

BOARD OF TRUSTEES
CLEAN WATER MANAGEMENT TRUST FUND

MINUTES OF MEETING

MONDAY, FEBRUARY 9, 2009
8:30 A.M.

WASHINGTON DUKE INN & GOLF CLUB
3001 CAMERON BOULEVARD
DURHAM, NORTH CAROLINA



Post Office Box 98475, Raleigh, North Carolina 27624-8475
Telephone (919) 676-1502 - Fax (919) 676-2277

APPEARANCE OF CWMTF BOARD OF TRUSTEES

PHILIP A. BADDOUR, JR., CHAIRMAN, GOLDSBORO

DR. YEVONNE BRANNON, RALEIGH

DR. NORMAN C. CAMP, III, RALEIGH

RICHARD COLEMAN, TABOR CITY

KAREN CRAGNOLIN, ASHEVILLE (As of 9:00 a.m.)

JOHN CRUMPLER, RALEIGH

JOSEPH M. HESTER, JR., ROCKY MOUNT

WILLIAM HOLLAN, WINSTON-SALEM

ROBERT D. HOWARD, SOUTHPORT

CHARLES JOHNSON, GREENVILLE

KEVIN MARKHAM, CARY

CHARLES W. McGRADY, HENDERSONVILLE

JOHN McMILLAN, RALEIGH

PETER RASCOE, EDENTON

STAN VAUGHAN, CHARLOTTE

JERRY WRIGHT, JARVISBURG

APPEARANCE OF STAFF

RICHARD ROGERS, EXECUTIVE DIRECTOR

BETH McGEE, DEPUTY DIRECTOR - PROGRAM IMPLEMENTATION

TOM JONES, DEPUTY DIRECTOR - PROJECT ASSESSMENT

NANCY GUTHRIE, WATER QUALITY ADVISOR

LISA SCHELL, COMMUNICATIONS DIRECTOR

KEVIN BOYER, RESTORATION/STORMWATER PROJECT MANAGER

PENNY ADAMS, EXECUTIVE ASSISTANT

ROBIN HAMMOND, REAL PROPERTY COUNSEL

KEVIN BOYER, RESTORATION/STORMWATER PROJECT MANAGER

APPEARANCE OF FIELD REPRESENTATIVES

TOM MASSIE, MOUNTAINS FIELD REPRESENTATIVE

BERN SCHUMAK, WESTERN PIEDMONT FIELD REPRESENTATIVE

SARAH KING, SOUTHERN COASTAL PLAIN FIELD REPRESENTATIVE

DAMON TATEM, NORTHERN COASTAL PLAIN FIELD REPRESENTATIVE

A G E N D A

- 8:30 a.m. A. Call to Order - MR. Baddour**
- 1) Roll Call - Penny Adams
 - 2) Compliance With General Statute § 138A-15 - MR. Baddour
 - 3) Revisions, Additions, and Adoption of the Agenda - MR. Baddour
(Action Item)
 - 4) Please Put Cell Phones on Vibrate or Off - MR. Baddour
 - 5) Review and Approval of the Transcripts of the November 2008 Meeting of the Board of Trustees **(Action Item)**
- 8:45 a.m. B. Executive Director's Report - Richard Rogers**
- 1) Review 2008 Accomplishments and Outlook for 2009
 - 2) 2009 Legislative Session Overview
- 9:15 a.m. C. Consideration of Approval of Innovation Stormwater Applications (Stormwater Committee Co-Chairs, Joe Hester and Yevonne Brannon)**
- 10:15 a.m. D. Break**
- 10:35 a.m. E. Summary and Recommendations From Retreat Session**
- 1) Wastewater Program
 - 2) Acquisition Program
 - 3) Easement and Other Legal Instruments
- 11:45 a.m. F. Discussion**
- 12:00 p.m. G. Adjournment**

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

Proceedings Page 6

Reporter's Certificate Page 115

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

MR. BADDOUR: My cell phone, which they tell is accurate time; is that right? Somehow the satellite and whatever says it's 8:30.

MR. BADDOUR: Not according to my cell phone. Anyhow, it says 8:30.

MR. VAUGHN: Mine says 8:30, too.

MR. BADDOUR: Penny, if you will call the roll for us?

MS. ADAMS: Yes, sir. Mr. Baddour?

MR. BADDOUR: Here.

MS. ADAMS: Mr. Beane?

(No response.)

MS. ADAMS: Ms. [sic] Brannon?

MS. BRANNON: Here.

MS. ADAMS: Mr. [sic] Camp?

MR. CAMP: Here.

MS. ADAMS: Mr. Coleman?

MR. COLEMAN: Here.

MS. ADAMS: Ms. Cragnolin?

(No response.)

MS. ADAMS: Mr. Crumpler?

MR. CRUMPLER: (Raised hand.)

MS. ADAMS: Mr. Henderson?

MR. HENDERSON: Here.

1 MS. ADAMS: Mr. Hester?
2 (No response.)
3 MS. ADAMS: Mr. Holland?
4 MR. HOLLAND: Here.
5 MS. ADAMS: Mr. Howard?
6 (No response.)
7 MS. ADAMS: Mr. Johnson?
8 MR. JOHNSON: Here.
9 MS. ADAMS: Mr. Markham?
10 MR. MARKHAM: Here.
11 MS. ADAMS: Mr. McGrady?
12 MR. McGRADY: Here.
13 MS. ADAMS: Mr. McLean?
14 (No response.)
15 MS. ADAMS: Mr. McMillan?
16 MR. McMILLAN: Here.
17 MS. ADAMS: Mr. Rascoe?
18 MR. RASCOE: Here.
19 MS. ADAMS: Mr. Vaughn?
20 MR. VAUGHN: Here.
21 MS. ADAMS: Ms. Weston?
22 (No response.)
23 MS. ADAMS: Mr. Wright?
24 MR. WRIGHT: Here.
25 MR. BADDOUR: Okay. General Statute

1 §138A-15 mandates that the Chair inquires as to
2 whether any Trustee knows of any conflict of interest
3 or the appearance of a conflict of interest with
4 respect to matters on the agenda. If any Trustee
5 knows of a conflict of interest or appearance of the
6 conflict of interest, please so state at this time.

7 MR. MARKHAM: Mr. Chairman?

8 MR. BADDOUR: Okay. Mr. Markham.

9 MR. MARKHAM: Thank you. In the innovative
10 stormwater proposals that we'll be reviewing later
11 this morning, I will be recusing myself from 2008-
12 1018, for the City of Raleigh, Market at Colonnade;
13 2008-1005 for the North Carolina Division of Coastal
14 Management, Pivers Island; and 2008-1019, City of
15 Raleigh, First Station Rainwater Harvesting due to the
16 relationship my company has with the applicant.

17 MR. BADDOUR: Thank you, Mr. Markham. And
18 we will note that when those come before the Board,
19 also. Any others?

20 (No response.)

21 MR. BADDOUR: Are there any revisions,
22 additions to the agenda?

23 MR. McGRADY: I move their adoption.

24 MR. JOHNSON: Second.

25 MR. BADDOUR: Motion made. We adopt the

1 agenda as presented. All in favor signify by saying,
2 "Aye."

3 TRUSTEES: Aye.

4 MR. BADDOUR: Opposed, "No"?

5 (No response.)

6 MR. BADDOUR: The ayes have it. I'll ask
7 you to put your cell phones on off or vibrate. Let's
8 see. I'm looking for the part where we adopt the
9 minutes from the last meeting.

10 MR. McMILLAN: The transcripts of November
11 are A-5.

12 MR. BADDOUR: I'm looking at the wrong
13 line. I'm sorry. I'm looking at the wrong -- okay.
14 We want to review and approve the transcripts of the
15 November 8th meeting. Mr. McGrady?

16 MR. McGRADY: Mr. Chairman, I want to make
17 one change in the minutes on page 18, line eight,
18 change "conversation" to "conservation." Otherwise, I
19 didn't see any changes.

20 MR. BADDOUR: Thank you so much for your
21 careful review.

22 MR. McGRADY: And if there are no others,
23 I'll move their adoption with that change.

24 MR. JOHNSON: Second.

25 MR. BADDOUR: Okay. You've heard the

1 motion. Discussion?

2 (No response.)

3 MR. BADDOUR: So many as favor the motion,
4 signify by saying, "Aye."

5 TRUSTEES: Aye.

6 MR. BADDOUR: Opposed, "No"?

7 (No response.)

8 MR. BADDOUR: The ayes have it. Mr.
9 Rogers, for our Executive Director's report.

10 MR. ROGERS: Thank you, Mr. Chairman.
11 Good morning everyone. I want to take a few minutes
12 here to go through some of our administrative issues.
13 We did take time yesterday to look at budget
14 reductions. I'm not going to go back through that in
15 detail, but one -- kind of, what we wanted to do here
16 is we want to, kind of, go over what we did last year,
17 reflect on it a bit, just spend a few minutes on
18 looking at some of the goals that we set ourselves and
19 the ones we achieved.

20 We also want to talk a little bit about our
21 contracts, the status. Beth is going to give us a
22 report on that. Also, look at the -- our fund
23 balance, just our normal administrative review of our
24 funds. And then, kind of, talk a little bit about the
25 upcoming session and what we're looking toward in this

1 session. And as far as we can forecast, what it looks
2 like for us in the legislature as well. And then talk
3 a little bit about legislative processes as it -- with
4 respect to our Trustees.

5 First, 2008, I think it was a great year.
6 We did a lot of good things. We had a lot of
7 expectations among our staff, and some of our work
8 processes that I think we did a good job on. Beth
9 will touch on contracts, which was a major issue. One
10 thing we did do is we put online a new application.
11 And from all reports from those that filled it out,
12 all 250 of them, things seem to be going well. We've
13 gotten some good response that we've made the
14 application more efficient for our clients. And I
15 think, also, this new application will allow us to get
16 work done, in earnest, quicker with regards to getting
17 awarded projects under contract. So we -- we've taken
18 this into account I think. We're looking forward to
19 that. We'd like to thank Nancy and Tom and others
20 that worked on -- worked on that.

21 We've also processed a whole new cycle of
22 applications with our innovative stormwater. You all
23 approved us to move forward in June with an RFP, which
24 we did, and we'll be reviewing those today. I think
25 this is a very good initiative, a great response to

1 the legislature with what they expected of us. And
2 looking forward to going through these projects with
3 you.

