

**Board of Trustees  
Clean Water Management Trust Fund**

**Minutes of Meeting**

**Monday, August 16, 2010**

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**2728 Capital Boulevard**

**Room 1A224**

**Raleigh, North Carolina 27604**

**8:30 A.M.**

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**APPEARANCE OF CWMTF BOARD OF TRUSTEES**

Philip A. Baddour, Jr., Chairman  
Harold Bass  
Honorable Ron Beane  
Dr. Yevonne Brannon  
Dr. Norman Camp, III  
Rance Henderson  
Charles Johnson  
Kevin Markham  
Charles McGrady  
John McMillan (via telephone)  
Peter Rascoe  
Betty Chaffin Rash  
Aaron Thomas  
Stan Vaughan  
Jerry Wright

**APPEARANCE OF STAFF**

Richard Rogers  
Beth McGee  
Tom Jones  
Nancy Guthrie  
Penny Adams  
Robin Hammond  
Kevin Boyer  
Everette Moore  
Cheryl Johnson  
Larry Horton  
Cherri Smith  
Christopher Fipps  
Tom Massie  
Bern Schumak  
Will Summer  
Sarah King  
Damon Tatem

**ALSO PRESENT:**

Frank Crawley, Esq.

**Board of Trustees  
Clean Water Management Trust Fund  
2728 Capital Blvd  
Room 1A224  
Raleigh, North Carolina 27604  
Monday, August 16, 2010**

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

**Philip A. Baddour, Jr., Chairman, Presiding**

- 8:30 am**      **A. Call to Order – Chairman Baddour**
- 1) Welcome
  - 2) Roll Call – Penny Adams
  - 3) Compliance with General Statute § 138A-15
  - 4) Revisions, additions, and adoption of the Agenda (**Action Item**)
  - 5) Please put cell phones on vibrate or off
  - 6) Review and approval of the transcripts of the June 2010 meeting of the Board of Trustees (**Action Item**)
  - 7) Recognize CWMTF Advisory Committee Members
- 8:45 am**      **B. Public Comments (Three Minutes per Person) – Chairman Baddour**
- 8:55 am**      **C. Executive Director’s Report – Richard Rogers**
- 9:25 am**      **D. Attorney General’s Report – Frank Crawley**
- 9:30 am**      **E. Administrative Committee Report – Committee Co-Chair Vaughan (Action Items)**
- 9:45 am**      **F. Chairman and Co-Chair Meeting, 2010 Allocation and Committee Funding Recommendations -- Chairman Baddour**
- 10:00 am**      **G. Break**
- 10:20 am**      **H. Acquisition Committee Report – Committee Co-Chairs McGrady and Wright (Action Items)**
- 11:20 am**      **I. Review of 2010 Restoration, Stormwater and Greenway Applications: Scores and Groupings for Scope Development – Kevin Boyer and Nancy Guthrie (Information Item)**  
Staff will hand out and briefly review worksheets that list 2010 restoration, stormwater, and greenway applications, their scores, and other summary

information from each application. Staff will also describe the basis for determining the subset of applications for which full scopes will be developed and the process for trustees to request that scopes be developed for additional applications. The board will consider 2010 restoration, stormwater and greenway applications for funding at the September meeting.

**11:30 am J. Discussion**

**11:40 am K. Personnel Committee Matter: Executive Director Evaluation –  
Committee Co-Chair Beane (Closed Session)**

**12:15 pm L. Adjourn**

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P R O C E E D I N G S

CHAIRMAN BADDOUR: I call the meeting to order. Welcome everyone here today. Glad to have you here. And I'll ask Penny if she will call roll.

MS. ADAMS: Mr. Baddour?

CHAIRMAN BADDOUR: Here.

MS. ADAMS: Mr. Bass?

MR. BASS: Here.

MS. ADAMS: Mr. Bass?

MR. BASS: Here.

MS. ADAMS: Mr. Beane?

MR. BEANE: Here.

MS. ADAMS: Ms. Brannon?

(No response.)

MS. ADAMS: Mr. Camp?

DR. CAMP: Here.

MS. ADAMS: Ms. Cragolin?

(No response.)

MS. ADAMS: Mr. Crumpler?

MR. CRUMPLER: Here.

MS. ADAMS: Mr. Henderson?

MR. HENDERSON: Here.

MS. ADAMS: Mr. Hester?

(No response.)

MS. ADAMS: Mr. Hollan?

1 (No response.)

2 MS. ADAMS: Mr. Johnson?

3 MR. JOHNSON: Here.

4 MS. ADAMS: Mr. Markham?

5 MR. MARKHAM: Here.

6 MS. ADAMS: Mr. McGrady?

7 MR. McGRADY: Here.

8 MS. ADAMS: Mr. McMillan?

9 MR. McMILLAN: Here.

10 MS. ADAMS: Mr. Pate?

11 (No response.)

12 MS. ADAMS: Mr. Rascoe?

13 MR. RASCOE: Here.

14 MS. ADAMS: Ms. Rash?

15 (No response.)

16 MS. ADAMS: Mr. Thomas?

17 MR. THOMAS: Here.

18 MS. ADAMS: Mr. Vaughan?

19 MR. VAUGHAN: Here.

20 MS. ADAMS: Mr. Wright?

21 MR. WRIGHT: Here.

22 CHAIRMAN BADDOUR: General Statute --

23 General Statute 138A-15 mandates that the Chair

24 inquires whether any Trustee knows of any conflict of

25 interest or the appearance of conflict of interest

1 with respect to matters on the agenda. If any  
2 Trustee knows of a conflict of interest or the  
3 appearance of a conflict of interest, please so state  
4 at this time. Mr. Markham?

5 MR. MARKHAM: Thank you, Mr. Chairman. I  
6 will be recusing myself from three projects today at  
7 the appearance of a conflict of interest. They are  
8 on the spreadsheet of Grant Acquisitions, item number  
9 8, which is 2010-063, New Hanover Soil and Water  
10 Conservation District, Blue Sky Timber Tract, Eagles  
11 Island, Brunswick River; item number 16, which is  
12 2010-104, which is Nature Conservancy, Martin  
13 Marietta, Drowning; and item number 45 -- excuse  
14 me -- 2010-040, which is Nature Conservancy Holdings  
15 Tract, Pinch Gut Creek.

16 CHAIRMAN BADDOUR: Okay. Anyone else?

17 MR. SCHUMAK: Mr. Chairman?

18 CHAIRMAN BADDOUR: Yes?

19 MR. SCHUMAK: My family owns a small tract  
20 of land that adjoins project number 25, 2010-054. I  
21 was not involved in any of the review of that  
22 project, and have no financial interest in it.

23 CHAIRMAN BADDOUR: Okay. Bern, thank you.  
24 And that will, of course, be in the record. All  
25 right. Are there any revisions, additions --

1 MR. McGRADY: Mr. Chairman, I'm sorry. I  
2 was distracted. I need to recuse myself from 2010-  
3 01, Asheville Regional Airport Authority proposal. I  
4 sit on that board.

5 CHAIRMAN BADDOUR: What number is that?

6 MR. McGRADY: Number 60 on the  
7 Acquisitions list.

8 CHAIRMAN BADDOUR: Okay.

9 MR. McGRADY: 2010-001.

10 CHAIRMAN BADDOUR: Okay. Anyone else?  
11 Are there any revisions, additions to the agenda?

12 (No response.)

13 CHAIRMAN BADDOUR: If not, is it the  
14 consensus that the agenda be adopted?

15 MR. BEANE: So moved.

16 CHAIRMAN BADDOUR: Without objection, the  
17 agenda is adopted. I ask you to check your cell  
18 phones to be sure that they are on silent or turned  
19 off. You have had before you the -- sent to you the  
20 transcript from the June 2010 meeting. Do I hear a  
21 motion that those minutes be approved?

22 MR. McGRADY: So moved.

23 MR. VAUGHAN: Second.

24 CHAIRMAN BADDOUR: Second. Discussion?

25 Hearing none, so many as favor the motion say "Aye."



1 BOARD MEMBERS: Aye.

2 CHAIRMAN BADDOUR: Opposed "No."

3 (No response.)

4 CHAIRMAN BADDOUR: The ayes have it. I  
5 did not see -- Have we got any Advisory Committee  
6 members here today? Okay. Well, they may come in  
7 later. If they do, you let me know and we'll --  
8 we'll recognize it. It's the time on our agenda for  
9 public comment. Is there anyone here who would like  
10 to address the Board to make a comment?

11 (No response.)

12 CHAIRMAN BADDOUR: Hearing none, we'll  
13 then turn to our Executive Director Richard Rogers  
14 for his report.

15 MR. ROGERS: Thank you, Mr. Chairman. In  
16 your packet we included a couple things that I want  
17 to quickly run through. And just basically brief  
18 versions of the legislation that were pertinent to us  
19 during this past legislative session. And I just  
20 wanted to briefly run through that with you, and the  
21 (unintelligible) legislation as well as just the  
22 budget situation. Also, just to review with you some  
23 of the activities that have been going on since June  
24 with regards to new members and things of that  
25 nature, and a celebration which -- that we've had as

1 well. Then I will -- I will run through quickly just  
2 where we are with regards to the remaining 2008  
3 projects as far as getting those under contract and  
4 out the door.

