

BOARD OF TRUSTEES

CLEAN WATER MANAGEMENT TRUST FUND

MINUTES OF MEETING

MONDAY, JUNE 11, 2012

8:30 A.M.

**ARCHDALE BUILDING
GROUND FLOOR HEARING ROOM
512 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA**



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A P P E A R A N C E S

CLEAN WATER MANAGEMENT TRUST FUND BOARD OF TRUSTEES:

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BETH McGEE, DEPUTY DIRECTOR - PROGRAM IMPLEMENTATION

NANCY GUTHRIE, WATER QUALITY ADVISOR

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LARRY HORTON, P.E., WASTEWATER INFRASTRUCTURE PROJECT
MANAGER

SETH MORRIS, SUMMER INTERN

CLEAN WATER MANAGEMENT TRUST FUND FIELD REPRESENTATIVES:

KEVIN BOYER

TOM MASSIE

WILL SUMMER

BERN SCHUMAK

EVERETTE MOORE

A G E N D A

- 8:30 am A. Call to Order - Chairman McMillan
1) Acquisition Committee Meeting - Joe Hester
2) Roll Call - Penny Adams
3) Compliance with General Statute § 138A-15
4) Revisions, additions, and adoption of the Agenda (Action Item)
5) Please put cell phones on vibrate or off
6) Review and approval of the transcripts of the February 2012 meeting of the Board of Trustees (Action Item)
- 8:33 am B. Public Comments (Three minutes per person) - Chairman McMillan
- 8:34 am C. Attorney General's Report - Mary Lucasse
- 8:35 am D. Executive Director's Report - Richard Rogers
- 8:56 am E. Administrative Committee Report - Mr. Vaughan
- 8:58 am F. Acquisition Committee Report - Mr. Hester
- 9:00 am G. Program Committee Report - Stewardship/Endowment - Mr. Garou
- 9:03 am H. Follow-Up on CWMTF Committee of the Whole Discussion - Chairman McMillan
- 9:10 am I. Infrastructure/Wastewater Committee Report - Mr. Markham
- 9:28 am J. Restoration/Stormwater/Greenway Committee Report - Mr. Henderson
- 9:29 am K. Review of 2012 Wastewater Applications: Scores and groupings for scope development- Mr. Horton
- 9:32 am L. Consent Agenda Item: Ratify Chairman/Co-Chair and staff decisions made per Decision Matrix
- 9:34 am M. Discussion
- 9:40 am N. Adjourn

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P R O C E E D I N G S

CHAIRMAN MCMILLAN: Well, it's 8:30, folks, so let's get started. We have a little bit of unfinished business. We deferred the meeting of the Acquisition Committee until this morning. So, Joe, if you want to go ahead and hold your meeting now, please, sir.

MR. HESTER: Thank you. I'd be happy to. We only have two matters. I guess since I'm first, I'll remind everyone of the General Statute 138A-15 and ask if there are any conflicts or appearances of conflicts that anybody needs to bring to the attention of the board?

(No response.)

MR. HESTER: Seeing none, we'll move on. We have two matters. One is the Carolina Mountain Land Conservancy allocated \$2.7 million. It actually ended up \$1.7 million. And they are in need of an additional \$61,292 to finish the final transaction that they have before them. And it includes the stewardship and project management expenses.

The staff has taken a look at this. And first of all, we paid out a whole lot less money than we could have. And the staff believes that we should do that. And so that is the staff's recommendation to

1 the committee. And is there any discussion about
2 that?

3 (No response.)

4 MR. HESTER: Is there a motion from the
5 committee to approve the staff recommendation?

6 MS. KUMOR: I make that motion.

7 MR. BEANE: Second the motion.

8 MR. HESTER: Any further discussion?

9 (No response.)

10 MR. HESTER: All in favor "Aye."

11 TRUSTEES: Aye.

12 MR. HESTER: Any opposed?

13 (No response.)

14 MR. HESTER: Thank you. And then the last
15 thing we have is -- Well, our first information showed
16 that we had like three hundred and some thousand
17 dollars that's been reverted to acquisition of some
18 projects, and that total now, Richard, I think is
19 \$684,321 dollars. And it's my understanding we would
20 have a discussion about that. But it's been my
21 understanding that we would roll that forward into
22 this year's --

23 MR. ROGERS: Yes, sir. I think typically
24 what we do is we just wanted to report what the
25 balance was. And I think what we do with all the

1 remaining funds is to roll them forward into the next
2 fiscal year and then allocate the funds out that we
3 have for the different programs and projects as the
4 trustees see fit.

5 MR. HESTER: That's my understanding as
6 well. Do you want to have any further discussion
7 about that?

8 MR. ROGERS: No, I don't think so. This is
9 a little different acquisition. We reported yesterday
10 on the funds that we had provisional projects in some
11 of the other committees that we reported. So we were
12 just trying to be consistent just to make sure folks
13 were aware of the funds that were available. And I
14 think that's basically what we wanted to do, was just
15 be consistent with the other committees.

16 MR. HESTER: Thank you. So I don't think
17 there's any further discussion about that. And I
18 think unless there is someone on the committee who
19 wants to bring up something else, I think that would
20 include all the items on our agenda. Is there
21 anything else?

22 (No response.)

23 MR. HESTER: Seeing none, Mr. Chairman, we
24 will adjourn. Thank you.

25 MR. McMILLAN: Thank you very much. We'll

1 call to order the meeting of the Board of Trustees of
2 the Clean Water Management Trust Fund for June 2012
3 and ask Penny to call the roll.

4 MS. ADAMS: Chairman McMillan?

5 MR. MCMILLAN: Here.

6 MS. ADAMS: Mr. Bass?

7 MR. BASS: Here.

8 MS. ADAMS: Mr. Beane?

9 MR. BEANE: Here.

10 MS. ADAMS: Mr. Bragg?

11 MR. BRAGG: Here.

12 MS. ADAMS: Ms. Brannon?

13 (No response.)

14 MS. ADAMS: Ms. Cragolin?

15 MS. CRAGOLIN: Here.

16 MS. ADAMS: Mr. Garrou?

17 MR. GARROU: Here.

18 MS. ADAMS: Mr. Henderson?

19 MR. HENDERSON: Here.

20 MS. ADAMS: Mr. Hester?

21 MR. HESTER: Here.

22 MS. ADAMS: Mr. Hollan?

23 MR. HOLLAN: Here.

24 MS. ADAMS: Mr. Howard?

25 MR. HOWARD: Here.

1 MS. ADAMS: Mr. Johnson?

2 MR. JOHNSON: Here.

3 MS. ADAMS: Ms. Kumor?

4 MS. KUMOR: Here.

5 MS. ADAMS: Mr. Markham?

6 MR. MARKHAM: Here.

7 MS. ADAMS: Ms. Mele?

8 MS. MELE: Here.

9 MS. ADAMS: Mr. Pate?

10 (No response.)

11 MS. ADAMS: Ms. Rash?

12 (No response.)

13 MS. ADAMS: Mr. Thomas?

14 (No response.)

