

**BOARD OF TRUSTEES**

**CLEAN WATER MANAGEMENT TRUST FUND**

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**MINUTES OF MEETING**

**MONDAY, OCTOBER 11, 2010**

**9:00 A.M.**

**2728 CAPITAL BOULEVARD**

**ROOM 1A-224**

**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:

PHILIP A. BADDOUR, JR., CHAIRMAN, GOLDSBORO

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STAN VAUGHAN, CHARLOTTE

JERRY WRIGHT, JARVISBURG

ATTORNEY GENERAL'S OFFICE:

FRANK CRAWLEY, ASSISTANT ATTORNEY GENERAL

## CLEAN WATER MANAGEMENT TRUST FUND STAFF:

RICHARD ROGERS, EXECUTIVE DIRECTOR

BETH McGEE, DEPUTY DIRECTOR - PROGRAM IMPLEMENTATION

TOM JONES, DEPUTY DIRECTOR - PROJECT ASSESSMENT

NANCY GUTHRIE, WATER QUALITY ADVISOR

CHRISTOPHER FIPPS, ADMINISTRATIVE OFFICER

PENNY ADAMS, EXECUTIVE ASSISTANT

ROBIN HAMMOND, REAL PROPERTY COUNSEL

CHERRI SMITH, STEWARDSHIP COORDINATOR

KEVIN BOYER, RESTORATION/STORMWATER PROJECT MANAGER

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

CHERYL JOHNSON, PARALEGAL

EVERETTE MOORE, STATE PROPERTY OFFICE PROPERTY AGENT

## CLEAN WATER MANAGEMENT TRUST FUND FIELD REPRESENTATIVES:

TOM MASSIE, MOUNTAINS FIELD REPRESENTATIVE

SARAH KING, SOUTHERN COASTAL PLAIN FIELD REPRESENTATIVE

WILL SUMMER, EASTERN PIEDMONT FIELD REPRESENTATIVE

BERN SCHUMAK, NORTHERN COASTAL PLAIN FIELD  
REPRESENTATIVE

## ALSO PRESENT:

GEORGE SHERRILL, CDBG ECONOMIC DEVELOPMENT, NORTH  
CAROLINA DEPARTMENT OF COMMERCE

LISA RIEGEL, NATIONAL HERITAGE TRUST FUND

JUDGE CRISSIE THIGPEN, NORTH CAROLINA COURT OF APPEALS

**A G E N D A**

- 9:00 a.m.        A.    Call to Order - Chairman Baddour
- Welcome
  - Appointment of New Trustee - Chairman Baddour and The Honorable
  - Roll Call - Penny Adams
  - Compliance with General Statute §138A-15
  - Revisions, Additions, and Adoption of the Agenda (Action Item)
  - Please Put Cell Phones on Vibrate
  - Review and Approval of the Transcripts of the August 2010 Meeting of the Board of Trustees (Action Item)
  - Recognize CWMTF Advisory Committee Members
- 9:15 a.m.        B.    Public Comments - Chairman Baddour
- 9:25 a.m.        C.    Executive Director's Report - Richard Rogers
- 9:50 a.m.        D.    Attorney General's Report - Frank Crawley
- 10:00 a.m.       E.    Discussion on Allocation of Unencumbered Funds for Remainder of FY 2010-2011 (Action Item) - Chairman Baddour
- 10:15 a.m.       F.    Administrative Committee Report - Committee Co-Chair Vaughan (Action Items)
- 10:25 a.m.       G.    Program Committee Report - Committee Co-Chairs Hollan and Markham (Action Items)
- 10:45 a.m.       H.    Break
- 11:00 a.m.       I.    Restoration/Stormwater/Greenway Committee Report - Committee Co-Chairs Brannon and Henderson (Action Items)
- 11:30 a.m.       J.    Review of 2010 Wastewater Applications: Scores and Groupings for Scope Development - Larry Horton (Information Item)

Staff will hand out and briefly review worksheets that list 2010 wastewater 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 wastewater applications for funding at the November meeting.

11:45 a.m. K. Discussion

12:00 p.m. L. Adjourn

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PROCEEDINGS

CHAIRMAN BADDOUR: Okay. I'd like to bring it to order. I want to welcome everyone here, and announce that we have a new Trustee with us, John Garrou. John, Judge Thigpen should be here in a few minutes, but we're going to go ahead and start. And then, when he comes in, we'll have you sworn in -- I'm pretty sure before business.

MR. GARROU: I won't say anything till he gets here.

CHAIRMAN BADDOUR: Okay. I will say -- I mentioned this yesterday, but maybe a few of you weren't here, that John is well known to John McMillan and myself, since we were all classmates together in the class of 1967, so I know exactly how long he's been practicing law.

I'll tell you a little bit about John. He has two adult children and two grandchildren. His wife is Senator Linda Garrou, who's one of our champions in the General Assembly. He was a long time member of the law firm of Womble, Carlyle, Sandridge, & Rice, where he served as the managing partner. And I'll tell you he's more known as one of the outstanding lawyers in the state of North Carolina. In 1905 [sic] he was appointed as co-chair

1 to the North Carolina Commission on Global Climate  
2 Change. And I understand from Richard that you all  
3 have recently made your report on that. So --

4 MR. GARROU: Yes. Very gleefully.

5 CHAIRMAN BADDOUR: So, John, we welcome you  
6 to this board. And if there's anything you'd like to  
7 say, we'd be glad to hear from you.

8 MR. GARROU: No. I -- just to --  
9 just to say I'm ready -- I'm looking forward, very  
10 much, to serving on this Board. I enjoyed yesterday  
11 afternoon. And I hope, within a year or two, to  
12 learn fifty percent of the acronyms.

13 CHAIRMAN BADDOUR: Well, you'll be better  
14 than I am if you get there. Some of us just refuse  
15 to learn them. So -- okay, Penny, I'll ask you to  
16 call the roll.

17 MS. ADAMS: Mr. Baddour?

18 CHAIRMAN BADDOUR: Here.

19 MS. ADAMS: Mr. Bass?

20 MR. BASS: Here.

21 MS. ADAMS: Mr. Beane?

22 MR. BEANE: Here.

23 MS. ADAMS: Ms. [sic] Brannon?

24 DR. BRANNON: Here.

25 MS. ADAMS: Mr. [sic] Camp?



1 DR. CAMP: Here.

2 MS. ADAMS: Ms. Cragolin?

3 MS. CRAGNOLIN: Here.

4 MS. ADAMS: Mr. Crumpler?

5 (No response.)

6 MS. ADAMS: Mr. Garrou?

7 MR. GARROU: Here.

8 MS. ADAMS: Mr. Henderson?

9 (No response.)

10 MS. ADAMS: Mr. Hester?

11 MR. HESTER: Here.

12 MS. ADAMS: Mr. Holland?

13 MR. HOLLAND: Here.

14 MS. ADAMS: Mr. Johnson?

15 MR. JOHNSON: Here.

16 MS. ADAMS: Mr. Markham?

17 (No response.)

18 MS. ADAMS: Mr. McGrady?

19 MR. McGRADY: Here.

20 MS. ADAMS: Mr. McMillian?

21 MR. McMILLIAN: Here.

22 MS. ADAMS: Mr. Pate?

23 MR. PATE: Here.

24 MS. ADAMS: Mr. Rascoe?

25 MR. RASCOE: Here.

1 MS. ADAMS: Ms. Rash?

2 MS. RASCOE: She's here.

3 MS. ADAMS: Mr. Thomas?

4 MR. THOMAS: Here.

5 MS. ADAMS: Mr. Vaughn?

6 MR. VAUGHN: Here.

7 MS. ADAMS: Mr. Wright?

8 MR. WRIGHT: Here.

9 CHAIRMAN BADDOUR: I might say that Kevin

10 is sick. He didn't want -- he said he didn't want to

11 infect us all. So we wish him well, and sorry he

12 can't be here. And some of you -- I got an email

13 yesterday from John Crumpler. Maybe -- did everybody

14 get that email --

15 MS. CRAGNOLIN: Yes.

16 CHAIRMAN BADDOUR: -- saying that he

17 submitted his resignation to the governor. So --

18 MR. WRIGHT: Mr. Chairman, Ms. Rash

19 has just come in the door.

20 CHAIRMAN BADDOUR: Okay. And Betty Rash is

21 with us.

22 General Statute §138A-15 mandates that the

23 Chair inquires as to whether any Trustee knows of any

24 conflict of interest or the appearance of a conflict

25 of interest with respect to matters on the agenda.

1 If any Trustee knows of a conflict of interest, or  
2 the appearance of a conflict of interest, please so  
3 state at this time. Karen?

4 MS. CRAGNOLIN: Yes, sir. Okay. I have  
5 the -- a conflict on 2001-430 [sic] and 2010-430 and  
6 2010-212. I will not be discussing or voting. Thank  
7 you.

8 CHAIRMAN BADDOUR: So noted. Are there any  
9 revisions, additions to the agenda?

10 TRUSTEES: (No response.)

11 CHAIRMAN BADDOUR: If not, then by consent,  
12 unanimous consent, the adoption of the agenda is  
13 noted.

14 I ask you to put your cell phones on --  
15 turn them off or on vibrate.

16 I assume that all of you have reviewed the  
17 transcripts of the 2010 meeting. Chuck McGrady, I  
18 know you have, because you always do. I don't know  
19 if -- when you leave us and go to serve in the  
20 General Assembly, as you're going to, somebody's  
21 going to have to take up that responsibility. Are  
22 there any -- any additions or changes to the -- to  
23 the minutes?

24 MR. McGRADY: I move their adoption.

25 DR. CAMP: Second.

1 CHAIRMAN BADDOUR: Discussion?

2 TRUSTEES: (No response.)

3 CHAIRMAN BADDOUR: Hearing none, all in  
4 favor signify by saying, "Aye."

5 TRUSTEES: Aye.

6 CHAIRMAN BADDOUR: We do have some -- some  
7 of our Advisory Committee members here who I would  
8 like to recognize. Department of Commerce --  
9 representing the secretary is George Sherrill. And  
10 George is the manager of infrastructure grants. So  
11 it's very appropriate --

12 MR. SHERRILL: Yes, sir.

13 CHAIRMAN BADDOUR: -- that you're with us  
14 here today. You know about these infrastructure  
15 grants.

16 MR. SHERRILL: These are our partners,  
17 right here.

18 CHAIRMAN BADDOUR: And, as always, from the  
19 National Heritage Trust Fund, our friend Lisa Riegel.  
20 Lisa, where are you?