5 The legislative session as y'all know  
6 turned out well for us. We were allocated \$50  
7 million, which y'all are working on spending. And  
8 we're excited about doing that. Some of the measures  
9 that were related to our administrative budget,  
10 pulling that together, is the fact that they did  
11 withhold or intend to withhold funds with regards to  
12 FMAP funds, federal funds that were not around when  
13 they adjourned the legislature.

14 Basically, the impact on our Agency was  
15 that it would have -- there's a 1 percent holdback  
16 with regards to across the board, and that amounts to  
17 a \$500,000 reduction. They also are interested in  
18 looking in holding back the interest earning we have  
19 on our fund balance. Projected interest earning is  
20 about \$1.7 million this year. So you can look back  
21 in your budget documents and recognize that we  
22 withheld that and did not put that into the budget  
23 for use by the Board.

24 All of this is in the balance. There is a  
25 potential that we may realize some of those funds

1           back. Some of the FMAP funds, \$318 million I  
2           believe, is coming our way. And my sense is it will  
3           probably, you know, with regards to 1 percent  
4           reduction, I'm not too sure about us getting the  
5           interest back. But we'll keep our ears to the ground  
6           and our eyes peeled to make sure that we realize that  
7           and figure out and communicate with the budget office  
8           on how they're going to manage some of those funds as  
9           well.

10                        So -- And Mr. Hollan yesterday asked about  
11           the budget itself and whether we were potentially in  
12           a situation where the Governor would withhold funds  
13           in order to keep that budget balanced. As I related  
14           yesterday from the budget director, his sense was  
15           that the estimated income and what they projected to  
16           be income was a very conservative number this year  
17           because of the slow economy. And that they did  
18           not -- He did not feel that they would be in a  
19           situation to hold back any funds from any of the  
20           state agencies that have been allocated with the  
21           exception of what he identified for those FMAP funds.

22                        But as far as the budget is related, that  
23           is all that was applied. Our provision for our  
24           administrative cap remains the same from the bi-  
25           annual budget that was passed the year before. That

1 is in place, and we're below that cap. And so that's  
2 pretty much it with regards to the budget. So I'll  
3 be glad to take any questions if anybody has them on  
4 the budget and how it relates to Clean Water.

5 The next bill we looked at is -- we've got  
6 the Speaker's appointments and the President Pro Tem  
7 appointment. And we're glad to have Karen  
8 reappointed, and also Mr. Johnson reappointed to the  
9 Board, and also Jerry Wright reappointed. And then  
10 John Guare is a new appointment to the Board. He's  
11 out of Winston-Salem. Bern and I had the pleasure of  
12 going to meet with him two weeks ago, I think. We  
13 got out in Mount Airy on the stream restoration walk  
14 path, and tried to give him a little -- a little  
15 overview of the Trust Fund and what we do. He seemed  
16 to pick things up pretty quickly, and had some great  
17 questions. And I think he's looking forward to --  
18 looking forward to being a member. Unfortunately, he  
19 couldn't make this meeting. He had a family vacation  
20 planned. So he does plan to be here in September.  
21 We'll have him sworn in, and then he'll become an  
22 active member.

23 The Governor's appointments -- Just to  
24 continue on appointments. I believe Ron Beane is  
25 supposed to be -- is up for reappointment. And I

1 believe that process is moving forward from what I  
2 understand. So we're excited about that, looking  
3 forward to hearing that. And then Chuck McGrady, the  
4 legislator-elect, is here. And I think what Chuck is  
5 interested in serving on through the cycle, and then  
6 getting replaced at the end of the year or the  
7 beginning of next year as well. So just those heads  
8 up. That's the action that is being taken, or going  
9 to be taken with regards to our membership and the  
10 Trustees.

11 Some other substantive legislation -- And  
12 I'm not going to spend too much time on this. But we  
13 had a lot of -- five or six pieces of legislation  
14 coming out of the Infrastructure Commission that was  
15 meeting last interim. In general, I think the notion  
16 and what the legislators were looking for with  
17 regards to this commission is in about three or four  
18 areas.

19 One is coordination and cooperation between  
20 all the different state infrastructure funds, as well  
21 as looking for a sustainable funding source. Also,  
22 looking for what the real needs are out there, and  
23 being able to track the needs that we have across the  
24 state.

25 Several of the legislation's -- legislation

1 pieces were passed. House Bill 1744 as well as House  
2 Bill 1746 were two of the pieces that pertain to  
3 that. I'm not going to go into the detail of those.  
4 I think -- The ones that do interest us, the piece  
5 that does interest us, 1744, is just some management  
6 issues with regards to wastewater. One thing -- And  
7 this deals with some common criteria that we deal  
8 with and use in our scoring, and we will do our best  
9 to try to get this implemented and looked at at least  
10 in a cursory perspective this time around, and then  
11 fully implemented next time.

12 The things that were adjusted with regards  
13 to common criteria deal with asset management. One  
14 of the things that is going to be required of folks  
15 that apply to state agencies is the fact that they  
16 have an active asset management plan. My sense is  
17 this is a good thing. It really has the potential to  
18 especially help the small -- smaller governments,  
19 local governments that deal with these wastewater  
20 systems to keep it up in the mainstream of their  
21 funding needs, and to manage their assets in a way  
22 that they can become independent and not rely on  
23 grants funds so much.

24 They're also looking at the high unit cost,  
25 which is an important part of our review. And they

1           have -- will have a group report back on what the --  
2           what the change to high unit costs will be.  
3           Regionalization, while we already consider  
4           regionalization, it was also added into the common  
5           criteria as well.

6                     Let's see. House Bill 1746. In general --  
7           I've got a lot of information there. But, in  
8           general, what it wants us to do is look at ways of  
9           finding out the needs that the state has, and  
10          actually reporting and getting that information on a  
11          regular basis so that the legislature understands the  
12          needs, as well as look at coordinating our efforts  
13          with regards to reporting out what is funded and  
14          what's not funded. And we're working on that.

15                    As we reported earlier, Rural Center, DENR,  
16          us, are all working -- also the Department of  
17          Commerce, are working on how to bring a common report  
18          with regards to the projects that we funded, and the  
19          money that's being -- the state funds that are being  
20          extended.

21                    That's about all I want to say with regards  
22          to legislation. Anybody that has questions, just  
23          feel free to ask, and we'll respond.

24                    One thing that we do want to bring to your  
25          attention, in June the Board took action with regards

1 to the remaining 2008 projects. And one thing that  
2 we have been working on since June is trying to get  
3 those projects out the door, getting them encumbered.

4 And just an update on where we are with  
5 that is that we've got drafts out and encumbered.  
6 Ninety-one percent of all the projects, that's 74  
7 projects that we have out the door that are being  
8 encumbered. We are working DENR hard to get these  
9 projects encumbered. So we're moving forward with  
10 that.

11 There are always a few that are a little  
12 difficult, and we are intent on getting those  
13 encumbered and getting them out the door so that  
14 these folks that have been waiting for two years can  
15 get their projects moving forward. Again, if there's  
16 any specific questions with regards to that, we  
17 can -- we can answer that, and I'll be glad to  
18 address that.

19 Finally, some of the activities, media-  
20 related and that kind of thing that are coming  
21 forward and that we have participated in, I do want  
22 to say a word about -- Little Sugar Creek had a  
23 celebration two weeks ago, I suppose. It was last  
24 Friday or Friday before last.

25 MR. VAUGHAN: Friday a week ago.



1 MR. ROGERS: Friday a week ago. And Stan  
2 and Betty came down, and Bern. And it's a fantastic  
3 project. And I think we'd really like to give the  
4 Trustees a presentation on it to bring them up. This  
5 project incorporates city, private dollars, the  
6 county, our dollars. We have been participating with  
7 them on Little Sugar Creek for a long, long time. I  
8 think we had five or six different projects that  
9 total about \$4 million. But I can guarantee you it's  
10 all well worth it when you go down and see it.  
11 They've daylighted a stream basically in the middle  
12 of the city. They're developing a greenway along the  
13 stream, put in stormwater management controls. And  
14 it's a fantastic, fantastic project.

15 Y'all will be glad to know that I think we  
16 were probably the most-mentioned agency in all the  
17 comments, at least two or three times. And on a  
18 personal note, Bern got called out by the manager of  
19 the stormwater for, I guess, Mecklenburg County. And  
20 just giving him all kinds of kudos that he really  
21 helped the project move forward, and helped them move  
22 forward on the project not only as it relates to  
23 Clean Water, but I think with regards to how to deal  
24 and move the project forward so that they could come  
25 with success. We can all be proud of all our field

1           reps, but I think Bern deserves a good gratitude for  
2           his work that he's done on this project in  
3           particular, but it also speaks for his efforts out in  
4           the Piedmont region as well.

5                            (Appause.)

6           MR. SCHUMAK:    I guess I had to buy him  
7           lunch.

8           MR. ROGERS:    Bern was saying that's job  
9           security for me. I don't know whether -- Stan,  
10          Betty, do y'all have anything else to say? Stan?

11          MR. VAUGHAN:    You said it very well. It  
12          is an amazing project. And those of us who have been  
13          around Charlotte a long time and know -- knew what  
14          Sugar Creek was, to see what it is today is really  
15          remarkable. There's plant life, animal life, fish in  
16          the creek.