15 MS. ADAMS: Mr. Vaughan?

16 MR. VAUGHAN: Here.

17 MS. ADAMS: Ms. Weston?

18 MS. WESTON: Here.

19 MS. ADAMS: Mr. Wright?

20 (No response.)

21 CHAIRMAN MCMILLAN: Thank you. There is a
22 quorum. I would remind everyone of the provisions of
23 G.S. 138A-15 requiring the disclosure of any trustee
24 who knows of a conflict of interest or the appearance
25 of a conflict of interest with respect to any matter

1 on the agenda. Does any trustee have any item they
2 want to bring to our attention with regard to
3 conflicts?

4 (No response.)

5 MR. McMILLAN: Hearing none, we will
6 proceed. Please silence your cell phone and other
7 electronic equipment. The agenda is before you. Are
8 there any corrections or additions to the agenda?

9 (No response.)

10 MR. McMILLAN: Hearing none, the agenda will
11 be approved as submitted. You have before you
12 transcripts of the February 2012 meeting of the Board
13 of Trustees. Are there any corrections to the minutes
14 of the February 2012 meeting?

15 (No response.)

16 MR. McMILLAN: If not, do I hear a motion
17 they be approved as submitted?

18 MR. HENDERSON: So moved.

19 MR. McMILLAN: And a second. (Seconded by
20 unidentified trustee.) Any discussion?

21 (No response.)

22 MR. McMILLAN: All in favor say "Aye."

23 TRUSTEES: Aye.

24 MR. McMILLAN: The ayes have it. Public
25 comments? I see no one in the audience from the

1 public desiring to speak. So we'll proceed with the
2 Attorney General's report. Mary?

3 MS. LUCASSE: I don't really have a report.
4 I just wanted to introduce Ramona Baker who's a 2L
5 from Carolina who is an intern with our office this
6 summer. And I brought her along to watch. Thank you
7 all.

8 MR. McMILLAN: We welcome you. She was here
9 yesterday for the committee meetings, so she's had a
10 full weekend of Clean Water activities. The Executive
11 Director's report, Richard?

12 MR. ROGERS: Thank you, Mr. Chairman. We'll
13 do a couple of housekeeping things. In your folder,
14 some of the trustees have a sheet that looks like this
15 (indicating). If you have this sheet that means that
16 your ethics training has not been updated. The
17 Chairman wanted me to put a list up on the screen, but
18 I decided not to do that. This information will
19 provide you everything you need to know to update it.
20 It's a brief power point presentation -- well, I won't
21 say brief, but a 30-minute power point presentation
22 that you have to run through. And then there's a
23 printed signature page that you print and mail in to
24 the Ethics Commission. But just to put you on notice.
25 Penny and I are available if you all have any further

1 questions about that. So we appreciate you getting on
2 that. I think there's only nine or ten of us out of
3 compliance on that. So we do appreciate --

4 MS. CRAGNOLIAN: That's half.

5 MR. ROGERS: We do appreciate -- Well, I
6 wasn't going to say half but, yeah, half. A little
7 less than half, less than half. I also appreciate
8 everybody getting their statements in, and we're all
9 up to speed on that, so we appreciate you all doing
10 that in a timely manner.

11 Yesterday I mentioned briefly the RIF Plan
12 and Damon Tatem as being a part of that. Damon has
13 retired, or will be retiring very soon. But Damon, to
14 my knowledge, is about the first Clean Water employee
15 -- trustee, employee to retire from Clean Water. So
16 staff has put together a couple of things that we want
17 to make sure that he gets for his service to the
18 State. And I just wanted to -- He's not here today to
19 pick it up, but I wanted to just give you all an idea
20 of what we have for him just for his service to us.

21 First -- Lord, this thing is wrapped up --
22 we'll be presenting him the Old North State Award,
23 which is a service award for State employees, and
24 we'll be providing that to him. It reads, "For the
25 dedication and service beyond expectation and

1 excellence to the great State of North Carolina. On
2 behalf of the citizens of this State we bestow upon
3 Damon Tatem the Old North State Award."

4 But that's one thing. And then we did a
5 little collage of pictures for him of some of the
6 sites that we think were near and dear to his heart.
7 There's North River Farms here (indicating on
8 collage), the Alligator River, which I think is
9 probably the only river that's pretty much protected
10 from head to toe by conservation easements and
11 acquisitions. And then the Turnagain Bay Project, and
12 those folks that have flown in helicopters with him
13 around the state and over these project areas know how
14 important the military efforts were to him as well.
15 So we'll get this down to Damon as well.

16 I will tell you we had some good time with
17 pictures looking through, and we took a few options
18 out that might not have been quite appropriate. But,
19 anyway, you all come take a look at that before the
20 end of the meeting, or at the end of the meeting. And
21 we'll get this down to Damon. Jerry will plan to get
22 it to him. And, you know, I think that they'll get a
23 few folks together again.

24 We did go down at the end of March, the
25 field reps, we trucked down to clear Damon's office

1 out, his home office. It was quite an experience. We
2 set us up a little trailer. And we took vehicles
3 down, and we had a nice time. We spent the day with
4 Damon, and we went to some of his favorite sites on
5 the outer banks. Obviously, the pier in Nags Head,
6 the new pier down there. We spent some time down
7 there, and then we went down to, trucked down to the
8 Oregon Inlet and then a little further down to the
9 breach the last hurricane went. And we rode around
10 and had dinner at Basnight's. Bill Hollan came up for
11 that. Jerry Wright and Peter Rascoe were there and so
12 we had a good time.

13 And then we spent the night with Jerry at
14 the island, and then we headed back with our trailer
15 and five or six file cabinets and four cars -- three
16 cars packed to the hilt with files that Damon had
17 already gone through and whittled down immensely, he
18 said, so -- but it took me two days to go through
19 those files when we got back here to the office. And
20 Will, I think, still has a load at his house. Anybody
21 got anything, field reps, Tom, or anybody want to say
22 anything?

23 MR. MASSIE: And don't forget the 15-pounds
24 worth of paperclips that he gave back to us.

25 MR. ROGERS: We have at least 15 pounds

1 worth. We've got paperclips and binder clips for the
2 rest of eternity, I think, so we're all good there.
3 So, anyway, it was a good visit. And we felt like we
4 wanted to honor Damon with this collage of pictures
5 and, of course, the Old State Award.

6 Administrative update, there's a few things
7 that I wanted to review with the board. One, as a
8 result of our action that we took in committee
9 yesterday, and I assume we'll take up here today with
10 the trustees is the board meetings. We had scheduled
11 and slated back in February a year's worth of
12 meetings, a total of six meetings. We have been
13 budgeted in our meeting and will be proposed to the
14 full board today only four meetings. We did this last
15 year, and I wanted just to make sure that we're on the
16 same page and the trustees are okay with the revised
17 schedule.

18 What we're looking at is, of course, having
19 our August meeting. Typically the August meeting is
20 the meeting that we have right after the Legislature
21 takes action with regard to our budget. We have that
22 meeting and we allocate funds to committees. And this
23 year we're planning to take up our wastewater
24 projects. My next recommendation for the next meeting
25 is not to have our September meeting but have the

1 October meeting, and that would be October 14th and
2 15th. At that time we'll be taking up our
3 restoration, stormwater and our acquisition projects.
4 And then, also, not have the November meeting. And
5 then we'll come back in and have our February meeting
6 and June meeting.