4 If you all recall, last session there was --
5 coming into last session there was a Clean Water
6 Management Trust Fund EEP merger report. The findings
7 of that report did not suggest that we merge, but some
8 recommendations -- I thought that we could work better
9 together. We have been working with EEP throughout
10 the year to look at some watersheds and identifying
11 some watersheds where we can cooperate and work close
12 together, and also, perhaps, focus some of our
13 attention with regards to protecting surface water
14 quality across the state.

15 Last year we had a land acquisition
16 workshop, which we are now finding that it is very
17 beneficial, where we've brought all the Land Trust and
18 those folks that apply to us to review our process for
19 application, review our process for invoicing, for
20 getting under contract, so that they had a better
21 understanding of what our efforts included, and that
22 we could understand better what the needs are with
23 them as well. We are planning to do this in 2009 for
24 our wastewater and stormwater projects. We are
25 expecting great benefit from this just interacting

1 face-to-face with these clients so that they can
2 better understand our needs with regards to invoicing,
3 so we can expedite invoices. We are going to be
4 working diligently on making that process more
5 efficient, turning around invoices in a quicker manner
6 so that we can get money out the door as well.

7 These are just a few of the things that
8 we've been working on internally that -- along with
9 our normal workload, which is processing applications
10 and awarding projects. And we would -- I believe
11 we -- how many projects did we award last year?

12 MS. MCGEE: Hundred and fifty (150).

13 MR. ROGERS: Hundred and fifty (150)
14 projects for about 210 or 110, 112 million.

15 MS. MCGEE: Hundred and ten (110).

16 MR. ROGERS: So a lot of work done. And,
17 I think, we are much appreciative to the Board for
18 allowing us to bring staff on so that we can work more
19 effectively. When I came in, staff was drowning.
20 Because of your efforts in allowing us to bring some
21 staff on and manage ourselves a little better, we
22 have, I think, turned the corner with regards to
23 managing our contracts, getting them out the door.
24 And we continue to work on managing our processes
25 better, making ourselves more effective and more

1 efficient with regards to managing those contracts.

2 Lisa?

3 MS. SCHELL: Yes.

4 MR. ROGERS: Lisa has pulled together a
5 little slide presentation, a retrospect, and given us
6 a little -- I'll let you introduce it, Lisa. How's
7 that?

8 MS. SCHELL: All right. Well, before I
9 introduce that, we have another introduction.

10 (Comment made off the record.)

11 MS. SCHELL: Could we get the lights?

12 MR. ROGERS: Yeah. If you all notice,
13 Will Summer has not been here. There's a very good
14 reason that he hasn't been here. Her name is Maggie.
15 I believe she was born last Thursday, and mom and babe
16 are doing great. And Will even appears to be doing
17 good. He reported the number of diapers he had
18 changed the first 24 hours; he -- it sounded like he
19 did a lot better than I did when my first came. So,
20 you just keep him in your thoughts. And he's doing a
21 little transition work here getting engaged with his
22 family, his newborn daughter. So we're excited for
23 Will, and I'm sure he's ecstatic about his newborn.

24 All right, Lisa?

25 MS. SCHELL: All right. Barring any

1 technical difficulties here, we do have just, sort of,
2 a retrospective of the year in terms of what you all
3 funded. And there's music, but I don't believe the
4 music's going to play through our projector. So, I
5 apologize for that. But we'll see if this works. And
6 if we can get the lights any darker, that would be
7 great. Well, it was working. Let's try it one more
8 time.

9 Richard, do you want to try something else?

10 MR. ROGERS: Yeah. We'll -- we can move
11 on. We'll have that up for you in a minute.

12 One other thing that we've been working on
13 is that -- are you going to bring the annual report up
14 or -- okay.

15 MS. SCHELL: Do you want me to run through
16 my Communications Report?

17 MR. ROGERS: Yeah. Why don't you just do
18 that and then we'll get the slides in a minute.

19 One thing that we've -- oh, here we go. Go
20 ahead.

21 MS. SCHELL: All right. Since we last
22 met, we have had lots of hits in newspapers all across
23 the state covering the final awardings that you made
24 in November, which is what most of these are. But
25 also looking ahead to the budget situation, and two

1 things I want to point out in terms of our media
2 coverage in the last couple of weeks, particularly
3 that second one there, "Dear Governor-Elect Perdue,"
4 was an op-ed piece by Todd Miller at the Coastal
5 Federation talking about the need for continuing to
6 fund programs like Clean Water because of their
7 importance to the economy and to infrastructure.

8 The other piece to note in some of the more
9 recent coverage that mentions us is the fact that more
10 and more towns, municipalities, and counties are
11 starting to talk about coming to us again for
12 infrastructure, wastewater, stormwater types of
13 projects as they look to deal with their own budget
14 situations, which is the focus of what we've been
15 doing with regards to developing a strategy for
16 talking to the legislature, some of which you've
17 already discussed previously yesterday.

18 Just to, kind of, recap what we've done on
19 the communications front, we did get together with
20 some of the public information officers and
21 legislative liaison-types of folks to start looking at
22 crafting a unified message. And I believe the last
23 time I spoke with you I told you that one of the
24 things that we wanted to do was develop a fact sheet
25 that we could all work off of and use as we talk to

1 legislators, as we talk to stakeholders -- again,
2 reinforcing the importance that this program plays to
3 not just North Carolina's natural resources, but
4 indeed its economy. And that is the fact sheet that,
5 I believe, almost all of you have seen. This has been
6 revised from what you've received in your packets. It
7 is one page front and back, very easy to hand out,
8 very easy to talk from, very easy to reproduce. And,
9 again, it talks about our track record, and on the
10 back page, it speaks very specifically to our
11 importance to the state's economies, tourism economy,
12 fisheries economy, and, again, the importance that our
13 wastewater and stormwater grants play in
14 infrastructure and how those could possibly generate
15 and keep jobs. So this is the direct result of that
16 working group that we convened.

17 We've also been developing some letters to
18 stakeholders, to the recently elected officials.
19 We've already had one, sort of, meet-and-greet meeting
20 with some of you, and Speaker Hackney. We'll continue
21 doing that. Again, to just hammer home the message
22 that this program is just as vital to the economic
23 situation that our state is facing as it is to
24 protecting our wonderful natural resources.

25 We are also developing a new website, which

1 I had hoped to show you the first couple of pages of
2 today. But the Duke server won't let me get to it, so
3 I'll be sending you all a link to that just to show
4 you what it looks like. The graphic artist who
5 specializes in web design at the department is doing
6 it for us, and it's very dynamic. And it's going to
7 be, I think, much, much of an improvement over what we
8 have now.

9 And speaking of other improvements, the
10 annual report, we are working on that. It is almost
11 finished. In the past, as you know, we have produced
12 a paper copy at the cost of, approximately, \$8,000 for
13 200 [sic] or 2,000 --

14 MR. ROGERS: Yes, that's correct.

15 MS. SCHELL: In the current economic
16 situation, that's probably not a prudent thing to
17 continue doing when we have electronic means available
18 to us to put up something that looks like this on our
19 website in a .pdf form. We can get it up quicker than
20 we can if we do the old paper copy printer. I'm doing
21 the graphics myself. This is just, sort of, the
22 prototype -- start of it. It can be reproduced
23 quickly and bound by Correction Enterprises at a much,
24 much reduced cost of -- compared to what we currently
25 produce, or have been producing in the past. We can

1 produce as many copies, paper copies of it as we need
2 as opposed to having extra boxes left over sitting in
3 the conference room, or the storage room taking up
4 space and being a waste of money. And it can be more
5 easily and more widely distributed to the folks who
6 need to see it. So that's just something that we're,
7 kind of, working with right now. And I will have this
8 finished within a week or so.

9 MR. ROGERS: Go ahead, John.

10 MR. CRUMPLER: Mr. Chairman, does anybody
11 need a big bound, nice printed version of this?

12 MR. ROGERS: Yeah. He --

13 MR. CRUMPLER: I mean, most --

14 MR. ROGERS: Yeah. We were --

15 MR. CRUMPLER: Is it statutorily required to
16 print this thing?

17 MR. ROGERS: No, we're not. We have
18 submitted our report to the legislature. And that is
19 just a plain black-and-white verbiage. What we're
20 trying to do here, I think, is really just catch up
21 with the times.

22 MR. CRUMPLER: I do, too.

23 MR. ROGERS: The ability to post it on our
24 website, we can circulate via email. We can circulate
25 portions of it. We can adapt it, as we need to adapt

1 it, for certain situations.

2 The printed copies come in, I think, when we
3 are looking to go to the legislature and hand them
4 something. I do see a value in having a bound copy or
5 a color copy just to -- just for their purposes. But
6 what we've done in the past is we've gotten ourselves
7 in a situation where we buy 2,500 copies and -- or,
8 I'm sorry, 2,000 -- you know, 2,000 copies at about
9 five bucks apiece. And it just -- we don't get them
10 circulated, and part of the reason is we don't get out
11 as much. There's all kinds of reasons.

12 But if we have it on email, we can get it
13 circulated. We can send it to a list of 500 people
14 with a strike of a key. And then we also have the
15 opportunity, if we need to, to print it as well in a
16 nice version so that we can hand it out. I think
17 there is some benefit to having that resource
18 available. And we're estimating, probably, about a
19 5,000, \$6,000 cost savings here just within our
20 current budget.

21 So, you know, I think it's important that we
22 try to move forward. I think the website's another
23 place where we're trying to move forward, update
24 ourselves, making it more accessible, making it --
25 making it a little prettier, if you understand, so

1 that it will attract folks, and using it as a vehicle
2 for our communications to a lot of the folks around
3 the state.

4 Go ahead, Lisa.

5 MS. SCHELL: And there are also some other
6 new media avenues that we can use on the Internet to
7 also help get our message out and get it more
8 concentrated. And those are some areas that I'm
9 working on developing as well.

10 And you all have just witnessed something
11 very historic. A Mac has just crashed.

12 MR. ROGERS: Yeah.

13 MS. SCHELL: So that concludes my report.

14 MR. ROGERS: I keep pushing "priority."

15 MR. BADDOUR: Let's get the lights back on.

16 MR. ROGERS: Next, I'd just like to go
17 through -- contracts was a big focus for us this year.
18 And we preached to you all. We submitted a budget
19 that we thought would help us move contracts forward
20 in a quicker manner. And Beth is going to give us a
21 little bit of an update of our progress and how we
22 managed contracts this past year. Beth?