17          MS. RASH:        Heron.

18          MR. VAUGHAN:    Heron, yeah. It's really --  
19          The thing that I thought was amazing is how they  
20          brought so many parties together. The  
21          (unintelligible) Castle of Charlotte, they put  
22          (unintelligible) on the thing. They've got the  
23          transportation department cross-rated, and they let  
24          us build some bridges that would -- not just concrete  
25          bridges and steel bridges, but they had a little

1 stone in them, makes it very attractive. And if you  
2 ever come to Charlotte, it's a great walk. So I  
3 would recommend it.

4 MS. RASH: And we would love to conduct  
5 the tour, right, Stan and Bern?

6 MR. ROGERS: Bern, have you got anything?

7 MR. SCHUMAK: Yeah. I was just going to  
8 say Little Sugar Creek was once deemed the worst  
9 stream in the state. And to look at it now and where  
10 it's probably going to end up, it's one of those  
11 visions where you hope you can take a 3 or 3D stream  
12 off the list and deem it right in the middle of a  
13 city is pretty awesome.

14 MR. ROGERS: Again, the fall seems to be  
15 the season to celebrate projects. And there's a few  
16 on the list that I want to make y'all aware of. And  
17 we'll get more details out. Some of them were very  
18 near term; some of them a little further down the  
19 road.

20 This coming Friday, EPA will be in town  
21 along with DENR to celebrate an AARA project that we  
22 participated in funding. It was a stormwater  
23 retention and reuse project for 10 or 11 firehouses  
24 in Raleigh. And so they're going to come in at 1  
25 o'clock, I think. Is that right, Kevin? 1:00 or

1           2:00 on Friday, and have a little celebration down on  
2           Oberlin, I believe, Firehouse.

3                   MR. BOYER:           That's correct.  2 o'clock,  
4           I believe.

5                   MR. SCHUMAK:    2 o'clock.  So I don't know,  
6           some of you Raleigh folks may be interested in  
7           coming, Yevonne and Norman.  We'll get that  
8           information out to you.

9                   Another event that's going to be coming up  
10          in Raleigh -- and this deals with a project that we  
11          got to see in February -- is the museum is  
12          celebrating in opening its wetland restoration and  
13          stormwater management project.  It was a rather big  
14          project that they did at the new museum.  And Kevin,  
15          those dates are -- I think it's in October.

16                   MR. BOYER:           It is October.  I don't  
17          recall exactly.  The 5th rings a bell, but we'll get  
18          word out on that.

19                   MR. ROGERS:        But I will send that  
20          information out.  And if y'all are interested in  
21          coming, just let us know so that we can get you all  
22          on the list as attending as well.

23                   Another project that's in the making, a  
24          celebration, is a project that we funded in 2008, the  
25          Brumley Tract.  We've talked with the Triangle Land

1 Conservancy. They're interested in doing the project  
2 and a celebration. My sense is that will be the last  
3 weekend, last two weekends, or -- I'm sorry -- the  
4 last couple of weeks in September or the first week  
5 in October.

6 But we're taking advantage of these  
7 opportunities. I think it's a good opportunity to  
8 talk about the good work the Clean Water has done,  
9 and also to continue and support the legislature with  
10 regards to the work they've done in providing us  
11 funding during these difficult times. So I think  
12 it's important that we take advantage of these, that  
13 we show our face, and that we celebrate these  
14 projects that do good on so many levels in the  
15 community and for water quality.

16 Mr. Chairman, that's my report.

17 CHAIRMAN BADDOUR: Thank you. Thank you  
18 very much, Richard, for your good work and your  
19 staff's good work. We are all and always  
20 appreciative.

21 I just wanted to mention that since Richard  
22 talked about the Board membership and the  
23 appointments, we are going to miss Claudette Weston,  
24 who was not reappointed. But Jerry, how long did  
25 Claudette serve on this Board?

1 MR. WRIGHT: Eight years.

2 CHAIRMAN BADDOUR: Eight years?

3 MR. WRIGHT: Yes, sir.

4 CHAIRMAN BADDOUR: So anyhow, she has been  
5 a long and faithful member of the Board, and just a  
6 terrific public servant, not only in this way, but a  
7 leader in her community in Winston-Salem. And so  
8 we -- we're going to miss her. And maybe there will  
9 be some opportunity for her to come back in the  
10 future.

11 We'll move on to the Attorney General's  
12 report. Frank?

13 MR. CROWLEY: I don't have a report.

14 CHAIRMAN BADDOUR: Okay. And we have next  
15 is the report of the Administrative Committee.  
16 Chairman Vaughan?

17 MR. VAUGHAN: Thank you, Phil. We met  
18 yesterday, and had two items to bring to the Board.  
19 First is Item EB, which is a -- well, we are  
20 restoring encumbered funds to unencumbered in the  
21 amount of \$989,025.54. That the motion is that we do  
22 unencumber these funds, Mr. Chairman.

23 CHAIRMAN BADDOUR: You've heard the motion  
24 of the committee. Is there any discussion?

25 (No response.)

1                   CHAIRMAN BADDOUR:   Hearing none, so many  
2                   as favor the motion, signify by saying "Aye."

3                   BOARD MEMBERS:        Aye.

4                   CHAIRMAN BADDOUR:   Opposed, "No."

5                   (No response.)

6                   CHAIRMAN BADDOUR:   The ayes have it. Mr.  
7                   Chairman?

8                   MR. VAUGHAN:        The next item, EC, we also  
9                   reviewed and approved the administrative budget for  
10                  this year. I think our director, Mr. Rogers, has  
11                  done a good job along with his staff in putting this  
12                  together and really watching our pennies. It works  
13                  out to be right -- just under \$2 million, which is  
14                  right around 4 percent of a \$50 million grant. Most  
15                  organizations I know, if you can hold your  
16                  administrative budget to 4 or 5 percent, I think  
17                  you're doing a pretty good job. Obviously, if we got  
18                  \$100 million, it would be back to 2 percent. That'd  
19                  be even better. But I think they've done a great job  
20                  of putting this together, and we approve that budget.  
21                  If you want to see the details, it's under schedule  
22                  EC-1, 2, and 3; they're in your packages. But we  
23                  recommend that budget to the Board.

24                  CHAIRMAN BADDOUR:   Okay. You've heard the  
25                  recommendation to take as a motion from the

1 committee. Is there any discussion?

2 (No response.)

3 CHAIRMAN BADDOUR: So many as favor the  
4 motion to approve the final administrative budget,  
5 signify by saying "Aye."

6 BOARD MEMBERS: Aye.

7 CHAIRMAN BADDOUR: Thank you, John.

8 MR. ROGERS: Mr. Chairman, just one note.  
9 We do want to make sure it's clear that it's implicit  
10 within y'all's adoption of that budget that we have  
11 eliminated and the Board has eliminated the IM  
12 position. We just want to make sure the Board  
13 understands it's their action, y'all's action that's  
14 done that and approved that.

15 CHAIRMAN BADDOUR: All right. With that  
16 added discussion, we'll vote again. So many as favor  
17 the recommendation of the committee, signify by  
18 saying "Aye."

19 BOARD MEMBERS: Aye.

20 MR. McMILLAN: Aye.

21 CHAIRMAN BADDOUR: Opposed "No."

22 (No response.)

23 CHAIRMAN BADDOUR: Mr. McMillan voted  
24 "Aye." He's on the phone. John, we thank you for  
25 participating by telephone. And since I can't see



1           you raising a hand, you're just going to have to let  
2           me know if you want to chime in, okay?

3                   MR. McMILLAN:           Okay. I'm here.

4                   CHAIRMAN BADDOUR:   All right. Thank you.  
5           Okay.

6                   MR. VAUGHAN:       That concludes our report.

7                   CHAIRMAN BADDOUR:   All right. I chaired a  
8           meeting of the committee funding chairs, and we have  
9           a recommendation. That group is not an official  
10          committee. So I'm going to need -- Chuck, I think  
11          you made the motion, so I will need a motion on a  
12          second. We report to you that the staff told us that  
13          we have available for 2010 projects \$30,151,596. And  
14          that does include the \$900,000 plus that we just --  
15          989,254 that we just unencumbered. So -- Well,  
16          the -- I think -- Does everybody have this? We will  
17          certainly want to attach this to the minutes --

18                   MR. ROGERS:        It was passed out yesterday.

19                   CHAIRMAN BADDOUR:   Passed out yesterday?  
20          The proposal was that the Acquisition Committee be  
21          allotted 53 percent for a total of \$15,980,346; that  
22          the Restoration/Stormwater/Greenway, 21 percent,  
23          which would be \$6,331,835; and Wastewater 26 percent  
24          at \$7,839,415.

25                   MR. McGRADY:     Mr. Chairman, I will move

1           that recommendation.

2                   CHAIRMAN BADDOUR:    Okay.  You've heard the  
3           motion.  Is there a second to the motion?

4                   MR. WRIGHT:        Second.

5                   CHAIRMAN BADDOUR:    The motion is seconded.  
6           Is there any discussion?

7                   (No response.)

8                   CHAIRMAN BADDOUR:    All those in favor,  
9           signify by saying "Aye."

10                   BOARD MEMBERS:        Aye.

11                   CHAIRMAN BADDOUR:    Opposed "No."

12                   (No response.)

13                   CHAIRMAN BADDOUR:    The ayes have it.  And  
14           just for the record, I think that there was no motion  
15           yesterday to delay the expenditure of any of these  
16           funds, no holdout.  So -- All right.  And that was  
17           that committee report.  We're moving right along.  I  
18           think we'll just keep going y'all.  We're on a roll  
19           here.

