 percent matching, and just for reference, the blue  
20 will always be Clean Water so you guys can just look  
21 at it and can see what the value is from a glance at  
22 the pie. EEG and other funds make up most of the  
23 match and a little bit from a private fund, Hillsdale  
24 Farm.

25 Next slide. This is on your -- on your

1 spreadsheet right in the middle there's two of our  
2 cost matrix. One is just the cost per acre. The  
3 other one is the cost -- the Clean Water cost per  
4 linear foot buffer.

5 My intention was for this just to be simply  
6 look -- if there's a little bit of green, it's on the  
7 cheap end. If there's a lot, it's on the expensive  
8 end and likewise for the buffers. So this is on the  
9 low end of cost for both the matrix that we put on the  
10 spreadsheet there.

11 Next slide. Fishing Creek and its  
12 tributaries are WS-IV and nutrient sensitive waters.  
13 The water quality benefit would be 8,000 feet of  
14 stream buffer are protected.

15 Next slide, please. The property is on the  
16 market and the landowner has had the timber appraised.  
17 I'm not sure what the value of this one is going to  
18 come out to.

19 Next slide, please. This section of Fishing  
20 Creek is home to a lot of rare species. There are  
21 several mussels, the Atlantic pigtoe, yellow lance,  
22 spiny mussel, Neuse River's waterdog, and the Carolina  
23 madtom, which is this guy right here. And I'll show  
24 the pictures on this first one, but all the other  
25 Fishing Creek ones will have the same species present.

1                   Next slide. This is a summary. This  
2                   priority three of four for Tar River. They do want to  
3                   close this tract, but I think they can shift some  
4                   things around to get some other things refunded on  
5                   this with other funds, if they can get further down  
6                   the list in some of their other high projects.

7                   And with that I'll take any questions.

8                   MR. DUFOUR: Will, what the value of the  
9                   timber is?

10                  MR. SUMMER: I don't have it separated  
11                  from the appraised value. I think it's all -- I do  
12                  not have that.

13                  Thank you.

14                  CHAIRMAN KICKLER: If there are no other  
15                  questions, move on to the next presentation.

16                  MR. SUMMER: Thank you. The Trust for  
17                  Public Land is requesting \$600,000 out of roughly \$1.3  
18                  million to purchase 73 1/2 acres in fee.

19                  Next slide. This is in Durham County in the  
20                  Neuse River Basin. This is an aerial photo of this  
21                  tract right here. There's a previous phase of this,  
22                  Phase 1 is right here. That will be closing probably  
23                  next week. And while we're here, this is one arm of  
24                  Falls Lake, so it's very close to the drinking water  
25                  supply for a lot of folks here in Raleigh.

1           So this is Phase 1. Here's the main stream  
2           that's running through here and all the little  
3           tributaries shown here with the buffers.

4           Next slide, please. This is the main  
5           tributary her, one of the smallest tributaries. It's  
6           showing the edge of the flood plain there.

7           Next slide. Another small trib. This is  
8           the breakdown as it was submitted. The match is 54  
9           percent. A lot of the match comes from landowner  
10          donation. In the application they specify that  
11          \$100,000 would come from UNCWI. And just from a  
12          conversation I had yesterday I think they're going to  
13          request \$250,000 from UNCWI. I don't think that the  
14          City of Durham is going to come to the table on this,  
15          and the difference will probably be made up by  
16          landowner donation.

17          So the overall match will shift a few  
18          points. It will not change the score, won't change  
19          anything significantly, although there is a small  
20          change in what was in the application.

21          Next slide. Kind of in the middle of the  
22          range of what we've got in front of us on house break  
23          is \$17,000 an acre. Again, this is southeast Durham,  
24          so it's pretty developable land right there between  
25          Durham and Raleigh, and a modest cost for the buffer.

1                   Next slide, please. This grant is to Lick  
2                   Creek and then subsequently to Falls Lake. Lick Creek  
3                   is WS-IV and nutrient sensitive. And this would have  
4                   over 14,000 feet of stream buffer protected and  
5                   drainage right to Falls Lake.

6                   Next slide. I did want to give you an  
7                   update. In November you had a request to allow a  
8                   portion of the first phase to be used for open space  
9                   credit. The board chose not to accept that, and  
10                  Durham is going to go forward with that. So you stuck  
11                  to your guns and the project will close, and I'm  
12                  pleased with that. So it's closed about a year now.

13                  Next slide, please. That's all. I'll take  
14                  any questions.

15                  CHAIRMAN KICKLER: I just learned what  
16                  UNCWI is. But I ask for future presentations if you  
17                  could just say the entire organizations name for the  
18                  acronym. That would help people like me.

19                  MR. SUMMER: Absolutely. So it's the  
20                  Upper Neuse Clean Water Initiative. It's monies that  
21                  folks in the city of Raleigh pay on their stormwater  
22                  fees that go into land acquisition upstream with  
23                  drinking water supply. They often match us in this  
24                  area of the state.

25                  MR. BRAGG: Troy, you know, it would be

1 good to refresh our memories on stream classifications  
2 in the state. They've changed it. They used to be  
3 one and two in drinking water in the city and so  
4 forth. So, you know, when you say a certain  
5 classification (indiscernible) --

6 COURT REPORTER: I'm sorry, Mr. Bragg.  
7 Can you speak up a little bit, please?

8 MR. BRAGG: Sorry.

9 CHAIRMAN KICKLER: I believe there is a  
10 guide in our --

11 MS. GUTHRIE: There was a guide then right  
12 before all of the Clean Water folks started.

13 CHAIRMAN KICKLER: Are there any other  
14 questions?

15 (No response.)

16 CHAIRMAN KICKLER: Okay. We'll move on to  
17 number --

18 MR. SCHUMAK: Yes. I'm Bern Schumak. This  
19 is an application from the LandTrust for Central North  
20 Carolina. It's the Tucker Tract. They have three  
21 applications into us and this is their number one  
22 priority. Their actual priority follows our scoring,  
23 so it made it simple.

24 Next slide, please. Located in Montgomery  
25 County on the Yadkin River Basin.

1                   Next slide. They're asking us for just shy  
2                   of \$175,000 of the \$255,000 project. We would  
3                   essentially buy a conversation easement on 60 acres of  
4                   the 185 tract, which is roughly about a third of the  
5                   tract.

6                   I might point out this is a case where the  
7                   LandTrust for Central North Carolina came in and  
8                   bought the tract about two years ago because it was  
9                   under threat. And, as you'll see, it's a pretty key  
10                  tract when I get to the map.

11                  The other thing I want to emphasize is this  
12                  is a tract that they are looking to turn over to the  
13                  United States Forest Service at a later date, but they  
14                  will -- the Forest Service often won't accept it with  
15                  an easement. So if that's the case, the land trust  
16                  will hold the ownership of it and maintain the  
17                  easement.

18                  The tract has several rare aquatic species.  
19                  There's about 7,400 linear feet. It's fairly cheap,  
20                  \$3,000 an acre and \$24 a foot.

21                  Next slide, please. You can see why it's a  
22                  key tract. It ties two large Forest Service  
23                  properties and it's a link for a -- potential link for  
24                  an existing trail system to link from one large tract  
25                  to the other.

1           Next slide. We would just be -- there are  
2           some riparian areas, and that's where our money is  
3           being contributed. And you can see there's quite a  
4           bit of uplands that was purchased with other money.

5           Next slide. This is just several of the  
6           unnamed tributaries on the properties.

7           Next slide. Again, I mentioned the  
8           transfer.

9           Next slide. There's some pretty good timber  
10          on it right now. And I believe there's another slide.  
11          There's also a cabin on the property that's outside  
12          the riparian area.

13          And with that I'll answer any questions you  
14          might have.

15          CHAIRMAN KICKLER: I have a general  
16          question not particularly to this. I was just sitting  
17          here thinking, looking at the matching funds. In past  
18          years what has been -- I'm just curious -- on average  
19          -- let's say the average match, 50, below 50 percent?

20          MR. MASSIE: We had a requirement of a 20  
21          percent match, and then it varies from there. But  
22          they had to have a minimum of at least a 20 percent  
23          match on any project that came to Clean Water, and  
24          then you get the whole broad spectrum from 20 percent  
25          to, in some cases, 75, 85, 95 percent.



1                   CHAIRMAN KICKLER:   Up in the higher, is  
2                   that -- 70, 75 is that rare?

3                   MR. MASSIE:       Pretty much.   About 50 -- 50  
4                   is about as good as it gets in most cases.

5                   MR. SCHUMAK:     I'll also add to that,  
6                   sometimes you'll have applicants that have resources  
7                   so they can come up with a lot more match.   The city  
8                   of Charlotte, some of the larger municipal areas might  
9                   be able to come up with match.   Then you have other  
10                  areas where coming up with match becomes really  
11                  difficult.   So, as Tom mentioned, it varies from a lot  
12                  to little depending on the situation.

13                  CHAIRMAN KICKLER:   A minimum of 20 percent  
14                  and then they have 70, 75, that's unusual?

15                  MR. MASSIE:       It really is.   You've got  
16                  certain organizations, as Bern said, that put more  
17                  into it.   If you've got a rich organization like TNC,  
18                  we expect 95 percent out of it.

19                  MS. GUTHRIE:     Another factor is that for  
20                  the Clean Water Management Trust Fund previous only  
21                  the riparian areas were eligible for funding.   So if  
22                  it was a large tract where the riparian area was not  
23                  as significant, Clean Water could only contribute the  
24                  value of the riparian.   So that might be only 20  
25                  percent of the tract.   But in the overall, putting the

1 funding together, that would have been an important  
2 piece of their strategy.

3 CHAIRMAN KICKLER: Okay. Thank you. Were  
4 there any other questions?

5 Okay. We'll move on to the next item, which  
6 is number eight -- line item number eight.

7 MR. MASSIE: This is the North Carolina  
8 Division of Forest Resources -- or North Carolina  
9 Forest Service, a tract called Backbone Ridge. This  
10 is in Caldwell County.

11 Next slide, please, Terri. Here it is.  
12 It's basically right below Blowing Rock. You can  
13 actually get to it from Blowing Rock.

14 Next slide, please. This has been a multi-  
15 year project. This is number two priority for North  
16 Carolina Forest Service this year. There's been a lot  
17 of moving pieces over the years. Clean Water, in this  
18 application, is this tract here in blue. All the rest  
19 of it has been acquired. Forest Service here,  
20 matching tracts here, and then you can see this is  
21 part of Phase 1, the purple tracts.

22 This is all that they're asking us for here  
23 today, and part of this is in the Natural -- is in a  
24 significant natural heritage area.

25 Next slide, please. Forest Service is

1            requesting \$1.2 million to purchase 257 acres on  
2            Racket Creek in Caldwell County. Racket Creek is the  
3            headwaters of Johns River. And there are several  
4            other small streams and tributaries included on the  
5            tract. Racket Creek slopes in Backbone Ridge. State  
6            natural heritage areas are partially on this tract.

7                        Next slide, please. Racket Creek is  
8            classified by the Division of Water Quality as a "C",  
9            which is average trout. And all other streams on the  
10           property are classified as C's. And Clean Water maybe  
11           would purchase actually 98.4 acres of riparian  
12           buffers.

13                      Next slide, please. There's a 174.7 acres  
14           all within 300 feet of the streams, but, as I said,  
15           the amount that's requested of us would only buy a  
16           small portion of that. But the entire tract would  
17           buffer 383,000 linear feet of buffer along the stream  
18           itself.

19                      Next slide, please. The Forest Service will  
20           operate this as a dedicated nature -- under the  
21           Dedication to the Natures Preserve Act, which would be  
22           a minimum of a hundred foot buffer.

23                      Next slide. It contains numerous  
24           headwaters. The Conservation Fund already owns this  
25           property in fee. They purchased it several years ago.

1           The project has a 65 percent match. Part of the  
2           matching funds are not Natural Heritage Trust Fund,  
3           but they were from previous years. They have received  
4           grants in the past. And the average cost per acre is  
5           \$13,359. I believe that's it. And it remains  
6           eligible for funding.

7                     Are there any questions?

8                     (No response.)

9                     CHAIRMAN KICKLER: Okay. We'll move on to  
10            line item number nine.

11                    MR. SUMMER: Thank you. The Tar River  
12            Land Conservancy is requesting \$49,525 out of \$108,825  
13            to purchase 28 acres in fee.

14                    Next slide. This is in Halifax County in  
15            the Tar-Pamlico River Basin. It's a total of 28  
16            acres, all of which are riparian and will be protected  
17            under a Clean Water easement. This is just another  
18            aerial photo showing -- these are some wetland  
19            features which may have been old tar pits or maybe  
20            natural features, but they have grown up pretty nicely  
21            either way.

22                    Next slide, please. This is one of those  
23            three features right there. It's a nice feature at  
24            the moment.

25                    Next slide, please. Kind of typical flood

1 plain, May Apple everywhere.

2 Next slide. This is the downstream end of  
3 the property on -- right on Fishing Creek.

4 Next slide. The match is 54 percent. That  
5 comes from the Tar River Land Conservancy themselves  
6 and a little bit from the landowner.

7 Next slide. A little under \$4,000 an acre,  
8 modest relative to what we're seeing.

9 Next slide. Fishing Creek is Class C. It's  
10 nutrient sensitive water since it's in the Tar-Pam  
11 River Basin. It has the same rare aquatic species I  
12 mentioned on the last one, several mussels, Atlantic  
13 pigtoe, yellow lance mussel, and Carolina madtom, et  
14 cetera.

15 The water quality benefit is over 2,000 feet  
16 of stream buffer and 28 acres of flood plain wetlands  
17 would be protected. This section of Fishing Creek is  
18 beginning to be used for eco tourism around the  
19 communities. I think Enfield is trying to promote  
20 this. It's a small community in the area. And this  
21 is the mile marker for a little canoe trail.

22 And the Tar River Land Conservancy would  
23 request to reserve right for canoe access, and that  
24 would in addition to our normal reserve rights. And  
25 whenever there's something that deviates from our

1 norm, I point it out so you guys can contemplate it.

2 Next slide, please. This is priority four  
3 for Tar River. It's one they want, but -- and then  
4 looking at their other four, it's the least urgent.

5 With that I'll take any questions.

6 CHAIRMAN KICKLER: If there are no other  
7 questions, we'll move to line item 10.

8 MR. SUMMER: This is the Tar River Land  
9 Conservancy again, and they're requesting \$48,150 out  
10 of \$101,850 to purchase 34 acres in fee. That's in  
11 Franklin County in the Tar-Pamlico River Basin. It's  
12 a total of 34 acres that would be protected, 27 of  
13 which are riparian wetland flood plain, and it would  
14 all be under a Clean Water easement.

15 This is an aerial view. This is the  
16 property. This is the Tar River just outside of  
17 Louisburg, and I believe the Tar River Land  
18 Conservancy owns this area across the river as well.