7 MR. McMILLAN: August the 12th and 13th.

8 MR. ROGERS: So we're trying to get this up
9 on the screen for you to see, but it's not working.

10 MR. McMILLAN: The August meeting is 12th
11 and 13th. The October meeting is 14th and 15th.

12 MR. ROGERS: Right. Part of the reason, the
13 September meeting and the November meetings, we think
14 we want to -- if you want to spread the meetings out a
15 bit, the February meeting is typically a meeting where
16 we kind of review and take up issues that have come up
17 between the last board meeting and it's a long retreat
18 type meeting that I think is important for planning
19 efforts and less of a committee and board meeting to
20 talk about projects and that kind of thing. And then
21 our June meeting, again, is important as well. Any
22 thoughts or comments on that?

23 MR. BEANE: Richard, what are the dates for
24 February? Is it going to be the 8th and 9th?

25 MR. ROGERS: February, we have not set the

1 dates yet, but we can look at the calendar real quick.
2 It's usually the second, what, the second Tuesday or--
3 it's the first Tuesday after the first Monday, I
4 think, is how we --

5 MS. WESTON: Do you mean the Monday after?

6 MR. ROGERS: I'm sorry, the Monday. I
7 didn't mean to say that.

8 MS. WESTON: Good morning!

9 MR. ROGERS: Yeah. Penny will look those
10 dates up real quick to get that, the February and the
11 June meeting.

12 MS. ADAMS: It will be the 10th and the
13 11th.

14 MR. ROGERS: Right. What we had tentatively
15 scheduled in November was a Veterans Day meeting, so
16 that one is a little bit different. If there aren't
17 any concerns, we'll move forward with that. We'll get
18 that information out to you via email real soon as
19 well.

20 All right. Just related to the current
21 process, as I mentioned, our 2012 applications, the
22 staff is processing, reviewing and assessing those
23 applications. Today we'll talk a little bit more
24 about the wastewater projects that have been scored.
25 We'll finalize those and have those at our August

1 board meeting. As I mentioned on the revised schedule
2 of our meetings at the October meeting we'll do our
3 restoration/stormwater/greenway projects and the
4 acquisition projects as we move forward.

5 With regards to our 2011 awards that we've
6 been working to get under contract, currently we have
7 96% of those, 46 out of 48 contracts that are out the
8 door, and there's a couple of donated mini grants that
9 we've just received that we're working on and getting
10 things finished and complete as well.

11 We're also -- There's a couple of wastewater
12 projects that we -- provisionally funded projects that
13 we have out that we're waiting to get funded. There's
14 one wastewater project, the Salisbury project, that
15 was awarded in August that they have been rather slow
16 on getting -- on taking action in Salisbury. They are
17 supposed to be meeting I believe today and tomorrow to
18 take that up. So we've been pressing them to make
19 sure they get themselves under contract as well.

20 Again, our purpose and reason behind that is
21 to make sure our funds are obligated, that we don't
22 have money sitting around that is not obligated, and
23 we appreciate the staff's work on that. And we're
24 most of the way there. The amount of money as it
25 relates to the dollars that were awarded, we've got

1 \$14.3 million dollars of contracts that are out the
2 door from 2011 projects and mini grants out of about
3 \$14.4 million. So we're real close there.

4 Finally, just an overview of our contracts
5 in general. And as we continue to work under
6 constrained revenues or resources for projects, of
7 course, our contracts are moving in a downward way as
8 well as our fund balance. And we have 178 contracts
9 now that we're managing with a total of about \$65.8
10 million dollars, which is still significant in the
11 amount of funds and the number of contracts that we
12 are managing.

13 I want to take a moment and recognize an
14 intern that we have. Seth Morris is here. So Seth,
15 stand up. Seth is a rising senior at Sewanee
16 University. He is coming in and helping us work
17 through some restoration and easement issues. He's
18 also been over to the Legislature and helped me out
19 there, and he's doing a great job for us. Seth has
20 some great experience. He's worked over at the
21 Legislature with Representative Wise. He's also
22 worked with the Central Carolina Land Trust --

23 MR. MORRIS: Well, the Land Trust for
24 Central Carolina.

25 MR. ROGERS: The Land Trust for Central

1 Carolina. And he worked with those folks for a year,
2 and he's doing a fantastic job for us. Seth, have you
3 got anything you want to say to the trustees?

4 MR. MORRIS: I don't believe so.

5 MR. ROGERS: He'll be with us until the
6 first part of August. Yesterday we did a little bit
7 of briefing on the Legislature's status. Since that
8 time the Senate budget has been posted. And the
9 provision -- Senator Hunt, when John and I met with
10 him, said that he had made a little change in the
11 provision that we, that we have, and he did make a
12 little change. He changed one word in our, in our
13 operating funds addressing the \$3 million dollars for
14 operations and debt service that the House provision
15 says that we shall spend that money. His change says
16 that we may spend that money. I think he was just
17 trying to get it in controversy in case some other
18 issues would be needed to be addressed in conference.

19 The money part of our budget, their budget
20 lists that there is no change in the funding from last
21 year, which by John McMillan's interpretation means
22 that it's recurring. Typically, they have a little
23 "R" or "NR" behind it. Ours doesn't have anything
24 behind it, so we're reading it to mean that those
25 funds will be recurring. And that is a very good

1 piece of news for us as well. So that will be in
2 conference as well as it is different than the House
3 budget. So we'll continue to track that.

4 My sense is the budget will run out tomorrow
5 out of the full appropriations committee in the Senate
6 onto the floor. They'll be done with it this week,
7 and then they'll get conference I'm sure at the
8 beginning of the weekend and into next week. And my
9 thinking is in the next week to ten days they will
10 probably have their issues resolved and be done. They
11 are extremely interested in getting done with the
12 whole section by the beginning of July. And in order
13 to do that they need to get that budget process first,
14 and then there's usually a couple weeks of wrap up
15 that they do.

16 We are in the process, as annually with the
17 Legislature winding down of appointments, there are
18 four trustees that are up for or that -- they're four
19 appointees, the governor has two -- John McMillan, I
20 believe, and Stan Vaughan are the two trustees there.
21 And then the Speaker has a couple, Rance Henderson and
22 Kevin Markham. President pro tem does not have any
23 appointments this session. That's just a quirky thing
24 in the way the appointees have been done and realigned
25 in the past. So it leaves -- so it doesn't have any

1 appointees.

2 Mr. Chairman, unless there's questions,
3 that's my report.

4 MR. McMILLAN: Do you want to run through
5 the materials that were distributed?

6 MR. ROGERS: Sure. John and I, as we
7 mentioned yesterday, went last week to see, to the
8 three co-chairs in the Senate, Senator Hunt and also
9 Senator Brunstetter. It was a good discussion. And
10 what we did was we pulled together a package, and the
11 front sheet we've emailed to you, so you should have a
12 copy of this in your email.