20                   And we'll move to the report of the  
21           Acquisition Committee, which was chaired yesterday by  
22           Mr. Wright.

23                   MR. McGRADY:        Mr. Chairman, if I could,  
24           would it be permissible for you to move past the  
25           Acquisition Committee Report?  We're in the midst of

1           trying to potentially amend the report. I'm just  
2           waiting --

3                     CHAIRMAN BADDOUR:     Sure.

4                     MR. McGRADY:     -- on some further  
5           information. I think we have a potential change that  
6           everyone will be very happy with, but I just need a  
7           little more time.

8                     CHAIRMAN BADDOUR:     Well --

9                     MR. McGRADY:     We moved so quickly. I  
10          thought we were going to have the time.

11                    CHAIRMAN BADDOUR:     I'll tell you what  
12          we'll do. We'll move on to the next agenda item, and  
13          then we'll even take a short break.

14                    MR. McGRADY:     Okay.

15                    CHAIRMAN BADDOUR:     That will give you  
16          plenty of time to negotiate.

17                    MR. McGRADY:     Thank you for accommodating.

18                    CHAIRMAN BADDOUR:     All right. Let's move  
19          to Agenda Item I, which is review of the 2010  
20          Restoration/Stormwater and Greenway applications.  
21          Kevin and Nancy, I see that the agenda says that  
22          you're going to make that presentation.

23                    MR. BOYER:        Thank you, Mr. Chairman.  
24          You now are receiving a handout, spreadsheet, Agenda  
25          Item I. I'll give a few minutes, or a minute for

1           that to be handed out.

2                         (Spreadsheets are distributed.)

3                         MR. BOYER:         Again, this is Agenda Item  
4           I, and it's a spreadsheet titled "2010 Applications  
5           for Restoration and Stormwater Projects." Now, the  
6           purpose of the spreadsheet is to summarize and rank  
7           by score 65 applications we received in the  
8           Restoration and Stormwater category. The requests  
9           total almost \$30 million. Given that, the  
10          Restoration/Stormwater/Greenway Committee has about  
11          \$6.3 million to work with. It's pretty clear that  
12          only a relative few restoration/stormwater projects  
13          can be funded.

14                         As with the Acquisition category, staff has  
15          divided the 2010 Restoration/Stormwater applications  
16          into two categories based on a running total of about  
17          two times the available funding for that category of  
18          projects. As you can see on the spreadsheet, column  
19          E is the running total. Also, the summary box at the  
20          top shows a total request of about almost \$30  
21          million.

22                         The two categories are -- for staff's  
23          purposes, Category 1 -- excuse me -- Group 1 are  
24          applications for which we will prepare scopes and  
25          PowerPoint presentations for the September committee

1 and Board meeting. If any Trustee would like to have  
2 a PowerPoint presentation and the scope prepared for  
3 any project in Group 2, please let us know that  
4 either directly to me or through Richard or a field  
5 rep. Please let us know that by next Tuesday, which  
6 I believe is August 24th. The reason for the tight  
7 turnaround is we need to get the Board packet out to  
8 you for the September meeting only a few days after  
9 that. So that would give us just a few days to  
10 prepare this scope and PowerPoint presentation.

11 We have -- On the spreadsheet you'll see  
12 that we made separate groupings within Group 1 and  
13 Group 2 for design and/or construction projects and  
14 planning projects. And the reason for that is even  
15 though they're based on the same general scoring  
16 system, the scores tend to be a little higher for  
17 planning projects, and they don't always mix well  
18 with the -- with the design and construction  
19 projects. So they are shown separate for your  
20 consideration.

21 So this is similar to what you've seen with  
22 the acquisition applications. When this comes back  
23 to you in the September meeting, there will be at  
24 least one additional column, and that will be a  
25 column of staff recommendations for groundwater.

1 DR. BRANNON: How did you decide what was  
2 Group 1 and Group 2?

3 MR. BOYER: Beg your pardon?

4 DR. BRANNON: How did you decide what was  
5 Group 1 and Group 2?

6 MR. BOYER: Group 1 and Group 2 are --  
7 Well, first of all, the applications are ranked by  
8 score. There was basically a cut-off -- a subjective  
9 cut-off between Group 1 and Group 2 selected such  
10 that the running total of requested funds is more or  
11 less twice the available funding -- what we  
12 anticipated would be the available funding. It  
13 happened that that -- the score corresponding to that  
14 was right around 95. Ninety-five had been used for  
15 the Acquisition Committee, and it seemed like a good  
16 place to make the cut between Group 1 and Group 2.

17 I'll be glad to answer any of your  
18 questions. I believe Nancy has some similar remarks  
19 for the Greenway applications.

20 MS. GUTHRIE: Yes. Thank you. You were  
21 also handed a legal-size sheet that --

22 CHAIRMAN BADDOUR: Nancy, can you hold on  
23 one second? Let's -- We need to make sure  
24 everybody's got a copy of the Greenway --

25 CHAIRMAN BADDOUR: While the Greenway is

1           being passed out, I just want to make an observation  
2           which, I think, that this Board will need to give  
3           some thought to. And maybe I should wait, but it's  
4           just an interesting comment. A very high-scoring  
5           project among the stream restoration projects, number  
6           2, is a \$4 million project. And it was right at the  
7           top in terms of scoring, but it takes up a tremendous  
8           amount of money. And if you look down below it --  
9           For instance, if you skipped a high-scoring  
10          project -- one of the high-scoring projects you have,  
11          you would go -- you would go deep into the projects  
12          remaining. So it will be an interesting discussion  
13          and decision for us to make. Okay. Nancy?

14                   MS. GUTHRIE: Thank you. So now you all  
15          have the sheet with the Greenway applications for  
16          this cycle. There were 14 applications as well as  
17          one Planning grant in the Greenway category. The  
18          greenways are scored on a different scale than our  
19          other projects. The greenways are scored on a 100  
20          point scale. And I want to make sure you're aware of  
21          that as you're looking at these, the full scores on  
22          these projects. Also just to remind you that the  
23          criteria for the Greenway Program was developed in  
24          late 2008. And this is actually the first cycle  
25          where we will have a stand-alone Greenway project for

1 a program.

2 The list you have is ranked by score. We  
3 also have them in two different groups. The top  
4 group, Group 1, are the ones that we are planning to  
5 present presentations and full scopes on for your  
6 review at the September meeting. Group 2 is where we  
7 ask that if you have interest in any of those  
8 projects, please let us know -- again that would be  
9 by next Tuesday -- so that we can get ready for the  
10 meeting. Let us know, and we will present -- have  
11 our presentation and develop the scope of work.

12 The Planning grant, I want to just make  
13 note it is not scored at this point. But it is in  
14 the second group. So again, if you want to see the  
15 Planning grant, we ask that you let us know.

16 In the top group we are working to develop  
17 some options on the funding that would maintain a  
18 meaningful project. But again, you have a situation  
19 that Mr. Baddour had pointed out on the Restoration  
20 where a few of the top projects, the request is very  
21 high. So we are working with the applicant to see if  
22 we can't reduce that and have some options for you on  
23 that funding.

24 There is one project on the list I need to  
25 point out on line number 9, Rocky Mount. That



1 application was originally submitted as an  
2 Acquisition project. In looking at that, Rocky Mount  
3 and we decided that -- or we agreed that it was  
4 better in the Greenway category. So we have gotten  
5 an application from them, and have been able to score  
6 them relative to the other greenways at this point.  
7 But you will not find that one in your notebook.

8 MR. ROGERS: We will make an effort to  
9 PDF that, and we'll e-mail it out for folks.

10 MS. GUTHRIE: Okay. So with the Greenway  
11 Program being new, the information on the  
12 spreadsheet, we tried to make that fairly familiar to  
13 you. So if you take a look at the spreadsheet,  
14 column C is the score, and there's even a note there  
15 that this is a 100-point scale. Column D is the  
16 requested funds where again we're looking at -- we  
17 will bring some options to you in that column.

18 The -- I just want to bring your attention  
19 to column H, which is the Planned Greenway Corridor.  
20 That's like a city's overall big picture of what they  
21 have planned. The column next to it is what is  
22 applied for in the applications in front of you. And  
23 that lets you see kind of how Clean Water is fitting  
24 into a bigger picture within the cities.

25 The rest of the information gives you just

1           some more details on the acres, the cost, potential  
2           users, and then the locations of the projects. I'll  
3           take any questions on the sheet or the program to  
4           this point.

5                   CHAIRMAN BADDOUR:    Questions? I want to  
6           thank staff, both of you, for your good work in  
7           putting this together at this time so we could have  
8           this at this meeting, and the opportunity to ask you  
9           questions about it. So Kevin and Nancy, thank you  
10          for this. Any questions?

11                   MR. McMILLAN:    Phil?

12                   CHAIRMAN BADDOUR:    John?

13                   MR. McMILLAN:    I don't have this handout.  
14          But -- Let me know if you have covered this. But  
15          when they said to try to stage that great big project  
16          and do part of it this cycle and part of in a future  
17          cycle.

18                   CHAIRMAN BADDOUR:    Staff assures me --  
19          Richard has assured me that they will be looking at  
20          that, that that is one of the things that's under  
21          consideration that they will be talking with the  
22          applicant about. Is that right, Richard? Or in  
23          discussions with them about it. John, good point.