23 MS. MCGEE: As Richard stated, you all
24 awarded about 150 contracts during our regular cycle.
25 You also ordered a lot of mini-grants as well, but

1 just the regular contracts for about \$110 million.
2 Last year, when we came to you at this time, we had
3 gotten about 30 percent of those contracts out the
4 door. And, as Richard said yesterday, this year we've
5 gotten 77 percent out the door. (Applause.) So I
6 think that's just a tremendous improvement, and we are
7 really excited about it.

8 Kevin, Larry and Robin have just done a
9 tremendous job getting those out. They have worked a
10 lot of extra hours during the week, and a lot of
11 weekends. And I just want to thank them for all their
12 hard work.

13 And I also want to thank you. Richard
14 thanked you, but I want to echo that gratitude for
15 supporting us and allowing us to get people on board.
16 You know, I think Terry, who's not here, is our
17 administrative assistant; she came on a couple of
18 years ago. Rob -- I mean Kevin and Larry came on as
19 program managers a couple years ago, and, you know,
20 they are really getting -- they're up to speed, and we
21 have seen a marked improvement. And as well as your
22 support in hiring temporary staff, when we have the
23 pulses that we've got to get contracts out.

24 This year we were able to get that help on
25 board, and they began work drafting the contracts the

1 week that you all approved them. And we actually had
2 the same people that helped us last year, so they were
3 familiar with the process. So I just want to echo
4 that thanks to you all, and with your support.

5 And one other thing -- or a couple of other
6 things, one was when we were working with Maureen with
7 the UNC School of Government, one thing that came to
8 light was that Kevin and Larry, they review their
9 applications, and then they write their scope of work
10 for -- they write their scopes for you all to review,
11 and then they write the contracts. And they have seen
12 a benefit of being familiar with the contracts when
13 they're -- with the projects when they're getting
14 ready to write the contract. And, actually, this year
15 they wrote their scopes that were in the Board packets
16 with the contract in mind. So they tailored them so
17 they would be more easily just put right over into a
18 contract.

19 And what we realized when we were talking to
20 Maureen is that Robin didn't have that luxury, 'cause
21 Tom reviews the acquisition applications, and then
22 Robin never had -- since she was -- had so many
23 contracts, she never was able to really look at those
24 applications. So this year -- since she's, you know,
25 pretty -- in a really good place, she's going to be

1 able to spend time -- she and Kathleen, our contract
2 attorney, are going to be able to participate --
3 actively participate in the review of the acquisition
4 applications and work with Tom on the scopes that you
5 all get in terms of getting the conditions that people
6 who have requested exceptions to the easements and
7 other different conditions, they can work through
8 those and think about them, and get them in the scopes
9 that you all review and consider. And then that will
10 make the contract drafting much quicker.

11 So it's just -- it's something that we're
12 really excited about. I think Robin's excited about
13 it. And, I think, it's going to -- we just didn't
14 really realize that until we were talking with
15 Maureen. And I --

16 MR. BADDOUR: Beth, before you leave that,
17 Richard shared with me, and I'd like for the Board to
18 hear it. You said 77 percent, but I think this will
19 make a point of what you just said. Give those
20 percentages as to type of contract, and I think you
21 can see the impact it's had.

22 MS. MCGEE: Okay. The -- yeah, overall
23 it's 77 percent. Robin had 59 contracts. She has --
24 acquisitions always has the most contracts. And she's
25 gotten 33 of those out the door, 56 percent. Kevin

1 had the next lowest number. He had 49, and he's
2 gotten 42 out, or 86 percent. Larry had 42, and he's
3 gotten 40 of those out, 95. So it averages out to 77.

4 Robin had the additional burden of -- she's
5 got 31 mini-grants on top of her 59 regular contracts.
6 And Kevin has a good number of mini-grants, too. He
7 has 14 mini-grants. So there's a big load.

8 We sometimes forget about the mini-grants,
9 because they don't come before the Board for approval.
10 They come before the co-chairs. And they aren't a lot
11 of money for each individual contract, but they are a
12 contract, and so they do require additional time. But
13 they've just done an outstanding job. So we're
14 excited about the change in the acquisitions.

15 Cherri, also I want to thank Cherri. She
16 has participated in writing contracts this year. She
17 has written the greenway planning contracts, ten of
18 those. And so that was a help to Robin. And Richard
19 did mention the educational effort that we're trying
20 to do with grant recipients both in the workshop, and
21 then we're actively on day-to-day -- Terry, our
22 administrative assistant, and our new administrative
23 assistants for acquisition program -- for the
24 acquisition program are on the phone all the time with
25 grant recipients, and educating them on what they need

1 to send in for reimbursement requests. And we're
2 also -- and any information that we send out to them,
3 we're also trying to be clearer on what the
4 requirements are, and have those in a bulleted form,
5 maybe a different piece of paper so that they can see
6 exactly what they need to send in for their request
7 for reimbursements.

8 And, also, the last thing, as Richard did
9 mention, what I call the "lagers." We are trying to
10 spend more time on making sure that people submit
11 their progress report so we can know who and which
12 projects might be stalling as well as pushing them to
13 get their request for reimbursements in, those who
14 haven't been spending their money down. So we're just
15 trying to have a more active role. And a lot of that
16 is due to having the staff that we have.

17 And then the workshops, I think, are a real
18 benefit of just the one cycle per year has -- that is
19 a benefit of that, as we actually have a breather and
20 are able to do some things that are important that we
21 couldn't do when we were having two cycles a year. So
22 we thank you for that, too.

23 MR. ROGERS: Thanks, Beth. One thing that
24 we do every time we meet, almost, is talk about our
25 fund balance. I'll go ahead and lay it out for you.

1 January 31 it was 247, almost \$248 million. Staff, we
2 have looked at this. We've chewed on it. And I think
3 a primary goal is to manage this the best we can. One
4 thing, I think, that we're going to start doing in
5 managing this is to talk about -- talk about
6 management rather than just look at the number.

7 The fund balance is always going to be a big
8 number. We're never going to get it down to \$100
9 million. We're never going to cycle through \$100
10 million every year most likely. But I think it's
11 incumbent upon us to make sure our processes are as
12 efficient as possible with regards to paying invoices
13 and working it down and managing it the best we can.
14 And that is a priority of ours.

15 We will do a good job and do our best.
16 We'll explain to the legislature the best we can.
17 It's important, right now, that we focus in on the
18 awards that were made in 2008, make sure they get
19 under contract so that they can be secure and we can
20 continue to work those contracts and keep those awards
21 out there. Because, as I think Phil has said, any
22 funds not under contract are going to be vulnerable,
23 most likely. So our effort is to get those under
24 contract and, again, look at ways we can manage our
25 fund balance.

1 We can look at the old contracts that have
2 not been pursued that, as we say, are laggards. But if
3 we unencumber those funds, it's really not going to do
4 much to our fund balance. It's still there. It's --
5 we're re-awarding and continue to get this money out.
6 I think the big issue here is making sure that we
7 manage the contracts that we do have, turn around the
8 invoices, and write the checks as quickly as we can,
9 making sure that our projects are being managed
10 appropriately and the funds are being spent
11 appropriately.

12 I'll be glad to answer any questions or have
13 Christopher or Beth answer any questions that you all
14 might have with regards to this. But this is on our
15 minds every day. And, again, we're looking at ways
16 that we can better manage it and keep it as reasonable
17 as possible.

18 MR. BADDOUR: Bill?

19 MR. HOLLAN: Richard, of the 248 million,
20 how much of that is unencumbered?

21 MR. ROGERS: What is that number?

22 MS. MCGEE: Well, our encumbered was 181.

23 MR. ROGERS: Yeah. We've got -- there is
24 181 that is income that -- that is encumbered. So
25 that means that we have 65 million, 67 million or so,

1 66 million.

2 MR. BADDOUR: That's not right.

3 MS. MCGEE: Yeah.

4 MR. ROGERS: Yeah. That's --

5 MR. BADDOUR: Well, that would be most -- I

6 mean, that would be mostly from this last year's

7 appropriation?

8 MR. ROGERS: That's correct. We'll hand

9 this sheet out to you just as a reference.

10 MR. BADDOUR: Any questions of Richard on

11 that point?

12 (No response.)

13 MR. BADDOUR: Okay, Richard.

14 MR. ROGERS: Next, we -- I, kind of, want

15 to go into the legislative outlook for this coming

16 session. Well, let's -- we had a good discussion.

17 We'll go back through just the budget reductions. And

18 we flashed up on the screen what we were anticipating,

19 what you all had set aside. I just want to

20 reemphasize a point that one thing we're going to do

21 with all under-fund requests or reallocation, we're

22 going to hold onto those and bring those back to the

23 board in June so that we have those funds available.

24 And, again, looking at these older contracts to make

25 sure that these folks are in -- are working on them in

1 earnest, and any contracts that have not met with --
2 met their requirement we'll also bring back to you in
3 June for unencumberance as well. So we are very
4 attentive to that.

5 I think that Mr. Vaughn makes a great point
6 that we don't know what the end numbers are going to
7 be, and that we need to make all -- we need to put all
8 our efforts to making sure we have funds available in
9 order to meet that number in the end. By June we
10 should have a great idea of what we have. I think,
11 there's some pending projects that were awarded, the
12 St. Paul's project and one other acquisition project
13 that was awarded dependent upon available funds.
14 We'll have that before you in June as well so that you
15 all can make decisions with regards to what we do have
16 in balance, and then make final decisions on those.
17 So, again, reduction is important.

18 One other point I think we need to note, we
19 talked some about the upcoming session. The point was
20 made that the Board was the ones that manage the
21 budget with regards to this agency. They manage the
22 administrative budget, and they also manage the award
23 budget. And it will be, kind of, difficult for us to
24 make any adjustments before we know what we're going
25 to get in hand. Once we do know, then we'll make

1 every effort to make sure that we meet the needs
2 according to what we were allocated from the
3 legislature. I just want to make sure you all
4 understand that, and that we'll be reporting to you
5 with regards to those advances as we move forward in
6 the legislative session.

7 With regards to the legislature, as we go
8 through, every two years we start a new cycle. The
9 budget [*sic*] will -- I'm sorry. The governor will
10 introduce her budget. The tentative date for her
11 State of the State is March 9th, and pursuant to that
12 on March 10th, looking to put the budget before the
13 legislature. So, at that time, we'll have an idea of
14 where we will be with regards to the governor's
15 budget. And that's about it for the governor's
16 budget.

17 Then it quickly becomes a senate budget,
18 because they're the ones that are going to develop the
19 budget first this year. There's some speculation they
20 might have a budget prior to the governor's budget,
21 but I don't know. We'll see how that goes.