19 Next slide. This is Wolf Bend Branch. It's  
20 a tributary that comes through the property.

21 Next slide. This is the confluence of Wolf  
22 Bend and the Tar River. This is a typical  
23 representation of the flood plain forest. And this is  
24 the match. It's 53 percent match coming from Tar  
25 River Land Conservancy.

1 Next slide. A little under \$3,000 an acre.

2 Next slide, please. The Tar River and the  
3 Wolf Bend Branch, they're Water Supply V, nutrient  
4 sensitive, again, in the Tar-Pam River Basin. Rare  
5 aquatic species, a lot of the same ones in Fishing  
6 Creek, mussels, yellow lance.

7 The water quality benefit is over 3,000 feet  
8 of stream buffer and 27 acres of flood plain. The  
9 wetland would be protected.

10 Next slide. This is their priority two out  
11 of four, and the reason being that they've got funds  
12 ready to spend, so they're interested in closing it.

13 And I'll take any questions.

14 MR. TOOLE: Will, just to be sure, this  
15 conservation easement, as is the prior one, is not fee  
16 simple, correct?

17 MR. SUMMER: No, I believe these are both  
18 fee simple. This one's fee -- Tar River intends to  
19 own both of these.

20 MR. TOOLE: So they are fee simple?

21 MR. SUMMER: Yes, sir. And I think Tar  
22 River is going to be the eventual landholder, but --

23 COURT REPORTER: I'm sorry, Mr. Summer, I  
24 couldn't hear you.

25 MR. SUMMER: I'm sorry. Tar River will be

1 the eventual landholder for both of these.

2 CHAIRMAN KICKLER: All right. Any other  
3 questions? Well, we do have a question.

4 MR. BRAGG: So number five was their top  
5 choice -- their first choice?

6 MR. SUMMER: Number five, I believe, was  
7 their third.

8 MR. BRAGG: Third. All right.

9 MR. SUMMER: Yes. Their first choice will  
10 be one that we'll look at. It would be the Haynes  
11 property further down.

12 CHAIRMAN KICKLER: Okay. We'll move on to  
13 the next item. Remember, line item number 11 has been  
14 removed because it was funded by Natural Heritage, so  
15 we'll move to line item 12.

16 MR. MASSIE: This is Foothills Conservancy  
17 of North Carolina, and this is the South Mountains  
18 Project.

19 The next slide, please. Here it is, you can  
20 see it in Burke County, Catawba Basin. This is a  
21 project that we actually did some funding on  
22 previously. There's a large tract of land that's  
23 indicated in gray, and what's in brown in here -- we  
24 funded the gray areas last year, 2012.

25 These are the new tracts this year that are



1           being requested, and you can see these are the buffer  
2           areas that Clean Water's money will go into as --  
3           inside of these areas here. All the brown areas will  
4           be providing either matching funds for the uplands  
5           portions or something -- or some other source.

6                        Next slide, please. Foothills Conservancy  
7           is requesting nearly \$600,000 to assist with the fee  
8           acquisition of 1,333 acres in the Henry's and Jacob  
9           Fork's watershed in Burke County. Clean Water  
10          Management dollars will protect 312 acres. The tract  
11          is actually seven contiguous parcels that are -- you  
12          know, they're platted as seven different parcels, same  
13          owner. The tract is adjacent to what we purchased in  
14          2012, and the tract was identified in a riparian  
15          quarter plan, which is something we used to fund.

16                       Next slide, please. The Little River and  
17          the unnamed tributaries are classified as Water Supply  
18          III's. They're trout waters and outstanding resource  
19          waters. He Creek and the associated tributaries are  
20          classified as "C" trout outstanding resource waters.  
21          And together all the streams on this property total  
22          about 58,000 linear feet of buffer to the streams.

23                       Next slide. So Clean Water funded about 312  
24          acres of buffer, 78 percent, all within 300 feet of  
25          the water. Only 30 percent of the entire tract is

1           within 300 feet of the stream. So, again, this is a  
2           huge tract. It's 1,333 acres. So we're talking about  
3           only 30 percent of that, which is what we would be  
4           buying within 300 feet of the stream.

5                       The anomalies in red here are things that we  
6           wouldn't normally see in an application to Clean Water  
7           would be, but the Foothills Conservancy wants to  
8           actively manage this property for timber for the  
9           forest health, and to sell carbon offset credits.  
10          Now, that's something that is unusual. It's not  
11          something we wouldn't do, but it's not a normal  
12          request for Clean Water.

13                      In addition to that they do want to  
14          stabilize some of these access roads into the property  
15          that are old logging roads that are eroding, and  
16          that's a fairly normal request.

17                      Is there another slide?

18                      The project does have a 73 percent match.  
19          The average cost to Clean Water is \$1,676. And I'll  
20          be happy to try to answer questions.

21                      CHAIRMAN KICKLER: Two things for me, could  
22          you repeat -- because I was a little distracted at the  
23          time -- could you repeat what was unusual about this  
24          request?

25                      MR. MASSIE: What was unusual about this

1 request is, number one -- number one is they would  
2 like to sell carbon offset credits, which is something  
3 that we normally do not do. So that's a fairly  
4 unusual request to us. It's not to say they can't do  
5 it, but that's a board decision if you want to allow  
6 them to do that or not.

7 In addition to that they want to manage the  
8 timber on the property for forest health. Now, that's  
9 not necessarily unusual, but we did have a prohibition  
10 in the past that limited the amount of timbering  
11 activities that could occur on a piece of Clean Water  
12 property, particularly to avoid commercial timber  
13 management. We limited it to just removal of dead or  
14 diseased trees.

15 So this is a little bit different kind of  
16 request than we would normally get. That's not to say  
17 that staff objects to those. We're just saying that  
18 it's a board decision as to how much of these type of  
19 anomalies you wish to allow them to do or not to do.  
20 So we're calling them to your attention.

21 MR. MARKHAM: They don't currently have  
22 this property enrolled in a carbon offset project,  
23 correct?

24 MR. MASSIE: Not to my knowledge.

25 MR. MARKHAM: For board members who don't

1 understand carbon offset, is if this board already in  
2 a carbon project it would not behoove us to spend our  
3 money protecting stuff that's already under  
4 protection.

5 For a carbon offset project, is if we put a  
6 conservation easement on riparian areas, it has no  
7 value to carbon offset because carbon offsets requires  
8 additionality. If they manage a forest in a  
9 productive manner that is above and beyond what  
10 they've normally done, if it wouldn't be clear cut,  
11 for example, if they can demonstrate by not clear  
12 cutting it for a certain length of time, depending on  
13 which exchange they're actually operating under, they  
14 can get money for those carbon offsets. But if it's a  
15 restrictive covenant already, there is no  
16 additionality, so there's no value from a carbon  
17 standpoint.

18 So as long as it doesn't already have a --  
19 it's not already in an existing program, then it does  
20 have some value for us for offsetting the riparian  
21 areas, or to protect riparian areas.

22 COURT REPORTER: I'm sorry, Mr. Markham,  
23 I'm having trouble hearing you.

24 MR. MARKHAM: I'm sorry. I'm losing my  
25 voice. Yes. It has some value to us if it's not in a

1 program currently, the riparian areas are currently  
2 unprotected. If we protect those, our money would be  
3 wisely spent, but it would not be if it were in any  
4 carbon programs.

5 MR. MASSIE: And should the board choose  
6 not to allow any of these exceptions on activities to  
7 happen on the property, it will not kill the deal with  
8 the Land Conservancy.

9 MR. MARKHAM: It would be nice if they had  
10 an agreement in place for the upland portions because  
11 that could certainly be used to offset their cost and  
12 provide a match. I'm certainly open to land trust for  
13 any creative ways to help fund these projects.

14 MR. TOOLE: That's an interesting one,  
15 Tom. Thanks.

16 So with regard to the carbon offsets, is  
17 there any reason why this board should, as a policy  
18 matter, be uneasy with that idea on this project?

19 MR. MASSIE: I do not know.

20 MS. LUCASSE: I would just step in to say  
21 that this is a project or a question the board -- or  
22 the staff has brought to me, and I haven't figured out  
23 the answer yet, or had the time to do it.

24 But one of the questions here really is, if  
25 they manage the property to get the offset credit, is

1           that consistent with our easement? Because a lot of  
2           what you're talking about is managing a forest, and a  
3           usual easement, as I understand, are easements --  
4           Nancy, correct me -- we don't do that type of cutting.

5                   MR. TOOLE:        No, the cutting is different  
6           from the offset credit.

7                   MS. LUCASSE:    I know.

8                   MR. TOOLE:        So I'm focusing right now  
9           just on the carbon offset question.

10                   MS. LUCASSE:    The things that you might do  
11           for the carbon offset may or may not be inconsistent  
12           with our easements. And I don't know the answer to  
13           that yet. There are different ways to do it. So  
14           there's just a concern -- or there's just a question  
15           -- not even a concern -- a question that we need to be  
16           sure that we know the answer to.

17                   MR. SUMMER:    I would just say that we've  
18           been approached by other land trusts that would like  
19           this issue addressed, and I'm already working on a  
20           PowerPoint presentation for the next board meeting. I  
21           didn't want to be in here because it can get lengthy.

22                           The short of it is it probably would not be  
23           any skin off our back to allow carbon credits. But if  
24           one of the carbon registries or exchanges were to  
25           allow carbon credits on land we had already

1           essentially locked up all the timber harvesting rights  
2           on, I think -- and I know that they will within a  
3           year, that they have -- some of them have a bunch of  
4           rules on that. I don't think it behooves them. It  
5           doesn't reflect one way or another on us.

6                     But I just want to say that we can get into  
7           this, and I'll be prepared to really talk a lot about  
8           it at the next meeting here if you'd like.

9                     MR. BRAGG: I think it's a complicated  
10          issue, and it's further complicated when it's a  
11          private landowner with a conservation easement because  
12          the land trust technically owns the carbon credits for  
13          that portion relative to the appraised value of the  
14          land at the time the easement was granted.

15                    So that's another subset of problems that  
16          may need to be addressed. And I have no idea what the  
17          solutions are with that, some of you may. This  
18          particular case deals with who would own this land,  
19          correct?

20                    MR. SUMMER: Correct.

21                    MR. BRAGG: And they're going to own and  
22          manage it, which is their problem. I can't exactly  
23          see why we want to get into this business, the carbon  
24          credit then would just be there. But I can't see why  
25          it affects what we would permit them to do or not to

1 do. That's their --

2 MS. LUCASSE: We wouldn't want it to, and  
3 that was the only thing I was raising.

4 MR. MASSIE: As clarification, they're not  
5 for sure that they're going -- that they want the  
6 carbon credits. They just want the ability to explore  
7 and do it if they so choose. I mean, they just want  
8 to reserve that right. They're not sure they're going  
9 to do it at this point in time, but, as I say, it's a  
10 little bit different than what we usually do.

11 MR. TOOLE: The value of the carbon  
12 credits is if they can sell them. That's a new  
13 funding source that they can then use to go out and  
14 acquire new land. I don't want to take away a  
15 monetization right if it's of value to the overall  
16 purpose.

17 MR. MASSIE: They primarily want to use  
18 the revenues for those carbon credits to stewardship  
19 this property because it's such a large tract.

20 MR. BRAGG: I suppose the other question  
21 would be -- we've never addressed this before -- so  
22 could an existing property already under easement use  
23 their credit carbons. I mean, there's nothing to say  
24 they can't.

25 MR. MARKHAM: It comes to the agency or the



1 organization that's basically accrediting those carbon  
2 credits. The ones that I've dealt with peripherally,  
3 we have -- part of our company works in the carbon  
4 market -- is the carbon credits are generated by,  
5 again, what's called additionality.

6 You don't get credit for things you're  
7 already doing. It's for things that you would not do  
8 normally. It's more like, at the Clean Water  
9 Management Trust Fund, is we fund projects, innovative  
10 stream water that's above and beyond what we're used  
11 to, what's required to get funded.

12 In the carbon market it has been  
13 demonstrated that -- by a certain management technique  
14 that you go from a 30-year rotation on a long pine  
15 forest to an 80-year rotation. You are locking up  
16 carbon for a longer period of time, and that offset  
17 can be used for those additional carbon metric tons  
18 that convert somehow.

19 MR. BRAGG: They have a value?

20 MR. MARKHAM: They can demonstrate that  
21 those carbon -- that carbon is locked up for that  
22 period of time and you can sell those credits to that  
23 accrediting organization. But then you also have the  
24 expense of validating it, so you have to verify that  
25 that carbon is being locked up and is doing what it's

1           supposed to.

2                   MR. TOOLE:       That's all on the buy side,  
3           right?  It's not on the sale side.

4                   MR. MARKHAM:    Correct.  But, again, it's  
5           for property that's already under restrictive easement  
6           and is not in danger of being cut or anything.  I  
7           don't know of an exchange would allow credits through  
8           their -- basically their accreditation process because  
9           there's nothing additional -- no additional carbon  
10          being locked up.  The carbon is already protected and  
11          being locked up.

12                   But, again, there may be exchanges that I'm  
13          not aware of.  But certainly the land trust can find  
14          additional market for that, like you said, it provides  
15          some funding for any extended property at its break.  
16          I don't think we have any major -- there's nothing  
17          that affects the Clean Water portion of that, I  
18          believe, at this point, unless it's already in a  
19          program in which case it is already protected for the  
20          carbon market.  If it's not in any carbon program  
21          currently, then I think it's eligible for our funding.

22                   MR. TOOLE:       Then on managing the land for  
23          the forest health, is that -- what does our forester  
24          say about that?

25                   MR. SUMMER:     As far as how it fits within

1 a carbon credit?

2 MR. TOOLE: No, no. How does it fit with  
3 out concept of this project?

4 MR. SUMMER: Well, as Tom said, our  
5 typical easement is just for diseased trees, storm  
6 damage, and community restoration is probably the most  
7 drastic thing you can -- you know, if you want to  
8 convert a log walk standing alone you can do some  
9 pretty drastic -- you know, are you're taking a whole  
10 stand out and putting a new one in?

11 Tom, what was the allowance they were  
12 requesting?

13 MR. MASSIE: They just want to be able to  
14 manage the forest health. And we'll allow that to a  
15 certain extent, and we've been allowing in recent  
16 years requests like this as long as they have a forest  
17 management plan and that we had the chance to review  
18 it and approve it and it was submitted by a certified  
19 forester.

20 And generally what that means is that  
21 they'll do a forest management plan, send it to us.  
22 Will, as a registered forester, will look at it and  
23 give us his opinion. If it's in my area, then I'll go  
24 out and look at the property, too, and then we'll  
25 render a judgment as to whether we think it's

1 appropriate, not appropriate, or if they should modify  
2 it in some way, shape or form.