24                   MR. McMILLAN:    Thank you.

25                   CHAIRMAN BADDOUR:    Stan?

1 MR. VAUGHAN: Along that same line, and  
2 that sort of occurs with that same project, we have  
3 a -- I think the legislature set a \$3 million cap on  
4 Wastewater. Do we have a cap for Restoration also?

5 MR. ROGERS: No, sir, we do not.  
6 However, I mean, the committees always has the  
7 ability if they want the cap, then they can -- There  
8 is no legislative cap in place with regards with  
9 Restoration.

10 MR. BOYER: There is not for  
11 Restoration. There is a \$3 million cap for  
12 Stormwater.

13 CHAIRMAN BADDOUR: Yevonne?

14 DR. BRANNON: I'm just making sure I've  
15 got these numbers right. So we have \$6 million and  
16 \$34 million requests; is that correct?

17 CHAIRMAN BADDOUR: Well, more than that  
18 because you've got your --

19 DR. BRANNON: Greenway.

20 CHAIRMAN BADDOUR: -- Greenway.

21 DR. BRANNON: And that's to come out of  
22 the same \$6 million; is that correct?

23 CHAIRMAN BADDOUR: Correct.

24 DR. BRANNON: So this goes over \$34  
25 million for slightly over \$6 million --

1                   CHAIRMAN BADDOUR:    That's correct.

2                   DR. BRANNON:     Okay.   Wow.

3                   CHAIRMAN BADDOUR:   Well, what, of course,  
4                   has happened here is that, I think, is not only are  
5                   we being funded at half what we had gotten used to --  
6                   what we did get used to for a few years, but also  
7                   because of the 2008 projects that we had to go back  
8                   to.   There is -- We are dealing with pent-up demand.

9                   All right.   Is there any other discussion?  
10                  Tom?

11                  MR. JONES:        I won't take very long.   But  
12                  the whole process just -- I've been scoring projects  
13                  for nine years, and writing scopes.   And I won't go  
14                  into that -- the quality of those.   But the -- this  
15                  cycle with the new structure we've had to do that  
16                  Richard has implemented with the staff, and the new  
17                  duties that come up with me, neat ways.

18                  And this process of taking the top has been  
19                  so wonderful.   I have more confidence in the scopes  
20                  that y'all received and the quality of the  
21                  information that you all are getting for making your  
22                  decisions.   But also because now we've got -- the  
23                  scopes will be -- this is mostly because of Nancy and  
24                  Cherri Smith will be writing the contracts for the  
25                  acquisitions.   And these scopes are already perfectly

1           suited for -- they will be after lessons learned this  
2           time -- for going right into the contract. Before we  
3           were having me writing scopes and Robin Hammond  
4           trying to decipher them into a contract.

5                     And so I think this has saved us a lot of  
6           work and time in getting contracts out. And also in  
7           getting all of us, the field reps and the Trustees  
8           and the rest of the staff involved, and actually  
9           giving presentations on each of those projects. And  
10          sort of getting back down into the essentials of the  
11          project instead of just a list of numbers, which is  
12          what we've been forced to do. So anyway, that's all.

13                    CHAIRMAN BADDOUR: A very important  
14          comment. I thank you for that.

15                    DR. BRANNON: Mr. Baddour?

16                    CHAIRMAN BADDOUR: Yes, Dr. Brannon?

17                    DR. BRANNON: Can I ask one more just as  
18          we're speaking on the -- So you mentioned the point  
19          Nancy did about the 100-point score -- scale. So how  
20          can we think about making these in our mind more  
21          comparable when we're used to looking at something  
22          that says 116 points on one scale, and then we look  
23          at 86, and we feel a little discouraged. So how --  
24          help us crosswalk what the potential is from one  
25          scale to the next? Can we just think about that for

1 a few minutes?

2 CHAIRMAN BADDOUR: Richard, do you want to  
3 comment on that?

4 MR. ROGERS: We -- I mean, we've applied  
5 a multiplier to it that brings to a -- multiply it by  
6 1.6 and you come to it. We kind of did that, and it  
7 doesn't -- it kind of skews it because we have 165  
8 points that are eligible for all the applications  
9 other than Greenways. However, none -- they are  
10 not -- no project has ever gotten a perfect score or  
11 could because some projects, you know -- So it's kind  
12 of hard to put the multiplier.

13 I think our intention was aiming up in  
14 these two separate groups and reviewing them  
15 separately. So it would be the task of the committee  
16 to kind of determine what you want to put towards  
17 Greenways and what you want to put toward  
18 Restoration/Stormwater. But keep them separate, and  
19 then you can run through those lists in a separate --  
20 a separate way.

21 DR. BRANNON: So the scale we're using  
22 for, like, Stormwater, for example, what's the  
23 highest score that someone can get?

24 MR. ROGERS: It's 165, but it's --

25 MR. JONES: We've had a range of

1 reported as far as highest scores ever and lowest  
2 scores ever. And I don't remember for Restoration,  
3 Kevin, but it's probably like a 120 something.

4 MR. BOYER: I believe it's in the low  
5 120s.

6 CHAIRMAN BADDOUR: I mean, what they've  
7 done, I think correctly, our Criteria Committee, is  
8 projects vary. And they have different things that  
9 are good about them. So they -- the Criteria  
10 Committee has come up with ways that you can get  
11 points. But these things are not going to be  
12 present. Some may even be mutually exclusive in a  
13 particular project recognizing that there's a variety  
14 of ways that you can -- you can achieve a goal.

15 But I think Richard is exactly right. I  
16 think what your committee is going to have to do is  
17 to decide how much money you want to recommend be put  
18 for Stormwater/Restoration and how much for Greenway.  
19 And then just compare those projects. There's no way  
20 to compare Greenway projects when we never intended  
21 that with the others. So --

22 MR. ROGERS: We will also have the  
23 opportunity to kind of look at the list again. We  
24 are going to comb through it again and look at what  
25 is a reasonable approach to some of these projects.

1 One thing we've noted with regards to Greenways, is  
2 Greenways are lots of different segments of  
3 individual projects. So you can do it all or you can  
4 do portions, and it doesn't take away from the  
5 project. It's just that they're not going to get  
6 down the road.

7 So I think there's a lot of flexibility  
8 with regards to that and looking at that as well. So  
9 we'll have that discussion and plan to have that  
10 discussion at our next meeting prior to y'all kind of  
11 determining where you want to go with your funding  
12 and how you want to apply it.

13 DR. BRANNON: And Richard, it just seems  
14 at first glance that some of those are for Greenways,  
15 that it would not, even with a modest proportion of  
16 the money going into Greenways, you would not get  
17 very far down the list. And in case y'all were  
18 talking to applicants, it seems like it would be very  
19 advantageous to know at the very beginning of the  
20 conversations how you could share with these fundings  
21 as far down the list as you could go without harming  
22 a project.

23 MR. ROGERS: And I think with that you've  
24 given us a direction to staff, and we'll work with  
25 those applicants and make sure that question is put,



1 and then we'll represent that at the -- in the next  
2 generation of the spreadsheet.

3 CHAIRMAN BADDOUR: All right. Is there  
4 any further discussion? Any further discussion?

5 (No response.)

6 CHAIRMAN BADDOUR: Chuck, do you need more  
7 time? Do you need to take a break?

8 MR. McGRADY: I'm doing my math and  
9 checking it twice.

10 CHAIRMAN BADDOUR: Do you want us to take  
11 a break now?

12 MR. McGRADY: If you don't mind? It  
13 shouldn't be long.

14 CHAIRMAN BADDOUR: All right. Well,  
15 we'll -- Jerry, is that okay with you?

16 MR. WRIGHT: Certainly.

17 DR. BRANNON: Should we have a closed  
18 session?

19 CHAIRMAN BADDOUR: No. I think we'll  
20 leave that till the end. Well, we've got the  
21 Acquisition Committee first. So let's just take a  
22 short break, say no more than ten minutes. We're  
23 going to start promptly back at 9:30.

24 (Off the record from  
25 9:20 a.m. to 9:33 a.m.)

1                   CHAIRMAN BADDOUR:     I'd like to call on  
2                   Chairman Jerry Wright for a report of the Acquisition  
3                   Committee.

4                   MR. WRIGHT:       Thank you, Mr. Chairman.  
5                   The Acquisition Committee met yesterday afternoon.  
6                   We had a very full agenda as Chairman Baddour has  
7                   stated and others. We have had a huge backlog of  
8                   needs and applications since 2008. And I think we  
9                   saw part of that yesterday.

10                  Our business started yesterday. We had a  
11                  motion to amend our agenda and add HE Item 2006B-032  
12                  (unintelligible). Our next item on the agenda was a  
13                  motion having to do with our mini-grant program, one  
14                  of our most popular programs. And what many on this  
15                  Board feel is the best bang for our buck is our mini-  
16                  grant program where we go out and try and help people  
17                  work through easements and donations. Last year we  
18                  spent approximately \$660,000 on this program. And we  
19                  have a backlog at this point of programs, mini-grants  
20                  that we need to service. The committee recommends  
21                  that we approve \$330,000 to continue our mini-grant  
22                  program.

23                  CHAIRMAN BADDOUR:     Okay. You've heard the  
24                  motion, the recommendation of the committee.  
25                  Discussion?

1 (No response.)

2 CHAIRMAN BADDOUR: Hearing none, so many  
3 as favor the motion, signify by saying "Aye."

4 BOARD MEMBERS: Aye.

5 CHAIRMAN BADDOUR: Opposed "No."

6 (No response.)