21 MR. ROGERS: Right there.

22 CHAIRMAN BADDOUR: All right. Now is the  
23 time on the agenda where we will recognize anyone for  
24 public comments. Is there anyone here who would like  
25 to make a public comment?

1 (No response.)

2 CHAIRMAN BADDOUR: All right. With that --  
3 moving right along. Richard, it's time for our  
4 Executive Director's Report.

5 MR. ROGERS: Thank you. Thank you,  
6 Mr. Chairman. One thing I do want to -- to note is  
7 we are in the midst of an office building here, and  
8 when we go in that room, it would be good if we try  
9 to keep our voices down. At the last meeting, we all  
10 fell out of here and made a big ruckus, and some of  
11 the folks in Environmental Health were trying to get  
12 some work done, and, I think, we interrupted them.  
13 So if we could, if you leave -- leave the meeting  
14 room, please -- please hold it down. Thank you.

15 I don't have a lot of things to review, but  
16 I did want to raise a few topics and some upcoming --  
17 potential upcoming issues. With regards to our  
18 contracts, we are working with contracts and  
19 applications and grants as far back as 2008, as well  
20 as 2010. Our 2008 contracts, we have all of those  
21 encumbered or either at DENR for processing with the  
22 exception of three or four.

23 And the status on one of those, our  
24 Colonnade project, is actually -- they've agreed to  
25 the contract moving forward. Creedmoor was another

1 contract that has been a long time coming. At the  
2 last board meeting, we got that reconciled, and they  
3 are moving forward as well. And, then, there's a  
4 couple other contracts with Enfield and the Land  
5 Trust of Central North Carolina that we are  
6 continuing to negotiate.

7 So with regard to the '08 contracts, we're  
8 moving forward. And we've done about ninety-nine  
9 percent of those -- those done. There's a total of  
10 154 contracts for that year.

11 And with regard to the 2010 projects, the  
12 acquisition projects that were approved back in  
13 August, all those contracts have been drafted and are  
14 out to the Land Trust and various agencies that  
15 receive grants. We are waiting to hear back from  
16 them to finalize the contracts, get their comments,  
17 and look forward to moving those through DENR and  
18 getting those encumbered in the -- in the very near  
19 future.

20 Just another little update from an  
21 administrative perspective, our -- we mentioned the  
22 potential of subleasing some space that we have. We  
23 are in the last stages of getting a memorandum  
24 agreement signed with Community Development out of  
25 Commerce who has space on the -- the whole second

1 floor of our building. And they're going to take up  
2 four different office spaces from us, as well as some  
3 land line -- some computer lines, and phone lines, so  
4 that we will be able to sublet that space to them.  
5 It's much needed by them, and we're welcome to have  
6 them. They're also using some of our meeting rooms'  
7 space as well, and we're coordinating that. Much  
8 thanks to Penny for -- for working out those  
9 schedules, and that kind of thing.

10 All right. Now, I'm going to let  
11 Christopher provide a budget update for us, and --  
12 Christopher?

13 MR. BADDOUR: Is there a handout?

14 MR. ROGERS: Yeah, there is a handout.  
15 It's -- it's Agenda C. Agenda Item C.

16 DR. BRANNON: It looks like this  
17 (indicating).

18 MR. ROGERS: It's a one-pager.

19 MR. FIPPS: Thank you, Richard. It is  
20 Agenda Item C. It's the -- basically, a cash update  
21 of the Clean Water Management Trust Fund. I would  
22 like the Board to quickly see in the forwarded  
23 materials. This is as of August 31st. Just to  
24 summarize, Line 8 is basically, as of August 31st,  
25 the cash available to Clean Water Management Trust

1 Fund after, obviously, the funds that are set aside,  
2 and for the Stewardship Program and the long-term  
3 investment fund. So after considering those funds,  
4 there's a little over a \$120 million in the Trust  
5 Fund at the time.

6 Then the following lines basically add in  
7 the rest of the projected revenue for the physical  
8 year, roughly \$41.6 million still to receive toward  
9 the appropriation for this year, and about \$1.4  
10 million in projected interest to still receive on the  
11 Trust Fund.

12 Then -- the following lines I then consider  
13 the remaining obligations against that balance,  
14 including Lines 16 and 17, which are the projected  
15 reversions of -- the potential reversions back to the  
16 state budget for balancing the budget to year. The  
17 one percent reversion, which is \$500,000 for Clean  
18 Water, and then potential -- that the interest that  
19 we earn for the year might also be reverted back to  
20 the state.

21 The remaining administrative budget and  
22 COPs debt service for the year, then the obligation  
23 of all the encumbered grants right now, which is a  
24 little over \$112 million. And then, as of August  
25 31st, the amount that will be remaining to be



1 encumbered against awards that the Board has already  
2 made.

3 Thirty-two (32) and 33 show the funds  
4 coming back from unencumbered funds that were voted  
5 on by the Administrative Committee yesterday, that  
6 \$1.4 million that comes back from projects that  
7 are -- closed at under budget or ongoing projects  
8 that are coming in under budget and the grant  
9 recipient has offered those funds back.

10 Thirty seven (37), 38, and 39 then show the  
11 funds that are still obligated to the funding  
12 committees. And that leaves us with, basically, the  
13 \$1.4 million for the Board to consider using, which  
14 is equal to the amount that's being unencumbered at  
15 this time.

16 MR. ROGERS: Any questions for  
17 Christopher?

18 CHAIRMAN BADDOUR: Bill?

19 MR. HOLLAN: Mr. Chairman, I think in  
20 the title of Line 8, "Available Cash Balance," is a  
21 little bit misleading, and you might want to come up  
22 with something that -- those funds are not actually  
23 available. Those are funds that are --

24 DR. CAMP: Obligated.

25 DR. BRANNON: Obligated.

1 MR. HOLLAN: -- many of those are  
2 obligated. So I think the term "available" could be  
3 confusing to somebody who, in a tight budget year,  
4 who looks and says, "We have 120 million available."  
5 We've committed, under contracts, \$112 million of  
6 that already. So, perhaps, we could just come up  
7 with a different --

8 CHAIRMAN BADDOUR: We just call it "Cash  
9 Balance."

10 MR. HOLLAN: -- name. "Cash  
11 Balance," I think is fine.

12 CHAIRMAN BADDOUR: Okay. Any other  
13 questions? Richard?

14 MR. ROGERS: Thank you, Mr. Chairman.  
15 One thing I did want to brief you all is I sent out  
16 an email on Friday highlighting a dedication down at  
17 the art museum where we had a project with the art  
18 museum that we have worked on, and we're the primary  
19 financier of the project that incorporated a cistern  
20 system and, more or less, managing the stormwater on  
21 the whole 53-acre site out at the art museum. I will  
22 tell you that the museum has done a great job with  
23 this project. It's extremely well designed, and it  
24 really fits in with their vision of integrating the  
25 natural resources and art into our natural

1 environment, which they're doing -- trying to work on  
2 with the museum park. So I just wanted to make sure  
3 that we had a good -- some good press on that. We  
4 were mentioned in the article as the primary  
5 financier. And the museum and Secretary Carlyle were  
6 all extremely appreciative of the effort, and that  
7 Clean Water had made on -- on the project.

8 We also have a couple more of these  
9 dedications going on, actually today the Brumley  
10 Tract in Chatham County. I hope that some of you all  
11 will be able to attend. And we're dedicating that  
12 property. That was a 2008 project, which is a very  
13 significant piece of property in the heart of the  
14 Triangle that we're excited to dedicate. The  
15 Triangle Land Conservancy is the applicant there, and  
16 will be putting that property into, hopefully, some  
17 public use as well. So, hopefully, that -- some of  
18 you all will make yourselves available for that. It  
19 starts at one o'clock, and should be done by two,  
20 2:30 or so. The formalities will probably be done  
21 much sooner than that, but they are offering some  
22 opportunities to walk around the tract and see it as  
23 well.

24 On Wednesday, we're going down to Bolton to  
25 dedicate a waste -- dedicate a wastewater project.

1           Some of you all will remember this project; it's been  
2           with us a while. It's Bolton Whiteville at Lake  
3           Waccamaw, and it has evolved into what, I think, has  
4           turned out to be a very, very good project  
5           incorporating these three -- three units of  
6           government. And we're looking forward to that  
7           celebration as well.

8                         We'll continue to try to make you all aware  
9           of these opportunities to celebrate our success. I  
10          think it provides a great opportunity for us to show  
11          the work that's being done on the ground by the Trust  
12          Fund, and the benefits that we'll bring not only to  
13          the environment, but the economy as well. Also, if  
14          you all have any suggestions or thoughts about  
15          projects that need to be celebrated, we'll be glad to  
16          take -- take those and work on those as well.

17                        We're -- the next Board meeting is in  
18          February, and I wanted just to bring up a couple of  
19          topics and get you all thinking. Of course, we know  
20          that February is more of a working meeting to take up  
21          issues that the Board wrestles with, the staff  
22          wrestles with. We're not approving any projects,  
23          reviewing any projects at this time, but we'd like to  
24          take that time to step back and look a little bit at  
25          our organization, and, oftentimes, look at how we can

1 improve our -- our operations and our functions as  
2 organizations.

3 Some of the topics that we'll -- we're  
4 looking at putting on the agenda is -- again, we'll  
5 be looking at the minimum score, hopefully coming up  
6 with some resolution on that so that we can -- we can  
7 move forward. One thing we thought that would be  
8 helpful is, kind of, a program overview of the  
9 different program areas that we have, and to update  
10 you all on the evolution of these programs. Believe  
11 it or not, we're always evolving, moving forward, and  
12 I thought it would be good just to brief the Trustees  
13 on our program and exactly what's going on in those  
14 programs and some issues that we were facing.

15 The legislature is going to be a prime  
16 topic. They would have just reconvened for the --  
17 for session, and we'll -- we'll definitely be talking  
18 about that, and looking at strategies with the  
19 legislature. I hope that folks will take some time  
20 to think about what we can do. I think last year our  
21 postcards worked well. We will continue those, and  
22 we will make sure that we get on those. And there  
23 may be some other opportunities, too, that we need to  
24 take advantage of of direct communication with our  
25 Trustees. I was talking with Chuck McGrady, I think

1 Friday or so, and one thing he said that I thought  
2 was interesting is it would be good for us to  
3 communicate the projects that we award to -- directly  
4 to the legislators so they understand when they're  
5 awarded, that the projects that are coming in their  
6 districts just as an informational piece. And that  
7 they could -- they could also take advantage of it as  
8 well. So those are some of the thoughts that we're  
9 looking at.