13 This is the work that the staff did early on
14 back in February and March identifying the critical
15 needs as it relates to our current 2012 applications.
16 And I think it gives us some good information, some
17 good data related to the importance of the projects
18 that we have in house.

19 The next page is basically the same summary
20 that you all have from the administrative committee on
21 how we met reductions over the past four years and
22 giving them a bottom line with regards to our
23 operating funds.

24 And then the final page is our 2012
25 applications themselves. We've sorted them according

1 to county so that you could identify the county and
2 the total of requests for the county, for each county
3 in the State. There's 73 counties that have
4 applications in the Clean Water Management Trust Fund
5 this year. It is very well distributed and, you know,
6 it impacts the whole state, these projects do. So we
7 wanted to provide this to you.

8 One thing I would do is the budget, while
9 it's winding down, is far from finished. And if you
10 have the opportunity to talk to legislators or give
11 them a call, we are intently in need to have our funds
12 recurring. We hope that you would express that. And,
13 also, I think the lists of projects that you have is
14 definitely making the case for the need for more
15 revenue. While we don't think that that will come to
16 fruition this session, I think it's important that we
17 keep discussing that and keep talking about the need
18 as it relates to the applications that we have because
19 next year will be another year and we'll be going back
20 over there and working the same message. Any
21 questions on this I'll be glad to answer.

22 (No response.)

23 MR. McMILLAN: Thank you, Richard. I would
24 just point out on the front page the map showing the
25 little dots that shows the distribution of

1 applications that we received in 2012. It covers the
2 whole state, and then on page 3 the total requests and
3 amounts \$123 million plus we have to take that and
4 spend about \$8 million dollars to satisfy those \$123
5 million dollars in applications. So those are some
6 talking points when you talk to legislators that you
7 might mention to them.

8 MS. MELE: John, one of the things that's on
9 here has to do with public access.

10 MR. McMILLAN: Yes.

11 MS. MELE: And I'm involved peripherally
12 through the Advisory Committee with the Coastal
13 Resource Commission. And at our last meeting I
14 requested that we have a breakdown by county of the
15 public access per county because, really, we don't
16 have a real good, a clear picture of what's available.
17 And I think that that would be informative for this
18 board as well. So maybe we'll be able to get it
19 through the CRC and bring it here.

20 MR. McMILLAN: All right. Administration
21 Committee, Stan?

22 MR. VAUGHAN: Thank you, Mr. Chairman. The
23 Administrative Committee met yesterday right after
24 noon. The first item of business or consideration was
25 the proposed draft administrative budget for 2012 and

1 '13. We had two minor adjustments to the draft you
2 have received. One was a carryover from 2011 to 2012
3 of five thousand dollars in legal costs that we expect
4 to incur that the bill will not come in in this
5 calendar year, so it will come in next year.

6 And the other was I think a reduction of
7 about \$6300 due to the fact that we're cutting our
8 meetings from 5 to 4 as scheduled in the budget. So
9 as a result, the committee recommends an
10 administrative budget for 2012 and 2013 of \$1,354,691.
11 And that's our recommendation as it relates to the
12 budget.

13 MR. McMILLAN: Now, you've heard the
14 recommendation from the committee. Is there any
15 discussion?

16 (No response.)

17 MR. McMILLAN: If not, so many as favor the
18 recommendation say "Aye."

19 TRUSTEES: Aye.

20 MR. McMILLAN: Opposed say "No."

21 (No response.)

22 MR. McMILLAN: They ayes have it.

23 MR. VAUGHAN: The second item we considered
24 was the unencumbering of the \$683,546.32 from the
25 Acquisition Committee and \$5,951 from the Center for

1 Geographic Information and Analysis contract. We
2 recommend that to the committee.

3 MR. McMILLAN: You've heard the
4 recommendation of the committee. Is there discussion?

5 (No response.)

6 MR. McMILLAN: If not, so many as favor the
7 recommendation say "Aye."

8 TRUSTEES: Aye.

9 MR. McMILLAN: Opposed say "No."

10 (No response.)

11 MR. McMILLAN: The ayes have it.

12 MR. VAUGHAN: That's our committee report,
13 Mr. Chairman.

14 MR. McMILLAN: Thank you very much.
15 Acquisition Committee, Joe Hester.

16 MR. HESTER: Thank you, Mr. Chairman. We
17 met this morning at 8:30, as most of you know. There
18 were only two items that we had to consider. The
19 first was the Carolina Mountain Land Conservancy
20 Redden Tract and Mills River-2008-004. In that
21 particular item we're requesting an additional \$61,292
22 for transaction, stewardship and project management
23 expenses. The recommendation of the committee is that
24 we approve that amount to fund those items. That is
25 the recommendation of our committee.

1 MR. McMILLAN: You've heard the
2 recommendation of the committee. Is there discussion?

3 (No response.)

4 MR. McMILLAN: If not, so many as favor the
5 recommendation say "Aye."

6 TRUSTEES: Aye.

7 MR. McMILLAN: Any opposed say "No."

8 (No response.)

9 MR. McMILLAN: The ayes have it.

10 MR. HESTER: The second item, which really
11 was not an action item, was just to provide to the
12 board the fact that the balance available now before
13 the Acquisition Committee has been increased to
14 \$684,321, which amount is to be added to the funds
15 that are allocated to the board and dispersed with
16 those at a later time, which is traditionally what we
17 do with funds that are reverted to each committee.
18 There was no vote on that, but I think everybody
19 accepted that we'll follow the standard procedure that
20 we've always followed. With that, Mr. Chairman, that
21 concludes our committee's report.

22 MR. McMILLAN: Thank you, Joe. Program
23 Committee report, John Garou.

24 MR. GAROU: Mr. Chairman, our committee met
25 -- our committee met yesterday, and we heard a report

1 from Richard and Christopher on the progress being
2 made in allocating our stewardship endowment funds
3 into equities and long-term and short-term funds
4 administered by the Treasury, by the Treasurer's
5 Department. We heard from them that there's about to
6 be done with some small changes demanded by the
7 Treasurer in the allocation itself and then the dollar
8 cost averaging for committing those funds.

9 It was the conclusion of the committee that
10 those changes were not sufficient to require further
11 board action and that the staff has the power to
12 conclude the process which they believe will -- with
13 the signature of the Chair -- which they believe will
14 occur within days or certainly no more than weeks.

15 The other item that we bring forth is an
16 action item, and that is to encumber \$86,762.82 toward
17 the fiscal year 2012-13 for monitoring contracts and
18 to allocate \$20,000 for easement management activities
19 for that same fiscal year. So that is the
20 recommendation of the committee.

21 MR. McMILLAN: You've heard the
22 recommendation of the committee. We had a good
23 discussion of this yesterday. Is there further
24 discussion?

25 (No response.)

1 MR. McMILLAN: If not, so many as favor the
2 motion say "Aye."

3 TRUSTEES: Aye.

4 MR. McMILLAN: Any opposed say "No."

5 (No response.)