7 CHAIRMAN BADDOUR: The ayes have it. Mr.  
8 Chairman?

9 MR. WRIGHT: After the mini-grant item,  
10 we went to what is noted in our agenda as HC, which  
11 is starting on applications for funding projects.  
12 Most of you have received -- I hope everyone has  
13 received our new sheet basically showing our groups  
14 that got put together yesterday. We're going to  
15 start with the applications that the committee looked  
16 at about providing funds at up to a certain amount.  
17 And the committee recommends that we fund the  
18 following applications and numbers. 2010-090,  
19 Triangle Conservancy, \$1,090,265.

20 MR. ROGERS: Go to the "Committee  
21 Recommendation" column, Jerry.

22 MR. WRIGHT: Sir?

23 MR. ROGERS: Go to "Committee  
24 Recommendation."

25 MR. WRIGHT: Excuse me. \$1,091,000 for

1           that particular 2010-090. 2010-013, Catawba Lands  
2           Conservancy, Carolina Thread Trail, \$1,000,000; 2010-  
3           019, Ellerbe Creek Watershed Association, Redmill  
4           Tract, Ellerbe Creek, \$892,000; 2010-027, Land Trust  
5           for Central North Carolina, Baldwin-Highfill Tracts,  
6           Big Mountain Creek, \$198,000; 2010-105, Piedmont Land  
7           Conservancy, Fisher Peak IV, Fisher River,  
8           \$1,495,000; 2010-004, Blue Ridge Conservancy, Braun  
9           Tract, Big Laurel Creek, \$1,621,000; 2010-063, New  
10          Hanover Soil and Water Conservation District, Blue  
11          Sky Timber Tract, Eagles Island, Brunswick River,  
12          \$255,000; 2010-018, Conservation Trust of North  
13          Carolina, Jackson Knob Tract, Honeycutt Creek,  
14          \$203,000; 2010-074, Southern Appalachian Highlands  
15          Conservancy, Laurel Ridge Tract, Laurel Branch,  
16          \$1,599,000; 2010-035, National Committee for the New  
17          River, Darnell Tract, New River State Park, Roan  
18          Creek, \$416,000; 2010-009, Carolina Mountains Land  
19          Conservancy, McElrath Tract, Sitton Creek, \$507,000;  
20          2010-102, Land Trust for North Carolina, Springer  
21          Tract, South Yadkin River, \$863,000; 2010-017,  
22          Conservation Trust of North Carolina, Humpback  
23          Mountain Tract, Harris Creek, \$1,830,000; 2010-104,  
24          Nature Conservancy, Martin Marietta Tract, Drowning  
25          Creek, \$413,000; 2010-049, North Carolina Coastal

1 Land Trust, Allen Tract, Phase II, Everette Creek,  
2 \$542,000; Carolina Mountains Land Conservancy, East  
3 Fork of the French Broad Headwaters, \$1,000,000;  
4 2010-098, Carolina Mountains Land Conservancy, Weed  
5 Patch, Buffalo Creek, \$900,000; 2010-039, Corbett  
6 Tract, Catskin Creek, \$820,000; totaling \$15,975,000.

7 That is the recommendation of the committee  
8 to provide this money for the above named projects.  
9 That is our motion, Mr. Chairman.

10 CHAIRMAN BADDOUR: Okay. You have your  
11 motion, motion of the committee. Mr. McGrady?

12 MR. McGRADY: Mr. Chairman, I would like  
13 to amend the motion. And before I state the motion,  
14 with the Chair's indulgence, I just would like to  
15 explain it so it doesn't -- it's in context here.

16 CHAIRMAN BADDOUR: Yes, sir.

17 MR. McGRADY: My motion will be to amend  
18 two of the projects to get some additional money into  
19 the larger pool, to then provide the money to  
20 complete one of the projects that we were only  
21 partially funding, complete two of the small projects  
22 that we talked about at some length yesterday  
23 afternoon, and put money into one other project.

24 The proposal that I'm putting forward is  
25 being put forward after consultation with the two

1 applicants. And both applicants have willingly,  
2 although with their arms pulled back and stretched a  
3 bit, have been -- indicated a willingness to provide  
4 these -- take some monies from their projects now  
5 with the hopes that we can, in one case, the  
6 expectation that we will be able to fully fund the  
7 project sometime later.

8 So let me take you through this. First, I  
9 would move to amend the allocation to the Southern  
10 Appalachian Highlands Conservancy, Laurel Ridge --  
11 that's 2010-074 -- and reduce the allocation by  
12 \$100,000. That's number 10 on the first page. Then  
13 coming down to what is number 15, the Conservation  
14 Trust of North Carolina, the Humpback Mountain Tract,  
15 2010-017, I would reduce that allocation by  
16 \$1,311,000 leaving an allocation of \$519,000. That  
17 creates a pool of money, \$1,411,000. And I would  
18 then move to allocate \$876,000 to project 18, which  
19 is 2010-096, Carolina Mountains Land Conservancy,  
20 East Fork of the French Broad. And that will --  
21 Excuse me. I may have moved down one. Project 19,  
22 2010-098, which is the Weed Patch Mountain proposal  
23 for the Carolina Mountain Land Conservancy. We would  
24 add \$876,000 to that allocation, which would fully  
25 fund Weed Patch.

1 I would then take \$400,000, going on to the  
2 next page, coming down to project 23, Foothills  
3 Conservancy, Wildcat Mountain, that's project 2010-  
4 024, and put \$400,000 to that project. And finally,  
5 Mr. Chairman, I would fully fund number 35 and 40,  
6 2010-031, Land Trust for the Little Tennessee, the  
7 Parks Tract in Macon County in the amount of \$98,000;  
8 and the Triangle Greenways Council, the Walnut Creek  
9 in the amount of 31,000. I had it 37. So we've  
10 got -- we've got \$6,000 coming back. And that  
11 \$6,000, Mr. Chairman, would go back to the Humpback  
12 Mountain. I just -- I took the number they  
13 requested, and not the number that we had allocated.

14 What my proposal does, and this is with  
15 consultation, Mr. Chairman, both with the affected  
16 Land Trust that have expressed willingness to assist  
17 us in getting some money back to the projects is  
18 fully fund the Land Trust for the Little Tennessee,  
19 the Triangle Greenways Council, and the Carolina  
20 Mountain Land Conservancy project while providing  
21 some monies to the Foothills Conservancy for the  
22 Wildcat Mountain project and preserving a little over  
23 a half million dollars to the -- for the Conservation  
24 Trust of North Carolina for the Humpback project.

25 I would state for the Trustees that the

1 Humpback project is not, despite what was discussed  
2 yesterday, is not actually -- it doesn't have an  
3 option agreement yet in place. And in talking with  
4 the Land Trust, the hope would be that they could get  
5 an option using the money we're putting towards that  
6 project to secure the project long term.

7 And then looking at the Foothills project,  
8 number 23, this is the project that Rance spoke to,  
9 there is an option in place on that project. And the  
10 money we'd put there would start us down the road.  
11 But the project has been secured until early 2012.

12 And so I think, if I've done this right,  
13 what this motion will do, will accommodate the  
14 various priorities that were discussed yesterday by  
15 Mr. Beane, Mr. Camp, Mr. Henderson among others, and  
16 enable us to complete several other projects that we  
17 were not likely to be able to complete.

18 So that's my motion. I'm sorry it's so  
19 long-winded, but it was rather detailed.

20 CHAIRMAN BADDOUR: All right. You've  
21 heard the motion. This is a motion to amend. I'm  
22 not going to repeat it. I think our court --

23 MR. ROGERS: I'm sorry, Mr. Chairman. We  
24 do need to make sure we've got these figures right.  
25 Our numbers come up with still \$5,000 --



1                   MR. McGRADY:    That was the \$5,000 on the  
2                   last project.

3                   MS. McGEE:           Well, there was -- there was  
4                   \$5,000 left from yesterday that y'all could  
5                   allocate -- additional dollars that y'all had not  
6                   allocated yesterday.

7                   MR. McGRADY:    And then if I -- My -- My --  
8                   Consistent with the motion, what I'm trying to do is  
9                   put whatever rounding numbers occur back to the  
10                  Humpback Mountain project.  So if there are  
11                  additional \$5,000 after all of these numbers are run,  
12                  any remainder would go back to Humpback Mountain.

13                  MR. ROGERS:           And that makes the Humpback  
14                  allocation 530,000.

15                  MR. McGRADY:    Okay.

16                  CHAIRMAN BADDOUR:   Okay.  All right.  
17                  You've heard the motion to amend.  Is there any  
18                  discussion?  Stan?

19                  MR. VAUGHAN:    I think I support the  
20                  motion, but I want to be clear that these  
21                  negotiations in no way committed this group to future  
22                  funding in any way.

23                  MR. McGRADY:    That is -- That is true.  We  
24                  understand that -- All of the applicants understand  
25                  that we're not committed to future funding.  With

1           that said, we have put \$400,000 into the Catawba  
2           River project, and \$530,000 into the Humpback  
3           Mountain project. And, you know, I think generally  
4           when we put money into a project and started funding,  
5           those projects have become the top priority  
6           consistent with their ranking here for future  
7           funding. And if there were rescissions that came  
8           back between now and November, my expectation would  
9           be that we would put rescission money into these two  
10          top projects that we've already started to fund.