10 One other issue that is becoming more and  
11 more apparent, that the legislature is probably going  
12 to take this up, is the dealing with nutrient  
13 credits. With recently passed nutrient rules with  
14 regards to Falls Lake and Jordan Lake, we're starting  
15 to get some calls from communities that want to apply  
16 our projects to get credits for nutrient offsets, and  
17 to help them comply with the -- with the new rules  
18 that are in place. There's obviously legislation  
19 that requires mitigation that they cannot be used for  
20 that purpose. We have all along, for the most part,  
21 with regards to Clean Water Funds that go into  
22 projects cannot be used for any nutrient credits.  
23 And we have a history of the Board taking these  
24 topics up and not allowing the state funds to be used  
25 for this. We have, however, allowed some of the

1 matching funds in those projects to be used for  
2 credits in the Neuse, and I believe in the Tar-Pam.

3 We are meeting with the Department of  
4 Environment & Natural Resources to get a better  
5 understanding of the rules and how they're going to  
6 be implemented. It's my opinion that we need to make  
7 sure we know the process, and make sure that those  
8 regulatory agencies have information from our -- our  
9 fund on the projects so that they can make decisions  
10 with regards to the use of those projects as credits.

11 I think the Board needs to come down and  
12 figure out where we are with regards to allowing  
13 those credits to move forward, and have a discussion  
14 on exactly what's being requested and how we move  
15 forward. I think we can probably preempt any  
16 legislative action, and we'd like to -- like to have  
17 some discussion on that in -- in February.

18 You know, I don't know whether I should do  
19 this topic or not. I'm going to throw it out there.  
20 But we have a great -- great Board of Trustees,  
21 and -- and sometimes you all receive honors,  
22 recognitions. And there's one I know and I'm sure  
23 there's some that I don't know about. But one of  
24 our -- one of our Trustees has received several --  
25 several recognitions over the last couple weeks, John

1 McMillan. He was voted by his peers, I believe, as  
2 the top lobbyist in the North Carolina General  
3 Assembly, and he's also received a general --  
4 Distinguished Alumni Award from the UNC Law School,  
5 so we do want to make note of this.

6 (Applause.)

7 MR. ROGERS: And I will pay for that  
8 later. The final thing I wanted to -- we have handed  
9 out a draft schedule for next year, and I just wanted  
10 to get this before -- before you. The intention and  
11 our normal procedure is to approve next year's  
12 schedule in November. But we wanted to, kind of,  
13 give you all a highlight of what we're looking at  
14 next year.

15 The schedule, for the folks that have been  
16 here, is very typical with the exception of there's  
17 an April meeting scheduled. The idea here is for us  
18 to get out and go and have some site visits. And  
19 we're looking to go up to Boone and see some of the  
20 sights that we've funded in the past. How we're  
21 doing this is that we did not have our October  
22 meeting, and we had budgeted funds for that. So  
23 we're looking to use those funds to have, basically,  
24 the Board meeting time frame in Boone, and going to  
25 see some sights and those kind of things.



1           Again, the location is where we can hear  
2           suggestions and thoughts. But the idea is that we  
3           went down east last time, we wanted to hit the  
4           western part of the state. The Boone area has some  
5           great projects, and we'd like to get up that way. So  
6           we're making arrangements, and looking into  
7           arrangements to head out there. If you all have got  
8           comments on this -- again, typically, the dates for  
9           our Board meetings are the -- on the second Monday of  
10          the month, and the Sunday before. There are a few  
11          except -- an exception or two to that, I think, but  
12          you will note that our February meeting will be held  
13          the 13th and 14th of February. We have spent  
14          Valentine's Day together before, and I leave it up to  
15          you all to, kind of, make the decision on that.

16                   CHAIRMAN BADDOUR: Well, if I might, I may  
17          have a conflict that weekend, and so we may want to  
18          think about the 20th and the 21st. Look at your  
19          calendars, and if you've got a particular preference  
20          on that we can -- I wish you would email Richard and  
21          let him know. I don't want to change it for me that  
22          would create conflict for too many other people. But  
23          that's one change I'd like for us, at least, to look  
24          at.

25                   DR. CAMP:                   Richard?

1 MR. ROGERS: Yes, sir?

2 DR. CAMP: Did you mean to say that  
3 the next meeting is February and not November?

4 MR. ROGERS: No, sir. We have our  
5 scheduled November meeting.

6 DR. CAMP: Okay.

7 MR. ROGERS: This is next year's  
8 schedule --

9 DR. CAMP: Next year? Okay.

10 MR. ROGERS: -- that's starting in  
11 February.

12 DR. CAMP: Okay.

13 MR. ROGERS: Yes, sir.

14 MR. BEANE: Now, Richard?

15 MR. ROGERS: Yes, sir?

16 MR. BEANE: In that Boone meeting, I  
17 would -- if I can, I'd like to help you, maybe,  
18 coordinate some activities for the group, if that's  
19 all right.

20 MR. ROGERS: We'll let you do as much  
21 as you want to.

22 CHAIRMAN BADDOUR: Okay.

23 MR. ROGERS: Mr. Chairman, that  
24 concludes my report.

25 CHAIRMAN BADDOUR: All right. Thank you

1           very much. What we're going to do is I'm going to  
2           switch Item F for Item D, which I think will be  
3           obvious why we're doing that, and ask for the  
4           Administrative Committee's Report. Chairman Vaughn?

5                       MR. VAUGHN:           Thank you, Mr. Chairman.  
6           We met yesterday, and had one item on the agenda.  
7           That was the request to unencumber 1,430,210.60 in  
8           funds that had been previously encumbered. There's a  
9           list that was furnished everybody called Item F-B;  
10          it's -- gives you a detail on that. The  
11          recommendation of our committee is that we unencumber  
12          those funds.

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

15                     TRUSTEES:            (No response.)

16                     CHAIRMAN BADDOUR:   Committee recommendation  
17          does not require a second. What was that, Yvonne?

18                     DR. BRANNON:        Well, do we need to  
19          include in that to reallocate to the committee --

20                     CHAIRMAN BADDOUR:   That's what we're going  
21          to do. That's why I did that one first. We're going  
22          to go back and do that as an Item E. Okay. So as  
23          many as favor the motion, signify by saying, "Aye."

24                     TRUSTEES:            Aye.

25                     CHAIRMAN BADDOUR:   All opposed, "No."

1 TRUSTEES: (No response.)

2 CHAIRMAN BADDOUR: The eyes have it. Now  
3 we'll go back and do Item E, which is the allocation  
4 of the funds that we just encumbered. Do -- we  
5 talked about this yesterday. I believe the  
6 proposal -- the committee operated on the assumption  
7 that we would allocate the funds in the same manner  
8 that we had done originally. Richard, do you want  
9 to --

10 MR. ROGERS: Yeah. The --

11 CHAIRMAN BADDOUR: -- remind us of that?

12 MR. ROGERS: -- we typically have  
13 this discussion on an annual basis to provide the  
14 Board with flexibility to make decisions for the  
15 current -- current situation. Most of the time --  
16 what we did in 2008 was -- was allocate the funds  
17 back into the committees up to a certain point until  
18 we had funded all the projects, and then we started  
19 rolling them into other -- into the acquisition  
20 arena, I believe. But, typically, the funds stay  
21 with the committee that they were previously  
22 allocated, as long as they have projects to -- to  
23 move forward.

24 I think that the typical notion is that we  
25 do that until we're done with the funding cycle, and

1           then after the funding cycle, which ends in November,  
2           then we'll get back together in June and I'm sure  
3           we'll have some projects and some things that may  
4           need some funds. But we usually collect those funds,  
5           and then apply them to extenuating circumstances with  
6           current contracts or look towards the next cycle to  
7           put the funds in.

8                   CHAIRMAN BADDOUR: Okay. I need a motion,  
9           Richard. Can you give the -- somebody, a prompt here  
10          on the percentages, how they should be allocated?

11                   MR. ROGERS: I think what we need to  
12          do is just allocate all unencumbered funds from  
13          program areas, that they stay within that program  
14          area for the opportunity to reallocate through our  
15          November Board meeting.

16                   CHAIRMAN BADDOUR: All right. I  
17          understand. I understand.

18                   MR. McGRADY: Mr. Chairman, isn't that  
19          reflected then on the bottom of F-B? Isn't -- aren't  
20          those numbers at the very bottom what we're talking  
21          about here?

22                   CHAIRMAN BADDOUR: Yes.

23                   MR. McGRADY: That's what I assumed  
24          then.

25                   MR. ROGERS: That's right.

1                   CHAIRMAN BADDOUR: Okay. That's right.  
2 Thank you for that. If you'll look at Agenda Item  
3 F-B -- then this is the way the allocation would go.  
4 They would stay in the committee that they were  
5 unencumbered from.

6                   Do I hear a motion?

7                   MR. McMILLAN:           Mr. Chairman, I make  
8 that motion.

9                   CHAIRMAN BADDOUR: Okay. Motion by John  
10 McMillan. Is there a second?

11                  DR. CAMP:                Second.

12                  CHAIRMAN BADDOUR: Second by Dr. Camp. Any  
13 discussion?

14                  TRUSTEES:                (No response.)

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

17                  TRUSTEES:                Aye.

18                  CHAIRMAN BADDOUR: Opposed, "No."

19                  TRUSTEES:                (No response.)

20                  CHAIRMAN BADDOUR: The ayes have it. Now,  
21 Frank, I didn't mean to skip over Number D. Let's go  
22 back to your -- the Attorney General's Report.

23                  MR. CRAWLEY:            Thank you, Mr. Chairman.

24 A week or so after the August meeting, the Court of  
25 Appeals issued its opinion in the Crawford Creek

1 Conservation Easement issue where there's a case a  
2 landowner wanted to construct driveway or road across  
3 the state's conservation easement. And the Court of  
4 Appeals upheld the decision of the jury and the judge  
5 in the Superior Court of Haywood County. And as you  
6 recall during the trial of case, it was in front of a  
7 jury and our western representative, Mr. Tom Massey,  
8 was a key witness who obviously could communicate to  
9 the jury, and was a real asset to the state in that  
10 case. And that's my report.

11 I have a copy of the Court of Appeals'  
12 decision. If anybody would like to take it home,  
13 it'd be good reading at bedtime.