22 They -- the legislature is in the process of
23 forming and getting their committees set. The senate
24 has already set their appropriation committee. The
25 chairs of that committee are Senator Linda Garrou,

1 Senator Dannelly, also Senator Albertson and Senator
2 A.B. Swindell. So, I think, we have some friends in
3 that role and that know our programs very well. So
4 we're looking forward to working with them.

5 The subcommittee that our program works in
6 is the Natural and Economic Resource Committee. The
7 senate chair -- co-chair of that is Senator Weinstein
8 and Senator McKissick, both of those were the
9 co-chairs of the subcommittee last year, so we're
10 familiar with them and look forward to working with
11 them through the process as well. Anticipating the
12 House to make their appointments this week, and,
13 hopefully, they'll be getting to work in earnest next
14 week as well.

15 Lisa mentioned -- and we've mentioned that
16 we've had a sit-down meeting with the Speaker of the
17 House. I thought that was very productive and, I
18 think, he appreciated the attendance of the Trustees.
19 All the Trustees showed up, and I appreciate that as
20 well. It really shows your commitment and your
21 appreciation for the work that the speaker did -- does
22 as well.

23 We are in the process of trying to get that
24 same meeting set up with Senator Basnight. And,
25 hopefully, in the next few weeks we'll be able to do

1 that. As soon as we know, we'll get that information
2 out to you. And we're currently working with the
3 governor's office, too, to see if we can have a sit-
4 down with them as well. So we're -- we'll continue to
5 work. I think it's a bit of sense of urgency with
6 regards to the governor to make sure we try to get in
7 prior to her dropping her budget on March 9th. And
8 we'll continue to do that.

9 Lisa mentioned the one hand [sic] -- one-
10 page handout. That --

11 MR. BADDOUR: Richard --

12 MR. ROGERS: Yes, sir.

13 MR. BADDOUR: -- just before you leave
14 that, I just wanted to comment that in the -- when
15 Governor Perdue was inaugurated, you know, they have a
16 booklet or whatever that's passed out at the
17 inauguration. And she mentioned two or three, maybe
18 three or four of her legislative accomplishments. And
19 one of those was the creation of the Clean Water
20 Management Trust Fund. And I was pleased, and I know
21 you all were pleased to see that she views that as one
22 of the highlights for her career. Of course, we all
23 know that it was legislation that was pushed and
24 recommended by Senator Basnight. But she was the
25 appropriations chair at that time, and, as Joe Hester

1 legislature. That process will begin in earnest
2 hopefully this week. My intention is to start meeting
3 with the co-chairs or the subcommittees, and sitting
4 down and talking through with them and connecting
5 ourselves with the economy, the importance of our
6 program to protection of natural resources as well as
7 our wastewater and stormwater programs. I think it's
8 important that we give them this background so that,
9 when they're going into the discussions about what to
10 cut, they understand how we are connected and how
11 we're critically connected to the economies of the
12 state. So we'll be getting -- begin that in earnest
13 the coming week. The idea is to work through the co-
14 chairs and subcommittees, the chairman as well, and
15 then work the subcommittees, and then we'll reach out
16 and with an intent on hitting most of the legislators
17 as we go through this long session. And it's
18 basically sitting down, going through it, and making
19 sure we can answer any questions and building that
20 rapport with them.

21 One other thing -- well, I guess, in
22 connection to that, we're also working with some of
23 our big -- some of the clients, the conservation non-
24 profits, DENR, Wildlife Resources, as Lisa mentioned,
25 to work on a single message. And we are continuing to

1 meet, and will begin our meetings, probably on a
2 regular basis, this Friday to talk about the
3 legislature and what we need to do, who we need to
4 communicate to, and, hopefully, we'll reinforce
5 ourselves in support for the program by working with
6 the conservation non-profits, local governments.
7 Ellis and Jim were here yesterday. We'll make sure we
8 stay in contact with them and make sure they keep us
9 in the forefront of their desired needs, you know,
10 across the street as well.

11 We -- last year with regards to just basic
12 communication, we tried to have a weekly summary that
13 I emailed out of what was going on in the legislature
14 specifically as it pertains to Clean Water and a few
15 other -- any substantive legislation that might be of
16 interest to us. So, with Lisa's help, we'll continue
17 that.

18 I think the question here is, is there
19 anything else that we need to do? Our process last
20 year with regards to bills that interest Clean Water
21 or may have an impact of Clean Water, that we would
22 circulate that, first, through our legislative
23 committee for review, and then get some response, some
24 position on that bill, if we need to take a position.
25 And once we did that, we'd circulate all the

1 legislation in what the legislative committee had
2 decided to the Trustees for their input and feedback.
3 I'm assuming that that will work fine. We really
4 didn't have any substantive legislation last year that
5 impacted us. There's definitely potential this year,
6 but that is the process that we're planning to use
7 unless we can think of a better way to manage it.
8 And, again, if you all have suggestions on what we can
9 do better, how we can better communicate, keep you all
10 informed, just let me know.

11 One other note, and, again, we -- you all
12 have your lives. But we will also, with regards to
13 specific hearings, things of that nature, there's
14 audio available across your computer. And we were
15 planning to let you all know, on a specific
16 hearings -- hopefully, they'll be a day in
17 subcommittee that we'll review Clean Water. We may or
18 may not be able to get audio. But when we have
19 subsequent legislation or information that's important
20 for you all, we will let you all know and send you a
21 link to the hookup. And if you have time when that
22 committee's meeting, you're welcome to join via audio,
23 hear the debate and discussion around the bill. And
24 it can be background noise, if you're interested, but
25 we do think it's important that we make that available

1 to you, and we'll try to keep you noticed on that.

2 Mr. Chairman, that ends my report.

3 MR. BADDOUR: Okay. Questions? Stan?

4 MR. VAUGHN: I was just going to make an
5 observation that -- what I told Lisa. I thought this
6 was excellent, this one-page sheet. \$950 million in
7 grants and \$248,000 in fund balance -- that, in
8 effect, says that over 25 percent of the grants we've
9 made are still in process in some form or another.

10 MR. ROGERS: Right.

11 MR. VAUGHN: Or another way of putting
12 that is that funds we receive from the state
13 legislature for the last two and a half years were
14 unspent. And that's not actually -- that's not the
15 fact, because some things do move faster than others.

16 MR. ROGERS: Right.

17 MR. VAUGHN: It might help, on that
18 particular \$248 million fund balance, if we could
19 break that down between acquisitions, stormwater and
20 wastewater. Because I think what it's going to
21 highlight is how slow the wastewater funds move
22 compared to the rest. I know you've all known that,
23 but that's what I would suspect. And if that's the
24 case, I think that's a -- would help us in explaining
25 our fund balance to the legislature, the fact that

1 stormwater and wastewater contracts are three, four,
2 and five-year projects amounting to one of their
3 projects.

4 MR. BADDOUR: Stan, I think that's a good
5 point. And, you know, really the action that we took,
6 when was it, last year to -- with regard to the
7 wastewater projects just to fund the design and
8 planning separate from those that weren't ready for
9 construction, that decision really hasn't had the
10 opportunity yet to have its full impact --

11 MR. VAUGHN: Right.

12 MR. BADDOUR: -- on what we're doing. And
13 I think once you do look -- just what you said and add
14 to that, that in recognition of that we've, kind of,
15 done something about it, but it's going to take a
16 little bit of time for that to show up. You make an
17 excellent point.

18 Richard, can we?

19 MR. ROGERS: Yeah. We'll be glad to do
20 that.

21 MR. BADDOUR: Yeah. Let's do that. Any
22 other comments? Any other suggestions or -- about
23 questions for Richard?

24 MR. ROGERS: I believe we have the slide
25 presentation now. This will just take a few minutes,

1 but I think it's a good retrospect of last year's and
2 some of the projects we did. And it will warm your
3 heart.

4 MS. SCHELL: If this works, I'll never say
5 another bad thing about Microsoft again.

6 (Comments off the record.)

7 MS. SCHELL: But, again, these are just
8 some of the projects.

9 (Comments off the record.)

10 (Slide show runs partially.)

11 MS. SCHELL: So much for that, Richard.

12 MR. ROGERS: All right. One thing we can
13 do is we can burn a disk with this on it if anybody's
14 interested in it. And it does have music with it. It
15 would probably do a little better on your computer.
16 So, if you're interested, let us know.

17 MS. CRANOLIN: Could that be on our web?

18 MS. SCHELL: Yes.

19 MR. ROGERS: Yes.

20 MS. CRANOLIN: And will that one sheet of
21 information you all put together about the impacts be
22 on our web?

23 MR. ROGERS: Yes.

24 MS. SCHELL: I think I've already posted
25 it on there, so it's --

1 MS. CRANOLIN: Okay.

2 MR. BADDOUR: Thank you, Lisa. And Lisa
3 is a very fine photographer. We also have a very fine
4 photographer among our Board members who's actually a
5 master at it, John McMillan. And some of you have
6 been able to enjoy the photographs that have been
7 passed around this morning that he took when we did
8 our tour last year. And we're appreciative of that,
9 Mr. McMillan.

10 MR. McMILLAN: You're welcome to take any
11 of those pictures that you might want of yourself or
12 somebody else on the Board you might want to take.

13 MR. BADDOUR: And I have taken some of them
14 myself, and I hope other Board members will, too.
15 Okay.

16 Next on our agenda is consideration of
17 approval of the innovative stormwater applications. I
18 want to thank Joe Vester [sic] and Yvonne Brannon for
19 their work on this. Remember, we did a request for
20 proposals, and I'm going to let them tell you about
21 it. What you're going to have today are
22 recommendations from the co-chairs and from staff
23 about this. This has not been to the committee.
24 There really has not been an opportunity for it to go
25 to the committee, so this will be before the Board.

1 We will, today, treat this as -- as we would if -- if
2 it was going before a committee, so we'll have the
3 kind of presentations and discussions that we would
4 usually have at a committee meeting. So with that,
5 I'm going to turn it over to our co-chairs, and you
6 tell us how you want us to proceed.

7 MR. HESTER: Well, we'll just start, I
8 mean, to summarize this. Before we start, I would
9 like to put on the record that I'm informed that
10 yesterday Kevin Markham recused himself from three
11 projects, 2008-1005, 1018, and 1019. So I'd like for
12 that to be made part of the record.