3 MR. TOOLE: So that's what they're  
4 asking, something we've already done?

5 MR. MASSIE: Yes. And we have done it  
6 with this land trust particularly on at least two  
7 occasions.

8 MR. TOOLE: Thank you.

9 MR. SUMMER: I would just make one  
10 comment, that forest health is a very broad term.  
11 There's a lot of -- there's a lot leeway with just  
12 using that term. I mean, like I said, our existing  
13 easement has language that says disease and bugs and  
14 that's -- and forest health is a little more broad and  
15 -- you know, it depends on which staff is reviewing  
16 the request when it comes --

17 MR. TOOLE: Well, it also depends upon  
18 what the current fad is about what forest health --  
19 how you manage it.

20 MR. SUMMER: That's true.

21 MR. MARTIN: And, Kevin, you could  
22 probably help us with this as well. Again, this is a  
23 little bit out of my realm of expertise, but I just  
24 want to ask, with this whole thing with -- if we first  
25 say it's okay for this group to sell carbon credits,

1           then in the future a land conservancy take lands  
2           purchased and sell wetland credits, things of that  
3           nature? Are we opening the door to that with this?

4                       Essentially what we're doing is allowing  
5           someone to bring in revenue on a project that we're  
6           funding. Could it then be made, well, okay, then if I  
7           have a land conservancy, then I want to take this  
8           property that I've purchased and sell wetland credits  
9           out of it? I mean, it's really the same thing, is it  
10          not, or am I looking at this too simply?

11                      MR. MARKHAM: I think it comes under the  
12          program -- the existing programs is, if it's already  
13          under a conservation easement, if the wetlands system  
14          is already under a conservation easement because we've  
15          funded it. I don't think the corps or DWQ or whatever  
16          -- TWR now would give credit for wetlands that are  
17          already protected. There needs to be additionality  
18          there if there's a threat to those for preservation.

19                      I think the board has had a policy or  
20          guidelines in the past that we do not fund projects  
21          that are being -- or allow our projects to be used for  
22          mitigation purposes.

23                      COURT REPORTER: I'm sorry, Mr. Markham,  
24          I'm having trouble hearing you.

25                      MR. MARKHAM: We've had guidelines in the

1 past -- or internal policy that we don't allow  
2 projects or properties that we're funding to be used  
3 for compensatory mitigation.

4 MS. GUTHRIE: That is actually in the  
5 legislature.

6 MR. MARKHAM: It's in the legislature.  
7 Okay.

8 MS. GUTHRIE: That's in the statute for the  
9 wetland mitigation. But that's the only one that's  
10 covered in the statute.

11 MR. TOOLE: Yeah, because wetland  
12 mitigation is different. That's run by statute. This  
13 whole carbon tax credit thing is a market based thing  
14 that's not driven by regulation. It's the Chicago  
15 Board of Trade and the other trade groups making up at  
16 this point, or trying to make up.

17 CHAIRMAN KICKLER: These are the type of  
18 questions I think that in the upcoming fiscal year and  
19 subsequent fiscal years we will be addressing in the  
20 grant criteria committee and so forth. And I -- just  
21 to clarify, this is an unusual request, but it's not  
22 something Clean Water Management -- this is not the  
23 first time Clean Water Management has seen a request  
24 like this.

25 MR. MASSIE: I think this is the first

1 time we've seen one asking for carbon credits.

2 CHAIRMAN KICKLER: Okay.

3 MR. MASSIE: As I say, this board can  
4 decide to allow that or disallow that and it will not  
5 kill the project.

6 MR. MARKHAM: I guess it would make the  
7 board more comfortable, if we could request that staff  
8 make it clear that we're not comfortable for them  
9 pursuing carbon credits in the riparian zone, but in  
10 the upland portions they're using as match, we may be  
11 open to them pursuing that difference. That's a  
12 compromise we can live with at this point until we  
13 take it up further in a future board meeting.

14 MR. BRAGG: I'm going to just stir the  
15 pot one more time. I think, from what I understand,  
16 that if we went through with it and told them they  
17 could sell their carbon credits, that Clean Water  
18 Management Trust Fund would get some of the money. I  
19 think that's the way it might work. Some of these  
20 guys on the back row, you may well know the answer to  
21 that.

22 MS. GUTHRIE: I think that's part of the  
23 discussion coming up when we look at this as a board  
24 policy because currently there would not be that  
25 language in the easement, or that arrangement, but I

1 think that's the -- so I think it's questionable right  
2 now, but it's a very good thing to keep in our  
3 discussion and consider.

4 CHAIRMAN KICKLER: Are there any other  
5 questions on this particular presentation? If not  
6 we'll move on to line item 13.

7 MR. SUMMER: All right. Riverstone again.  
8 The Nature Conservancy is requesting \$1,849,900 out of  
9 \$6,185,998 to purchase a little over 4,000 acres in  
10 fee.

11 Next slide. This is in Columbus County in  
12 the Lumber River Basin.

13 Next slide. This is kind of the pair that  
14 we've already considered today, so what we looked at  
15 earlier was Phase 1, and what was approved with the  
16 Natural Heritage fund was Phase 1. This is Phase 2.  
17 It's just the next bite out of the apple. It would be  
18 4,000 acres. It would be directly adjacent to what  
19 they're working on protecting right now, just upstream  
20 on the property.

21 Next slide, please. This is Lake Waccamaw.  
22 This represents -- this green area represents the  
23 whole 18,000 acres, and this is -- this is Phase 2  
24 right here, this little thing in this lane.

25 Next slide, please. Same picture from



1 earlier, this is Lake Waccamaw draining into the  
2 Waccamaw River, a view from the creek, a view from the  
3 air. Here we go, this is new information.

4 So the match is 69 percent. It would be  
5 mostly for forest legacy, environmental enhancement  
6 grants, other to be determined funds. They do have  
7 some funds from the North American Wetlands  
8 Conservation Act. This part is secured. I think a  
9 lot of this still has to be picked up.

10 Next slide, please. Per acre -- that's an  
11 old number. It needs to be revised. It's actually  
12 \$1,531 per acre, \$42 per foot of buffer.

13 Next slide. The Waccamaw River and  
14 tributaries are Class B and C, and numerous rare  
15 aquatics species you saw in the previous presentation.  
16 The water quality benefits, there are over 43,000 feet  
17 of stream buffer and almost 4,000 acres of wetland  
18 will be protected.

19 Next slide. As you know, we awarded  
20 \$600,000 to Phase 1 last year as Clean Water. You've  
21 just approved one and half million as Natural Heritage  
22 Trust Fund consideration. And Phase 1 is moving  
23 forward and timber crews is being conducted right now  
24 to determine the market value of both of these phases.

25 Next slide. This is priority one of four

1 for the Nature Conservancy, also is priority one of  
2 four for Wildlife Resources when they're presenting  
3 the Natural Heritage grant.

4 And with that I'll take any questions.

5 MR. TOOLE: Is it under contract now?

6 MR. SUMMER: It's not. When the timber  
7 appraisal comes back, there will be negotiations then.

8 MR. TOOLE: Willing to sell it or are  
9 we --

10 MR. SUMMER: At the right price, I believe  
11 so. It doesn't have a lot of value, as I understand  
12 it.

13 MR. TOOLE: Thank you.

14 CHAIRMAN KICKLER: Any other questions?

15 (No response.)

16 CHAIRMAN KICKLER: Moving on to line item  
17 14.

18 MR. MASSIE: This is the Blue Ridge  
19 Conservancy up in Watauga County. This is Camp  
20 Lutherock. This is a conservation easement request.  
21 It's a Presbyterian camp.

22 Next slide, please. Here it is at -- that's  
23 right up next to Sugar Mountain. You can see the area  
24 in green there.

25 Next slide, please. Here's the Camp

1 Lutherock property. You see Sugar Mountain there.  
2 You can see all the other public lands throughout the  
3 area. The ones that are in the lighter yellow colors  
4 are properties that are protected by the conservancy  
5 itself. Then you see Grandfather Mountain and the  
6 national forest.

7 Next slide. This is the actual tract  
8 itself. And what is being proposed is that a portion  
9 of the Camp Lutherock property will be covered by a  
10 Clean Water easement. A portion will be covered by an  
11 easement very similar to ours held by Blue Ridge  
12 Conservancy. We will actually hold an easement on 293  
13 acres. Blue Ridge Conservancy will hold an easement  
14 on 283 acres.

15 Next slide, please. The conservancy  
16 requests \$571,400 to assist with purchasing the  
17 conservation easement on 576 acres of Camp Lutherock  
18 in Avery County. As I stated, 293 acres will be under  
19 a Clean Water easement; 283 acres will be under a Blue  
20 Ridge Conservancy easement. The camp property in the  
21 middle of this tract, the center piece, will be  
22 excluded from easements both, but the Lutherock  
23 property is in the middle of the Lutherock Natural  
24 Heritage area and the property is the headwaters of  
25 the North Toe River.

1                   Next slide, please. The North Toe River is  
2                   classified as a Water Supply V, trout. Sugar Creek is  
3                   a C trout. There are 11 unnamed tributaries to the  
4                   North Toe River that originate on this property. The  
5                   project would protect the nearly 11 -- or 113,000  
6                   linear feet of the North Toe and tributaries and also  
7                   2,200 linear feet of Sugar Creek. And this is the  
8                   North Toe River on the property.

9                   Next slide, please. The tract is in a state  
10                  natural heritage area. And two types of rare  
11                  amphibians are found on the tract. Our easement,  
12                  again, would cover 200, and I think there was 83 acres  
13                  -- I think that's the top, or 44 percent of the entire  
14                  tract. The conservancy has a 55 percent match. The  
15                  cost of the easement is \$2,226 per acre.

16                  The camp does reserve the right to keep the  
17                  existing roads and trails within the conservation  
18                  easement. The access road currently has one bridge  
19                  and one concrete ford within the Clean Water -- what  
20                  would be the Clean Water easement on the North Toe  
21                  they will maintain, but they're already there and just  
22                  asking to be grandfathered in if we do this  
23                  conservation easement with them.

24                  This project is eligible for funding. And I  
25                  believe that's the end of the slides. And I'll be

1 happy to take any questions that you might have.

2 If there are no questions then we'll go into  
3 Blue Ridge Conservancy's second priority, which is --  
4 which is a tract -- two tracts, really, adjacent to  
5 Pond Mountain game lands, an area that Clean Water and  
6 Natural Heritage has participated in in years past.

7 This is 003. This is the Tracy and the  
8 Phillips tract. You're looking down on the Tracy  
9 tract from Pond Mountain game lands.

10 Next slide, please. These tracts are in the  
11 very far western corner of western North Carolina in  
12 Ashe County, right basically on the Virginia and the  
13 Tennessee lines. You can see all three counties from  
14 there.

15 Next slide. The project consists of two  
16 distinct properties on opposite ends of Pond Mountain  
17 game lands. The Phillips property is on the  
18 northeastern portion of the game lands. The Tracy  
19 tract is on the southeastern portion of the game  
20 lands. Phillips is 101 acres. Tracy is 71 1/2 acres.

21 Next slide, please. Blue Ridge is  
22 requesting \$440,000 to purchase the two tracts in fee  
23 on Pond Mountain game lands in Ashe County. They will  
24 be transferred to the Wildlife Resources Commission  
25 and added to the game lands if we were to purchase

1           these.

2                     Pond Mountain is a state natural heritage  
3           area. Again, Phillips tract is on the northeast,  
4           Tracy's on the southeast, and they go to the  
5           commission.

6                     Next slide. Here's an areal of the Phillips  
7           tract. Again, it's 101 acres, basically 50 percent of  
8           it is pasture land. You can see that in one area 50  
9           percent is forest. Everything within the light blue  
10          area would be the 300 foot riparian buffer. That's  
11          all that Clean Water would be purchasing because that  
12          would be the riparian buffer. The uplands portion  
13          would be coming through donations from the property  
14          owner or other sources of funds.

15                    Approximately 36 acres of the 101 acres is  
16          within 300 feet of Big Horse Creek, which is  
17          classified by the Division of Water Resources as C,  
18          trout, outstanding resource waters. They would  
19          protect 6,800 linear feet of Big Horse and the unnamed  
20          tributaries you see going into it there.

21                    Next slide. The Tracy tract is 71 1/2  
22          acres, and 59 percent of that entire tract is within  
23          300 feet of Little Horse Creek. And you can see the  
24          buffer areas in light blue there.

25                    Next slide. Little Horse Creek and the

1 unnamed tributaries are classified by Water Resources  
2 as C, outstanding resource waters and trout. The  
3 project would buffer a little over 4,000 linear feet  
4 of both sides of Little Horse Creek and its  
5 tributaries -- well, 4,000 feet of the tributaries and  
6 2,000 linear feet on both sides of Little Horse Creek,  
7 or approximately 42 acres of the 71 1/2 acres.

8 Next slide. Forty-five percent of the  
9 entirety of the combined tracts is within 300 feet of  
10 the water, and 94 1/2 acres would be purchased with  
11 matching funds from other sources other than Clean  
12 Water. And Blue Ridge Conservancy did tell me,  
13 because of limited funds and the fact that these are  
14 two separate tracts, that they could be separated and  
15 you could fund one or the other.

16 Tracy would be their priority, the 71 acres  
17 would be their first priority for funding, and then  
18 the Phillips tract would be the second priority, 101  
19 acres for funding, if you choose to do so, or you can  
20 fund both projects by funding the entire grant.

21 CHAIRMAN KICKLER: Are there any questions?

22 (No response.)

23 CHAIRMAN KICKLER: What is the -- maybe it  
24 was in the information provided. If it was, sorry to  
25 ask the question. But what is the cost of the

1 individual tracts, the Tracy tract -- or are they  
2 about the same?

3 MR. MASSIE: I don't know, but I can find  
4 that for you, Mr. Chairman. Give me just a minute.

5 CHAIRMAN KICKLER: While he's looking for  
6 that I'm going to move on -- move on to line item 16.

7 MR. BRAGG: Mr. Chairman, I need to  
8 recuse myself from discussions regarding this matter.

9 CHAIRMAN KICKLER: Okay.

10 MR. SCHUMAK: Hopefully I don't put you all  
11 to sleep on this one because --

12 CHAIRMAN KICKLER: Before you continue on,  
13 it's been advised -- if you could, Trustee Bragg, if  
14 you take a seat with --

15 MR. TOOLE: I should probably report that  
16 I have worked with the Catawba Lands Conservancy on  
17 other matters, not on this. I don't currently work  
18 with them on anything, so that's appearance maybe.  
19 But I just report that to you and let you decide  
20 whether I need to recuse myself as well.

21 CHAIRMAN KICKLER: I don't --

22 MS. LUCASSE: We had talked about that  
23 before and talked about if you have any familiar or  
24 personal and certainly not financial things associated  
25 with this, and based on your representation I



1 understood from you you thought that there was not a  
2 conflict but you wanted to provide notice of the fact  
3 that you've worked with them in the past.