11                        But the applicants understand there's no  
12          commitment here. We can't allocate monies that we  
13          don't have. But we do have some precedent that when  
14          we put money into the project and started the funding  
15          cycle, to my knowledge, at least during the four  
16          years I've been here, we've never been backed away  
17          from continuing the funding if funds were available.

18                        MR. VAUGHAN:     Okay.

19                        MR. McGRADY:    Is that responsive, Stan?

20                        MR. VAUGHAN:     Yes.

21                        CHAIRMAN BADDOUR:    Further discussion?

22                                        (No response.)

23                        CHAIRMAN BADDOUR:    Hearing none, so many  
24          as favor the adoption of the amendment, signify by  
25          saying "Aye."

1 BOARD MEMBERS: Aye.

2 CHAIRMAN BADDOUR: Opposed "No."

3 (No response.)

4 CHAIRMAN BADDOUR: Thank you, Mr. McGrady,  
5 for your work in putting that together. I know all  
6 the parties involved are appreciative.

7 MR. McGRADY: And Mr. Wright also, he and  
8 I consulted and worked on this.

9 CHAIRMAN BADDOUR: Mr. Wright, Mr.  
10 Chairman, I thank you also.

11 MR. McGRADY: And Tom Massie provided I  
12 think the muscle to get this done.

13 CHAIRMAN BADDOUR: Thank you for  
14 recognizing all of them. I thank you, all of you.  
15 And for those of you who are willing to give, even  
16 with their arms twisted.

17 But on the main motion, I'm going to divide  
18 the vote on the main motion so that in the division  
19 of that vote, we will vote on all of the projects  
20 with the exception of number 8, which is 2010-063 and  
21 2010-104. Mr. Markham has recused himself with  
22 regard to those two projects. So we're not voting on  
23 2010-063 and 2010-104. Except for those two, all  
24 those in favor signify by saying "Aye."

25 BOARD MEMBERS: Aye.

1 CHAIRMAN BADDOUR: Opposed "No."

2 (No response.)

3 CHAIRMAN BADDOUR: The ayes have it. Now,  
4 we'll go back and vote on the two projects that we --  
5 that we omitted. Is there any -- Is there any  
6 discussion? That's 2010-063 and 2010-104. Neither  
7 of those were changed by the amendment. Any  
8 discussion?

9 (No response.)

10 CHAIRMAN BADDOUR: Hearing none, so many  
11 as favor, signify by saying "Aye."

12 BOARD MEMBERS: Aye.

13 CHAIRMAN BADDOUR: Opposed "No."

14 (No response.)

15 CHAIRMAN BADDOUR: The ayes have it.  
16 Chairman Wright?

17 MR. WRIGHT: Yes, sir. Yesterday our  
18 second action on our applications came when the  
19 committee recommended that the (unintelligible) for  
20 funding continue for the following projects until the  
21 end of 2010 grant cycle. Now, with our action on the  
22 last motion, three of these projects have been moved  
23 to the second agenda -- motion. So I wanted to  
24 delete those from this list.

25 MR. ROGERS: Mr. Chairman, with regards

1 to 2010-024 has a balance remaining, so they may need  
2 to say all the list as fundable, the remaining  
3 balance.

4 MR. WRIGHT: Okay. And because the last  
5 two are funded -- on hold, we want to delete those;  
6 is that correct?

7 MR. ROGERS: Yes, sir.

8 MR. WRIGHT: Okay. They are 2010-023,  
9 Foothills Conservancy, PMLC Tract, Wilson Creek;  
10 2010-086, Triangle Land Conservancy, Johnston Tract,  
11 Old Field Creek in Orange County; 2010-097, Carolina  
12 Mountains Conservancy, Thompson River Headwaters in  
13 Transylvania County; 2010-109, Triangle Land  
14 Conservancy, Olivia West Tract, Marks Creek in Wake  
15 County; 2010-024, Foothills Conservancy, Wildcat  
16 Mountain, Catawba Headwaters in McDowell County,  
17 which we just changed and allowed some money towards  
18 its start; 2010-094, Trust for Public Land, Southview  
19 Park, Lick Creek in Durham County; 2010-054, NC  
20 Division of Forest Resources, Backbone Ridge, Racket  
21 Creek, Caldwell County.

22 And that is our motion, Mr. Chairman.  
23 These are all a score of 95 or above. And we're  
24 asking that their eligibility remain until the end of  
25 the grant cycle -- 2010 grant cycle.

1                   CHAIRMAN BADDOUR:    You've heard the motion  
2                   of the committee, recommendations of the committee.  
3                   Discussion?  So many as favor the recommendation of  
4                   the committee, signify -- adopting the recommendation  
5                   of the committee, signify by saying "Aye."

6                   BOARD MEMBERS:            Aye.

7                   CHAIRMAN BADDOUR:    Opposed "No."

8                   (No response.)

9                   CHAIRMAN BADDOUR:    The ayes have it.  Mr.  
10                  Wright?

11                  MR. WRIGHT:            In the next action by the  
12                  Board, we have a list of projects that is fairly  
13                  lengthy, who we would be asking the applicants to  
14                  reapply in the 2011 grant cycle if they so wish.  And  
15                  so I will read that list and numbers.

16                  CHAIRMAN BADDOUR:    I'll tell you what we  
17                  can do, I think, on this long list.  If you want  
18                  to -- If you want to just identify them on this  
19                  yellow sheet, we can attach it to the minutes as  
20                  projects 1 through -- numbers 1 through 45.  I really  
21                  think that would be sufficient for those, Mr. Wright,  
22                  without having to read them.

23                  MR. McGRADY:     Mr. Chairman, in that  
24                  regard --

25                  CHAIRMAN BADDOUR:    Excuse me.  Go ahead.

1                   MR. McGRADY:    The -- In the motions that  
2                   are set forth in our committee, inexplicably we  
3                   didn't include the Planning grant matters, which are  
4                   44 and 45.  One of those is over 96, if you'll notice  
5                   its scoring.  And so all I was going to suggest to  
6                   you and Chairman Wright is that we include the  
7                   Planning grant ones here.  Am I right?

8                   MR. ROGERS:        I believe there's specific  
9                   action to take those --

10                  MR. McGRADY:    There was, but it's not on  
11                  the summary of the sheet.

12                  CHAIRMAN BADDOUR:  Mr. Wright, could we  
13                  take -- we'll do that separately then.  If you want  
14                  to take 1 through 43?

15                  MR. WRIGHT:     Yes, sir, that's fine.  
16                  We'll just do a separate motion for the two  
17                  Planning --

18                  CHAIRMAN BADDOUR:  Yes, sir.

19                  MR. WRIGHT:     Our committee motion is to  
20                  basically -- items 1 through 43, to ask that the  
21                  Board recommend that the applicants reapply in 2011  
22                  if they so wish.  And that these particular  
23                  applicants are no longer in consideration for funds  
24                  from this cycle.

25                  Now, I will note that there are -- Unless

1           you go back to the original numbers, the 2010-076  
2           numbers, the application numbers, there might be some  
3           confusion because they were under other numbers on  
4           our list for yesterday. And they weren't listed as 1  
5           through 43, they were listed in others. So we need  
6           to note that the numbers for the applications are  
7           listed on this sheet.

8                   CHAIRMAN BADDOUR:   Well, it will be this  
9           sheet that will be attached to the minutes.

10                   MR. WRIGHT:       Yes, sir. And that is our  
11           motion.

12                   MR. ROGERS:       And I would just add that  
13           those numbers 1 through 43 is on pages 2, 3 and 4 of  
14           that document because there are numbers 1 through  
15           such and such on the first page also.

16                   CHAIRMAN BADDOUR:   Now, I will note  
17           that -- I'd like to note that Mr. Markham for number  
18           17 and Mr. McGrady for number 30 asked to be recused.  
19           We're not going to vote on this separate. I'm just  
20           going to let the record show that y'all did not vote  
21           on this motion, okay? Okay. So many as favor the  
22           adoption of the motion of the committee as presented  
23           by Chairman Wright, signify by saying "Aye."

24                   BOARD MEMBERS:       Aye.

25                   CHAIRMAN BADDOUR:   Opposed "No."



1 (No response.)

2 CHAIRMAN BADDOUR: The ayes have it. And  
3 it will be noted that Mr. McGrady and Mr. Markham did  
4 not vote on that motion. All right. Mr. Wright?

5 MR. WRIGHT: Yesterday our committee  
6 separately considered the two Planning applications,  
7 2010-801 and 2010-802, the Conservation Trust of  
8 North Carolina and the Moore County County Growth and  
9 Management Plan. And the committee voted to not  
10 approve these two, and ask that they reapply if they  
11 wish at a later date.

12 CHAIRMAN BADDOUR: Okay. You've heard the  
13 recommendation of the committee. Is there any  
14 discussion?

15 (No response.)

16 CHAIRMAN BADDOUR: Hearing none, so many  
17 as favor the recommendation of the committee, signify  
18 by saying "Aye."

19 BOARD MEMBERS: Aye.

20 CHAIRMAN BADDOUR: Opposed "No."

21 (No response.)