6 MR. McMILLAN: The ayes have it. Does that
7 conclude your report?

8 MR. GAROU: That concludes our report.

9 MR. McMILLAN: Thank you very much, sir.
10 Yesterday we met as a Committee of the Whole to
11 discuss statutory changes related to water supplies.
12 Those changes were made in the 2011 session. A number
13 of statutory amendments were adopted. They have an
14 impact on what we do with our grants. Specifically
15 the General Assembly added preserving unpolluted
16 surface waters and enhancing for development of not
17 only urban drinking water supplies but drinking water
18 supplies generally. They deleted the word "urban,"
19 and lastly they stated the intent of the General
20 Assembly was that monies from the fund also be used to
21 preserve lands that could be used for water supply
22 reservoirs.

23 We've had some discussion about that at
24 prior board meetings. We have issued one, entered
25 into one contract dealing with this issue, and there

1 needs to be some additional action taken. They
2 directed us to develop grant criteria for water supply
3 availability and the public's need for resources
4 adequate to meet the demand for essential water uses.

5 So out of the discussion and on
6 recommendation of the staff, we have three committee
7 recommendations to come before the board. The first
8 is that the committee recommends that new criteria for
9 water supply reservoir applications and application
10 review criteria related to drinking water supply
11 quantity issues be referred to the Program Committee
12 in August 2012 for consideration. So the Program
13 Committee would be directed to develop criteria for us
14 to consider in compliance with the statute. That's
15 the first recommendation of the Committee of the
16 Whole. Is there discussion of that recommendation?

17 (No response.)

18 MR. McMILLAN: If not, so many as favor the
19 recommendation say "Aye."

20 TRUSTEES: Aye.

21 MR. McMILLAN: Any opposed say "No."

22 (No response.)

23 MR. McMILLAN: They ayes have it. The
24 second recommendation had to do with drinking water
25 supply protection planning grants. This action is

1 recommended by staff to respond to the statutory
2 changes that broaden our purposes in preserving,
3 enhancing and developing surface drinking water
4 supplies. The committee recommendation is that the
5 board ask staff to draft an RFP to develop water
6 supply protection planning grants and application
7 evaluation guidelines for the Program Committee to
8 review in August of 2012. And that's the second
9 recommendation. Is there discussion of that?

10 (No response.)

11 MR. McMILLAN: If not, so many as favor the
12 recommendation say "Aye."

13 TRUSTEES: Aye.

14 MR. McMILLAN: Any opposed say "No."

15 (No response.)

16 MR. McMILLAN: And the ayes have it. The
17 final recommendation is to update the water supply
18 reservoir site planning model. Richard and Nancy led
19 that discussion. There is a model in place. It's
20 over in the Geography Department at UNC Chapel Hill,
21 and it is an enormous computer model that allows us to
22 break down and look at what water supply reservoirs
23 would look like all across the state at various dam
24 heights.

25 It needs to be updated to better serve local

1 and regional governments as directed by the General
2 Assembly. So the final recommendation is that the
3 Trust Fund provide funding up to -- up to \$131,000 to
4 enhance the reservoir model to better serve local and
5 regional governments. Is there discussion of that
6 recommendation?

7 MR. VAUGHAN: (Raises hand.)

8 MR. McMILLAN: Yes, Stan?

9 MR. VAUGHAN: This question goes back also
10 to the Acquisition Committee's expenditure of the
11 \$61,000. The question is would it come out of this
12 year's budget or next year's budget, and do we have
13 the funds?

14 MR. ROGERS: The \$61,000 will come out of
15 this year's budget, and we do have the funds
16 available. The reservoir study is -- technically it
17 will come out of next year's budget. We're working to
18 get that initiated on July 1. So it will be taken out
19 of next year's budget.

20 MR. McMILLAN: Further discussion?

21 MR. HOLLAN: To whom is this award being
22 made?

23 MR. McMILLAN: To the same person who did
24 the model the last time, a professor at Chapel Hill.
25 It's in the materials that were sent out, and we hope

1 to get some additional money from DENR and the
2 Division of Water Resources to help with this. It's
3 one of the reasons it's up to 131. We hope to get the
4 amount of \$25,000 from them, so our number will be
5 more like a hundred thousand dollars. But the budget
6 has a lot of staff additional salaries, so it's a
7 comprehensive budget.

8 MR. HOLLAN: Is this something we need to
9 do?

10 MR. McMILLAN: I think it probably is
11 something we need to do. It would really give more
12 flexibility to what we've already spent the money on.
13 It would make it more readily available to local
14 governments. If this is done right, they can push
15 some buttons and look in their geographic area, their
16 screen or whatever. If you put a dam at 25 feet or 50
17 feet what it would plug, how much water it would
18 provide. It could be a terrific tool for them to
19 have.

20 MR. ROGERS: And I'd just like to add to
21 what Chairman McMillan said. It really helps us
22 develop an interface, a web-based interface so that
23 they can go online sitting at their desk. Whereas,
24 now all the data is in one location and it's difficult
25 to get to. So it provides the ability to put it in a

1 web-based interface so any local government can access
2 it at any time.

3 MR. McMILLAN: Further discussion?

4 (No response.)

5 MR. McMILLAN: If not, so many as favor the
6 recommendation say "Aye."

7 TRUSTEES: Aye.

8 MR. McMILLAN: Any opposed say "No."

9 (No response.)

10 MR. McMILLAN: The ayes have it. And that
11 completes the report from the Committee of the Whole.
12 The Infrastructure/Wastewater Committee, Kevin?

13 MR. MARKHAM: Thank you, Mr. Chair. The
14 first item the committee took up was the update on the
15 City of Shelby's Wastewater Elimination Project, which
16 was project 2007-537. After a lot of discussion and
17 information provided by Larry and Richard, the
18 committee came up with the recommendation that the
19 City of Shelby repay the Clean Water Management Trust
20 Fund in the amount of \$542,460 over a payment period
21 of no more than six years beginning July 1st, 2013.
22 Payments may be made on a graduated payment schedule
23 subject to negotiations. Payments may be reduced in
24 the future if there is a reduction of existing failing
25 systems or NPDES permits. The committee further

1 recommends an agreement for repayments to be executed
2 by the City and by the Chair of the Board of Trustees.

3 MR. McMILLAN: You've heard the committee
4 recommendation. Yes, Ron Beane?

5 MR. BEANE: Mr. Chairman, I'd like to offer
6 a substitute motion to that.

7 MR. McMILLAN: Substitute motion is in
8 order.

9 MR. BEANE: I would like for my motion to be
10 that we ask them to pay back what they suggested that
11 they could pay, the \$807,388.50. Being I'm familiar
12 with this project because it's near where I live.
13 They're a tier 1 county. I'm sure that they probably
14 budgeted what they could pay with the money that they
15 have, so that's my motion.

16 MR. McMILLAN: Is there a second to the
17 substitute motion?

18 MR. HENDERSON: Second.

19 MR. McMILLAN: Rance Henderson seconded it.
20 Now, is there a discussion of the substitute motion?

21 MR. HOLLAN: (Trustee raises hand.)

22 MR. McMILLAN: Bill Hollan?

23 MR. HOLLAN: Mr. Chairman, unfortunately I
24 was unable to attend the meeting yesterday, but I
25 agree totally. This is a tier 1 county, and the City

1 of Shelby the demographics for that are worse than
2 those for the entire county of Cleveland. This is a
3 small little town. I think we encouraged them to try
4 to combine it to eliminate these discharges and got
5 them to do this project. They did it in good faith.
6 They don't have a lot of money. They spent a lot of
7 their own money. They borrowed money. And the State
8 cut the legs out from under them when they -- when
9 they allowed PPG to renew its discharge permit.