4 MR. TOOLE: That is my wish, yes.

5 MR. SCHUMAK: Hopefully I don't put you to  
6 sleep. This is a regional project. It's somewhat  
7 long. I know it's late in the day. It's 15 counties,  
8 though, and also it's Phase 4 of an existing project  
9 that's been ongoing. So I'll try and keep you awake.

10 Next slide, please. I was going to give you  
11 a little bit of history. This started in 2007 -- and  
12 I'm not going to go through all this -- but starting  
13 in 2007. It's essentially a goal to link 15 counties  
14 and two states together tying in their most  
15 significant ecological areas together.

16 Next slide, please. What they're looking at  
17 is trying to link all the greenway streams in this 15  
18 county area, putting riparian buffers on it. And some  
19 of those streams vary from essentially 303D streams to  
20 outstanding resources, so the full gamut. To date  
21 they've acquired almost 1,300 acres with our funding,  
22 almost 700 acres of that's been riparian. And you can  
23 see -- for a metropolitan area with a lot of stream  
24 life in the metropolitan area.

25 Next slide, please. They are documenting

1 the economic benefits of this. That's just a side  
2 note. They're going to manage from this. And  
3 builders are saying that greenway trails are the  
4 number one amenity that they're seeking now in new  
5 developments.

6 Next slide. They also tout the health  
7 benefit. Go to the next slide. A lot of these slides  
8 have quotes from the 15 different counties that are  
9 participating. They just wanted to acknowledge the  
10 support that they appreciate in the first three  
11 phases.

12 Next slide, please. Here's the 15 counties.  
13 It entails both North Carolina and South Carolina. We  
14 do not participate in the South Carolina with funds.  
15 But to date they have 76 local governments onboard.  
16 Here's an example of one of their contiguous trail  
17 systems in the Kings Mountain area.

18 Next slide. Here's an example of Long  
19 Creek. To date we've spent just shy of \$4 million.  
20 They've come in with \$7.3 million of total value.

21 Next slide. Often they put trail signs that  
22 emphasize the benefits and give us credit for  
23 assisting.

24 Next slide. Here's one up in Iredell  
25 County. So these are projects that you have funded in

1 the past and have made successful.

2 Next slide. Currently they have a grant.  
3 It's going to finish out, essentially, at the end of  
4 this year, and they will have spent almost all of the  
5 monies that have been allocated to date.

6 Next slide. What are they targeting for  
7 2013? This is the new grant. They're specifically  
8 looking at seven tracts. They're asking for \$3  
9 million with a dollar-per-dollar match on all those  
10 tracts. I will convey that the applicant has conveyed  
11 that they could take a smaller grant to keep the  
12 program running. They would look at 200 -- almost 300  
13 acres of riparian area. The cost per acre is actually  
14 not so bad, \$9,000 per acre, if you consider that it's  
15 a pretty urban area.

16 Next slide. These are the seven specific  
17 tracts that they have targeted.

18 Next slide, please. This is Upper Rocky  
19 River in Iredell County. It's a 303D listed stream.

20 Next slide. These just show the riparian  
21 areas that we're acquiring. And in most cases they're  
22 tying to existing tracts that have already been  
23 protected.

24 Next slide. Go ahead and go to the next  
25 slide. Next slide, please. I'm not going to go

1 through all seven. Next slide. Next slide, please.  
2 I'll try to keep you awake here.

3 These are representations -- one question  
4 might be what happens after we acquire the tracts?  
5 Essentially what they do is they work with the local  
6 communities. And this is match that's above and  
7 beyond what's shown in our application. It's where  
8 they get local citizens to come in and essentially  
9 build the trail. They've had a very successful  
10 program of building trails.

11 Go ahead and go to the next slide. They  
12 provide match from other funds to do master plans.  
13 They have a team that they put together. They have a  
14 program of volunteers. They have over 500 volunteers  
15 on this so far that go out and actually build these  
16 streams. It's almost like a conservation core  
17 project. Once they acquire the land, they go out and  
18 build these trails fairly quickly.

19 Next slide. And often they get businesses  
20 in the area to support their work. Here's one where a  
21 local business essentially took 45 employees and built  
22 bridges and did about 2 1/2 miles of trail down by the  
23 Daniel Stowe Botanical Gardens.

24 Next slide. They have a trail master  
25 program where they train people to do it in such a way

1           that the trails are built so they'll be in low  
2           maintenance.

3                       Next slide. Here's just some pictures of  
4           people out building trails.

5                       Next slide. This is the last slide. They  
6           get businesses that participate. I think this is REI  
7           or one of the local banks that have put together teams  
8           and they go out and build these trails.

9                       And with that, I believe I didn't put  
10          everybody to sleep, and I'll answer any questions.

11                      CHAIRMAN KICKLER:    Do you know how many  
12          miles of trail they anticipate building?

13                      MR. SCHUMAK:     That's evolving a little bit,  
14          but I believe they have about 130 miles in already,  
15          and they're envisioning upwards of I think about 500  
16          miles.

17                      CHAIRMAN KICKLER:    So that's not just  
18          getting some high school kids and having a photo op  
19          with some shovels?

20                      MR. SCHUMAK:     No, they are -- they have a  
21          specific program that lays out the trail. It is  
22          really exciting what they're doing. They're doing it  
23          in a great way, and they just had some dedications  
24          about -- I think last week on a tract that we funded.

25                      CHAIRMAN KICKLER:    Are there any other

1 questions?

2 (No response.)

3 If not, let's move on to item number 17.

4 MR. MASSIE: Mr. Chairman, if I could  
5 follow up on your question about the Tracy and  
6 Phillips tracts, we do not have individual costs of  
7 those parcels. We have an average cost per acre,  
8 which we can then use to come up with approximately  
9 what those lands would cost and then divide it by the  
10 match, because we would still hold them to the same  
11 percentage of match.

12 So if that's the case, as an approximate  
13 value, the Tracy property would be cheaper because  
14 it's less acreage. It would be roughly \$186,000 plus  
15 change. The Phillips property of 101 acres would be  
16 roughly \$266,500. Those are approximations based on  
17 the cost per acre. They could vary more or less. An  
18 appraiser would have to straighten that out.

19 CHAIRMAN KICKLER: Thank you. We're on  
20 line item 17.

21 MR. SUMMER: The Nature Conservancy is  
22 requesting \$289,555 out of \$351,195 to purchase 204  
23 acres in fee in Pender and Duplin Counties in the Cape  
24 Fear River Basin.

25 The project consists of fee purchase of two

1 parcels in adjacent counties, one up here and one down  
2 here. The common link is the landowner. Tract one is  
3 in Duplin County. It's 127 acres. Tract two is in  
4 Pender County and it's 77 acres.

5 Next slide, please. This is the military  
6 air space training route. We have three military type  
7 projects this time. Normally what I call a military  
8 buffer project would be adjacent to a base and would  
9 have some Department of Defense monies in it. We call  
10 them military buffer. I'll call this one, to be fair,  
11 military like. It's military related but there's no  
12 military match in it and it's not necessarily adjacent  
13 to a base.

14 Next slide, please. This is tract one.  
15 It's in Duplin County, 127 acres. It has frontage on  
16 the Cape Fear River, and most of the parcel is in the  
17 flood plain and it's adjacent -- and it is adjacent to  
18 the Angola Bay Game Land.

19 Next slide. This is a typical shot of what  
20 most of the property looks like.

21 Next slide. This is a little bit of the  
22 uplands.

23 Next slide. Tract two is in Pender County.  
24 It's 77 acres. And it's located between the Cape Fear  
25 River and Broadwater Creek. It's actually this parcel

1 right here. It's hard to see. But here's Broadwater  
2 Creek coming in. Here's the Cape Fear River, and it's  
3 just this little peninsula right there. And it's near  
4 the Cape Fear River Game Land, so there's a little bit  
5 of private ownership separate.

6 Next slide. This is a view of the property  
7 from the water.

8 Next slide. This is a view of Broadwater  
9 Creek. This is just a slide showing the military  
10 project, so this is -- this one right here and right  
11 here, the Godwin tracts. The green is the military  
12 bases. This is Cherry Point, Camp Lejeune. All the  
13 orange is conservation land, so this does attach to  
14 conservation lands quite a ways away from the military  
15 bases. You can see the other two are adjacent to the  
16 bases. So this is this one right here, Godwin.

17 Next slide. Match is landowner donation.  
18 It's 18 percent.

19 Next slide. Cost per acre is low.

20 Next slide. Cape Fear River is Class C.  
21 It's a high quality water. It has rare aquatic  
22 species, yellow lance, broadtail, madtom. You've got  
23 a couple mussels in there and small fish. The water  
24 quality benefit is that over 14,000 feet of buffer  
25 will be protected between the two parcels.



1           Next slide. This is priority three of four  
2           for the Nature Conservancy. And with that I'll take  
3           any questions.

4           CHAIRMAN KICKLER: I was thinking, I'm  
5           pretty clear that a minimum match had to be at least  
6           20 percent. Is that what --

7           MR. MASSIE: That's -- that can be waived  
8           by the board. The 20 percent minimum match was named  
9           in the statute that said the board has authority to  
10          reduce it and go beneath that if the board chooses to  
11          do so. So it's not a hard and fast rule. It's just  
12          kind of a rule of thumb that we use as we talk to  
13          applicants is you need 20 percent match. If it's less  
14          than that, you can still fund it, but that's the board  
15          decision.

16          CHAIRMAN KICKLER: Okay. So that would  
17          apply to line item 19?

18          MR. MASSIE: Uh-huh (yes).

19          MS. MCGEE: I was just going to add, the  
20          matching language in the statute actually says that  
21          the Trustees shall establish matching requirements,  
22          and it may be satisfied by donation of land to a  
23          public or private non-profit conservation organization  
24          as approved by the board. The board may also waive  
25          the requirement to match a grant pursuant to

1 guidelines adopted by the board.

2 So I think what Tom's saying is they had a  
3 -- a rule of thumb was 20 percent. It wasn't a set  
4 requirement, but most people came in with some kind of  
5 match, either cash or in kind or the value of a  
6 donated easement or something like that. There was a  
7 rule of thumb that they had, but it wasn't hard and  
8 fast, so all of them were not going to meet that.

9 MR. MARKHAM: If I'm not mistaken, I  
10 believe that our point system accounts for the match  
11 and the type of match.

12 MS. MCGEE: It does.

13 MR. MARKHAM: I was just wondering, if it  
14 was below that if it were excluded, but apparently  
15 not.

16 CHAIRMAN KICKLER: Are there any other  
17 questions?

18 (No response.)

19 CHAIRMAN KICKLER: Moving on to line item  
20 18.

21 MR. SUMMER: The Tar River Land  
22 Conservancy is requesting \$165,100 out of the \$382,600  
23 to purchase 117 acres in fee.

24 Next slide. This is in Granville County in  
25 the Neuse River Basin.

1                   Next slide. This is a parcel here outlined  
2                   in yellow. Eighty-two of these acres are riparian and  
3                   are going to be protected under Clean Water easement.  
4                   And while I'm here I'd like to point out it is  
5                   adjacent to some property protected under a previous  
6                   Clean Water grant as well as U.S. Army Corps of  
7                   Engineers easement because Falls Lake is just off the  
8                   screen down here. And you can also see the kind of  
9                   encroaching development in that area. This is just  
10                  outside of Creedmoor.

11                  Next slide, please. Here is another aerial  
12                  photo just showing what's in the area.

13                  Next slide. This is one of the tributaries  
14                  on the property. This is one of the kind of open wet  
15                  areas on the property, an easement on the uplands  
16                  through the middle, another one of the wetland areas.

17                  The match is 57 percent, and that comes from  
18                  the Upper Neuse Clean Water Initiative. Again, that's  
19                  a City of Raleigh program. This is just upstream from  
20                  Falls Lake, which is their water supply reservoir, and  
21                  the Natural Resource Conservation Service. And part  
22                  of that match is actually to clean up an existing hog  
23                  lagoon that's on the property that they want to clean  
24                  up before they take the property and place an easement  
25                  on it.

1                   Next slide, please. The cost per acre is  
2                   modest even where it is.

3                   Next slide. The Robertson Creek tributaries  
4                   are Water Supply IV and nutrient sensitive since they  
5                   are in the Neuse River Basin. Over 12,000 feet of  
6                   stream buffer and 37 acres of wetland will be  
7                   protected, and this drains directly to Falls Lake.

8                   This is the inactive hog lagoon that I was  
9                   talking about that will have to be cleaned up, and  
10                  that's usually draining, dredging the bottom, removing  
11                  all the nutrients and the good stuff that's left  
12                  behind on the bottom of a lagoon and remediating.  
13                  They're working on getting that done after the Corps  
14                  -- before an easement will be closed.

15                  Next slide. I do want to point out, this is  
16                  the top priority for Tar River Land Conservancy,  
17                  mainly because they've got a lot of the other -- well,  
18                  they've got all the other match funding in place.  
19                  It's ready to go, and we're the final piece of that  
20                  puzzle. So for that reason this their top priority.

21                  And I'll take any questions.

22                  CHAIRMAN KICKLER: Are there any questions?

23                  (No response.)

24                  CHAIRMAN KICKLER: Thank you for that.

25                  Your last two sentences answered my questions.

1 Move on to line item 19.

2 MR. SCHUMAK: Thank you, Mr. Chair.

3 This is another application from the  
4 LandTrust for Central North Carolina. This is number  
5 two out of three applications from this applicant.  
6 It's the Brewer tract on Brown Creek.

7 Next slide. It's located immediately  
8 adjacent to the Pee Dee National Wildlife Refuge in  
9 Anson County. They're asking for about \$139,000.  
10 Their match is just shy of \$19,000. It's a  
11 conservation easement purchase of 77 acres, again,  
12 adjacent to the Pee Dee National Wildlife Refuge.

13 Next slide. It also borders a EDP tract.  
14 The subject tract is this, I guess, pinkish, orange  
15 tract. This is the Pee Dee National Wildlife Refuge,  
16 and there is the other tract that's protected.  
17 There's two streams that come in. This is essentially  
18 a large wetland area.

19 Next slide. This just shows it in a little  
20 better detail. There is a Highway 52 and a -- I  
21 believe a railroad spur that go through part of the  
22 tract. It's essentially a hundred percent flood  
23 plain.

24 Next slide, please. Here is the wetlands  
25 area itself.

1           Next slide. It was targeted, again, by the  
2           Greater Uwharrie Conservation Partnership. It is a  
3           high priority with them. It does have a stand of  
4           timber in one section of the tract.

5           Next slide. And this just shows another  
6           illustration of it. It is a waterfall active nesting  
7           area, and it's got some rare endangered mussels on the  
8           property.

9           And I believe there's one more slide.  
10          LandTrust for Central North Carolina Watauga tract.

11          Next slide. And this is just a summary of  
12          the information that I already gave you. It's about  
13          \$2,000 an acre.