14 DR. BRANNON: Amen.

15 CHAIRMAN BADDOUR: Okay. Thank you, Frank.  
16 Any questions?

17 TRUSTEES: (No response.)

18 CHAIRMAN BADDOUR: Okay. In case you're  
19 wondering, the judge, it didn't get on his calendar  
20 somehow, and he will be here about 10:30

21 MR. JONES: Yes, sir.

22 CHAIRMAN BADDOUR: Is that right?

23 MR. JONES: That's correct.

24 CHAIRMAN BADDOUR: Okay. We'll move right  
25 along to our Program Committee Report. Chairman

1 Hollan?

2 MR. HOLLAN: Mr. Chairman, the  
3 Program Committee met yesterday at a little after  
4 noon to review various items, to discuss some items  
5 that were brought up at our February work session  
6 last year, and review the information prepared by  
7 their staff. The first item that we talked about was  
8 from 2010 grant contract changes. These are mainly  
9 updates. For instance, we had referred to a  
10 prospective stewardship program, and that's now been  
11 built and put in place so our contracts have been  
12 altered to reflect that. We're going to clarify and  
13 make consistent some of the language. We sometimes  
14 used approval dates, sometimes used award date. We  
15 sometimes used grant agreement or grant agreement  
16 contract, and we've changed that to read "grant  
17 contract."

18 We had a few things that we needed to do to  
19 conform to state laws. The state now requires that  
20 DUNS numbers are required from the nonprofit  
21 recipients, so our contracts have been altered in  
22 that way. And the committee -- on review of these,  
23 the only thing that the committee would have a  
24 recommendation to the Board today is Item 6 having to  
25 do with signs. We have discontinued providing signs.



1           The rationale for that is that many of the -- many of  
2           the grantees had more than one funding organization,  
3           and they wanted to recognize all of them, and they  
4           didn't want to have a whole lot of signs. But the  
5           Board -- or the committee yesterday felt that we  
6           ought to provide signs in those cases where the  
7           applicants are willing to take the signs, and, in the  
8           alternate, we can provide them with artwork and  
9           specifications as to size, materials and colors for  
10          them to put our -- put our logo on their own signs.  
11          So, the committee would recommend that we reestablish  
12          the process of providing signs to grantees who desire  
13          them.

14                   MR. ROGERS:        Can I make one -- one -- one  
15                   comment with regards to that? I think we heard loud  
16                   and clear from the committee that we need to continue  
17                   to provide signs on the projects. I think the thing  
18                   that we'll do is add the option of providing our logo  
19                   on a multiple projects that have multiple funders  
20                   that they want to acknowledge on a single sign. One  
21                   thing else we'd like to do with regards to our signs  
22                   is, perhaps, redesign it a bit and get our logo on it  
23                   and take a look at it, and, I think, we can do this  
24                   at no cost. But at least have an updated sign.  
25                   We'll bring back some examples for you all to take a

1 look at. The large signs that we use run around \$82  
2 a piece, and then the smaller signs are around 10  
3 bucks a piece. So -- and, I think, we'll -- we'll  
4 check in with the Department of Corrections about  
5 producing these. We continue to have these on hand.

6 And I think one other thing, as a result of  
7 the conversation, is that we'll make sure that we  
8 follow up on the sites with some visits and ensure  
9 that the signs do get up appropriately on the  
10 projects. And we'll report back to you all with  
11 regards to that. Thank you.

12 CHAIRMAN BADDOUR: Do we need a motion on  
13 that?

14 MR. ROGERS: No.

15 CHAIRMAN BADDOUR: Okay.

16 MR. ROGERS: Trust me.

17 MR. HOLLAN: If you shout loud and  
18 clear the committee's suggestion that we provide  
19 signs, I don't think we need to do that motion.

20 CHAIRMAN BADDOUR: Bill, I think you did  
21 have, also, a motion on Item G-E, which had to do  
22 with matching funds associated with --

23 MR. HOLLAN: Right. I was going to  
24 get to that.

25 CHAIRMAN BADDOUR: I'm sorry.

1 MR. HOLLAN: I'm sorry. I was going  
2 to talk next about G-C --

3 CHAIRMAN BADDOUR: Go ahead.

4 MR. HOLLAN: -- unless you'd  
5 rather me --

6 CHAIRMAN BADDOUR: No, no, no. I thought  
7 you said that was the only item. I was just -- go  
8 ahead.

9 MR. HOLLAN: Well, that was the only  
10 item that in G-B. I'm sorry, Mr. Chairman.

11 CHAIRMAN BADDOUR: Excuse me.

12 MR. HOLLAN: In G-C -- in 2005 the  
13 General Assembly passed legislation that mandated  
14 that we consider certain common criteria, and the  
15 purpose of this was to get various state granting  
16 institutions, the Rural Center, us, commerce, and  
17 some others to have the same criteria, and so we  
18 established -- based on that we established, kind of,  
19 a parallel system of scoring projects. We have -- we  
20 continue to have our water -- what we call our "water  
21 quality criteria," which take into account all the  
22 elements that our specific legislation requires us to  
23 consider and assigns points. And then we also have a  
24 scoring system that takes into account the common  
25 criteria. These -- these are used to give priority

1 among various projects as part of the overall  
2 evaluation process. And one of the things that came  
3 up yesterday was that the Chairman was asked that Mr.  
4 Crawley ascertain whether the way in which we're  
5 using our existing water quality criteria together  
6 with the common criteria, does, in fact, comply with  
7 what the legislative language would require.

8 During 2010, the last session, the  
9 legislature added five new common criteria related to  
10 an asset management plan, additional language on how  
11 you get a cost threshold, regionalization, the state  
12 water supply plan, and water conservation measures  
13 for drought. And so the staff reviewed our existing  
14 common criteria and made some adjustments. In your  
15 mail-out, Agenda Item G-C, there was information  
16 about the places where the new common criteria  
17 requirements that were added. Those are ten through  
18 thirteen. And then some of -- one of the common  
19 criteria was simply added to one of our existing  
20 common criteria evaluation elements.

21 And there was also a copy of the House Bill  
22 2010-151. The -- it's proposed that we all review  
23 this further. If you have any questions, we're going  
24 to get the opinion from the Attorney General's Office  
25 as to whether this is what we, in fact, need to do,

1           and we'll -- we'll be prepared to act on this at the  
2           November meeting.

3                       CHAIRMAN BADDOUR:    Good.

4                       MR. HOLLAN:            The next item, Item G-D,  
5           was a follow up on the February Board meeting on --  
6           discussion about minimum score.  And a number of  
7           interesting things, I think, came out of this  
8           evaluation by our staff.  There were two things  
9           really that we wanted them to look at, and I think  
10          this particular exercise that we reviewed yesterday  
11          focused on one.  And that was to evaluate the process  
12          we've had of making grants, and determine -- see if  
13          we could get some statistical information about  
14          whether we were funding the right kinds of projects  
15          rather than across many lines, we were making the  
16          right decisions, whether there was some  
17          inconsistency.  And I think that -- I don't want to  
18          say it was surprising, but I think it was gratifying  
19          to find out that the changes that we made in our  
20          criteria back in 2004 and our point system to try to  
21          make it so that each type of project -- the various  
22          acquisition, restoration and stormwater and  
23          wastewater projects would all have a chance to score  
24          in, roughly, the same range.  And we determined that,  
25          actually, over this six-year period, the average

1 score for acquisition projects is 90, the average for  
2 restoration and stormwater was 91, and the average  
3 for wastewater was 88. So, they're very consistent  
4 averages for their scoring and seems to be very well  
5 normalized.

6 The other thing the staff looked at was the  
7 extent to which we were funding the better projects.  
8 And it turns out that overall, over that six-year  
9 period, again, they -- to do that, they took the  
10 scores in the various categories and determined the  
11 percentile ranking. It turns out there, that they  
12 were -- there was a much wider range in wastewater  
13 and restoration and stormwater than there was in  
14 acquisition, and so the percentiles were -- were  
15 somewhat different.

16 But notwithstanding that, 89 percent of  
17 all the projects that we've funded were in the top 75  
18 percentile. So we are making -- awarding grants  
19 based on our criteria. It turned out that 93 percent  
20 of the acquisition projects were in the top 75  
21 percentile, 86 percent of restoration stormwater, and  
22 83 percent of wastewater. And this makes sense,  
23 because in restoration and wastewater, both, we take  
24 into account some of the elements of the common  
25 criteria that aren't applicable to acquisitions such

1 as the high unit cost, the distressed area, and so  
2 on.

3 One of the things that we -- one of the --  
4 the other reason for doing this is to determine how  
5 to proceed with our funding allocations. In the most  
6 recent years, we have had -- in order to enable  
7 grants to be awarded during the whole year as  
8 committees meet rather than waiting until the end of  
9 the year, we've come up with percentages of our funds  
10 to assign to various committees. Until this year we  
11 held back some percentage, 10 or 15 percent for the  
12 final meeting so that we could look at, sort of, the  
13 best of the rest. And we would allow acquisitions to  
14 expend 85 percent or 90 percent of its allocated  
15 funds. Restoration stormwater and wastewater to do  
16 the same, and then we'd come back in November and  
17 somehow merge the list and come up with some  
18 agreement.

19 This year we did not do that because our  
20 funds were cut back so much. We wanted to get the  
21 money to work as quickly as possible. But I think  
22 that this -- these numbers over a term of years will  
23 give us the ability to analyze, in each cycle,  
24 whether or not we have a "good year" or -- in  
25 quotes -- or a "bad year" in, say, restoration

1 stormwater. We compare the range and the percentile  
2 ranking and determine whether this is a good year or  
3 a bad year, whether we've got to hold back some  
4 functions or not. So I think there is a possibility  
5 to make some progress on this. The -- we will -- the  
6 idea is that we'll talk about this again at our  
7 February meeting and try to come up with a more  
8 comprehensive policy. But we do have good  
9 information at this point.

10 The other thing that this -- one thing that  
11 the staff wanted to make clear, and I think it's a  
12 good point, is that the score doesn't always tell the  
13 whole story. We give points for particular water  
14 bodies' sensitivity, either they're highly polluted  
15 or they're pristine waters. And if you have a  
16 failing wastewater treatment plant that is  
17 discharging and polluting a stream that's not badly  
18 polluted, but is also not pristine, they just can't  
19 get the points that -- that projects in other areas  
20 can.

21 So we need to always have the ability, I  
22 think, to evaluate these projects. If all we needed  
23 was a scoring system, then we wouldn't need a Board,  
24 and so I think the staff wanted to make clear that  
25 they are not trying to get this thing to the point



1           where we do it totally by the numbers, but we can use  
2           the numbers to -- as feedback.