13 I would like to remind the Board that -- oh,
14 before I do that, it was interesting -- I'm sorry Bill
15 walked out. What I mentioned to Chairman Baddour was
16 we received an invitation early on from the now
17 Governor, Beverly Perdue, to meet at her -- behind her
18 office in the legislature within the first year of the
19 Trust Fund. It was an invitation that one does not
20 refuse. And so the Board -- some of us will remember
21 going up there and having a lovely time with the
22 Senator Perdue at the time. But she reminded us that
23 the emphasis that was being placed on this Clean Water
24 Management Trust Fund might be weighed -- might -- we
25 might have weighted a little more heavily than we

1 should have toward Senator Basnight. And she reminded
2 us that he was not the only person involved in the
3 formation of the Clean Water Management Trust Fund,
4 and of those others, she was one. So, we took that to
5 heart, and we understood that. And we're now glad
6 that she's the governor of the state.

7 So, anyway -- this is another reaction to
8 the General Assembly and this innovative stormwater.
9 As you all recall, a new legislation -- I was pleased
10 that we were proactive in it. Richard and Phil, and
11 we formed a committee as you remember. We met several
12 times. We came up with a request for proposals. A
13 lot of work went into it. And the result is the
14 applications that you have seen before you. And of
15 those applications -- remember we set aside, I think,
16 five million dollars to be allocated toward innovative
17 stormwater. And the staff and Yvonne and I are only
18 recommending to you 3.9 million. So, in response
19 to -- that's one way to look at a response to the
20 budget is, is it's already 20 percent less than what
21 we allocated that we're recommending that be funded.

22 These projects -- well, I was hoping we'd
23 have more dynamic projects than we do. I think all
24 that are -- that we recommend are worthwhile to be
25 funded. And what we'd like to do is go forward one by

1 one and try to be as brief as we can. I will
2 basically introduce them. If you have any questions,
3 Kevin, who worked very hard on this -- of course, Will
4 did and other members of your staff. It was
5 interesting to see all this happen.

6 So with that having been said, Kevin, we'll
7 just start at the top. Is that okay with you?

8 MR. BOYER: (Nods affirmatively.)

9 MR. HESTER: I mean, I'll start, if it's
10 okay?

11 MR. BOYER: Yes.

12 MR. HESTER: The first one -- you have a
13 handout in your package. Well, that handout has a
14 list of those projects that we recommend. And
15 attached to that are descriptions of each of the
16 projects and the amounts requested, the amounts we
17 recommended. And so you can go through those one at a
18 time. We're starting at -- as you can see, it also
19 has a running total, for those of you who are
20 concerned about the money. We have our own total as
21 the amount of funds that are recommended we spend.

22 And we'll start with the Town of Wake
23 Forest, and this is basically, sort of, interesting.
24 A "Floating Island BMP" where they're going to set up
25 two wetland demonstration projects -- well, more than

1 demonstration, monitor the effectiveness. One of them
2 they're going to use without a floating island, and
3 one with. They're going to monitor those and
4 determine the effectiveness of that sort of BMP.

5 Kevin, do you want to add anything to that?

6 MR. BOYER: No.

7 MR. HESTER: Well, you can see --

8 MR. BADDOUR: What is a floating island?

9 MR. HESTER: Well, we don't know. What it
10 is is what it says. I mean, I don't know how it's
11 going to function. But what it is, is exactly what it
12 says. It's a floating device that's going to be set
13 on the water, which adds additional treatment uptake
14 for stormwater to further -- to make the wetland even
15 more effective. And so what they're trying to do is
16 to design one wetland without it and monitor that and
17 see what the effects are; one wetland with it and
18 monitor that and see what the effects are to see if
19 these sorts of things work.

20 MR. BOYER: They're floating islands of
21 vegetation, mats of vegetation that, I guess,
22 traditionally or historically have been used primarily
23 for landscaping and water gardens, more recently have
24 been used for nutrient reduction or nutrient uptake,
25 and for polishing in wastewater treatment, but has not

1 been applied in -- for treatment of stormwater runoff.

2 MR. HESTER: So that's a great question
3 and that's what they're -- why we're doing it, or why
4 they're doing it, to answer what is it and is it
5 effective, and how well it will work.

6 MR. HOLLAN: Joe, this floating island is
7 a proprietary device, and several of these that we've
8 got today are proprietary devices. In the past, we've
9 been a little bit leery of getting in the business of
10 being the underwriter's laboratory for proprietary
11 devices. And I don't know whether we could somehow
12 get a return to the state for proving out these
13 innovative technologies, if we do it, and then the
14 state mandates use of these things. We've benefited
15 somebody who owns this. I have no objection to people
16 owning patented devices, and if they're good, to
17 having them used. But sometimes the people who help
18 develop or prove them out have an opportunity to
19 participate either through availability of a discount
20 for using it in North Carolina or something. I don't
21 know how that might work. But maybe we could ask them
22 if they would offer up anything as part of this
23 process, and just see what might happen.

24 MR. MARKHAM: Mr. Chairman?

25 MR. BADDOUR: Kevin?

1 MR. MARKHAM: Yes. In reading through
2 this, I had the same concerns about proprietary
3 devices. However, I think it would be a good project
4 for us to assist in evaluating whether or not it's as
5 effective as the manufacturer is purporting. I
6 believe they were indicating that a 250 square foot
7 device is as effective as a one-acre wetland. So in
8 terms of being innovative, if indeed it does work, it
9 shows that we can get better BMPs into smaller areas.
10 And if it doesn't, at least we'll have the idea as to
11 how effective it really is.

12 MR. BADDOUR: Mr. Chairman, Joe, do you
13 want us to -- is your idea that we would approve these
14 one at a time, or do you want to go through them all
15 and get your recommendations? Tell me how you want to
16 do it. Or do you care?

17 MR. HESTER: Well, I would -- I don't know
18 what the response -- how much discussion the Board
19 wants to have as to each one of them. I think --

20 MR. BADDOUR: Well, I want us to hear about
21 each one in, at least, the detail that you just gave,
22 because this is a new thing, and I think it's
23 important that we really do have some explanation of
24 what each and every project is. We've got time to do
25 that today, so let -- why don't we -- why don't we go

1 through them all, and then we'll go back and you can
2 tell us what your recommendation is, and then we'll go
3 back and vote?

4 MR. HESTER: Well, the staff
5 recommendation, of course, here is to fund up to
6 \$341,000.

7 MR. BADDOUR: Okay.

8 MR. HESTER: In that case, of the total
9 project of 628,500.

10 Let's move on to the next one. It's right
11 where we are. It's Durham Soil and Water
12 Conservation. And this project, number 1006, is a,
13 kind of, unique thing. First of all, it's in an area
14 that we've helped fund some things in the past, and
15 there's a lot of monitoring information that's already
16 available for the streambed area and the watershed that
17 we're talking about. But what they're primarily --
18 well, what they're planning on doing is using the
19 floodplain more -- this is a good word -- proactively
20 by shunting water during rain events through the
21 floodplain that wouldn't ordinarily go through the
22 floodplain, and then monitoring how effective the
23 outfall -- outflow of that is, if that's an effective
24 description of it.

25 We had one other project we looked at with

1 this Board, and I can remember the map. If you just
2 see a screen, and then this -- picture a floodplain
3 off to the right, and it's going to shunt water
4 through that floodplain and monitor the outflow. It's
5 just going to make the floodplain, in effect, more
6 active and a stormwater BMP. That's the effect of
7 that project. And it's done by -- I think, Kevin says
8 it's done by people that we trust and have done good
9 work in the past and have good statistics, and we
10 should get excellent monitoring results. That is --
11 let me see what their total is, if I can look on my --
12 I have a different sheet than you guys. The
13 recommended amount there is 490,000 as you can see.

14 Discussion about that one?

15 BOARD MEMBERS: (No response.)

16 MR. HESTER: Okay. The next one is the
17 City of Raleigh. This is one, an urban landscape
18 situation where -- and this is -- and there's some
19 private proprietary elements in some of these, and
20 private development in some of these, and this is one
21 of those. It's a private development where Whole
22 Foods will be, and other businesses, and it's a
23 project to try to evaluate primarily under parking lot
24 drain fields. And I'll ask Kevin. He knows more
25 about that sort of thing. I'll ask Kevin if he'll

1 describe what actually that is.

2 MR. BOYER: The thrust of the project is
3 to store stormwater runoff and direct it through a
4 drain field under the parking lot of this new
5 development, private development, to reduce the amount
6 of runoff going into the stream, and to increase
7 infiltration to groundwater recharging the water
8 table. That's most of the project.

9 They'll also be looking at some spray
10 irrigation for using this stored stormwater, and a
11 rain guard. The funding -- the Trust Fund funding
12 would go only to work done above and beyond what is
13 required by city and state regulations and ordinances.

14 MR. HESTER: And you can see that the co-
15 chairs and staff recommend 562,000 in that case.

16 MR. HOLLAN: Kevin, this one was
17 contingent on them getting a rezoning in December of
18 2008. Do we know whether they got the rezoning?

19 MR. BOYER: I do not know. I do know
20 that city staff did not anticipate any problems with
21 that going through, or anticipated that there would be
22 no problems with that going through. And we've also
23 checked the development, is it a go. I was concerned
24 that the development might be on hold, as a lot of
25 developments are now, and it still is a go.

1 MR. BADDOUR: If this kind of thing works,
2 would that mean that you would not have to have, like,
3 a sediment -- a pond or what have you? I mean, is
4 that the idea --

5 MR. ROGERS: Exactly. Exactly.

6 MR. BADDOUR: -- that you'd be able to --

7 DR. BRANNON: Yes.

8 MR. HESTER: This is an urban landscape.
9 As I understand, it's an urban landscape situation,
10 and, of course, that's one of the most difficult
11 situations to handle the stormwater runoff.

12 DR. BRANNON: I think it'd be kind of cool.

13 MR. HESTER: So that's --

14 MR. BADDOUR: It is.

15 MR. BOYER: We're moving toward --

16 MR. HOLLAN: It's very expensive, Mr.
17 Chairman.

18 MR. BOYER: -- (inaudible) the BMPs.

19 MR. HOLLAN: -- I mean, it's very
20 expensive as compared with surface retention if you
21 can do it. But this is -- evidently is a six-acre
22 site where there's not any room to do a surface pond,
23 so they're -- it's going to be a lot of money for
24 this. And it looks like the developer is paying
25 400,000, which would have been his normal expense.