14          And with that I'll answer any questions.

15          CHAIRMAN KICKLER: If there are no  
16          questions, we'll move to line number 20.

17          MR. MASSIE: Thank you, Mr. Chairman.  
18          Last but not least.

19          This is a Nature Conservancy project, one of  
20          four that they have in front of us. It's number three  
21          priority at this time for the Nature Conservancy.  
22          It's called the Hightower Properties. This is in Ashe  
23          County. This is, again, part of the Amphibolite  
24          Mountains. And you're looking up at Peak Mountain.

25          Next slide, please. Here you can see it in

1 the left-hand corner, the tract in Ashe County.

2 Next slide, please. The Hightower tract --  
3 the importance of the Hightower tract is it links  
4 together several already protected areas. The light  
5 green color is, I believe, Long Hope Creek that's  
6 under a Nature Conservancy easement. You've also got  
7 Three Top Mountains to the right, which is owned by  
8 the state. You have Elk Knob State Park to the left.  
9 And this tract would tie all of these parcels of  
10 protected lands together.

11 Next slide, please. Here you can see the  
12 riparian buffer areas on the tract itself. Everything  
13 in light blue would be the 300 foot riparian buffers.  
14 Again, it shows the state lands and the TNC  
15 conservation easement.

16 Next slide, please. Nature Conservancy  
17 requests \$1,160,799 to assist with the purchase of  
18 approximately 200 acres on Peak Mountain in Avery  
19 County. The tract ties together Elk Knob State Park  
20 and Three Top Mountains game lands, both which are  
21 natural significant heritage areas. Again, it lies  
22 adjacent to a TNC held conservation easement. It has  
23 frontage on Three Top Creek, which is a state Natural  
24 Heritage aquatic habitat, meaning it's got some  
25 endangered aquatic species in it.

1           Next slide, please. Here's Three Top Creek  
2           itself. And it's tributaries are classified as C-  
3           trout, outstanding resource waters. One side of Three  
4           Top Creek would be buffered for about 3,000 linear  
5           feet. The average width of that buffer,  
6           unfortunately, would only be about 50 feet due to the  
7           state road that follows the contours of the creek down  
8           through there.

9           The unnamed tributaries that go farther back  
10          up on the tract itself would be about 25,000 linear  
11          feet of buffer through the property on both sides of  
12          those unnamed tributaries.

13          Next slide, please. Again, Three Top Creek  
14          is a state significant aquatic habitat. There are  
15          eight rare aquatic species found within the creek, six  
16          of which are fishes, two which are caddis flies that  
17          fishes like to eat. And there are multiple rare  
18          species -- plant species that are found throughout the  
19          forested uplands, again, because it's part of the  
20          Amphibolite Mountains, and they have just a floor of  
21          endangered species.

22          Next slide. Our dollars would purchase 159  
23          acres of riparian buffer. Eighty percent of the  
24          entire 199 acres is within 300 feet of water. There  
25          is a 30 percent match. The average cost per acre is



1 little over \$8,000 per acre. And, again, this is  
2 looking back up at the tract, excluding the lake and  
3 the house that you see here to the center on the left  
4 on the right-hand side of the screen are excluded from  
5 that property.

6 And with that I'll be happy to try to answer  
7 any questions that the board has.

8 CHAIRMAN KICKLER: Are there any questions?

9 (No response.)

10 If not, let's take a five-minute break.

11 (Recess taken from 3:03 p.m.

12 to 3:19 p.m.)

13 CHAIRMAN KICKLER: Welcome back. Before we  
14 get started in this section, I wanted to ask Beth, if  
15 she could, to relay the range of money that we're  
16 dealing with for allocation for this cycle for  
17 acquisitions, and then also the range we're dealing  
18 with provisional grants based on the license, that way  
19 we're all on the same page and that would --

20 MS. MCGEE: Okay. So for just the  
21 regular list that you would make final awards today,  
22 as we said before, on your budget sheet, what's  
23 available is \$10,454,204. And the range that you all  
24 adopted from your ad hoc funding allocation committee  
25 recommendation was 65 to 75 percent of that would go

1 to acquisition applications, and the rest would go to  
2 restoration and greenway applications.

3 Larry is smiling at me. He wants to make  
4 sure you all save money for the restoration and  
5 greenways.

6 That ends up being a range of \$6,795,233 up  
7 to \$7,840,653. So that's 65 to 75 percent of that  
8 \$10.4 million.

9 And if you want -- do you want the range for  
10 the provisional now as well, or do you want to wait  
11 for that?

12 CHAIRMAN KICKLER: Give us the range now.

13 MS. MCGEE: Okay. The range for the  
14 provisional, you have to do an extra calculation.  
15 What we think will be available in the -- for the  
16 license plate revenues will be this \$2.1 million,  
17 \$2,174,738. In your ad hoc committee recommendation  
18 it was 55 to 65 percent of that would go to Clean  
19 Water projects, both land acquisition and restoration  
20 and greenway. And then of that dollar amount it says  
21 -- you go back up to Section A and 65 to 75 percent of  
22 that is land acquisition.

23 So if you take all that into account and you  
24 -- the lowest, lowest bounds it could be and the  
25 highest, highest bounds it could be I think are

1           \$777,469.

2                   CHAIRMAN KICKLER:    Can you say that again?

3                   MS. MCGEE:           \$777,469 up to \$1,060,185,  
4                   and that's taking -- the \$777,469 -- and Christopher's  
5                   punching numbers in too -- is taking the minimum --  
6                   the 55 percent for Clean Water comes to a minimum of  
7                   65 percent as projected minimum, as the lowest bound.  
8                   And then other number, the \$1,060,185 was taking that  
9                   higher range for Clean Water, the 65 percent, and  
10                  multiplying that by the higher Clean Water range of 75  
11                  percent.

12                  MR. FIPPS:           As a clarification, though,  
13                  on the original number before the final awards today,  
14                  the 10.4 -- I think the committee had talked about  
15                  taking the \$300,000 for donated mini grants off the  
16                  top. So that brings that starting number down to 10.1  
17                  million -- 10.15. So your range is just a little bit  
18                  off. It's about 6.6 to 7.6.

19                  MS. MCGEE:           Yes. Thank you so much.  
20                  It's always good to have two people doing this.

21                  CHAIRMAN KICKLER:    So again, to clarify,  
22                  \$300,000 for mini grants is taken off the top. For  
23                  acquisitions for today we're dealing with a range of  
24                  6.6, 7.6, approximate range, and then provisional  
25                  \$777,000 approximately to \$1,061,000, approximately.

1 MS. MCGEE: Yes. And that's because you  
2 have ranges on both layers of calculations.

3 CHAIRMAN KICKLER: And we can fall  
4 somewhere in between.

5 Before we get talking about the list, I -- I  
6 mean about allocation, I was looking at the list and I  
7 saw one item that I wanted to move up, and that's line  
8 item 22. And I was just looking at this because its  
9 score is close to some of the others that are being  
10 considered and then it's a military -- it has a  
11 military aspect to it. And I was just thinking that's  
12 a big contributor to our economy, and I was wondering  
13 -- I was just thinking maybe we could move it up and  
14 see a presentation about that to show a reciprocal  
15 interest.

16 MR. SUMMER: If you're ready, I'll go  
17 right ahead. Thank you.

18 The North Carolina Coastal Land Trust is  
19 requesting \$500,000 out of \$951,500 to purchase 85  
20 acres in fee near the main air station at Cherry  
21 Point.

22 Next slide. This is in Craven County in the  
23 Neuse River Basin. This is it right here, so this is  
24 the main air station at Cherry Point. And this little  
25 red clip here is the property of interest.

1           Next slide. So this is the landing field,  
2           as you can see. Coming right off of this strip is  
3           this property right here. So the areas around it have  
4           been developed, and the issue is, as they bring these  
5           -- the big super fighters, they're extremely loud,  
6           orders of magnitude louder than the old planes. And  
7           so the sound becomes the issue for people that have  
8           decided to move onto the end of the runway. And then  
9           the military gets complaints and it hampers their  
10          ability to do what they need to do, so that's why this  
11          is a property of interest. This was one we actually  
12          purchased last year for the same reason.

13          Next slide. So this is the property. This  
14          is existing protected land, Coastal Land Trust, and  
15          this is the property in question. It only shows one  
16          drain. There's actually several small intermittent  
17          and perennial drains on this property.

18          Next slide. This is a typical drainage on  
19          that parcel.

20          Next slide. Another small drainage, a  
21          little more wet area there.

22          The match is from the Navy 41 percent -- I'm  
23          sorry -- 47 percent.

24          Next slide. This is cost per acre and the  
25          cost per square foot of buffer again. This is

1           probably high just because there's not a lot of stream  
2           showing, but there actually is more water on the  
3           property than it shows on the map.

4                       Next slide. This is -- Dam Creek flows  
5           immediately into the Neuse. It's nutrient sensitive,  
6           Class SC, and it is -- the closest to that area is an  
7           apparent water body on the previously viewed list.  
8           There's nearly 4,000 feet of buffer along Dam Creek,  
9           which drains into the Neuse River, that would be  
10          protected.

11                      Next slide. I'm sorry. This is text from  
12          last year. This is actually the only property for the  
13          main air station at Cherry Point this year, so it's  
14          naturally their top priority. The property is on the  
15          market, and this is the entrance to that subdivision  
16          that's directly adjacent to it. So it's very  
17          conceivable that land might be developed if not  
18          purchased, and it is on the market.

19                      Next slide. This is the summary. So I'll  
20          take any questions.

21                      CHAIRMAN KICKLER:    Are there any questions  
22          or comments or discussion?

23                      (No response.)

24                      CHAIRMAN KICKLER:    Okay. Thank you.

25                      MS. HACKNEY:        I was just going to say that

1 item 29 is a similar military, Camp Lejeune, with a  
2 score of 98 and 32 matching funds. I don't know if  
3 we're considering (indiscernible) --

4 COURT REPORTER: I'm sorry, Robin. I  
5 can't hear you.

6 MS. HACKNEY: I'm sorry. Item 29 it also a  
7 military issue if we feel the need to -- if we're  
8 looking at military. And that was the question.

9 CHAIRMAN KICKLER: Just ask for a  
10 demonstration.

11 MS. HACKNEY: Could we see that?

12 MR. SUMMER: Absolutely. The Nature  
13 Conservancy is requesting \$361,335 out of \$528,835 to  
14 purchase about 335 acres, pending survey, each being  
15 near Camp Lejeune.

16 Next slide. It's in Onslow County in the  
17 White Oak River Basin. This is where it's located.  
18 This is Camp Lejeune, and this is the property right  
19 here.

20 Next slide. This is the -- this is Phase 2,  
21 so this is roughly this part here. Phase 1 we  
22 purchased last year and it's actually going to close  
23 very soon, and this would be the second piece of the  
24 two.

25 Next slide. And this is what the property

1 looks like, very representative of the property. This  
2 is one of the small drainages on the property, another  
3 shot of the property, pine flatwoods.

4 The match is 32 percent coming from the  
5 Navy. They're basically covering a third of the cost  
6 per their policies.

7 Next slide. Low cost per acre. Apparent  
8 high cost per buffer, but, again, this is a lot of  
9 wetland and it doesn't -- that reflect well in that  
10 particular matrix.

11 Next slide. This drains to Horse Swamp and  
12 Wallace Creek. It's high quality water. The other  
13 one's Class C, both nutrient sensitive, Class SB.  
14 Five thousand feet of stream buffer and about 320 to  
15 330 acres would be protected. Again, the wetlands  
16 would be protected.

17 Next slide. Priority two of four for the  
18 Nature Conservancy. And if it makes any difference to  
19 you, I was talking with Hervey, and given the recent  
20 numbers on the appraisals, they could probably make  
21 this happen for \$320,000 from us given what the --  
22 what their appraisal figures are coming out with. Is  
23 that still correct, Hervey?

24 MR. MCIVER: Uh-huh (yes).

25 MR. SUMMER: With that I'll take any



1 questions.

2 CHAIRMAN KICKLER: Are there any?

3 (No response.)

4 CHAIRMAN KICKLER: Okay. If not, thank  
5 you.

6 Well, similar to our discussion with Natural  
7 Heritage Trust Fund allocations, I was hoping we could  
8 discuss how we might allocate Clean Water acquisition  
9 money, and hopefully we can get some good ideas within  
10 15, 20 minutes, if there were people who were thinking  
11 about regional diversity or if there are folks  
12 thinking about partial funding standard, or if some --  
13 for instance, like if you think line item 19 with the  
14 low minimum acq should be excluded or some others  
15 might be excluded.

16 MR. MARKHAM: Mr. Chairman?

17 CHAIRMAN KICKLER: Yes, sir.

18 MR. MARKHAM: I'd like to just put some  
19 ideas out. But I know the board in the past has made  
20 military buffers a priority based on the value that  
21 the military provides the economy of North Carolina,  
22 and that we get -- Clean Water benefits as a result of  
23 the projects we provide by helping them.

24 I would certainly like to encourage the  
25 board to really look at these three military projects

1 a little bit more. They're already military connected  
2 in terms of buffer. They may score a little lower on  
3 our sheets than some of the other projects we've  
4 gotten forward to use on it, but these are all great  
5 scoring projects that five, six years ago would have  
6 gotten funded when we had full funding. Scores of 98  
7 are great projects.

8 We're going to not fund great projects this  
9 cycle because of funding considerations, but I do  
10 think that -- I would like to encourage the other  
11 Trustees to consider at least these two military  
12 projects, item -- line number 22 and 29 for the full  
13 funding for the value that the military does provide  
14 the state, and we still have that commitment to these  
15 types projects.

16 MS. CAWOOD: Mr. Chairman, this is Greer,  
17 and another thing that I think is very important was  
18 that I'd love to echo the --

19 CHAIRMAN KICKLER: Greer, can you wait one  
20 second. We're turning up the volume here.

21 MS. CAWOOD: (Indiscernible.)

22 CHAIRMAN KICKLER: Greer --

23 COURT REPORTER: I didn't get anything  
24 she said.

25 MR. MASSIE: He's going to make her repeat

1           it all.

2                   CHAIRMAN KICKLER:    I'm sorry about that.  
3           Can you start over?  We were having a little  
4           difficulty with the volume and now we can all hear  
5           you.  Sorry to interrupt you.

6                   MS. LUCASSE:    And just for the court  
7           reporter -- excuse me --

8                   MS. CAWOOD:    I just wanted to support the  
9           last speaker's point about the military buffer zones  
10          and the fact that those do have federal monies that  
11          have come in to match those, as we look at less state  
12          money that we have to allocate.  I think it's  
13          important that we show the strength of those  
14          relationships with our military forces.

15                   CHAIRMAN KICKLER:    Thank you.

16                   MR. TOOLE:        Just by way of history, I  
17          believe -- someone straighten me out -- wasn't there a  
18          statutory mandate for a while that the trust fund was  
19          required to set aside and purchase certain buffers,  
20          and then that mandate got removed and now it's just  
21          discretionary?  Am I correct on that?