10 These people have no control over what PPG
11 will do and won't do. I don't blame the State
12 necessarily, and I don't blame PPG, but I don't think
13 we ought to blame this little town or city for trying
14 to do the best they could. They cleaned up one --
15 they're two creeks involved here. They got all the
16 discharge out of one creek, and they got discharge now
17 still going into the other creek.

18 And to take a little town like this, which I
19 googled it to find about it. In 2008 Forbes Magazine
20 rated Shelby as the third most vulnerable city in
21 America based on the high unemployment rate and the
22 high poverty rate and the lack of economic
23 development.

24 Now, this is not something that -- They
25 didn't do anything in bad faith. This is not

1 something that they had any control over. It's my
2 understanding, and if I'm incorrect in this, I'd like
3 to be corrected, but from what I can see and what I
4 understand, they've done everything in their power to
5 attempt to get this discharge out of the creek. But
6 the State controls that, and if the State won't
7 cooperate with them in this effort why should they
8 have to bear this on their shoulders alone. So I
9 favor reducing the amount. I would favor more than
10 what Mr. Beane has suggested. And I don't know why
11 this is fair given the history of this thing and the
12 capability that this town has. So thank you.

13 MR. McMILLAN: Ron, let me ask you a
14 question about your motion. Would the motion include
15 the other terms that payment would be up to six years
16 and at a graduated rate and payments to start in July
17 2013?

18 MR. BEANE: Absolutely.

19 MR. McMILLAN: All right. Is there further
20 discussion of the substitute motion?

21 (No response.)

22 MR. McMILLAN: If not, so many as favor the
23 adoption of the substitute motion say "Aye."

24 TRUSTEES: Aye.

25 MR. McMILLAN: Those opposed say "No."

1 (No response.)

2 MR. McMILLAN: They ayes have it, and the
3 substitute motion is adopted. Kevin?

4 MR. MARKHAM: Okay, so now we vote on it?

5 MR. McMILLAN: No, we substituted it. The
6 original motion fails.

7 MR. MARKHAM: So we vote on that motion?

8 MR. McMILLAN: We just did, and it passed.

9 MR. MARKHAM: Okay.

10 MR. BRAGG: Mr. Chairman, just a point of
11 clarification. During that five or six-year period
12 when the City is paying us back, if PPG comes online
13 would we get the remainder of the payments, or do we
14 credit them back the money?

15 MR. ROGERS: That's a good question. One of
16 the things that we are trying to stay away from
17 crediting them back money. And I think the idea is
18 that if we're giving them a year, PPG's permit comes
19 up in February 2013 again, and we're giving them a
20 year before the first payment is made.

21 We're also looking at providing very low
22 repayments early on so that as they go they have the
23 opportunity to pay back or get PPG hooked up. But it
24 is not the intent or in our review of the material and
25 the recommendation it's not the intent to pay them

1 back even if they get PPG hooked up in the fifth year
2 or sixth year of payment.

3 MR. McMILLAN: And as I understood the
4 motion, the motion is for staff to enter into an
5 agreement under those terms so that this will be a
6 part of whatever the agreement is and the terms the
7 staff negotiates. The staff was looking for direction
8 from the Board. The Board has given them, the first
9 payments start in July of 2013, that it be a graduated
10 payment, less at the beginning, more at the end, up to
11 six years. And the total amount is the \$807,388.50
12 the City had suggested.

13 MR. BRAGG: Just to be clear, they have one
14 year to bring PPG online and then we start the
15 payments. Once the payments start they have to
16 complete the repayments?

17 MR. ROGERS: No, sir. Once the payments
18 start they can hook up PPG anytime that they want to.
19 And we're trying to in the front end of it make it a
20 back end payment heavy so that they have even more
21 time. They'll make a minimum payment the first year,
22 and they can continue to work on that if they choose
23 to do so. Plus it allows them time to realize the
24 funds and figure out how they want to pay it if that's
25 what they have to do as well.

1 MR. MARKHAM: Stan, I think you had a
2 question?

3 MR. VAUGHAN: I was just wondering, if we
4 all think this is in the best interest overall for
5 them to go on this new system, PPG, when the license
6 comes up next year can we go to whoever the granting
7 agency in the State is and recommend that they not
8 approve the extension, or is that something we don't
9 want to do?

10 MR. ROGERS: Believe me, Larry has been on
11 the phone with them, and we have encouraged it. And I
12 think it's just the fact that the DWQ is not going to
13 require an otherwise compliant facility to take the --
14 to eliminate their discharge permit. We're more than
15 happy to write letters, and we can make a plea to the
16 secretary. And I think that's a good idea, and I
17 think we will be more than happy to do that as it
18 relates to the project. But under the circumstances,
19 DWQ in our efforts and in our discussions with them
20 are not interested in eliminating discharge permits
21 with compliant discharge.

22 MR. MARKHAM: Okay. Any further discussion?
23 Hearing none -- Oh, I'm sorry.

24 MR. HOLLAN: I mean, that seems to me to be
25 a terrible disconnect in State policy that we're

1 awarding extra points, and we're out there soliciting
2 applications to get people to eliminate discharges
3 because that's for the good of water quality in the
4 State. And the agency under which we are housed is
5 operating at cost purposes and is not inclined to do
6 that.

7 Again, we suckered these people into this,
8 and from my perspective I don't think anybody in
9 Shelby was sitting around saying, you know what, we
10 ought to combine all these -- all these discharges
11 into one discharge and get them out of the creeks. I
12 think we enticed them to do this, and now we're
13 penalizing them \$800,000 dollars, and I hope that the
14 State will cooperate in this, but I just don't think
15 this is exactly right.

16 MR. HOWARD: Well, I would suspect that
17 there's a long regulatory --

18 MR. McMILLAN: Whoa, wait a minute.

19 MR. HOWARD: Excuse me.

20 MR. McMILLAN: Go ahead.

21 MR. HOWARD: Excuse me. Thank you, Mr.
22 Chairman -- that there's a long regulatory history
23 behind denying NPDES permits in order to force people
24 to hook up. I mean, that's a situation that's
25 obviously occurred thousands of times in the state.

1 And if the precedent is that they don't do that and
2 strong arm people, I doubt we're going to change it,
3 and we may look foolish asking to.

4 So if DENR operates in that fashion, I think
5 we ought to be sure we're not stepping out of line and
6 asking for a government agency to coerce unnecessarily
7 or without precedent, a hook up. I mean, that's a
8 pretty common process. I doubt they're getting a raw
9 deal or anything different than anyone else got.