1 And the difference is what we're going to pay. So it
2 will end up being -- still being a BMP that would be
3 twice as expensive as what our -- or maybe not 'cause
4 there's some monitoring in here. But it will still be
5 a very expensive kind of BMP to eliminate a surface
6 water pond.

7 MR. HESTER: The next one, number four, on
8 your list is Bill Hunt's -- Bill Hunt from N.C. State
9 and was a member of our committee. And when I first
10 read it, I thought -- but the more I thought about it,
11 it's, sort of, an ingenious thing. It's called "Level
12 Spreaders," and it's trying to sheet flow stormwater
13 across grass strips and keep them level so that it
14 will infiltrate water. And it sounds, sort of -- it
15 sounded to me, kind of, weird. But the more I thought
16 about it, if something like this is effective, and
17 that's what this is, innovative stormwater, try to
18 test it and see what happens. If it is effective,
19 certainly it's a simple way to do it when you have the
20 landscape available and it's going to be done down in
21 Wilson.

22 Bill Hunt, apparently, is recognized as one
23 of the leading stormwater experts in probably the
24 nation, maybe in the world, but certainly in the
25 state. And so I would trust him to do a good job of

1 that.

2 Any additional comments? Kevin?

3 MR. BOYER: It's the combination that
4 makes it innovative. Level spreaders are pretty well
5 established, although there are some operating
6 problems. The idea behind a level spreader is to take
7 flow that otherwise might be concentrated in a ditch
8 or channel, and spread it out so it flows over land.
9 The -- what's innovative here is putting that in
10 combination with vegetated grass strips rather than
11 just letting it sheet flow to a stream is making it
12 sheet flow over a treatment device and developing some
13 data over optimizing that design -- testing it's
14 effectiveness and developing data for optimizing that
15 design. This will be located in a riparian area near
16 a stream, also.

17 MR. HESTER: And I'd have to say the
18 recommended amount there is 190,000. All of these
19 recommended amounts are relatively small given our
20 traditional grants historically, I think.

21 The next one is Pivers Island, which is the
22 Duke Marine Lab. There's also a federal building, I
23 think, on that. There's a NOAA building or something
24 on Duke Marine Lab Island there in Beaufort. And this
25 is, sort of, a combination. I'm going to ask Kevin to

1 talk about all of it. The way I think of it is it's a
2 combination of various BMPs. It's in a great
3 location, because you have so many students and others
4 who come to the Duke Marine Lab and to the -- is it
5 NOAA?

6 DR. BRANNON: It is NOAA.

7 MR. HESTER: NOAA -- that go there, and
8 they also have a problem with stormwater runoff from
9 the activities at the Duke Marine Lab. It's a small
10 concentrated island, and I think it's a great
11 demonstration project for a number of different BMPs,
12 and I'll ask Kevin to describe those.

13 MR. BOYER: Okay. And I'll be asking
14 Sarah for some help, too. But the -- taken
15 individually the numerous BMPs in this project are not
16 necessarily so innovative. What's attractive about
17 the project is that it's a great demonstration project
18 with good visibility for a range of stormwater BMPs
19 very carefully selected for the setting and the type
20 of pollutants that would be passing through these
21 BMPs, and the attractiveness of the location being a
22 center for research and continuing education in the
23 environmental field.

24 Sarah, could you add to that, please?

25 MS. KING: I'll just elaborate a little

1 bit on the different -- the different areas they're
2 targeting. Two examples I would give is they have a
3 boat ramp area where they are targeting oil and grease
4 where they launch their boats and the selected the
5 device as to target those pollutants. Another example
6 is they have some aquaculture runoff, and so
7 they're -- the target nutrients -- or the targeted
8 pollutants are nutrients and dissolved oxygenates, and
9 so they're trying to address those things.

10 It's also a good example of an island life
11 management. They did complete a planning grant with
12 us and are now trying to implement that plan. And
13 they do have some good collaborative efforts between
14 the NOAA lab, in terms of monitoring, and the Duke
15 Lab. And I'd also add that they have included an
16 educational trail around the perimeter of the island
17 that would have signage and highlight the different
18 BMPs.

19 MR. HESTER: Comments? And you see the
20 recommended amount, 496.

21 Moving on to the next one, this is a
22 mountain one. And what it is is the problem with
23 runoff on steep slopes. And, as I understand it from
24 Kevin -- I think he'll correct me if I'm wrong -- is
25 a, sort of, belief that you really can't do much about

1 it, that at steep slopes, that it's going to erode
2 when you have construction, et cetera, and you give up
3 and let it all run into the streams. And this is a
4 BMP designed to basically terrace these things. And I
5 told Kevin, when we were working on this, and he said,
6 "This was new and innovative," and I said, "Yes, at
7 least as new as the Maya in South America. It's at
8 least that new. I think they used the same terracing
9 devices to catch water, way back then, I think, if I
10 remember correctly." And he said, "Well, maybe.
11 We've forgotten about it. We need to do it again."

12 So -- but I think, in summary, it's designed
13 to see if we can have a BMP in the mountains on steep
14 slopes that will reduce sediment runoff, et cetera, as
15 a result of stormwater.

16 Anything else, Kevin?

17 MR. BOYER: Sure. The well cisterns are
18 old and new again, also. But one thing that's
19 different about the stormwater management in the
20 mountains is that storms tend to be more quick,
21 intensive storms, intensive rainfall. With steep
22 slopes, there's more -- a higher rate of runoff, more
23 runoff, and with development that's even more runoff.
24 So, runoff in streams tend to be what's often called
25 "flashy."

1 Also, a lot of BMPs are -- the design
2 criteria are for them to be relatively level on level
3 ground, and that's in short supply in mountain
4 settings. And where it isn't -- where it is
5 available, it's attractive for development, not for
6 stormwater BMPs or roads or other public facilities.
7 What this project will look at is using a terraced
8 rain garden or bio-retention area so that the shape
9 and configuration of the BMP can conform to the
10 landscape, and to demonstrate its effectiveness,
11 ideally, in that setting.

12 MR. HESTER: And the amount that is
13 recommended is relatively small, 82,000.

14 MR. BOYER: That is not the entirety of
15 the project, but that's the most important aspect of
16 the project.

17 MR. HESTER: Moving on to the next one,
18 let's see. Mountain Valley. This is Asheville,
19 right, Kevin?

20 MR. BOYER: Yes, it is.

21 MR. HESTER: Yeah. This is a green roof
22 in Asheville. This is on private property, but it was
23 in a location where I'm told has high visibility.
24 It's also -- the tenant is environmental friendly and
25 wants to do something to protect the environment to

1 the extent that they can. The green roof itself is
2 certainly not innovative, and John McMillan
3 overwhelmingly supported the green roof of Durham
4 project. But it's the support system that is one of
5 the things that is innovative about this. Part of the
6 problem with adding or making or turning roofs into
7 green roofs is the weight problem, weight
8 distribution, et cetera. It's my understanding that
9 they have a system that they hope will work
10 effectively, and it will be -- therefore, be easier to
11 convert to similar roofs of this sort of thing.

12 Kevin, do you want to add to that?

13 MR. BOYER: Yes. Well, green roofs are
14 becoming more and more recognized as not just
15 pollutant-removal devices, but as detention devices,
16 even retention devices that is preventing runoff from
17 happening, and storing it, and then evaporating it to
18 the atmosphere. Some substantial reductions of runoff
19 have been demonstrated, and Bill Hunt has been part of
20 this by green roof. So they're not solely pollutant
21 removant [*sic*] -- removal devices. They're volume
22 treatment devices as well.

23 One impediment to the use of green roofs is
24 often the roof structure needs to be reinforced. This
25 application would look at an alternative roof support

1 system external to the building, a truss system that
2 ideally, if it works, would reduce the cost and make
3 more attractive the application of green roofs.

4 MR. HESTER: The roof -- Kevin?

5 MR. BADDOUR: Kevin.

6 MR. BOYER: Again, that's not the entire
7 project, but that's the thrust of it.

8 MR. BADDOUR: Kevin?

9 MR. MARKHAM: We won't be liable if the
10 roof or the building collapses, will we?

11 MR. HESTER: I don't think we'll be liable
12 if we -- go ahead, John.

13 MR. BOYER: If we are, we are liable on
14 a lot of stream restoration projects that are --

15 MR. HESTER: Mr. McMillan?

16 MR. McMILLAN: Anyway, who is Doggone,
17 L.L.C.?

18 MR. BADDOUR: The applicant.

19 MR. BOYER: They -- they are not the
20 applicant, but they are the owner --

21 MR. HESTER: The owner of the building.

22 MR. BOYER: -- of the building --

23 MR. HESTER: Yeah.

24 MR. BOYER: -- and the property.

25 MR. McMILLAN: But who are they?

1 MR. BOYER: Just a private developer.
2 One of the partners in the development -- of the
3 developer is with the engineering firm that is
4 pursuing this project, and will be the tenant of the
5 building. They have not yet moved in. They're about
6 to move in. So, they'll be -- they'll be owning it,
7 living in it, maintaining it, Altamont Engineering
8 [sic] -- or Altamont Environmental.

9 MR. BADDOUR: So if it doesn't work, they
10 have nobody to blame but themselves, right?

11 MR. BOYER: If the building falls in, it
12 falls in on them. That's right.

13 MR. HESTER: And the request is 218,000
14 for the recommended -- or staff recommendation.

15 Moving to number eight --

16 MR. HOLLAN: Joe?

17 MR. HESTER: Excuse me.

18 MR. HOLLAN: I was also skeptical of the
19 Durham thing. This is a 4,000 square foot building.
20 I mean, that's less than a tenth of an acre. And
21 we're talking hundreds of thousands of dollars,
22 \$200,000 for less than a tenth of an acre. It says it
23 will catch the first inch, and then beyond that, I
24 guess, it overflows and goes somewhere else. I mean,
25 that's not very much water to deal with for \$200,000

1 on 4,000 square feet.

2 I just -- the reason it's innovative is
3 nobody else in his right mind would do this, I don't
4 think. I mean, that's my take on it. If I were -- I
5 don't know. I think there are easier ways to get
6 4,000 square feet -- an inch of rain on 4,000 square
7 feet than to spend \$200,000, but that's my take.