22                   MS. LUCASSE:    Yes, you're correct.

23                   MR. MARKHAM:    Mr. Chair?

24                   CHAIRMAN KICKLER:    Yes.

25                   MR. MARKHAM:    I'd like to offer a

1 suggestion. If you look at the two military projects  
2 that are directly buffering military installations,  
3 the combined requests total just under \$900,000, which  
4 is pretty close to what we're expecting, I think, for  
5 the provisional funding from license plates. So I  
6 certainly -- when it comes time make any motions, I'm  
7 likely to make a motion that we consider funding these  
8 projects out of that provisional funding, just put it  
9 out for consideration, especially now.

10 MR. TOOLE: I am uncertain how I feel  
11 about breaking away from the funding -- the scoring  
12 mechanism because I think that if you were to say that  
13 we wanted to break away from the scoring, there are  
14 probably lots of good projects that, as you dig  
15 deeper, are fully deserving for many, many, many  
16 reasons. And to be fair to those -- and I think if  
17 we're going to drop into the 98s, I need to see all  
18 those projects in order to make an informed decision  
19 on one over the other.

20 I certainly understand the importance of the  
21 military bases to the economy of the state. And I  
22 certainly like the fact that this work would be  
23 matched. Whether it comes from the feds or from a  
24 private party, I'm indifferent. So, anyway, if we're  
25 going to drop into the 98s, we probably ought to look

1 at Eagles Nest Branch and Hickory. Now, Hickory's  
2 going -- Hickory will tell us they're pretty important  
3 to the state, too.

4 CHAIRMAN KICKLER: Is there anyone thinking  
5 about a --

6 MR. TOOLE: I'll tell you what I was  
7 thinking. I was just taking it from the top and  
8 working my way down. And I was thinking if we could  
9 -- instead of on number two, the East Fork French  
10 Broad Headwaters, if could partially fund two million  
11 as opposed to four million, that gives us some money  
12 to go deeper down the list, particularly since we've  
13 already helped them out on the Natural Resources --  
14 Natural Heritage side.

15 And then another -- just keeping on going  
16 down -- on project number 2013-20, that's line 13, I  
17 would be inclined to defer funding this one to this  
18 year because we're waiting for the timber crews, the  
19 appraisal. It's really not ready to go. And Phase 1  
20 is complete and we funded that on the Natural Heritage  
21 side, so that gives us another two million to keep  
22 going down the list.

23 And then on the Catawba Lands Conservancy, I  
24 could see offering one million but not the three, and  
25 that gets us way on down.

1                   CHAIRMAN KICKLER:    Is there any particular  
2                   -- if I may ask --

3                   MR. TOOLE:            I made it up.  I knew what  
4                   you were going to ask.  I just --

5                   MS. HACKNEY:        And I'm new to all this, so  
6                   I'm just throwing this out there.  I'm looking at the  
7                   percentage of match, which, in my world, is skin in  
8                   the game kind of thing.  So if some of these have more  
9                   percentage of match, which is the other -- the  
10                  military, you know, they've got the military matching  
11                  fund, which is another reason to continue to possibly  
12                  fund those because we want the military to continue to  
13                  offer to do those kind of things and to not just throw  
14                  that out the door because their scores may be  
15                  different, since that's something that the board has  
16                  done in the past.  But I think, you know, matching --  
17                  we can also look at the matching funds now that, in my  
18                  world, makes a difference, too, because, you know,  
19                  they've gone out and they've gotten these people that  
20                  agree.

21                  MR. TOOLE:            Well, would you -- I'm  
22                  looking at line 17.  That one's got an 18 percent  
23                  match.  Everything else above that is 50 percent or  
24                  better match.

25                  MS. HACKNEY:        Right.  But that's just the

1 training route.

2 MR. TOOLE: I'm asking, would you stick  
3 with that? Would you keep that in or would you drop  
4 that out?

5 MS. HACKNEY: No, I think you were talking  
6 about -- tell me if I'm wrong -- but I think you were  
7 talking about the other two, the two that are actually  
8 adjacent to the military base that is part of what  
9 they -- the original. This is a training route versus  
10 the other two that we looked at last, which are  
11 adjacent properties as buffers, which is part of what  
12 the conservancy had been doing before.

13 MR. GOSSAGE: And Will has put up on the  
14 screen -- he's made the adjustments that -- this is  
15 just one example that Trustee Toole has suggested --  
16 and so you can see in Column K where the running total  
17 would be -- which I think, Will, if could scroll down  
18 to Heritage -- go down just a little bit, you're can  
19 find that 10.1 million is going to get -- sorry, it's  
20 the 7.6. I'm sorry. So you want to go up -- sorry --  
21 so you want to go up, so you're going to go -- you're  
22 going to be right around 15.

23 MR. TOOLE: If you can go further up,  
24 Will, something is wrong with the matrix, I think.  
25 Have you adjusted the Grassy Ridge site for 350?

1 UNIDENTIFIED: Yes.

2 MR. TOOLE: Why start at two million --  
3 that's the running total. Sorry.

4 MR. SUMMER: This was the next adjustment  
5 right here, 350.

6 MR. SCHUMAK: Go down to line 11.

7 MR. TOOLE: We're finding money left and  
8 right.

9 MS. MCGEE: Yeah, 7,165, that's what I  
10 have, too.

11 MS. CAWOOD: Mr. Chairman, in my notes,  
12 line number 13 was Wildlife Resource Commission's  
13 number one priority. It feels a little weird to zero  
14 them out when that was their number one priority. So  
15 I'd love to hear some discussion from other members  
16 about that.

17 CHAIRMAN KICKLER: Are you talking about  
18 line -- okay, Greer, sorry. Can you restate which  
19 project you're talking about in particular?

20 MS. CAWOOD: Line 13, the Waccamaw River,  
21 in my notes -- and I might be wrong -- that was the  
22 Wildlife Resource Commission's number one priority for  
23 Clean Water.

24 MS. MURRAY: I put zero in based on what  
25 Mr. Toole said.



1 MR. TOOLE: No, no. Yeah, so I'll share  
2 my thinking on that, Greer, and I look forward to  
3 meeting you in person.

4 My thought on that was it's not under  
5 contract. They're still waiting for the appraisal.  
6 This is Phase 2. Phase 1 has been funded fully now  
7 with the Natural Heritage money that we just  
8 allocated. We know this will be coming back, so it's  
9 not that I thought that it was an unimportant project,  
10 but it just seemed to me that given the other projects  
11 we've got and knowing that this will be a multi year  
12 task, I was just -- my thought was kick it down the  
13 road to another year because we'll be seeing it  
14 anyway, but I could be wrong.

15 MR. MARKHAM: Mr. Chairman, could we ask  
16 the staff about this project if it does not get  
17 funded? I thought I recalled in the perspectives that  
18 there was some concern whether they could turn to  
19 other sources, including timbering.

20 MR. SUMMER: This -- and if I don't answer  
21 adequately, Hervey with the Nature Conservancy can --  
22 this is -- if we fund this, it's not going to get done  
23 this year. I mean, they've got, what, seven phases  
24 the way -- six phases the way it's sliced up now,  
25 Hervey?

1 MR. MCIVER: Yeah, this is a work in  
2 progress with multiple phases, six or seven at least,  
3 and we do have to reach agreement with the landowners  
4 and then get it under contract for a long-term phase  
5 acquisition. So there are some uncertainties. They  
6 have talked about they would be perfectly willing to  
7 go in there and log if they had to. They've expressed  
8 that.

9 CHAIRMAN KICKLER: So if I'm hearing you  
10 correctly, you're saying it's -- if they receive no  
11 funding in this cycle, it's highly likely that the  
12 project will not --

13 MR. MCIVER: I'd say we could probably  
14 work it out over an extended time -- take it further  
15 out in time. It probably is workable.

16 MS. LUCASSE: Greer, were you able to hear  
17 that response?

18 MS. CAWOOD: A little bit of it. You all  
19 are being so patient with me on the phone. I heard a  
20 little bit. If someone could summarize it, that would  
21 be wonderful.

22 MS. LUCASSE: Just in short, it seems that  
23 we won't lose the opportunity to fund this project if  
24 we extend it over time, is that clear?

25 MS. CAWOOD: Thank you.

1 MR. MARKHAM: Mr. Chairman?

2 CHAIRMAN KICKLER: Yes.

3 MR. MARKHAM: Having been on the board for  
4 a while, through the good years and then here the last  
5 two lean years, we have kicked a lot of projects down  
6 the road, and I think we're still kicking some down  
7 the road. Knowing what next year's allocation is  
8 going to be from the General Assembly, we'll probably  
9 have another slate of fantastic projects, and I just  
10 would caution about kicking too many good projects  
11 down the road without giving at least partial funding  
12 to keep them active and moving because next year we'll  
13 have -- you all will have some additional projects to  
14 consider and this may get bumped again because it's a  
15 phased project, just a word of caution.

16 MR. MARTIN: The question I have is, you  
17 set up this project in four phases, as I recall, four  
18 or --

19 MR. SUMMER: Maybe as many as six.

20 MR. MARTIN: As six?

21 MR. SUMMER: Yeah.

22 MR. MARTIN: Does this property owner have  
23 the flexibility as our friends with the \$4,000 an acre  
24 so that you could go back and -- is this person  
25 expecting that it's the whole 3,400 acres or -- or the

1 4,000 acres or nothing, or could you go in and do  
2 partial if it was a partial fund of the project?

3 MR. SUMMER: If you don't mind, I'll let  
4 Hervey answer directly.

5 MR. MCIVER: You mean less than 4,000  
6 acres?

7 MR. MARTIN: Right.

8 MR. MCIVER: Yeah, we could -- it could --  
9 it's very fluid at this point in time as to the amount  
10 of acres. But we're talking about something that's  
11 ultimately 2,000 acres. So keep that in mind, you  
12 know, there's a point you want to take off reasonable  
13 chunks.

14 MS. HACKNEY: So I just need a little  
15 clarification. So this is 4,000 of 18,000?

16 MR. MCIVER: Correct.

17 MS. HACKNEY: So really this is the first  
18 phase of what your total project is of 18,000?

19 MR. MCIVER: This is the second phase of  
20 18.

21 MS. HACKNEY: Right. Okay. So you're in  
22 Phase 2 not 1?

23 MR. MCIVER: Correct.

24 MR. BRAGG: So to be more specific, if we  
25 cut it to \$2 million, you could work with that and do

1 something now?

2 MR. MCIVER: Yes.

3 CHAIRMAN KICKLER: What are your thoughts  
4 on setting -- limit partial funding at \$750,000 for  
5 projects? I'm thinking that will allow us to go deep  
6 into the list. Some projects have -- the Natural  
7 Heritage side has helped out with some projects  
8 before, and that would allow us to go deep into the  
9 list. And I think it would also help us fund projects  
10 that are in the eastern part of the state, the  
11 Piedmont, and also in the western part of the state.  
12 And that cap, of course, some like line item three,  
13 you know, is far below -- I mean, they're asking for  
14 \$60,100 and a few dollars, I think -- \$60,100 and a  
15 few dollars. That's far below that cap. And then  
16 some other who are asking for a larger amount, I'm  
17 thinking maybe \$750,000 is not all that they asked  
18 for, but that's a -- that's a large amount to keep a  
19 project moving on.

20 Are there any thoughts regarding that idea?

21 MR. MARKHAM: Yes, I like that idea. The  
22 limitation is all on the funding. The board has made  
23 similar decisions in the past. We've also looked at  
24 the applicants. So if you've got applicants with  
25 multiple projects that are all big dollar items, we've

1 looked at maybe having them help us prioritize which  
2 ones may get funded.

3 And, for example, we're looking at reducing  
4 the amount for the North Carolina Forest Service for  
5 line item two, the French Broad -- East Fork French  
6 Broad Headwaters. The forest service -- North  
7 Carolina Forest Service also has a second project,  
8 which is, again, a great project.

9 But I'd like to hear from staff for line  
10 item eight, the Backbone Ridge. Is that a project  
11 that could be deferred and reapplied for, or if we  
12 don't fund that, is that project dead?

13 MR. MASSIE: The Conservation Fund of  
14 North Carolina owns that property in fee at this point  
15 in time. So they're going to continue to own it  
16 whether we fund it or not, or partially fund it. So  
17 if we don't fund it, we'll see it again. If we  
18 partially fund it, we'll see it again. If we fully  
19 fund it, we'll be done with it. So it's -- take your  
20 choice.

21 MR. MARKHAM: So if we were to follow the  
22 example of capping it at \$750,000, it would help but  
23 may not complete the project?

24 MR. MASSIE: That's correct.

25 CHAIRMAN KICKLER: Is it possible to run

1 the numbers?

2 MR. TOOLE: Is that what you're trying to  
3 -- just the \$750,000 cap?

4 CHAIRMAN KICKLER: Uh-huh (yes).

5 MR. SUMMER: That's what we've got right  
6 here.

7 CHAIRMAN KICKLER: That's it right there?

8 MS. MCGEE: Yeah.

9 CHAIRMAN KICKLER: That fast. Okay.

10 MS. MCGEE: You can go -- you can go --

11 MR. SUMMER: The cap applies to the row to  
12 the right of green, and that's what the running total  
13 is based on. So Column J, there's a cap up there that  
14 maxes Column J. We put \$750,000 up there. Column J  
15 automatically is truncated at \$750,000, and the  
16 running total is based on Column J. So if we just  
17 kind of go down them one by one --

18 I think we restored all the ones that were  
19 manually removed and put Riverside back in. It's back  
20 at \$750,000. That was the intention. Audubon is  
21 still out. So I think -- is that what you've got,  
22 Beth?

23 MS. MCGEE: Yeah, I've got -- at row 20,  
24 I've got \$7,308,820.

25 MR. SUMMER: That's what we've got.

1 MR. GOSSAGE: Do we have the ability to  
2 print --

3 MS. ADAMS: (Indiscernible.)

4 COURT REPORTER: I'm sorry, Penny, I  
5 can't hear you.

6 MS. ADAMS: I'm sorry.

7 CHAIRMAN KICKLER: So that would bring  
8 us --

9 MS. LUCASSE: Terri, is it possible for us  
10 to be looking at the numbers while you do what you're  
11 doing?

12 MS. MURRAY: I can email it if you want to  
13 keep on --

14 CHAIRMAN KICKLER: Okay. So that would  
15 bring us all the way down to line 20, which would mean  
16 how many projects would be funded, 18, because two  
17 were withdrawn, right?

18 MS. MCGEE: Yes.

19 CHAIRMAN KICKLER: And they would be in the  
20 counties, again, I think -- I mean, one region -- not  
21 counties, but regions.

22 MR. SUMMER: They're pretty well  
23 distributed.

24 CHAIRMAN KICKLER: And I'm sure there will  
25 be a first, second and third, but if I remember



1           correctly looking over the list, it looked like they  
2           were represented fairly well.