3                       The other thing we've talked about in the  
4           past is whether there should be some minimum score  
5           below which we just do not fund. And there's been  
6           some -- on a number of occasions, the question has  
7           been do we -- if somebody didn't get 70 points, is  
8           that failing? You fail in the school at a certain  
9           score. I think that's something we need to continue  
10          to talk about to whether we want to do that or not.  
11          But I think based on the staff's comments about the  
12          fact that you can have a very good project, and a  
13          project that is needed, that still may not score  
14          well, we should be careful in moving in that  
15          direction. But be prepared to talk about this more  
16          in February.

17                      Finally, Mr. Chairman, we wanted to talk  
18          about G-E. This relates to difficulties that have  
19          arisen, particularly for restoration and stormwater  
20          projects, in evaluating or in quantifying the value  
21          of donated easements. We assign points for donated  
22          easements. We've had a number of applicants who  
23          provide us with estimates of the value of donated  
24          easements, which turn out either to be inaccurate or  
25          to be too expensive to -- to establish whether or not

1           they are accurate. In one case -- in the second  
2           case, the question is whether it makes any difference  
3           how much the land is worth. Or whether for  
4           restoration and stormwater, you're really interested  
5           in the width of the buffer, the area of the buffer,  
6           the length of the buffer or the quality of the buffer  
7           apart from those three items. But what the -- we  
8           have -- in other cases in terms of acquisition of  
9           greenways, we've allowed -- in lieu of having to get  
10          individual appraisals for small properties, we've  
11          allowed applicants to use the tax assessment value.  
12          And the -- the staff would like and has recommended  
13          to us that they extend that policy to the evaluation  
14          of these easements, and allow -- let's see what  
15          the -- see if I can find the exact recommendations,  
16          if I have it.

17                 Nancy, do you have the exact recommendation  
18          there with --

19                 MR. JONES:         I --

20                 MS. GUTHRIE:       No, I don't.

21                 MR. JONES:         -- I can read it. Do you --

22                 MR. HOLLAN:        What -- go ahead.

23                 MR. JONES:         You did -- you were taking  
24          those notes, too, weren't you? Excuse me, Nancy.

25                 MR. HOLLAN:        Tom, if you have the exact

1 recommendation --

2 MR. MASSIE: No. No, I -- no, I  
3 don't. I got confused as to who was taking the  
4 minutes for which committee.

5 MS. GUTHRIE: I -- I'm sorry. I have  
6 for the recommendation of establishing the donated  
7 easement value.

8 MR. HOLLAN: That's it. I'm sorry.  
9 Yeah. The staff recommends that the donated easement  
10 values on restoration and stormwater projects use  
11 accounting assessment tax card value as our default  
12 approach unless they can provide a valid appraisal  
13 for the donated easement.

14 DR. BRANNON: Okay. Mr. Chairman --

15 MR. HOLLAN: Mr. Chairman, that's the  
16 committee recommendation.

17 CHAIRMAN BADDOUR: You heard the committee  
18 recommendation, is there any discussion?

19 TRUSTEES: (No response.)

20 CHAIRMAN BADDOUR: So many as favor the  
21 adoption of the committee recommendation, signify by  
22 saying, "Aye."

23 TRUSTEES: Aye.

24 CHAIRMAN BADDOUR: Opposed, "No."

25 TRUSTEES: (No response.)

1 CHAIRMAN BADDOUR: The eyes have it.

2 MR. HOLLAN: Mr. Chairman, that  
3 concludes the report from the Program Committee.

4 MR. ROGERS: To add just one -- I  
5 wanted to reference back to House Bill 1744 Common  
6 Criteria, and just provide just a bit of background  
7 with regards to what this -- what this is. And one  
8 thing that we're working hard to do is work with our  
9 partners -- the Rural Center, the Department of  
10 Commerce, as well as DENR and their -- their  
11 revolving water funds -- on coming up with a common  
12 report as well. The common criteria, though, I think  
13 is important because it, kind of, brings a standard  
14 for which everybody has to get in order to receive  
15 state funds. And we're raising the bar.

16 One of the things that we don't make a  
17 whole lot of mention of is just the asset management  
18 fees that was added to the common criteria this past  
19 year. I was extremely supportive of this, because I  
20 think it's important that the local units of  
21 government start looking at asset management so they  
22 can value their system, and also look long-term with  
23 regards to managing their system and making sure they  
24 have the resources to manage it so that they are not  
25 asking granting agencies on a regular basis to come

1 back and fund the upkeep and the maintenance with  
2 regards to these systems. So I think it's a good  
3 step.

4 I think we have some work to do to get that  
5 asset management implemented into system -- into the  
6 local units of government. I know the Rural Center  
7 is stepping out on this and trying to get some  
8 educational forums together for local units of  
9 government about asset management. There's simple  
10 ways to do this. So I think, in the long run, this  
11 is -- this is going to pay off for us.

12 Also, as we reported earlier, throughout  
13 the legislative session we had provided some  
14 interested legislators a letter about what we were  
15 going to do to better coordinate our efforts. We  
16 have a common application that we've been working on  
17 and are implementing. We also have a common report  
18 that we reviewed this past week of all the projects  
19 under state funding agencies that are under -- under  
20 contract and being managed by the different programs.  
21 I believe, total, there's over 780 different  
22 wastewater and water projects going on in the state  
23 this past year. I believe there was over \$240  
24 million towards wastewater and infrastructure in this  
25 state. It is a huge, huge amount of money. A lot of

1           this was -- was helped by the stimulus funds that  
2           came down from the Feds, but there's an ongoing  
3           effort from the different funding agencies to  
4           coordinate. And the common criteria, again, is  
5           something that is used amongst all of these agencies  
6           in evaluating their projects. And I think that it's  
7           also a good -- a good product -- this revised common  
8           criteria -- with regards to helping local units of  
9           governments start to manage their systems in a better  
10          way.

11                         And so I think this is a step in the right  
12          direction. I think it shows that we're managing the  
13          projects that are out there, and that we will  
14          continue to do that, and cooperate and coordinate our  
15          efforts among the different agencies.

16                         CHAIRMAN BADDOUR: Thank you. Karen?

17                         MS. CRAGNOLIN: What did -- do we have  
18          a -- and that's a lot of money. 240 million you  
19          said?

20                         MR. ROGERS: (Nods affirmatively.)

21                         MS. CRAGNOLIN: What is the -- I can't  
22          remember what the number is, but it's staggering what  
23          the total estimated need is for the state.

24                         MR. ROGERS: Yeah. Well, one of  
25          the -- one of the issues out of a study commission

1           this past year is: What is -- what is -- what is the  
2           state's needs? The Water 2030 Report estimated about  
3           14 billion with regards to needs. The need -- and  
4           one of the -- one of the challenges that we have is  
5           trying to see how we are providing for that need  
6           through our common funding and through the funding  
7           that we have throughout the state. And the whole  
8           effort is looking to -- is to start surveying on a  
9           regular basis, and asking these questions of these  
10          utilities so that we can get a better handle on what  
11          the need is. And then, from there, you can have a  
12          better idea of what needs to be funded on an annual  
13          basis with the federal funds coming in and those kind  
14          of things to help meet some of the needs.

15                   And then the other thing that the  
16          legislature is very interested in is, of course, the  
17          critical needs that are -- that are out there. So  
18          discerning the critical needs out of all the needs  
19          that will be reported is another -- another task that  
20          we'll have to do as well.

21                   MS. CRAGNOLIN:        Thank you.

22                   CHAIRMAN BADDOUR:    Okay. Bill, I didn't --  
23          thank you very much for your report and your  
24          committee's report. Okay.

25                   Karen [*sic*], what we're going to do is

1 we're going to do "I," so we get all your committee  
2 report except the --

3 MR. ROGERS: Yvonne.

4 CHAIRMAN BADDOUR: -- Yvonne. What'd I  
5 say, Karen?

6 MR. ROGERS: Karen.

7 MR. McMILLAN: Karen.

8 CHAIRMAN BADDOUR: Yvonne?

9 DR. BRANNON: Yes, sir. I'm ready.

10 MR. BEANE: She might be under some  
11 pressure.

12 DR. BRANNON: I'm ready, Mr. Beane.

13 CHAIRMAN BADDOUR: Okay. I want to do "I,"  
14 and then we're going to take a break.

15 DR. BRANNON: Okay.

16 CHAIRMAN BADDOUR: Then after the break  
17 we'll come back and do the -- the awards. Okay?

18 DR. BRANNON: Yes, sir. Yesterday our  
19 committee met, and we did have a quorum. And I thank  
20 you, everyone, for coming, and I especially thank  
21 Kevin Boyer for doing a great job of preparing the  
22 materials. Now, I do want to say quickly that the  
23 field reps are so impressive, when you get around to  
24 this point on the stage, and you look at their  
25 presentations and the materials they present, and the



1 way they're able to answer any question about any  
2 project without hesitation, it's really remarkable.  
3 I don't know how they keep all the information in  
4 their heads. But I appreciate their diligence at --  
5 at studying these projects and bringing us great  
6 recommendations. We had some wonderful projects.

7 We're going to start with a few items  
8 before we review all the projects this morning. One  
9 is that we had a recommendation from the staff that  
10 we -- that we look at N.C. State University's Stream  
11 Restoration and Assessment Project. These funds have  
12 run out, and our staff is recommending that we  
13 reinitiate a new contract with N.C. State University  
14 to look at aspects of stream restoration as they  
15 appear to be effective ways towards achieving our  
16 goals. And this recommendation comes with a price  
17 tag that we enter into a two-year contract for a  
18 \$100,000 for this report, this study, and this  
19 assessment. This is what our committee recommends to  
20 the Board.

21 CHAIRMAN BADDOUR: Okay. All right.  
22 You've heard the committee recommendation. Is there  
23 any discussion?

24 TRUSTEES: (No response.)

25 CHAIRMAN BADDOUR: Hearing none, so as many

1 as favor the adoption of the committee  
2 recommendation -- that's in Item I-B -- signify by  
3 saying, "Aye."

4 TRUSTEES: Aye.

5 CHAIRMAN BADDOUR: Opposed, "No."

6 TRUSTEES: (No response.)

7 CHAIRMAN BADDOUR: The ayes have it.

8 DR. BRANNON: The next order of  
9 business is that, periodically, we have contracts --  
10 this is not on it. I'm very sorry. Thanks --  
11 thanks, Karen.

12 We have three contracts that we would like  
13 to ask to extend the dates on those contracts. One  
14 of those is with the N.C. Division of Coastal  
15 Management, 2008-412, to extend that contract to  
16 the -- April 27th of 2011; to extend the contract  
17 City of Winston-Salem, 2007-425, to June 30th of  
18 2011; to extend the Southwestern NCRCND project,  
19 which is 2007-423, to March 31st of 2011. The staff  
20 has looked at these projects and they recommend these  
21 extensions. I think this is reasonable, and that  
22 they have good reason to need to extend this to  
23 complete their work. The committee agreed and  
24 recommends that we extend these contracts.