8 MR. HESTER: We'll let me -- I was looking
9 for one thing.

10 MR. BADDOUR: What number was that?

11 MR. ROGERS: Number 1031.

12 MR. HESTER: And I'll ask Kevin about
13 this -- that's not the only BMP they're doing it at
14 that site.

15 MR. BOYER: That's correct. That's
16 the --

17 MR. HESTER: There are actually --

18 MR. BOYER: -- that's the thrust of the
19 project.

20 MR. HESTER: -- I think --

21 MR. BOYER: And most of the -- most of
22 the funding will go to that, but it's not the only
23 one.

24 MR. HESTER: Right. And there are also
25 rain garden systems like swales and pocket wetland and

1 permeable pavement. So it's the majority of the
2 money, but it's not all the money that's going to go
3 to that, the green roof system. Okay.

4 The next one -- you have to be very
5 suspicious here of lawyers. Pardon us, Bob. You know
6 how we don't trust lawyers. We've got to be very
7 careful here.

8 The parking lot, law office,
9 mountain area -- and what they're doing is, or want to
10 do, is to evaluate the effectiveness of permeable
11 pavers. And, apparently, there is a belief that, in
12 the mountain setting, they really are not going to
13 work very well, and not be very effective. And so
14 this project is -- once again, you have a tenant, in
15 this case a law firm as I understand it, who would
16 like to be proactive in terms of their environmental
17 stance in the community. And so that's why this site
18 was selected. And it's to test -- and I think, by the
19 look of these pavers, these are not typical permeable
20 pavers, I don't think. And beneath those are various
21 amounts of -- well, I'll let Kevin tell you. Go
22 ahead.

23 MR. BOYER: I believe they're all
24 conventional pervious pavers. What's different is,
25 first of all, the setting. They want to evaluate them

1 in the setting and either demonstrate that they can be
2 effective in the mountains or not. That is,
3 there's -- conventional wisdom is that they will not
4 be, but that's without data. And second is to
5 evaluate a couple of variables in their design. The
6 benefit -- the primary benefit of pervious pavers is
7 the storage of runoff in the gravel layer beneath the
8 paver, and delaying that runoff and promoting
9 infiltration. And they want to not only demonstrate
10 the effectiveness of the paver in storing runoff in
11 the mountains, but also evaluate alternative --
12 variable depths of the gravel layer to see if they can
13 get increased benefit with greater depth of gravel,
14 and also different types of gravel to see if they can
15 get pollutant removal.

16 MR. HESTER: And the request there, 1011,
17 is 136.

18 MR. BOYER: Excuse me. One other thing
19 if I may, Mr. Hester, is another variable they want to
20 evaluate is temperature in the mountains, and, in
21 particular, trout streams, and which this is a
22 tributary to a trout stream. Temperature is very
23 important. In the summer, the runoff is -- the
24 temperature is elevated substantially to the detriment
25 of trout and other fish. By detaining the water in

1 the gravel layer, they're hypothesizing that the
2 runoff that's released will have a much lower
3 temperature, and that's one of the important variables
4 they'll be looking at.

5 MR. BADDOUR: Mr. Hester, Joe, let me ask
6 you about this project, but also about any of the
7 projects that we are -- will be done on private
8 property as opposed to public property. Are we
9 funding the additional cost that the private property
10 owner would have to spend to do this innovative thing,
11 and the private property owner has still got in the
12 project as much as they would have if it had just --
13 they had done it in the traditional way? I guess
14 that's what I'm asking.

15 MR. HESTER: Is it above and beyond its
16 true -- the general answer is yes. I'll have to ask
17 Kevin specifically about those.

18 MR. BOYER: We've been very careful to
19 make sure we aren't supporting or subsidizing their
20 compliance with ordinances and regulations. And for
21 some of the applications, the applicant is sharing in
22 the cost of the above and beyond, and some of them,
23 the grant would pay for the above and beyond, only the
24 grant.

25 MR. HESTER: But that was our idea, was to

1 be paid for the above and beyond part.

2 MR. BADDOUR: But just the above and beyond
3 part? Okay. I wanted to make that --

4 MR. HESTER: To use, pretty well, for
5 above and beyond.

6 MR. BADDOUR: -- clear to everybody. Okay.
7 Stan?

8 MR. VAUGHN: For the most part on these
9 things, until we got to this one, we've got a much
10 better match. I would think that since it's a law
11 firm and this is their parking lot, that maybe we can
12 get a better match out of it than we're getting.

13 MR. SCHUMAK: Stan, I might just address
14 this. This is a building that is actually being
15 retrofitted to a green-type building. They did not
16 factor in any of that as match, because they didn't
17 feel it was -- that should be carried by the law firm.
18 So they are carrying that component of it. The other
19 thing that I might mention on this project, it's next
20 to some other projects that we have funded, and it's
21 going to be high exposure. The local soil and water
22 conservation district is located right next to it, and
23 it's also next to a transit location. So they're
24 putting in a lot of signage and stuff like that. But
25 the landowner does have their own skin in the project

1 on the retrofit of the building.

2 MR. HESTER: The amount requested there is
3 136.

4 Moving to number nine, this is a project
5 designed to test some BMPs on construction sites. And
6 there were three of them that were -- they asked us to
7 fund three of them. We chose to not recommend two of
8 those. And in, sort of, a -- the way -- the one we
9 recommended to you, I'm just going to ask Kevin if he
10 would explain to -- the way that BMP is going --
11 they're going to try to do that. It's compaction
12 versus -- anyway, Kevin, go ahead.

13 MR. BOYER: And, I guess, this is not BMP
14 in the sense that we would normally think of a device,
15 but more a practice. It's generally assumed,
16 including by DWQ, that a grassed area has high
17 permeability or perviousness, and there is a good bit
18 of infiltration that takes place. It's believed that,
19 in reality, after construction with heavy equipment
20 running over a site, that even if there's grass
21 growing on the surface, that the underlying soil has
22 been compacted and is not nearly as pervious as it's
23 assumed.

24 What these folks at N.C. State would like to
25 evaluate is ways of restoring that soil to a higher

1 permeability or perviousness at the end of
2 construction, and evaluate the effectiveness of two
3 techniques. So they're proposing three test cells,
4 one where the soil will be compacted and serve as a
5 control, one where the soil will be compacted and then
6 tilled to -- I don't recall the depth, but to some
7 depth greater than would normally be done for seeding
8 at the end of a construction project. And the third
9 cell would be -- I believe, it's called plugging or
10 aerating with -- with a plug device like you might do
11 in your residential yard. And then evaluating those
12 three cells to see if permeability can be restored to
13 a compacted construction site.

14 MR. HENDERSON: May I ask a question?

15 MR. HESTER: Go ahead.

16 MR. HENDERSON: This is a -- I have a
17 question for the co-chairs, and also for the staff.
18 The thing that runs through all of these is that we're
19 going to evaluate this and measure the productivity of
20 this and so forth. Were you satisfied, in your own
21 mind, that as you read all the details of this, that
22 there are some pretty legitimate tight mechanisms for
23 truly evaluating that this is effective, this did
24 improve it, did not improve it, and so forth?

25 MR. HESTER: I'll let him --

1 MR. BOYER: Yes, we are. In fact, I
2 would say for the ones that we're recommending award.
3 And one of the reasons we are not recommending award
4 all the way up to the \$5 million available is that
5 many of them did not go as far as we'd like to see
6 them go. This one, for example, is fully implemented
7 by Dr. Richard McGaughlin at N.C. State, who's fairly
8 widely recognized in this field. They either provided
9 their protocols for their testing in the proposal that
10 we received, or that's to be developed later as part
11 of the project. But the bottom line is we have good
12 confidence that they -- their protocols will be valid
13 and defensible.

14 MR. HENDERSON: Can I ask another related
15 question? Once all of these are done, will there be
16 any effort to compile this in, say, perhaps a book of
17 best practices and -- that might be disseminated or --

18 MR. BOYER: Well, the -- I think what
19 you've hit on is what distinguishes the innovative
20 stormwater undertaking from our regular cycle of grant
21 awards is that the primary product here really is
22 information about how to do things better. And part
23 of the project is dissemination of the information
24 that is in the scope of work. Some of the proposals
25 had very specific information about how the grant

1 recipient intends to disseminate the information;
2 others we still need to do some work. As far as the
3 trust fund being active in that, we don't anticipate
4 taking that on, sponsoring workshops or websites or
5 anything of that nature, but encouraging and
6 supporting by way of funding the grant recipient doing
7 that.

8 DR. BRANNON: May I?

9 MR. BADDOUR: Yvonne?

10 DR. BRANNON: And, Phil, I think just the
11 fact that they're going to have pull together reports
12 and information that they are disseminating, those
13 things certainly could be -- that just like Lisa's
14 annual report could be .pdf and put on our website,
15 and an email alert sent out to everybody in our
16 professional community, all to the university as well
17 as soil and water conservations groups and trust
18 funds, to share the findings, if you would, or the
19 results of, or the products they've created. So I
20 think that, yes, how Richard and Kevin come back and
21 recommend, finally, all of that shouldn't be the
22 problem, I don't think we should overlook
23 opportunities to gather that together and put it back
24 out there.

25 MR. BADDOUR: Dr. Camp?

1 DR. CAMP: Just a question. I noticed
2 that some of these are university associated, are you
3 giving more weight in the evaluation of these
4 proposals to those that are associated with the
5 university research staffs, et cetera?

6 MR. BOYER: Dr. Camp, only to the extent
7 that we gave points for qualifications, and those
8 qualifications might be enhanced by the university's
9 participation. There is more university participation
10 than you see on the list, because N.C. State and Duke
11 are subconsultants or subcontractors on a number of
12 these. You'd have to be inside the proposal or the
13 application to see that.

14 DR. CAMP: Uh-huh (yes).

15 MR. BOYER: But probably more than half
16 have -- half of the recommended projects have
17 university participation.

18 DR. CAMP: Yeah. I would assume that
19 being associated with research staffs at our
20 universities would lend more legitimacy to these
21 requests, and I would be inclined to grade them more
22 heavily if they are associated with a higher
23 institution of learning in some way.

24 MR. BOYER: I think that happened
25 indirectly by credit points given for qualifications

1 and by the quality of the proposal that we received.
2 It's reflected in the fact that probably the majority
3 have heavy university -- those -- the majority of the
4 proposals recommended have heavy university
5 participation.

6 DR. CAMP: Yeah.

7 MR. BADDOUR: What -- this might be a good
8 one to talk about since you recommended part of it and
9 did not recommend the other part. Why did you not
10 recommend the other parts of this project?