3                   MR. TOOLE:        It would be useful to me to  
4           know if we could go back at the top and just go down  
5           and let's talk about which ones are ready to go and  
6           which ones are more speculative.  If we could just  
7           start -- if you don't mind, whoever can do it,  
8           starting with the first one, which is the East Fork  
9           French Broad, just go this year, next year, or we're  
10          still talking about it, that way -- if you know.

11                   CHAIRMAN KICKLER:   With that cap?

12                   MR. TOOLE:        Yeah, using this cap.

13                   MR. MASSIE:        East Fork's ready.

14                   MR. SCHUMAK:       Star is ready.

15                   MR. MASSIE:        Southern Appalachian's ready.

16                   MR. SUMMER:        As far as the Land  
17          Conservancy, Lane is ready.  The purchase agreement is  
18          finalized.  Trust for Public Land, acquisition  
19          Southview Phase 2.  Phase 1 is going to be closed at  
20          the end of this month.  They should just be starting  
21          with the same landowner negotiations if they have a  
22          willing landowner.  If they don't have money in place,  
23          it might take another, I would speculate nine months  
24          to a year.

25                   MS. GUTHRIE:       They've been working with the

1 same landowner, so it might go faster this time, but  
2 it would -- it could be this year.

3 MR. TOOLE: Almost ready.

4 MS. GUTHRIE: Almost ready.

5 MR. SUMMER: Almost ready. That's fair.

6 MR. SCHUMAK: Line seven is ready.

7 MR. MASSIE: Backbone's ready.

8 MR. SUMMER: Tar River Quality, probably  
9 mid year, six months out, mostly functioning. And  
10 Southerland is, again, nearly ready, verbal agreement,  
11 but nothing in stone.

12 MR. BRAGG: Maybe we need to answer, if  
13 you don't fund it and it's over \$750,000, is it going  
14 to jeopardize the project? I mean, that one -- that  
15 last one was a million two, yeah, eight -- or line 13  
16 -- eight.

17 MR. TOOLE: Well, number eight I think is  
18 owned by the Conservation Fund. So it's not in  
19 jeopardy.

20 CHAIRMAN KICKLER: Let's go down this list  
21 and then we can --

22 MR. MASSIE: Where are we now?

23 MR. TOOLE: We are at 12.

24 MR. MASSIE: I think that's ready. I'm  
25 not sure they have their match in place yet, but it

1 will proceed. It's under option.

2 CHAIRMAN KICKLER: So almost ready?

3 MR. MASSIE: Almost ready.

4 MR. SUMMER: Number 13, Riverstone, I've  
5 concur with Hervey on it. It's got a little ways to  
6 go.

7 MR. MASSIE: Camp Lutherock is ready. I  
8 am not sure about Phillips and Tracy, if they're  
9 ready. They're almost ready.

10 MS. HACKNEY: But to clarify on those two,  
11 if I understood correctly, those could be funded  
12 separately.

13 MR. MASSIE: You can split those if you so  
14 desire. I don't have an exact dollar figure for each  
15 one, though.

16 MS. HACKNEY: Okay.

17 MR. SCHUMAK: Line 16, Catawba Lands  
18 Conservancy, that's a very doable number for the  
19 Thread Trail.

20 CHAIRMAN KICKLER: And they're ready?

21 MR. SCHUMAK: They're ready.

22 CHAIRMAN KICKLER: Okay.

23 MR. SUMMER: Godwin Tracts, those are  
24 ready with a willing landowner. And the Tar River  
25 Land Conservancy, the purchase contract is drafted and

1 the landowner is willing, so that one's ready as well.

2 MR. SCHUMAK: Brewer, that's a conservation  
3 easement that's ready.

4 MR. MASSIE: And Hightower Properties,  
5 that project is ready.

6 MR. TOOLE: These are ready to go. Well,  
7 13 was -- you're in doubt right now, if I'm not  
8 mistaken. Oh, we've got \$750,000 now.

9 CHAIRMAN KICKLER: So that brings us down  
10 -- what was the total amount? 7,308 -- 7,308,000.

11 Does anyone recall if one is not fully -- a  
12 project is not fully funded this cycle, does that kill  
13 the project, or any projects like that being discussed  
14 right now? It doesn't sound like it, but I wanted to  
15 make sure.

16 MR. SUMMER: It's hard to say. I know a  
17 few of the Tar River ones are on the market --  
18 properties on the market, but they're not selling like  
19 hotcakes. You know, it's a small risk on a farm. I  
20 guess they need the landowner -- but I don't get the  
21 sense that they're pending.

22 MR. GOSSAGE: Can staff address the  
23 question Trustee Bragg asked, if one of these is not  
24 fully funded, is that -- is partially funded, is that  
25 going to be deal breaker? Has that been addressed

1 already by staff?

2 MR. SCHUMAK: None of the projects that I  
3 have to the level that we've gone through jeopardize  
4 those projects.

5 MR. MASSIE: Ditto.

6 MR. GOSSAGE: Mr. Bragg, does that answer  
7 your question?

8 MR. BRAGG: Yes. Thank you.

9 MS. HACKNEY: I have one question just from  
10 listening to item eight that is funded by the  
11 conservation fund, so it is presently in a  
12 conservation-type status. That's 1.2. If we were to  
13 -- it sounded like that would not be -- that would not  
14 be a problem if maybe tabled that one to the next --

15 MR. MASSIE: It wouldn't be a problem for  
16 us. I can't speak for the conservation fund that's  
17 got money borrowed, but --

18 MS. HACKNEY: I know, everybody wants --  
19 everybody needs all of it. I get that. But I'm just  
20 trying to look at the ones that maybe -- you know,  
21 this one is under a con -- this one is --

22 MR. MASSIE: This one is owned by a  
23 conservation element.

24 MS. HACKNEY: A developer is not coming in  
25 and with a bulldozer on this one tomorrow? That's

1 kind of a priority as well, as to what -- where can we  
2 use -- 1.2, if we added that to the -- where would we  
3 end up if we had that one off the list because it is  
4 already owned by a conservation entity?

5 MR. TOOLE: Well, remember, the way they  
6 work is -- they went out and they locked up cash to  
7 capture this property because it was under threat.  
8 The moment we start helping them unlock their funds,  
9 they can run out and get another parcel. So it's not  
10 like --

11 MS. GUTHRIE: Yeah. I mean, I get the  
12 process. I'm just saying -- we've kind of jumbled all  
13 this around and -- I'm not saying don't fund it. I'm  
14 just saying we've got -- and we also have the license  
15 plate funding as well, but it's going to be sitting  
16 there, too.

17 MR. TOOLE: So I think that -- it sounds  
18 to me like capping -- not capping -- partially funding  
19 awards at \$750,000 max doesn't jeopardize any project.  
20 It gets us deep into the list, which is what I think  
21 we'd like to do. And I'm comfortable with what I'm  
22 seeing on this sheet as a priority list for funding  
23 funds that we've got in the bank. It wouldn't be the  
24 license plate money. That would be a different  
25 conversation.

1                   CHAIRMAN KICKLER:    Is there a motion to  
2                   adopt this following list with the partial funding  
3                   maximum at \$750,000?

4                   MR. SCHUMAK:    Mr. Chair, I just might  
5                   mention there is also another tract of land, item  
6                   number seven, the LandTrust for Central North  
7                   Carolina, and it is in the same situation where they  
8                   actually own the property, and I just wanted to make  
9                   that -- to keep everybody on an equal playing field.

10                  CHAIRMAN KICKLER:    Okay. Thank you for  
11                  that.

12                  Let me clarify because this is a similar  
13                  situation that we had in Natural Heritage Trust Fund  
14                  because there's a recusal. Is there --

15                  MR. TOOLE:        So I'll make the motion that  
16                  we'll --

17                  CHAIRMAN KICKLER:    Let me -- excluding line  
18                  item 16, which is application 2013-006, is there a  
19                  motion to adopt the following list to fund these  
20                  specific projects with the \$750,000 partial funding?

21                  MR. TOOLE:        Yes. I'll make that motion.

22                  MR. BRAGG:        Second.

23                  CHAIRMAN KICKLER:    Okay. We have a second.  
24                  Is there any other discussion or questions about the  
25                  motion?

1 MS. LUCASSE: And I would just ask for the  
2 -- if we can maybe provide a copy of this list to the  
3 court reporter that you will attach as an exhibit to  
4 the transcript?

5 CHAIRMAN KICKLER: And I would also ask  
6 just double-check, triple-check, that we look over the  
7 numbers one more time to make sure that they are --  
8 that it adds up correctly. I didn't see any  
9 discrepancy.

10 MR. MARKHAM: Mr. Chairman, if we're going  
11 to enter this into the record, I think the amount  
12 requested should reflect what the applicant actually  
13 requested as opposed to zeroing out as we have done on  
14 a couple of these.

15 CHAIRMAN KICKLER: Okay.

16 MR. TOOLE: That being line 1 and 11.

17 MR. MARKHAM: And line four I think the  
18 request was higher than the \$350,000, but we can  
19 modify that.

20 Mr. Chairman, would it be helpful for  
21 someone to read the amounts into the record, the  
22 project number and the amounts?

23 CHAIRMAN KICKLER: The entire one?

24 MS. LUCASSE: That would be another way to  
25 do it.



1                   CHAIRMAN KICKLER:    We're hoping to attach  
2                   the document to that, but we can read through that,  
3                   yes.

4                   MR. TOOLE:            So let make me -- let me make  
5                   this proposal.  If we could propose that the  
6                   resolution is that we would award the amount in the  
7                   column that says "Award if Capped," and the column  
8                   amount requested is recognized in the record as being  
9                   incomplete, and, therefore, to be ignored for purposes  
10                  in the future.  And also that we are not considering  
11                  at this point awards for the Catawba Lands  
12                  Conservancy, which is line number 16, if that would  
13                  satisfy the needs as opposed to reading all the awards  
14                  into the record, I'd like to try that.

15                  MS. LUCASSE:        That's the amended motion.  
16                  Is there a second to that?

17                  UNIDENTIFIED:    Second.

18                  MS. GUTHRIE:     Can I clarify, that was no  
19                  funds for the Catawba Lands?

20                  MR. TOOLE:        We're not considering that in  
21                  this motion because --

22                  MS. GUTHRIE:     I'm sorry.

23                  MR. TOOLE:        -- only because I've got a  
24                  recusal.

25                  MR. MARTIN:     Mr. Chairman, as an

1           engineered, I checked the math. It's good.

2                   CHAIRMAN KICKLER:    So is there any  
3           discussion regarding the amendment to the motion that  
4           we were previously talking about?

5                   (No response.)

6                   CHAIRMAN KICKLER:    All those in favor of  
7           the amendment say aye.

8                   TRUSTEES:            Aye.

9                   CHAIRMAN KICKLER:    All those opposed say  
10          no.

11                   (No response.)

12                   CHAIRMAN KICKLER:    The amendment has  
13          passed.

14                   Now we are back to --

15                   MR. TOOLE:            I'd like to make another  
16          motion if Mr. Bragg would recuse himself for just a  
17          moment.

18                   I'd like to move that the Catawba Lands  
19          Conservancy, Carolina Thread Trail, which is  
20          identified as line 16, project number 2013-006, be  
21          awarded \$750,000.

22                   UNIDENTIFIED:        Second.

23                   CHAIRMAN KICKLER:    Okay. There's a second.  
24          Is there any discussion regarding the Catawba Lands  
25          Conservancy application?

1 (No response.)

2 CHAIRMAN KICKLER: If not, all those in  
3 favor say aye.

4 TRUSTEES: Aye.

5 CHAIRMAN KICKLER: All those opposed say  
6 no.

7 (No response.)

8 CHAIRMAN KICKLER: The ayes carry.

9 Now we are talking about the provisional  
10 list. Beth, if you could remind us of those numbers  
11 again. I can't find it offhand.

12 MS. MCGEE: The range is \$777,469 to your  
13 lower range up to \$1,060,185.

14 CHAIRMAN KICKLER: Okay. \$777,469 is the  
15 low figure; \$1,060,085 is the higher, right? Did I  
16 state that correct?

17 MS. MCGEE: \$1,060,185.

18 CHAIRMAN KICKLER: 185.

19 MS. MCGEE: \$1,060,185.

20 CHAIRMAN KICKLER: And, again, as you know,  
21 we don't know how things will unfold and just --  
22 there's no guarantee that applications will be funded.  
23 Having said that, I would like to strongly --

24 MR. VINES: Mr. Chairman, can I ask Will  
25 a question on the military projects?

1                   CHAIRMAN KICKLER:   Well, I was going to say  
2                   that I would strongly recommend that we consider those  
3                   in the provisional --

4                   MR. VINES:           I want to check the dollar  
5                   amount.

6                   I just wanted to -- did you say that you  
7                   thought \$320,000 would work --

8                   MR. SUMMER:         Yes.

9                   MR. VINES:         -- instead of the \$361,000?

10                  MR. SUMMER:         Yes, sir.

11                  MR. VINES:         And it looks to me like we've  
12                  got \$306,833 left off the allocation figure of the  
13                  7,615,653.   So I would like to make a motion that we  
14                  -- on the provisional list that we list project number  
15                  2013-022 for \$500,000, and project 2013-021 as  
16                  \$320,000, and those will be provisional items number  
17                  one and number two.   We have \$306,832 still remaining  
18                  on the original estimated amount of \$7,615,653.  
19                  That's not far away from where we couldn't go ahead  
20                  and fund that, I wouldn't think.

21                  CHAIRMAN KICKLER:   So you are making a  
22                  motion that project 2013-022 and 2013-021 will be on  
23                  the provisional list?

24                  MR. VINES:         Yes, sir.   And any question  
25                  -- question of whether or not we could go ahead and

1 award 2013-021 in the amount of \$320,000 because we've  
2 got \$306,833 still remaining on the original  
3 commitment that we had of \$7,615,653.

4 CHAIRMAN KICKLER: Okay.

5 MR. VINES: And then make project number  
6 2013-022 as the second priority on the provisional  
7 list. Then when we get the money, you could bring  
8 that up. We could go ahead and fund the first one --  
9 or fund project 021 first because we have most of  
10 those dollars still remaining. And then as the -- as  
11 the license plate dollars come in, we could fund the  
12 \$500,000 at a later point.

13 MS. MCGEE: So you wanted to fund line  
14 19, 2013-021, go ahead and fund that at \$320,000?

15 MR. VINES: Yes, that's what -- Will said  
16 they would take \$320,000.

17 MS. MCGEE: Okay. And then you're just  
18 -- you're \$13,000 over what you all thought you would  
19 have for acquisitions that would just come out of the  
20 restoration -- or provisional assignments?

21 MR. VINES: Yes, for that one. And then  
22 if we move project 2013, line item number 22, 022 to  
23 the second item on the provisional list for the half a  
24 million dollars. And then as that money becomes  
25 available, to fund that one.