10 MR. HOLLAN: Yes --

11 MR. McMILLAN: Bill?

12 MR. HOLLAN: My point is -- My point is I
13 think we need to get in line with the State. We're an
14 agency of the State. If the State policy is we're not
15 going to do away with these discharge permits then
16 it's not worth it to the State to get rid of a
17 discharge permit when a little city has gone in and
18 spent two and a half million dollars to make that
19 possible. Why are we encouraging people to do that
20 and spend that money?

21 MR. HOWARD: Well, first of all, the City
22 should have made sure they had a hard agreement with
23 them to hook up. So the City failed in that measure,
24 and they didn't come and speak with us today so
25 they're not too terribly concerned. Although, I'm

1 surprised they didn't. I would have had somebody down
2 here from the City government to say we need this
3 money. I don't know. But, again, I think there's
4 probably a lot of precedent behind doing that. And
5 maybe we can change the world or change the way water
6 quality permits are issued in the State, but I doubt
7 it. And I would just, you know, keep some humility in
8 mind in our relationship with the regulatory apparatus
9 of the same agency.

10 MR. MARKHAM: Thank you for your comments,
11 but I think as chairman I'll take the liberty of
12 expressing a view. This is a board that has
13 functioned on voluntary measures. Just as we don't
14 condemn property for water quality protection, I don't
15 believe we should be coercing industries or
16 municipalities that are in compliance with discharge
17 permits. Voluntary abandonment of NPDES permits is
18 what we're here to fund. And I think also the Town of
19 Shelby, we appreciate their cooperation on repayment.
20 This Board was generous in providing \$2.4 million
21 dollars to assist them in getting the project built.
22 It's unfortunate that only about 1.5 percent of the
23 discharge that we funded was actually eliminated or
24 will be eliminated under this.

25 The repayment plan that the staff has worked

1 out I think is very generous. The City appears to be
2 in agreement with that, with the concept. The amount
3 they should be very pleased with. I commend the staff
4 for their hard work and diligence in working out an
5 agreement with the Town of Shelby. Any additional
6 questions?

7 (No response.)

8 MR. MARKHAM: Hearing none, we will move on
9 to the next item on the committee's agenda was an
10 incremental item from Chris Fipps and Larry Horton
11 discussing the details of our funding for the 2011
12 projects. And, Mr. Chair, I think at this point there
13 was an item that we may want to take up that was not
14 taken up with the committee, that would be the
15 Committee as the Whole.

16 MR. McMILLAN: Okay. Are you talking about
17 switching Enfield's position on the list?

18 MR. MARKHAM: Correct.

19 MR. McMILLAN: All right. Richard, do you
20 want to explain what we're talking about?

21 MR. ROGERS: Well, it came up in some
22 sidebar conversations after our committee meeting
23 yesterday. There are two provisional projects left in
24 the 2011 project list. One is Saratoga which is the
25 next to be funded, and you all heard some brief

1 discussion on that. And then below that is Enfield.
2 The scores between these projects is a difference of 1
3 point. Saratoga scored a 91, Enfield scored a 90.

4 The significance in this is that Enfield is
5 a \$29,000 project. Saratoga, I believe, is upwards of
6 \$460,000. We are not -- We don't have enough funds
7 that have been reverted, which we're working on that.
8 But we aren't anticipating those funds to meet that
9 total of those two projects to get those funded. And
10 it might be good to go ahead and get Enfield
11 encumbered with the money we have. And it's from my
12 understanding in discussions with Saratoga, they would
13 be willing to take the remainder of what is left and
14 be able to get their project done with the remaining
15 funds that we have available for the end of this
16 fiscal year. So in other words, we would knock out
17 two projects rather than funding Saratoga and then not
18 getting to Enfield with our existing funds.

19 MR. MARKHAM: Correct, so I think this would
20 have to come from the full board, a recommendation to
21 change the priorities of these two projects to fund
22 Enfield from the remaining balance of the committee
23 grant allocations and offer the remainder to Saratoga.

24 MR. McMILLAN: But the matter has since been
25 brought up, so any member of the board can make a

1 motion to accomplish that purpose.

2 MR. JOHNSON: Mr. Chairman?

3 MR. McMILLAN: Charles?

4 MR. JOHNSON: I so make the motion that we
5 revert those -- invert those two and go from there.

6 MR. McMILLAN: All right. Mr. Johnson has
7 moved that we move Enfield up ahead of Saratoga so
8 that that project can be funded. Is there a second to
9 that motion?

10 MR. BASS: Second.

11 MR. McMILLAN: I heard a second. Is there
12 discussion?

13 (No response.)

14 MR. McMILLAN: If not, so many as favor the
15 motion say "Aye."

16 TRUSTEES: Aye.

17 MR. McMILLAN: Any opposed say "No."

18 (No response.)

19 MR. McMILLAN: The ayes have it.

20 MR. MARKHAM: Thank you. And then moving
21 onto the next item on our committee's agenda yesterday
22 is the committee discussed the 2012 applications and
23 provided some guidance to the staff on which ones that
24 we would like to see fully scoped and whether to set a
25 funding cap because this will be effective or the

1 entire board will be making decisions in August. This
2 is something that we are bringing to the full board.
3 The committee recommends that the staff identify
4 applications in two groups, group 1 and group 2.
5 Group 1 will consist of projects that score 85 or
6 higher and have a construction component. Group 2
7 will consist of projects that score below 85 and any
8 design only or planning only projects regardless of
9 score.

10 Group 1 will be fully scoped and prepared
11 for committee review by August. Scopes will not be
12 prepared for projects in group 2 unless a board member
13 requests that it would be prepared for August.
14 Secondly, the committee recommends that it let
15 applicants know that no more than 600,000 will be
16 available per wastewater grant to cycle and then to
17 check with the applicants to see if their scopes are
18 still viable. That is the recommendation of the
19 committee.

20 MR. McMILLAN: You've heard the
21 recommendation of the committee. Is there discussion?

22 (No response.)

23 MR. McMILLAN: If not, so many as favor the
24 recommendation say "Aye."

25 TRUSTEES: Aye.

1 MR. McMILLAN: Any opposed say "No."
2 (No response.)
3 MR. McMILLAN: The ayes have it.
4 MR. MARKHAM: Thank you. And the final item
5 on our agenda was a discussion of construction
6 projects that are not under construction contracts
7 within one year. There is one project which is Hyde
8 County Number --
9 MR. McMILLAN: 2010-523.
10 MR. MARKHAM: Thank you, thank you. The
11 committee recommended approval of November 15th, 2012
12 as the date by which Hyde County will enter into a
13 construction contract.
14 MR. McMILLAN: You've heard the motion. The
15 current date was May the 1st, 2012. This extends it
16 to November 15, 2012. Is there discussion on the
17 motion?
18 (No response.)
19 MR. McMILLAN: If not, so many as favor the
20 motion say "Aye."
21 TRUSTEES: Aye.
22 MR. McMILLAN: Any opposed say "No."
23 (No response.)
24 MR. McMILLAN: The ayes have it.
25 MR. MARKHAM: Thank you, Mr. Chair, and that

1 was the items or those were the items that our
2 committee took up.