25 CHAIRMAN BADDOUR: And you've heard the

1 committee recommendation. Is there any discussion?

2 TRUSTEES: (No response.)

3 CHAIRMAN BADDOUR: So as many as favor the  
4 adoption of the committee recommendation, signify by  
5 saying, "Aye."

6 TRUSTEES: Aye.

7 CHAIRMAN BADDOUR: Opposed, "No."

8 TRUSTEES: (No response.)

9 CHAIRMAN BADDOUR: The ayes have it.

10 DR. BRANNON: The next issue is the request  
11 to reduce the matching funds contribution for a  
12 project 2008-420, the research [sic] -- Resource  
13 Institute, Pine Orchard Creek Stream Restoration  
14 Project. And the recommendation from the staff was  
15 that -- that we do accept -- this is where, I think,  
16 one of those things we talked about yesterday, having  
17 a different appraisal value; is that correct, between  
18 what was put in the contract and what the actual  
19 county value is. Beth, did you want to say a few  
20 things about that one to make sure I present it  
21 correctly?

22 MS. MCGEE: It was a -- a letter  
23 from a realtor that established the original -- their  
24 thoughts of what the original value was, and the  
25 value was split between a couple of contracts, but

1 the tax value is much less.

2 DR. BRANNON: Okay. So staff and the  
3 committee recommend that these matching funds  
4 amount -- this project be reduced from \$72,612 to  
5 zero. That's the recommendation of the committee.

6 CHAIRMAN BADDOUR: And you've heard the  
7 committee recommendation. Is there any discussion?

8 TRUSTEES: (No response.)

9 CHAIRMAN BADDOUR: So as many as favor the  
10 adoption of the committee recommendation, signify by  
11 saying, "Aye."

12 TRUSTEES: Aye.

13 CHAIRMAN BADDOUR: Opposed, "No."

14 TRUSTEES: (No response.)

15 CHAIRMAN BADDOUR: The ayes have it.

16 DR. BRANNON: Okay. Now, I'm going to  
17 look at our Greenway Projects for 2010.

18 CHAIRMAN BADDOUR: Well, here's where I  
19 want to stop for a minute.

20 DR. BRANNON: Okay.

21 CHAIRMAN BADDOUR: Okay? What we have left  
22 are the award, and I think it would be a good time to  
23 take a break, and, maybe, give time for our judge to  
24 be here, and -- and then we'll finish our meeting.

25 (Comments off the record.)

1 MR. RASCOE: Mr. Chairman --

2 CHAIRMAN BADDOUR: You want to do --

3 MR. RASCOE: -- how about, could we

4 entertain, possibly, toward the wastewater report in

5 the interim? That won't take too long and we can get

6 that out of the way.

7 CHAIRMAN BADDOUR: We can. That's what

8 staff was just trying to tell me.

9 MR. BEANE: Sorry about that.

10 CHAIRMAN BADDOUR: Would you mind your

11 committee report being interrupted?

12 DR. BRANNON: Is that okay with you,

13 Ron?

14 MR. BEANE: I would -- I had to put

15 a time table on her to see how brief she could be.

16 That's an issue with brevity this morning. Brevity

17 is calling. Excuse me.

18 CHAIRMAN BADDOUR: Good idea. Good idea.

19 Richard was whispering the same thing in my ear, but

20 I -- I didn't understand what he was saying

21 completing.

22 DR. BRANNON: I can be done in five

23 seconds.

24 CHAIRMAN BADDOUR: Okay.

25 DR. BRANNON: I was on a roll, Mr.

1 Chairman.

2 MS. CRAGNOLIN: Yeah, you were.

3 CHAIRMAN BADDOUR: Well, I was trying to  
4 give John an opportunity to vote on some things that  
5 would be fun to vote on.

6 DR. BRANNON: Giving out money.

7 CHAIRMAN BADDOUR: Giving out money, that's  
8 right.

9 (Comments made off the record  
10 while documents were being  
11 distributed to Board Members.)

12 MR. VAUGHAN: Mr. Chairman, while this  
13 is being pointed out, may I make a comment?

14 CHAIRMAN BADDOUR: You may.

15 MR. VAUGHAN: I guess you're here  
16 today and many of them are often here on Sunday. To  
17 see our meeting going today, the way it runs so  
18 smoothly is because of all the work we do on Sunday,  
19 and I think the -- we ought to acknowledge that.

20 CHAIRMAN BADDOUR: It looks like the table  
21 was rigged, I think. But we did have a good  
22 discussion. Thank you, Stan, for bringing that to  
23 our attention and reminding everyone of that.

24 Okay. Chairman Rascoe?

25 MR. RASCOE: Okay. Thank you, Mr.

1 Chairman. And, on behalf of my co-chair, Dr. Camp, I  
2 believe Larry is going to present us with where we  
3 are in anticipation of the November meeting. But I  
4 do have a couple comments, myself, as co-chair. Just  
5 to remind the committee and the full Board that the  
6 allocation, the total allocation for wastewater  
7 projects is only \$7,839,415. So you can see -- you  
8 can see on the list how far that goes down -- a very  
9 short distance. So our challenge is to, between now  
10 and November, is to try to see if we can apply some  
11 different benchmarks and different thresholds to try  
12 to keep viable projects that are viable, doable, and  
13 as well as to spread some of the funding down to  
14 encapsulate some of the other projects that the Board  
15 might consider to be good projects. So that -- that  
16 is our challenge between now and November in dealing  
17 with these numbers, and with that, I guess turn --

18 CHAIRMAN BADDOUR: Well, and since you said  
19 that, I think particularly, John -- the reason all of  
20 this is so low -- or two reasons, really. One is our  
21 appropriation of a \$100 million, which we enjoyed for  
22 a few years, is 50 million, which cut it in half.  
23 And then because the governor had to use \$100 million  
24 of our funds when things went sour, we chose to  
25 finish funding our 2008 projects. And that took

1 about half, roughly half. So we really -- rather  
2 than operating on \$100 million in awards, we're  
3 really looking at about \$25 million in -- with regard  
4 to new projects this year. So -- okay.

5 MR. BEANE: Peter, could I ask --

6 MR. RASCOE: Ron.

7 MR. BEANE: -- could you give us  
8 those figures one more time, your total?

9 MR. RASCOE: The allocation is  
10 \$7,839,415. So you can see it only goes down a very  
11 short distance on the list. If we were just to award  
12 based on what's in front of you now, only about four  
13 projects would be funded during this year statewide.  
14 Larry?

15 MR. HORTON: Thank you, Chairman  
16 Rascoe. So my plan is to just, kind of, give you a  
17 brief overview of the -- of the spreadsheet that you  
18 have before you, just sort of a guided tour. And  
19 then -- then can talk a little about this spreadsheet  
20 and -- and what it means, and the purpose of it as  
21 far as this meeting goes.

22 So as far as the tour goes, you'll see that  
23 the spreadsheet basically has got a summary table up  
24 in the top left-hand corner, and that talks about the  
25 Group 1 and Group 2 and the total amounts of -- of



1 funds that were in those two groups. I'll talk a  
2 little bit more about each one of these things after  
3 I get through with the tour here. So then you'll see  
4 that a -- for reference of each project has got a  
5 line number on the far left, and each column has got  
6 a referenced letter across the top so for terms of --  
7 for ease of discussion.

8 As Chairman Rascoe said, the committee  
9 allocation is only \$7,839,415. The projects have  
10 been split into -- into Group 1 and Group 2, similar  
11 to the way that it was with the other two programs  
12 areas for acquisition and for stormwater and stream  
13 restoration. And the Group 1 applications go all the  
14 way through page one, and almost to the bottom of  
15 page two. The group -- the groups were -- the  
16 dividing line between Group 1 and Group 2 was set at  
17 a score of 100. That was based on our discussion  
18 with the co-chairs in our meeting prior to this. If  
19 you'll look back at the summary table, you'll see  
20 that that takes us through an amount requested. If  
21 you just look at this based only on a running total  
22 of amount requested, that would be \$26,273,524. So  
23 that is quite a bit further, and should easily  
24 encompass all of our \$7,839,000 in funding.

25 So just as a review of the purpose was to

1 get the -- a consensus or approval of the Board about  
2 the definition of -- of Group 1 and Group 2. Staff  
3 will -- once the -- we have a set consensus on  
4 Group 1, that's what staff will use to prepare full  
5 scopes and for presentation in the November meeting.  
6 If the -- of course, if any of the Trustees sees any  
7 projects in Group 2 that you would like to also see a  
8 full review on, to see a full scope on, if you could  
9 just let the staff know, then we will be glad to do  
10 that for you. As a target, it -- it would be -- we  
11 would appreciate it if we could get that as soon as  
12 possible, at least within a week. Of course, we will  
13 take them after that, but that would -- that would  
14 definitely help us get out ahead of preparing the  
15 scopes for the Board packet if we could -- if we  
16 could do it that way.

17 So just -- the projects were scored and, as  
18 we talked yesterday, they're sorted by score. First,  
19 by a clean water score first, that's in column "c."  
20 And then, secondly, by common criteria score, that's  
21 in column "d." And as you can see if you look down,  
22 especially if, like, at -- in Lines 9, 10, 11, 12,  
23 and -- and 12, those were all a score of 105. So  
24 that -- the common criteria score may end up being a  
25 little more important this year than it has been in

1           years past because of -- because we have so little  
2           funding for these projects. So we had one or two  
3           high-scoring projects. The average score was a bit  
4           higher this year. I think the average score this  
5           year was 90. And I think in a cumulative total for  
6           years past it's been 88, so we're -- there were a  
7           little bit higher scores this year.

8                       The projects are very good. We have quite  
9           a few regionalization projects, which are -- they  
10          always do very well on -- on scores. So that's  
11          really -- that's really all I have. I'll be -- I'll  
12          be glad to take any questions that the --

13                      CHAIRMAN BADDOUR: Are there any questions?

14                      MR. HORTON:           -- that the Board has?

15                      CHAIRMAN BADDOUR: Any questions?

16                      MS. RASH:            Clarification. Can we  
17          assume that the scores we're seeing now will be the  
18          scores that we see in November?

19                      CHAIRMAN BADDOUR: Larry?

20                      MR. HORTON:            I wouldn't stake my life  
21          on it. But they should -- they should not change  
22          drastically, I don't think, unless something shifts  
23          with regard to the project. They should not shift  
24          drastically. But there may be some changes. They  
25          may -- they may be tweaked a little bit. That's

1 possible.