22 CHAIRMAN BADDOUR: The ayes have it. Mr.  
23 Wright? Chairman Wright?

24 MR. WRIGHT: Our next item is HD,  
25 "Request to Transfer Grant Award and Modify Scope,

1 Granville County, Fontaine Tract." And that  
2 application number is 2008-012. And our motion was  
3 to approve transfer of the grant back to the City of  
4 Creedmoor, reduce the amount up to -- of a grant up  
5 to \$1,189,000 and require a confirmation of an  
6 acceptance no later than September 10th of 2010. If  
7 acceptance is not received by September 10th, grant  
8 award will be rescinded. And that is our motion from  
9 the committee on this item, Mr. Chairman.

10 CHAIRMAN BADDOUR: You've heard the  
11 committee's motion, recommendation. Is there any  
12 discussion?

13 (No response.)

14 CHAIRMAN BADDOUR: Hearing none, so many  
15 as favor the adoption of the committee  
16 recommendation, signify by saying "Aye."

17 BOARD MEMBERS: Aye.

18 CHAIRMAN BADDOUR: Opposed "No."

19 (No response.)

20 CHAIRMAN BADDOUR: The ayes have it. Mr.  
21 Chairman?

22 MR. WRIGHT: We have one more item, Mr.  
23 Chairman, HE 2006B-032 (unintelligible). Ms. Hammond  
24 gave us an overview of a situation involving TNC and  
25 an easement and a (unintelligible) application. We

1 ask that the staff recommendation on this item be  
2 approved, and a resolution is for TNC to put on  
3 public record that it lands in tentative buffer to  
4 the military base, and serve as a conservation  
5 purposes. And Mr. Hollan suggested a motion that we  
6 proceed with the closing with the terms presented to  
7 us by the staff. And that is the committee's  
8 recommendation.

9 CHAIRMAN BADDOUR: Okay. You've heard the  
10 committee recommendation. Is there any discussion?

11 (No response.)

12 CHAIRMAN BADDOUR: So many as favor the  
13 adoption of the recommendation of the committee,  
14 signify by saying "Aye."

15 BOARD MEMBERS: Aye.

16 CHAIRMAN BADDOUR: Opposed "No."

17 (No response.)

18 CHAIRMAN BADDOUR: The ayes have it.

19 MR. WRIGHT: Mr. Chairman, I think that  
20 concludes our business of yesterday.

21 CHAIRMAN BADDOUR: Thank you, Mr. Wright.  
22 And again, I thank you and Mr. McGrady for your work,  
23 the work of your committee. Tough, tough job, and we  
24 appreciate the Board's patience in working through  
25 it, and the staff, all that you did to prepare us for

1           it. I thought it went extremely well.

2                       The next item on the agenda is just  
3           discussion. And I have a discussion item that I want  
4           to bring before --

5                       MR. ROGERS:       One thing I did not mention  
6           in our -- my opportunity to speak to the Board is  
7           that we do have Tom McKay, an intern, that is with  
8           us. Tom has moved down to the state with his family  
9           recently, is looking for employment. But during the  
10          time he's doing that, he's also providing great work  
11          for us with regards to some GIS information.

12                      One of the things that he's working on that  
13          I find interesting is he's trying to make sure that  
14          the maps and the GIS maps that y'all see on your  
15          screens for projects, actually trying to work out  
16          differences than the ones that they come up with over  
17          at the property office when the property is closed so  
18          that we have a more accurate reflection of what we  
19          have done and the acres we have conserved, and the  
20          linear feet of buffer we've conserved. It's quite  
21          interesting.

22                      But just if you get chance, say hello.  
23          Tom, stand up for us. And we appreciate your work  
24          and your effort. And thanks, and we wish you the  
25          best of luck. You'll be fully employed soon, I'm

1           sure, and we'll lose you. So thanks, Tom.

2                   CHAIRMAN BADDOUR: Okay. Certainly we'll  
3           give any Board member an opportunity for discussion.  
4           But I would like to bring up something that we can  
5           vote, a proposal actually. It's my suggestion that  
6           we cancel our September meeting, and that we, rather  
7           than meet in September, that we meet in April. And  
8           that at that April meeting be actually not so much a  
9           business meeting. I think we can always do business  
10          if we have to. But that we go back to having a tour.  
11          It may be a shorter tour. We only may be able to do  
12          it for a couple of days.

13                   But the idea would be to go to the  
14          mountains, which is what we had planned all along  
15          anyhow. So that we use that money that we had  
16          budgeted for the September meeting to do that. We  
17          may actually have a little more money. We'll see how  
18          we do. If we rent the -- If we're able to rent that  
19          space, we'll talk about the plan at the April  
20          meeting. It could be a two-day. Before we had, I  
21          think, a two-and-a-half day type thing.

22                   The reason I say that about September is  
23          we've -- First of all, we decided that we're not  
24          holding back anything. Second of all, because we --  
25          the time between now and the September meeting is a

1           little short. It will give our staff time to work  
2           and prepare, and to deal with some of those issues  
3           that we have brought up today about working with the  
4           applicants to kind of see what we can work out.  
5           Because Stormwater and Stream Restoration and those  
6           Greenway are -- it really is a small amount of money  
7           that's got to go a long way.

8                        You already should have on your agenda  
9           September, October, and November. We would continue  
10          to have our February meeting, which is a -- we  
11          traditionally had as a, quote, "retreat." And I've  
12          talked to the staff a little bit this time. You  
13          remember that we did -- we had it in Raleigh last  
14          time, and we were able to get out and see some  
15          projects. I would hope that maybe we could try to  
16          plan the retreat in another part of the state this  
17          year, perhaps somewhere else in the Piedmont.

18                      So is there any discussion about that? How  
19          do you feel about that? You like it or don't like  
20          it? Dr. Brannon?

21                      DR. BRANNON: Chairman Baddour, I think  
22          that's a great idea. And it would kind of allow us  
23          to do better business and to get out and about a  
24          little bit in the spring. So I move to consider your  
25          recommendation.

1 MR. RASCOE: Second that.

2 CHAIRMAN BADDOUR: Any discussion about  
3 it? Thank you for the motion and the second. But is  
4 there any discussion? Anybody opposed to that or --  
5 Kevin?

6 MR. MARKHAM: So the Stormwater/  
7 Restoration will be pushed back to October?

8 CHAIRMAN BADDOUR: To October. And then  
9 the Wastewater will be in November.

10 MR. MARKHAM: November?

11 CHAIRMAN BADDOUR: Right.

12 MR. MARKHAM: Thank you.

13 CHAIRMAN BADDOUR: And those meetings  
14 would be -- continue to be in Raleigh as we had  
15 previously planned. All right. Well, good. Hearing  
16 no further discussion, all those in favor of the  
17 motion, signify by saying "Aye."

18 BOARD MEMBERS: Aye.

19 CHAIRMAN BADDOUR: Opposed "No."

20 (No response.)

21 CHAIRMAN BADDOUR: The ayes have it.

22 MR. McGRADY: Mr. Chairman, just one  
23 question.

24 CHAIRMAN BADDOUR: Yeah.

25 MR. McGRADY: Aside from one last meeting

1 I will miss here now, I'm looking forward to you  
2 coming to the mountains. But we had the Granville  
3 County Fontaine Tract. We sort of tied that to the  
4 next meeting, the Friday before the scheduled  
5 meeting. Richard, that's self-executing?

6 MR. ROGERS: Yes, it is. And we will  
7 have that report back for you in October. And if  
8 funds are available, then we'll decide what --

9 MR. McGRADY: I just wanted to make sure  
10 we gave enough direction there that that's -- Okay.

11 MR. ROGERS: Yes, sir.

12 CHAIRMAN BADDOUR: Okay. Next, the Board  
13 has a personnel matter to consider. We have put this  
14 in so our guests -- And I will tell you that we will  
15 not take any further business in open session when  
16 we come back. So I'm going to recognize Chairman  
17 Beane for a motion.

18 MR. BEANE: Mr. Chairman, I'd like to  
19 move that we go into closed session pursuant to  
20 General Statute 143.318.11, page 6, to consider the  
21 employment performance of an employee.

22 CHAIRMAN BADDOUR: Any further motion,  
23 discussion? All in favor, signify by saying -- Is  
24 there a second to the motion?

25 MR. VAUGHAN: Second.



1                   CHAIRMAN BADDOUR:    Motion seconded.  Thank  
2                   you.  All in favor, signify by saying "Aye."

3                   BOARD MEMBERS:            Aye.

4                   CHAIRMAN BADDOUR:    Opposed "No."

5                   (No response.)

6                   CHAIRMAN BADDOUR:    The ayes have it.  We  
7                   now go into closed session.  I'm going to ask our  
8                   Executive Director also not to stay with us.  If he  
9                   will, come back in at a later time.

10                                       (Closed session from  
11                                       10:10 a.m. to 10:41 a.m.)

12                   MR. WRIGHT:            Mr. Chairman, I'd like to  
13                   say thank you to somebody that arranged for us to  
14                   have a little bit more space at this meeting because  
15                   the little bit of added space helped a whole lot.

16                   CHAIRMAN BADDOUR:    Duly noted.

17                   DR. BRANNON:          Amen.

18                   CHAIRMAN BADDOUR:    Okay.  Do I hear a  
19                   motion to adjourn?

20                   MR. VAUGHAN:         Second.

21                   CHAIRMAN BADDOUR:    All in favor say "Aye."

22                   BOARD MEMBERS:            Aye.

23                   CHAIRMAN BADDOUR:    Opposed "No."

24                   (No response.)

25                   CHAIRMAN BADDOUR:    We stand adjourned.

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*(Meeting adjourned at 10:42 a.m.)*