3 MR. McMILLAN: Thank you very much.
4 Restoration and Stormwater, Mr. Henderson?

5 MR. HENDERSON: Mr. Chairman, the
6 Restoration and Stormwater and Greenway Committee met
7 yesterday afternoon. The staff provided us with an
8 update on the status of the grants that were actually
9 awarded and provisionally awarded in 2011. We had no
10 action items to be involved. We had at the time no
11 action items to be brought to the board. That
12 concludes my report.

13 MR. McMILLAN: Thank you very much. The
14 next item is the review of the 2012 wastewater
15 applications. And, Larry, we sort of handled that in
16 the committee discussion with Mr. Markham just a
17 minute ago. Is there anything left for you to talk
18 with us about?

19 MR. HORTON: No, I think that was the only
20 part unless there's some questions about it. I don't
21 have anything to add.

22 MR. McMILLAN: Richard?

23 MR. ROGERS: Kevin?

24 MR. MARKHAM: Yes, I think we should
25 establish a date by which the projects could be

1 elevated.

2 MR. HORTON: Yes, thank you, Mr. Chairman.
3 So it would be helpful for staff that report to
4 establish some day or at least target a guideline for
5 when to bring projects up from group 2 into group 1 to
6 have us go through. That gives us something to work
7 from so we don't end up doing all of them at the last
8 minute. So if there could be some sort of
9 recommendation as far as that goes, that would be
10 helpful.

11 MR. ROGERS: How about we suggest June 30th
12 right before the beginning of the fiscal year. That
13 gives us and gives you two and a half, three weeks or
14 so to review and get back to your applications to see
15 if there's any projects that you want to be brought
16 up. We'll send out a reminder as well, but we'll set
17 June 30th as the date. That's not a Saturday or a
18 Sunday, I hope.

19 MR. HORTON: That will work. That's fine.
20 Thank you.

21 MR. McMILLAN: In your materials, Agenda
22 item M is a Consent Agenda item a list of requests and
23 decisions made since the board's last review.

24 MR. ROGERS: It's in the very back of your
25 agenda packet.

1 MR. McMILLAN: Beth, do you want to explain
2 what this document is?

3 MS. McGEE: This is a table we put together
4 every June just to accumulate those actions that have
5 followed this process. And it's depending on the
6 level of change if the staff evaluates them. If it's
7 more change, the chairman and co-chairs evaluate them.
8 For the ones with the largest amount of changes to the
9 scope or the match or some other issue, it comes to
10 the board.

11 So this is just a cummulation of those. And
12 usually every year you all just look at them just as
13 an agenda item. It's similar to last year, a similar
14 number. I think most of them -- Actually, you all had
15 more items come to you this year than last year, but
16 most of them are changes in match. A handful of them
17 were changes in property value, but we did have some
18 scope changes and the construction contract deadlines,
19 which are not on the list. I forgot to put them on
20 there. Just like Hyde County you just looked at.

21 MR. McMILLAN: Anything out of the ordinary
22 that you want to bring to our attention?

23 MS. McGEE: No.

24 MR. McMILLAN: Are there any questions about
25 any of these items?

1 (No response.)

2 MR. McMILLAN: If not, can we have a motion
3 to ratify this for the record?

4 MR. BEANE: I so move.

5 MR. McMILLAN: Ron Beane moves that we
6 ratify these actions.

7 MR. VAUGHAN: Second.

8 MR. McMILLAN: We have a second. Any
9 further discussion?

10 (No response.)

11 MR. McMILLAN: If not, so many as favor the
12 motion say "Aye."

13 TRUSTEES: Aye.

14 MR. McMILLAN: Any opposed say "No."

15 (No response.)

16 MR. McMILLAN: All right. That -- That
17 completes the agenda, but there is one item under
18 discussion that I want to bring up.

19 Every year we have the potential of losing
20 one or more of our members to retirement or moving on.
21 And we have one member, at least one member that we
22 know of, but one member that we know of who is not
23 going to be coming back, and this is his last meeting.

24 Dr. Rance Henderson has been with the board
25 since 2007. He has served on the

1 Restoration/Stormwater Committee. He has served as
2 co-chair of that committee since 2009. He served on
3 the Stewardship Committee, the Internal Procedures
4 Committee and the Administration Committee.

5 You all know Rance. He has been a valuable
6 member of our board. Some of the things you might not
7 know about him that I want to share with you this
8 morning. He has a lot of loves in his life, in
9 addition to the Clean Water Management Trust Fund, of
10 course, his family. Gardner-Webb University where he
11 has been Chairman of the Board of Trustees and one of
12 the real heroes of that university. First Baptist
13 Church of Morganton where he's been a leader for many,
14 many, many years. The North Carolina School for the
15 Deaf in Morganton where he was the Superintendent for
16 20 years. And I represent Morganton and know the
17 importance of that school. I have talked to the Mayor
18 -- The fellow who has been the Mayor of Morganton was
19 the Mayor for about 25 or 30 years, a long time,
20 speaks so highly of Rance.

21 And the other is the Boy Scouts. He has
22 been Council President of the Table Rock District of
23 the Boy Scouts of America. He was awarded the Silver
24 Beaver in 1983, almost 30 years ago, which the Silver
25 Beaver is the highest award that a council volunteer

1 can receive. It's not given often.

2 He recently was honored at a Distinguished
3 Citizens Award Dinner attended by 140 people in
4 Morganton where they talked a lot about what Rance has
5 meant to the community and to the State. So, Rance,
6 we're going to miss you, and we appreciate your
7 service. We have a plaque for you, and I appreciate
8 you being a part of this board.

9 TRUSTEES: (Applaud.)

10 MR. McMILLAN: Anything else that anybody
11 has for us this morning?

12 MR. HESTER: (Raises hand.)

13 MR. McMILLAN: Joe?

14 MR. HESTER: I just recall being in this
15 room years and years ago in 1997. As most of you know
16 this board started in late '96, December of 1996.
17 It's been an interesting evolution. And I remember it
18 seems to me, and Karen can correct me and Bill Hollan
19 can correct me, but it seems to me we were even
20 talking about easements and easement widths, and we
21 had a lot of people here to talk about those sorts of
22 things early on.

23 We had no staff, and there was at least one
24 trustee, who I won't mention, who thought that we
25 might not even need a staff. We could rely on DENR to

1 do everything. But I'm not going to mention his name,
2 but he's sitting right beside me. But we've had a
3 great time. And I just wish John were sitting up
4 there where I sat the first meeting since we came back
5 here for the first time. Thank you.

6 MR. McMILLAN: Thank you, Joe. Anything
7 else?

8 (No response.)

9 MR. McMILLAN: All right. Well, we will
10 stand adjourned.

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20 *(Meeting adjourned at 9:40 a.m.)*

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CERTIFICATE OF NOTARY - COURT REPORTER

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

I, Rhonda G. Houchens, 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 the Archdale Building, 512 North Salisbury Street, Raleigh, North Carolina, on the 13th day of February, 2012.

I further certify that I am neither of counsel to this agency or interested in the event of this agency on this 20th day of June, 2012.

Rhonda G. Houchens, Court Reporter
Notary Public, Wake County,
North Carolina
Notary Number: 19951360105