2 MS. RASH: Thank you.

3 MR. ROGERS: Just in Larry's defense  
4 on that, one of the things that we do as staff is we  
5 can get you to take information in, and we have --  
6 we, again -- time and time again ask for finals from  
7 our applicants, but I think it's all fair in that we  
8 want to provide the Trustees with the most up-to-date  
9 information with regards to the projects. So there  
10 is times when they -- the numbers are tweaked.  
11 Believe you me, Larry has been through these  
12 projects, and he has given his -- the due diligence  
13 that they deserved to this point. But  
14 notwithstanding other actions outside our control,  
15 those projects may shift a little bit.

16 CHAIRMAN BADDOUR: Mr. Pate?

17 MR. PATE: Thank you, Mr. Chairman.  
18 A question for Larry: On Line 6 there's some shading  
19 differences for that project that highlights the  
20 "Ability to Pay Rank," and unhighlights the county  
21 ranking. Can you explain that?

22 MR. HORTON: Yes. Thanks for asking  
23 that. I probably should have mentioned that before.  
24 Those -- those two columns, the "e" and "f" columns  
25 are the columns that demonstrate whether or not the

1 project is economically distressed. And really the  
2 most detailed explanation of that, of those two  
3 columns, is in the notes one and two that's in the  
4 top right-hand corner of your spreadsheet. It's,  
5 kind of, difficult to digest all this at one time,  
6 but what -- what we've done in the past in order to  
7 determine whether a project is non-distressed or  
8 not --

9 CHAIRMAN BADDOUR: Well, not the project,  
10 the county.

11 MR. HORTON: The --

12 MR. ROGERS: County or the applicant.

13 CHAIRMAN BADDOUR: Yeah.

14 MR. HORTON: Thank you, yes. It's to  
15 determine whether the applicant is in an economically  
16 distressed area or not. We -- first of all, we used  
17 the county rank based on Department of Commerce tier  
18 ranking. And projects that are -- have a rank of 65  
19 or below are determined to be economically  
20 distressed, and that's -- that's based on our general  
21 statute, I believe, our legislation. And that's what  
22 the Board only used that for some time, for several  
23 years, and then in an effort to capture the -- the  
24 effect for towns that were poor or less affluent,  
25 that would be in a more affluent county. For

1 instance, if you had a very -- a less affluent town  
2 in Wake County -- Wake County, of course, is going to  
3 be a very high rank -- then they may be economically  
4 distressed. You could have an economically  
5 distressed place in a -- in a non-distressed county.

6 We went to using -- in order to capture  
7 that, we decided to use the Division of Community  
8 Assistance's ability to pay rank, and they calculated  
9 an ability to pay rank for 508 municipalities. So  
10 that's a long way to say that that number in the  
11 Morehead column is -- what that means is, based on a  
12 county -- county tier rank by commerce, their -- they  
13 are in a non-distressed economically distressed  
14 county. But based on their ability to pay rank of  
15 373, we have -- the Board has set that as being a  
16 mark that would show that they are distressed as a --  
17 as a community.

18 Does that help?

19 MR. PATE: Yes. Thank you.

20 CHAIRMAN BADDOUR: Good question. Any  
21 other questions or comments -- anything else, Mr.  
22 Rascoe or Dr. Camp, our co-chairs?

23 MR. RASCOE: Is staff requesting  
24 direction about where to draw the line on preparing  
25 scopes, or have we done that in the past?

1 MR. ROGERS: Yeah. The -- the line  
2 that we have put in the spreadsheet is basically the  
3 line we're looking at. And we, kind of, drew the  
4 line at 100 -- at a score of 100, giving you a lot of  
5 room with regards to the total amount that's  
6 requested. The fact that Group 1 has \$26 million in  
7 requests, which is more than three times the amount  
8 that we have to spend -- thinking that after the  
9 staff recommendation gets put in place there will  
10 still be plenty of opportunity with regards to the  
11 amount that we'll review. The idea is that we would  
12 like for the Trustees to get back with us, if they  
13 see projects down below that list, so that we can  
14 fully scope those and get those prepared for  
15 presentation to the Board in November.

16 CHAIRMAN BADDOUR: Is that satisfactory to  
17 the co-chairs and the Board?

18 TRUSTEES: (No response.)

19 CHAIRMAN BADDOUR: Okay.

20 MR. ROGERS: And we will continue to  
21 work with the co-chairs with regards to presentation  
22 of the project list when we -- when we present it to  
23 the Trustees in November.

24 CHAIRMAN BADDOUR: Okay. Anything further  
25 from the Wastewater Committee? Dr. Brannon, after

1 the break, you will be --

2 MR. ROGERS: Back on stage.

3 CHAIRMAN BADDOUR: -- up for the grand  
4 finale.

5 DR. BRANNON: I'm ready.

6 CHAIRMAN BADDOUR: All right. We will take  
7 about -- maybe, about a 15-minute break.

8 (Off the record from  
9 10:15 a.m. to 10:34 a.m.)

10 (Judge Thigpen arrives.)

11 CHAIRMAN BADDOUR: Come to order. It's my  
12 very special privilege to be able to introduce Judge  
13 Crissie Thigpen of the North Carolina Court of  
14 Appeals. Judge Thigpen was appointed in August of  
15 this year to the Court of Appeals, but he has served  
16 as a superior -- a special Superior Court judge from  
17 2008 to 2010. And before that he had a long and  
18 distinguished career as an -- as an attorney in the  
19 state -- among other things, served as president of  
20 the North Carolina State Bar. He is running for  
21 election on November the --

22 JUDGE THIGPEN: Second (2nd).

23 CHAIRMAN BADDOUR: -- second (2nd) in that  
24 very challenging race where we get to vote two or  
25 three times. But I know he hopes that you'll be



1 number one on his list. So Judge Thigpen, we're glad  
2 to have you here with us, and you've met John Garrou.  
3 And we're glad for you to be here and swear him in.  
4 And you can do it right there. You all are right  
5 there. Let's just do it right there.

6 JUDGE THIGPEN: All right. Mr. Baddour,  
7 thank you very much. Raise your right hand.

8 Do you, John Garrou, solemnly swear that  
9 you will support the Constitution of the United  
10 States? Do you solemnly swear that you will  
11 faithfully -- that you will be faithful and bear true  
12 allegiance to the State of North Carolina and to the  
13 constitutional powers and authorities which are or  
14 may be established for the government thereof, and  
15 that you will endeavor to support, maintain, and  
16 defend the constitution of said state not  
17 inconsistent with the Constitution of the United  
18 States? Do you swear that you will -- will and truly  
19 execute the duties of your office as a member of the  
20 Clean Water Management Trust Fund Board of Trustees  
21 according to the best of your skill and abilities  
22 according to all, so help you God?

23 MR. GARROU: I so swear.

24 JUDGE THIGPEN: Congratulations.

25 MR. GARROU: Thank you.

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(Applause.)

CHAIRMAN BADDOUR: Thank you very much,  
Judge.

JUDGE THIGPEN: Thank you very much.

CHAIRMAN BADDOUR: Of course, you're  
welcome to stay with us, but we also know that you're  
very busy, and I understand if you have to leave.

(Comments made off the record.)

CHAIRMAN BADDOUR: Mr. Beane?

MR. BEANE: Early voting begins  
October the 14th.

CHAIRMAN BADDOUR: Pardon?

MR. BEANE: You said November the  
2nd, but early voting begins on October the 14th.

CHAIRMAN BADDOUR: Early voting begins on  
October 14. You're exactly right. How could I  
forget?

MR. GARROU: Thank you. Good luck,  
Judge

JUDGE THIGPEN: Thank you all very much.  
Thank you, Mr. Chairman.

CHAIRMAN BADDOUR: Thank you, Judge.

(Judge Thigpen leaves.)

CHAIRMAN BADDOUR: Now, Dr. Brannon, we'll  
recognize you to continue your report of your

1 committee.

2 DR. BRANNON: Okay. We're going to  
3 start first with the Greenway applications. And I  
4 want to thank very, very much Nancy for all your hard  
5 work on these projects. This is our first attempt at  
6 doing this. And I know that we've had a struggle  
7 getting all the information, pulling together the  
8 recommendations, and I really greatly appreciate  
9 that.

10 I'd like to report on the Committee's  
11 recommendation. If you'll look at your spreadsheet,  
12 we would like to recommend funding in project --

13 MR. ROGERS: I'm sorry. The revised  
14 should be handed out to you up on -- above your  
15 workplace, and it's a one-page referred as  
16 "Greenway."

17 DR. BRANNON: Okay. Thank you. If  
18 you will look at Group 1, we're going to going to --  
19 I'm going to read through the recommendation of the  
20 committee to fund. And I'm going to leave out 2010  
21 and 2012 and we'll vote on that separately.

22 Project 2010-2007 [sic] Jackson County;  
23 2010-2000 [sic] -- 2066, Franklinville; 2010-210, the  
24 City of Raleigh; 2010-204, Davidson County; 2010-214,  
25 Town of Tryon; 2010-201, Town of Aberdeen; 2010-213,

1 City of Rocky Mount; 2000 -- these are the projects  
2 that we are recommending at this time for funding.

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

5 TRUSTEES: (No response.)

6 MR. McMILLAN: Mr. Chairman, are the  
7 amounts listed the amounts that are recommended?

8 CHAIRMAN BADDOUR: Yes.

9 MR. ROGERS: Yes. The committee  
10 recommendations are the amounts that are recommended.

11 CHAIRMAN BADDOUR: On this page, though --

12 MR. ROGERS: It's the committee  
13 recommendation only is highlighted.

14 CHAIRMAN BADDOUR: Committee  
15 recommendation. Okay. So for the -- for the record,  
16 the amount being funded is shown as the committee  
17 recommendation.

18 And if you could attach this sheet to the  
19 minutes --

20 COURT REPORTER: (Affirmatively nods.)

21 CHAIRMAN BADDOUR: -- it says "2010 Cycle  
22 Greenway Applications."

23 Thank you, John. Is there any discussion?

24 TRUSTEES: (No response.)

25 CHAIRMAN BADDOUR: So as many as favor the

1 committee recommendation to fund the Greenway  
2 applications as listed by Chairman Brannon in the  
3 amounts under "Staff Recommendation" on the exhibit,  
4 signify by saying, "Aye."