1                   CHAIRMAN KICKLER:    There is a motion.  Is  
2                   there a second?

3                   MS. HACKNEY:       Second.

4                   CHAIRMAN KICKLER:   Is there any discussion  
5                   in regards to the motion?

6                   (No response.)

7                   CHAIRMAN KICKLER:   If there's no  
8                   discussion, all those in favor of the motion say aye.

9                   TRUSTEES:           Aye.

10                  CHAIRMAN KICKLER:   All those opposed say  
11                  no.

12                  (No response.)

13                  CHAIRMAN KICKLER:   The ayes carry.

14                  Now on to the next part of the agenda, new  
15                  business.

16                  MS. GUTHRIE:       Mr. Chair?

17                  CHAIRMAN KICKLER:   Yes.

18                  MS. GUTHRIE:       I believe a remaining motion  
19                  to not fund the remaining projects, to take an action  
20                  on the remaining applications so that we can then  
21                  respond to the applicants?

22                  CHAIRMAN KICKLER:   And if you could  
23                  elaborate the reason -- well, I think I know why --  
24                  but if you could elaborate the reason.

25                  MS. GUTHRIE:       What I'm hearing is the

1 provisional funds are the \$601,700 and then the  
2 \$500,000. So then we have additional applications  
3 that have been submitted to the trust fund that today,  
4 at this point, technically have had no action taken on  
5 them. We have a group that's funded, a group that's  
6 on the provisional list, and a group that's still  
7 submitted but no action has been taken.

8 MR. TOOLE: Is it not possible that in  
9 February we find the license plates money is just  
10 going greatly and we want to take on some more  
11 provisionals?

12 MS. GUTHRIE: It could be. I think the  
13 question is there -- for people who are not funded or  
14 on the provisional list, what is their status with the  
15 fund after this meeting?

16 CHAIRMAN KICKLER: For this fiscal year?

17 MS. GUTHRIE: For this fiscal -- well, yes.  
18 Well, for the 2013 applications.

19 MR. MASSIE: And more important, it gives  
20 -- it provides them with the information that they  
21 need so that they can make a decision of whether or  
22 apply on April the 7th of 2014 for the same project or  
23 something different.

24 MR. MARTIN: So is staff asking us really  
25 to -- the provisional list be more than what we're

1           expecting so that we can say you're on the provisional  
2           list and then at least you know who you can tell that  
3           we will not be taking any action on? I'm just  
4           thinking about would you -- would it be helpful to  
5           have a full amount for what you guys are expecting to  
6           have provisional projects for that full amount so we  
7           can say okay, these three projects are on the  
8           provisional list and, you know, if it comes in like  
9           we're saying, that they'll be funded or partially  
10          funded. So then you can at least tell everyone else  
11          there's no way that you will see funding this year.

12                   CHAIRMAN KICKLER:    So basically you're  
13          asking that staff be authorized to let other  
14          applicants know that they weren't selected?

15                   MS. GUTHRIE:    Yes, that's a way to say it.  
16          I mean, what does the board wish the staff to tell  
17          people who call us tomorrow and say, "What's my  
18          status?" And they weren't funded and they weren't on  
19          the provisional list.

20                   MR. GOSSAGE:    I don't know that we would  
21          need necessarily a motion, but I think the board --  
22          the Chair could direct staff to communicate to those  
23          applicants who did not -- were not selected today to  
24          receive notification in that regard. To Trustee  
25          Toole's point, there may still be additional dollars



1           that come in creating a potential for additional -- if  
2           I'm interpreting --

3                   MR. TOOLE:        No.  I don't want to say  
4           you're defunded.

5                   MR. GOSSAGE:     Exactly.

6                   MR. TOOLE:        If we have get lucky --

7                   MR. GOSSAGE:     It might be premature to  
8           select them for nonfunding.  In other words, that's so  
9           definitive.

10                   MS. LUCASSE:     But just to notify them of  
11           their status.

12                   MR. GOSSAGE:     And certainly the board can  
13           just direct staff to do that, or the Chair can just  
14           direct staff to do that.

15                   CHAIRMAN KICKLER:   I would ask that staff  
16           let applicants know their status.  I think that's an  
17           appropriate thing --

18                   MR. GOSSAGE:     And of their option to  
19           reapply would give them some clarity.

20                   MR. MARTIN:       Just a point of  
21           clarification, since I know that some of the people  
22           we've put on the provisional list, the amount, because  
23           we're being conservative, we did not say provisional  
24           is over and above the number that we have.  My concern  
25           is now that we've have we told someone prematurely,

1 "No, you're not going to get funding," but then all of  
2 a sudden we get lucky, as Trustee Toole said, and all  
3 of a sudden we can bring them back in.

4 MR. TOOLE: I think we -- when someone  
5 who hasn't been funded calls tomorrow you say you  
6 haven't been funded. You haven't been defunded, but  
7 you haven't been funded. You make the decision of  
8 whether you want to gear up and apply next year. My  
9 suggestion is you probably want to, but you might get  
10 lucky. We don't know. But you're saying that you're  
11 not -- you're definitely not going to get money  
12 because who knows.

13 CHAIRMAN KICKLER: My understanding we can  
14 up old business, too, in the February meeting.

15 MR. TOOLE: Yeah. Right.

16 MR. VINES: We're going to add one more  
17 project to the provisional list? We could add line 21  
18 to the provisional list, and that take us up close to  
19 the \$1,060,000 that we may have.

20 MR. MARKHAM: Mr. Chairman, if I could also  
21 suggest that line 24, 2013-016, is only the amount of  
22 \$20,100. I'd hate to ask these folks to reapply for  
23 \$20,000. Can we slip those onto the provisional list?

24 CHAIRMAN KICKLER: Can you tell me the  
25 number -- that number again?

1 MR. MARKHAM: Yes, line item number 24.

2 CHAIRMAN KICKLER: Okay.

3 MR. MARKHAM: It's 2013-016 in the amount  
4 of \$20,100. And, Bern, do you have any information on  
5 that? Is there a reason it can't be funded through a  
6 mini grant?

7 MR. SCHUMAK: They -- because it's actually  
8 not a donation. It's just a small tract of land.  
9 It's one that -- this is number three on their  
10 priority list. If it didn't get funded, they were not  
11 going to have any heartburn. They would try to find  
12 other funds to pick it up. So whatever your pleasure  
13 is on this project is fine.

14 CHAIRMAN KICKLER: Is there a motion to add  
15 line item -- what's the project number?

16 MR. MARKHAM: 2013-005 and 2013-016. Is  
17 that correct, line 21?

18 CHAIRMAN KICKLER: Line item 21?

19 MR. MARKHAM: Yeah, 2013-005, and line 24,  
20 which is 2013-016.

21 CHAIRMAN KICKLER: Is there a motion to add  
22 project 2013-005 and 2013-016 to the provisional list?

23 MR. VINES: I'll make that motion, Mr.  
24 Chairman.

25 CHAIRMAN KICKLER: Is there a second?

1 MR. BRAGG: Second.

2 CHAIRMAN KICKLER: Any discussion about  
3 that?

4 (No response.)

5 CHAIRMAN KICKLER: All those in favor say  
6 aye.

7 TRUSTEES: Aye.

8 CHAIRMAN KICKLER: All those opposed say  
9 no.

10 (No response.)

11 CHAIRMAN KICKLER: The ayes carry it.

12 The next item on the agenda is for public  
13 comments. Are there any public comments?

14 MR. GOSSAGE: I think Cecilia Holden wanted  
15 to be first in line, and a guest.

16 MS. HOLDEN: First I want to say I am most  
17 impressed with this group today. I think it's been a  
18 -- you guys pulled it out. And I think when we met in  
19 November everybody kind of wondered could we pull it  
20 off in, I guess, a 30-day window. And the board  
21 absolutely did their homework and studied the packet  
22 that was so diligently put together by the staff. And  
23 I just want to say a very special thank you because  
24 there was a lot of work that went into pulling off  
25 today, and hopefully there's some very happy people

1 and some Merry Christmas presents that were delivered.  
2 I think it's a great message.

3 With that in mind, I have with me Chad  
4 Jemison, and Chad is with the Triangle Land  
5 Conservancy. And I had the pleasure of being able to  
6 see some hard work that this -- if not these  
7 particular people, certainly the Clean Water Trust  
8 Fund administrative group. And then, Mr. Markham, I  
9 think that you were possibly involved with this as  
10 well. But I had the opportunity earlier in the month  
11 to be able to see some really good results from the  
12 use of these funds.

13 And I was invited out to a tract of property  
14 that was purchased in part with Clean Water Management  
15 Trust Funds. It's a little less than \$750,000, and it  
16 is an absolutely beautiful piece of property that's  
17 called Walnut Hill Farms. It is out in -- off of 64,  
18 eastern Wake County, and it is just a beautiful tract  
19 of property.

20 With that Chad presented a wonderful plaque  
21 that goes to the Clean Water Management Trust Fund.  
22 And I happened to be there to be able to receive it,  
23 which certainly I did not deserve to have that honor.  
24 But I appreciate all the work that many of you in the  
25 room put into making this happen.

1                   With that said, I'd like to turn it over to  
2                   Chad for a few comments.

3                   MR. JEMISON:    Thank you.    It was wonderful  
4                   to have you there that day.

5                   The Walnut Hill project is one of those -- I  
6                   don't know else to describe it other than epic.    It was  
7                   12 years in the making in negotiations with the  
8                   family.    Bill Holman served on Triangle Land  
9                   Conservancy's board, and was there through much of  
10                  that.

11                  And this is a property that's been in the  
12                  family since before the Revolutionary War.    And it has  
13                  been left to two daughters, and they were no longer  
14                  actively farming it.    But it was their parents wish to  
15                  protect this land, 405 acres in Wake County with a  
16                  little bit of it straddling into Johnston County right  
17                  on the Neuse River with adjacent state land that was  
18                  recently acquired with Triangle Land Conservancy's  
19                  help.

20                  You know, really we came here to not only  
21                  present the plaque here, but also -- you just did  
22                  great work in approving projects.    And I wanted to  
23                  make sure that we made the case from the land trust  
24                  community and Triangle Land Conservancy to come full  
25                  circle and also say thank you, after the fact, to the

1 staff and the board that made this happen.

2 You know, this was a project that was  
3 incredibly leveraged. It was a \$7 million appraisal  
4 for this property. There was a bargain sale. The  
5 landowner sold it at just 40 percent of the value  
6 because it was so important to them to protect this --  
7 the heritage of this land. It's a \$4 million donation  
8 there to make this open space project happen.

9 Clean Water Management Trust Fund came in  
10 early with \$700,000. We used that as a leverage from  
11 not only the private willing seller in bargain sale  
12 and Clean Water Management Trust Fund's dollars to  
13 invest in this project as critical watershed value for  
14 -- heading down to the Neuse River to go to Wake  
15 County, and as part of their open space funding, and  
16 we were able to secure \$1.6 million from them.

17 We used that to go to Johnston County and  
18 secure another \$231,000. We went to the EEG fund from  
19 the Attorney General's Office, secured money from  
20 that. And then also Triangle Land Conservancy  
21 conducted a capital campaign in which we raised \$5.5  
22 million before my time with the organization, but to  
23 use that money to be able to invest and make sure that  
24 projects like this happen.

25 There's a lot of moving parts. Most

1 projects aren't this complicated. But it does show  
2 the power of the investment from this board in helping  
3 to make incredible projects happen.

4 You know, many of the projects that come  
5 before you are mountains or from the coast. But I  
6 also want to take a quick moment to make a pitch for  
7 the importance of investment in projects that are in  
8 our major population centers, in the Charlotte/  
9 Mecklenburg area, in the Triad, and in the Triangle.  
10 Before we talked about economic engines for the  
11 military. We also have economic engines in our  
12 metropolitan areas. They're driving North Carolina's  
13 economy.

14 And the quality of life, as I talked with  
15 CEOs at major tech firms and biomed companies, they  
16 talk about recruiting from across the country, and  
17 they -- they mention very clearly the open space, the  
18 access to rural landscape still close by to the major  
19 population centers to the greenway systems that get  
20 the folks out to parks. And that is an incredibly  
21 powerful tool in recruiting, not only individuals to  
22 come work at companies, but companies themselves, that  
23 they value the quality of life in this sense.

24 So that is one of the things we care about  
25 deeply. One last pitch there is that this is an --



1           this is a project in particular that was designed to  
2           be an open nature preserve. We have six of those now  
3           across the Triangle, and many land trusts across this  
4           state are doing just that. They're investing to make  
5           trails, to have parking areas, to steward those  
6           properties so that there's public access to the land.

7                        As so much of the population center now  
8           moves to metropolitan areas, folks aren't growing up  
9           on the farm. They're not growing up in more rural  
10          areas. They're growing up in cities or in pretty  
11          dense suburbs that are practically cities now. And to  
12          have access to open space, to nature preserves, not  
13          every family can afford to go to the mountains every  
14          year. But we need to grow a citizenry who cares about  
15          the environment, who cares about open space, who cares  
16          about agricultural lands. They're the ones that are  
17          going to continue to both -- to continue to increase  
18          the appropriations for bodies such as this to protect  
19          lands across the state.

20                       And so that's just one of the things where,  
21          you know, if you compare cost per acre, this is an  
22          expensive project. These projects are really pricing  
23          when you look in the area, but they have a huge impact  
24          on the people of North Carolina and on the economic --  
25          as an economic engine for our areas.

1                   And it's just really important work to do,  
2                   so I wanted to come and say thank you. Welcome to you  
3                   who are new board members here. I'm relatively new to  
4                   my position, just a year here, but you will be seeing  
5                   Triangle Land Conservancy projects for us next year,  
6                   and I really appreciate your time. Sorry to keep you.  
7                   It's one of the last items on the agenda. It's been a  
8                   long day, but thank you so much for your work that you  
9                   do here.

10                   MS. HOLDEN:       And I'll just close -- I'm  
11                   not going to close the public comments, obviously.  
12                   That's not for me to do. But I would be very remiss  
13                   if I didn't personally and professionally thank Beth  
14                   for her years of service for the State of North  
15                   Carolina.

16                   CHAIRMAN KICKLER:   Are there any other  
17                   public comments?

18                   (No response.)

19                   CHAIRMAN KICKLER:   Is there any more  
20                   discussion?

21                   MR. MARTIN:       Mr. Chairman, I would like to  
22                   thank the staff for pulling all this stuff together.  
23                   I'm sure it was a pretty herculean effort, but thank  
24                   you guys for burning some midnight oil and whatever  
25                   you did to get all this done, so thank you. Mr.

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Massie, I do love you.

MR. MASSIE: It's good to be loved.

CHAIRMAN KICKLER: Are there any other  
comments?

(No response.)

CHAIRMAN KICKLER: If not, this meeting is  
adjourned.

*(Meeting adjourned at 4:33 p.m.)*