5 TRUSTEES: Aye.

6 CHAIRMAN BADDOUR: Opposed, "No."

7 TRUSTEES: (No response.)

8 CHAIRMAN BADDOUR: The ayes have it.

9 (Ms. Cragolin leaves.)

10 DR. BRANNON: Now, I'd like to vote --  
11 make a recommendation on RiverLink Project 2010-2012  
12 [sic], and I'd like to note that Karen Cragolin is  
13 not voting on this project. And we're recommending  
14 that project be funded at the 186,000.

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

17 TRUSTEES: (No response.)

18 CHAIRMAN BADDOUR: So as many as favor the  
19 adoption of the committee recommendation, signify by  
20 saying, "Aye."

21 TRUSTEES: Aye.

22 CHAIRMAN BADDOUR: Opposed, "No."

23 TRUSTEES: (No response.)

24 CHAIRMAN BADDOUR: The ayes have it.

25 DR. BRANNON: Finally, we would like

1 to recommend that these projects not be funded this  
2 cycle, and encourage these applicants to reconsider  
3 the next funding cycle. This is project 2010-208,  
4 2010-209, 2010-215, 2010-203, 2010-211, 2010-202,  
5 2010-804. We're recommending that they not be funded  
6 this cycle, but they are -- can reapply for the next  
7 one.

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

10 TRUSTEES: (No response.)

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

14 TRUSTEES: Aye.

15 CHAIRMAN BADDOUR: Opposed, "No."

16 TRUSTEES: (No response.)

17 CHAIRMAN BADDOUR: The ayes have it.

18 DR. BRANNON: Now, we will turn to our  
19 Restoration Stormwater projects. And I think,  
20 Richard, there is also a new handout for that. Is  
21 that right?

22 MR. ROGERS: Yes. Again, it's two  
23 pages, portrait.

24 DR. BRANNON: I'd like to read to you  
25 the list of the projects that the committee and staff

1 are recommending for funding. And, again, as you  
2 mentioned earlier, this is the -- the funding amount  
3 is listed under "h." This is a committee  
4 recommendation. And this is the amount that we are  
5 recommending for each of these projects, and it will  
6 be attached with the court reporter.

7 For beginning of Group 1, if you would look  
8 at 2010-403, Carolina Mountain Land Conservancy;  
9 2010-415, North Carolina Coastal Federation;  
10 2010-411, Mecklenburg County; 2010-413, the National  
11 Committee for the New River; 2010-727, Carolina  
12 Beach; 2010-722, Piedmont Conservation Council;  
13 2010-432, City of Wilmington; 2010-703, Cabarrus;  
14 2010-437, Town of Wilkesboro; 2010-710, City of  
15 Conover; 2010-414, the National Committee for the New  
16 River; 2010-434, Pilot View RC&D; 2010-724, Town of  
17 Tarboro; 2010-714, Henderson; 2010-728, Centralina  
18 COG; 2010-809 N.C. State University Planning Project.  
19 These projects and the amounts listed under  
20 "Committee Recommendation" are being recommended at  
21 this time for funding, Mr. Chairman.

22 CHAIRMAN BADDOUR: You've heard the  
23 committee recommendation. Is there any discussion?

24 MR. McGRADY: Mr. Chairman, just out  
25 of an abundance of caution, 2010-714, Henderson

1 County SWCD, that's a -- while it does relate to  
2 Henderson County, and I am a Henderson County  
3 Commissioner, that's actually put forward by our  
4 independent board, our Soil & Water Conservation  
5 Board. I don't believe I have a conflict, but I  
6 wanted to disclose the relationship there. That is  
7 an independently-elected board, although it does  
8 relate to Henderson County. And unless a Trustee has  
9 a specific concern, I intend to vote on this. I just  
10 wanted to disclose it.

11 CHAIRMAN BADDOUR: Thank you, Mr. McGrady.  
12 Any further discussion?

13 TRUSTEES: (No response.)

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

17 TRUSTEES: Aye.

18 CHAIRMAN BADDOUR: Opposed, "No."

19 TRUSTEES: (No response.)

20 CHAIRMAN BADDOUR: The ayes have it. Dr.  
21 Brannon?

22 DR. BRANNON: Mr. Chairman, there are  
23 two other projects in the list that the Committee  
24 recommends to the Board that we retain these two  
25 projects, and keep them eligible until -- then they



1 will be -- can be reconsidered. And that -- if  
2 you'll look under there, it's Line 40 and Line 29.  
3 Line 40 is the Town of Colerain, and Line 29 is --  
4 and that number, Line 40, let me read the project  
5 number, please, 2010-709. And then, for Line 29, if  
6 you'll see the project number 2010-431, Surry SWCD.  
7 These two projects, we would like to recommend that  
8 they stay active until November.

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

12 TRUSTEES: (No response.)

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

16 TRUSTEES: Aye.

17 CHAIRMAN BADDOUR: Opposed, "No."

18 TRUSTEES: (No response.)

19 CHAIRMAN BADDOUR: The ayes have it. Dr.  
20 Brannon?

21 DR. BRANNON: Finally, we've -- we'd  
22 also like to recommend these -- these projects are  
23 not funded in this cycle; again, encouraging  
24 applicants to be -- to look at the next funding  
25 cycle. And I'll read these numbers: 2010-707,

1           2010-406, 2010-702, 2010-715, 2010-436, 2010-424,  
2           2010-717, 2010-74 -- I mean, seven -- 2010-404,  
3           2010-810, 2010-811, 2010-806, 2010-814. We would  
4           like to recommend these projects not be funded.

5                       I would also like you to look at the  
6           bottom, starting with Line 30 and going through  
7           Line 67, with the exclusion of Line 40, which was  
8           2010-709, we recommend these projects also not be  
9           funded.

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

12                      TRUSTEES:                       (No response.)

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

16                      TRUSTEES:                       Aye.

17                      CHAIRMAN BADDOUR: All opposed, "No."

18                      TRUSTEES:                       (No response.)

19                      CHAIRMAN BADDOUR: The ayes have it.

20                      DR. BRANNON:                   And, finally, back to  
21           the Greenway Projects for one second. I overlooked  
22           an item earlier. If you'll let me, bring this back  
23           up? The committee also recommends for that being --  
24           the Board will look at -- yesterday we discussed  
25           2010-2012 [sic]. And Nancy, could you explain to the

1 Board what this -- where did she go -- what this  
2 recommendation was?

3 MS. GUTHRIE: The recommendation  
4 concerns 2010-208, the Jonesville Phase -- Phase II.  
5 The recommendation is to not fund that, but instead  
6 expand the scope of an existing project, which is  
7 2008-023 that was just funded as Jonesville, Phase I,  
8 and allow Jonesville to include any parcels from the  
9 application 2010-208 in that existing project.

10 CHAIRMAN BADDOUR: Okay.

11 MR. ROGERS: And I --

12 CHAIRMAN BADDOUR: Sorry.

13 MR. ROGERS: Just we're expanding the  
14 scope, but not providing any more money.

15 CHAIRMAN BADDOUR: Right. I believe that  
16 was a committee action yesterday, right?

17 DR. BRANNON: Yes, it was. And I just  
18 wanted Nancy to explain it better than me.

19 CHAIRMAN BADDOUR: Right. So you've heard  
20 the committee recommendation. Is there any  
21 discussion, any questions?

22 TRUSTEES: (No response.)

23 CHAIRMAN BADDOUR: So as many as favor the  
24 adoption of the committee recommendation, signify by  
25 saying, "Aye."

1 TRUSTEES: Aye.

2 CHAIRMAN BADDOUR: Opposed, "No."

3 TRUSTEES: (No response.)

4 CHAIRMAN BADDOUR: The ayes have it. Dr.

5 Brannon?

6 DR. BRANNON: That is the end of our

7 Committee Report.

8 CHAIRMAN BADDOUR: Your committee did a

9 terrific job. Thank you very, very much. I don't

10 know. We're getting pretty good at this, aren't we?

11 DR. BRANNON: We're trainable.

12 CHAIRMAN BADDOUR: Okay. We -- we now come

13 to the point on our agenda for any Board member who

14 would like to bring up anything that they would like

15 to discuss or bring to our attention.

16 TRUSTEES: (No response.)

17 CHAIRMAN BADDOUR: Well, let me bring just

18 a couple of things. We've talked about it a little

19 bit. The -- I want to remind you all about the

20 February meeting, again, and the April meeting.

21 Since we put a calendar out, I hope you will put

22 these meetings on your calendar, and we intended, at

23 the February meeting, for it to be a little bit

24 longer. We might start a little bit earlier; we

25 might finish a little bit later. Because we are not

1 really having -- it's -- we called it a retreat, but  
2 we may have some business that we have to take care  
3 of. But it really is an opportunity for us to talk  
4 in depth. So I hope that all of you will go ahead  
5 and put that on your calendar.

6 MR. ROGERS: And -- I'm sorry -- just  
7 one edification with regard to that. We got some  
8 comments and feedback about the date, and looking,  
9 perhaps, at the 20th and 21st of February.

10 CHAIRMAN BADDOUR: Right.

11 MR. ROGERS: And unless we hear  
12 objections, we'll probably just ahead and move it to  
13 that date for your -- for your planning purposes.

14 CHAIRMAN BADDOUR: Okay. It seems that  
15 there was some others, other than me, who had -- who  
16 had that interest, also.

17 April, you know, remember that we -- we  
18 suspended, because of financial considerations, the  
19 idea of going around and looking at projects. I just  
20 think it's so important for us to see projects that  
21 we are doing. And, by the way, in February we will  
22 build in a time for us to see a project or two, also.  
23 That will be built into the -- to the retreat. But,  
24 in April, I want to remind you that the one time we  
25 did this, we tried to include our spouses or

1 significant others. I'd like for you to do that, to  
2 think about that, to ask them to put it on their  
3 calendar. I do think the opportunity for us to get  
4 together and know each other and talk to each other  
5 in a context other than the Board meeting is  
6 important. It's an important part of being on the  
7 Board. So I just want to emphasize that so, maybe,  
8 you can look at your calendars in that respect.

9 Okay. Is there anything else?

10 TRUSTEES: (No response.)

11 CHAIRMAN BADDOUR: If not, do I hear a  
12 motion that we adjourn?

13 MS. RASH: So moved.

14 DR. BRANNON: Move to adjourn.

15 DR. CAMP: Second.

16 CHAIRMAN BADDOUR: All in favor say, "Aye."

17 TRUSTEES: Aye.

18 CHAIRMAN BADDOUR: Opposed "no." The ayes  
19 have it.

20 MR. ROGERS: Meeting adjourned.

21 (Meeting adjourned at 10:52 a.m.)

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