11 MR. HESTER: Well, I'll have Kevin answer
12 that. But it certainly wasn't the professor's
13 handling, because everybody said he was -- he's
14 excellent and does great work. But the two others
15 just -- I don't know, to me -- Kevin, I can't
16 remember. But, to me, they just did not seem to be
17 innovative stormwater, or the impact of them was -- is
18 a positive but was not that -- I'm sorry. Kevin, do
19 you remember?

20 MR. BOYER: Yes.

21 MR. HESTER: Go ahead.

22 MR. BOYER: The other two components, one
23 was looking at improved methods for establishing
24 vegetation on construction sites, and the other was
25 for reducing discharge of fine sediment and nutrients

1 during construction, basically improving the
2 efficiency of wet sedimentation, ponds. Our feeling
3 is the -- that bi-polymer addition of a chemical or a
4 polymer addition, our feeling is that the polymer
5 addition is pretty well established. In fact, Dr.
6 McGaughlin is giving workshops on that already, and
7 that doesn't need our funding to advance. And, also,
8 that work on establishing vegetation is moving away
9 from what we intended to approve, some distance away
10 from what we intended to fund. And as long as
11 regulations require full minimum vegetation, that is
12 what is going to happen. There's a gap. There is a
13 gap between what is required by regulation and what
14 science says is good practice. We felt like we -- the
15 scientists, again, didn't need our help; didn't need
16 the Trust Fund supporting that research.

17 MR. BADDOUR: Good.

18 MR. BOYER: It was moving away from what
19 we intended to do and was appropriate.

20 MR. HESTER: And if I haven't said it, the
21 recommended amount there is \$153,000.

22 Moving to number nine on your list, this is
23 a rainwater harvesting situation in Raleigh where they
24 chose the fire stations, and they're going to harvest
25 rainwater from the roof -- rainwater and then reuse

1 it. And I'd like to -- in this -- it's pretty
2 straightforward. But, in this regard, the question is
3 brought up about disseminating this information.
4 There's a huge gap on what can be done or what is
5 being done. And, I think, there's a huge value in
6 demonstration projects, and there's a huge value in
7 getting a community or a county involved in doing
8 this, at least, one time so they will know that it can
9 be done and, maybe, consider it in the future. And
10 I'd be -- personally, be in favor of some rainwater
11 harvesting projects and other projects across the
12 state that we could fund.

13 But this is one where Raleigh has chosen
14 fire stations, and there's a little variation. I'll
15 ask Kevin to speak to you about a couple of them. And
16 they're going to harvest rainwater and use it to wash
17 trucks and other things. Go ahead.

18 MR. BOYER: Right. And what's attractive
19 about this project as opposed to some of the other
20 harvesting -- rainwater-harvesting proposals that
21 we've received is that the city is proposing to look,
22 first, at the stormwater BMP aspect of rainwater
23 harvesting. That is reducing the amount of water that
24 will be discharged to the receiving stream from the
25 site, and also important to harvest the rainwater and

1 put it to use, and thereby conserving the potable
2 water. The primary use for the other water will be
3 washing equipment, fire equipment, fire stations.
4 That runoff would then go to either a BMP or a
5 vegetated area rather than a gutter or a storm drain.
6 That's at 11 of the facilities. At the 12th facility,
7 it's an animal shelter, and the harvested water,
8 rainwater there will be used for washing down or
9 hosing down the interior of their animal shelter and,
10 of course, their facilities. It's a good
11 demonstration project that shows good initiative by
12 the City of Raleigh.

13 MR. HESTER: And request --

14 MR. BOYER: It will only be fire
15 stations, by the way.

16 MR. HESTER: The request there is 295,000.
17 The next one, Alamance Community College,
18 it's a -- I think of it as similar to the Duke
19 University -- or Duke Marine Lab site demonstration
20 project and a number of BMPs. And I'll ask Kevin to
21 tell the -- tell you all about it.

22 MR. BOYER: This is probably more in the
23 category of a good demonstration project as opposed to
24 being truly innovative. It has good visibility at the
25 community college. It would be a good model for

1 retrofitting a campus from conventional stormwater
2 design to moving toward more of a lower impact BMP-
3 oriented design for stormwater management. They also
4 propose to do the planning for future rainwater
5 harvesting for a new building, and using the harvested
6 rainwater for toilet flushing in that new building.
7 That's down the road, so this project would involve
8 only the planning preparation for that.

9 MR. HESTER: The request says 495,000, or
10 it -- the recommended amount is 495,000.

11 Moving to the next one, 12 -- let me make
12 sure I'm on the right project. This was a community
13 participation project. Is this in Cary, Kevin? This
14 is the one in Cary where they have a watershed, and
15 what they want to do is try to get the community to
16 participate in various BMPs to reduce stormwater
17 runoff, et cetera.

18 This is in direct response to a part of the
19 request for proposals. When I first read it, I didn't
20 realize it, and it sounded so-whatish. However, if
21 one is able to change the attitude or encourage the
22 community to participate on the individual levels at
23 all the locations where the community is involved with
24 home sites, et cetera, then the resulting impact of
25 that could be a substantial reduction in the

1 stormwater runoff, and so improvement in water
2 quality. And it -- as I say, it addresses a specific
3 part of the request for proposals, and that's why we
4 recommended that it be funded. Kevin, anything else?

5 MR. BOYER: Yeah. We were strongly
6 encouraged by several members of our advisory group
7 that we pulled together in developing the RFP to
8 encourage proposals, fund projects for, as we put it
9 in the RFP, changing attitudes, values, or behaviors,
10 and then also collaborating in new or different ways
11 to protect water quality. Kind of, on the soft side
12 for what the Trust Fund is accustomed to [sic] to
13 funding, but we did put it in the RFP. We got a good
14 proposal to do that kind of work.

15 We're recommending a partial award here,
16 recommending the part of the proposal for working
17 within the community for disconnecting direct
18 discharges to streams, that is to keep stormwater on
19 the property as long as possible to delay the peak
20 runoff, and also promote as much infiltration as
21 possible. What we are recommending not funding is
22 construction of BMPs as part of the project, because
23 they had not selected locations, and there were just
24 too many unknowns about what we would be funding
25 there. But for the part that's working within the

1 community to influence and change behaviors and
2 attitudes, we're recommending that. It's the only one
3 of that nature that we are recommending.

4 MR. HESTER: And the recommended amount
5 there is 122,000.

6 Moving on to Highlands, this is another
7 proprietary device situation where stormwater is
8 routed through a separator in the mountain setting
9 where there's very little opportunity to have other
10 types of stormwater BMPs. I guess I'm saying that
11 right. We have a number of these applications. I
12 think there were four of them. And for those of you
13 who've read them word for word, you saw some
14 paragraphs in each of the four that were duplicated.
15 And it had to do with the same sort of device. So
16 what we felt was appropriate was to test and monitor
17 the device, but not in four settings, but in one
18 setting. And we asked Tom to select, maybe, the best
19 setting.

20 This one had to do with a 303-D stream I
21 think, didn't it, Tom, because this one was runoff
22 directly into a 303-D stream. We selected this one to
23 test and monitor this particular device. It is a
24 proprietary device, but there's been no -- that I'm
25 aware of -- testing similar to this and a monitoring

1 situation similar to this. Is that right?

2 MR. MASSIE: (Nods affirmatively.)

3 MR. HESTER: So that's what this one is.

4 And you see this requested amount for 180,000.

5 And the final one that is recommended for
6 funding is Craven County. This is one with a
7 rainwater harvesting situation. The original proposal
8 was for a number of sites, some of which were private
9 and some of which were public. We reduced the amount
10 recommended to be funded to only the public sites and
11 we eliminated all of the private sites, didn't we,
12 Kevin?

13 MR. BOYER: There are two, yes. We are
14 not recommending funding, what was proposed on two
15 private businesses.

16 MR. HESTER: And so this is a rainwater
17 harvesting and reuse for public buildings. The
18 project request there is 124,000. How many did it end
19 up being, Kevin? How many projects?

20 MR. BOYER: How many projects recommended
21 for award?

22 MR. HESTER: How many sites on that
23 project, Craven County?

24 MR. MARKHAM: Only four is what you're
25 recommending.

1 MR. HESTER: Four. Okay.

2 MR. BOYER: Four? Okay. Thank you.

3 Four. My -- I'll also add that we had one other
4 project on our list for recommended funding, but that
5 applicant withdrew just about the time we were getting
6 our package out the door to the trustees. That's
7 Mecklenburg County and a -- an attractive proposal.
8 That was withdrawn, at our suggestion, because of --
9 well, because the County in having to reprogram their
10 capital expenditures, because of budget problems, has
11 postponed implementing the project to -- or
12 construction until 2012. We thought that was too far
13 out for us to be funding that.

14 MR. HESTER: Those are the ones we
15 recommend.

16 MR. BADDOUR: Okay. Here's what we're
17 going to do. We're going to take a break of about ten
18 minutes. When we come back, we're going to deal with
19 these just like we would have before. And that is, if
20 any member wants to pull out a project to talk about
21 separately and vote on separately, all you've got to
22 do -- in fact, you might let me know -- give me a
23 heads up at the break, but we'll ask you to do that
24 when we come back. And then we'll vote on those
25 that -- you know, that we don't need to talk about

1 separately.

2 So we'll take a ten-minute break and come
3 back and see you then.

4 (Off the record from
5 10:14 a.m. to 10:33 a.m.)

6 MR. BADDOUR: Okay. Let's come back to
7 order. Now, tell me if there are -- any member has
8 projects they want to see voted on separately. I
9 understand about those that are -- Kevin, where you're
10 recusing yourself. Mr. McMillan?

11 MR. McMILLAN: Number seven --

12 MR. BADDOUR: All right.

13 MR. McMILLAN: -- 2008-1031.

14 MR. BADDOUR: Number seven. Anybody else?
15 Kevin?

16 MR. MARKHAM: Number 12 and Number 14.

17 MR. BADDOUR: Okay. All right. Here's
18 what we're going to do, and I'm going to take this as
19 a motion from Mr. Hester. To approve funding for --
20 I'm going to use the line number -- Number one, which
21 is 2008-1030; Number two, which is 2008-1006; Number
22 four, which is 2008-1013; Number five, which is 2008-
23 1005; Number six, which is 2008-1025; Number eight,
24 which is 2008-1011; Number eleven, which is 2008-28;
25 and Number thirteen, which is 2008-1007.

1 MR. ROGERS: You need to pull those out.

2 MR. BADDOUR: I'm -- these are the ones
3 that we're going to vote on.

4 MR. ROGERS: Okay.

5 MR. BADDOUR: Okay? And they are not being
6 pulled out either because there is a conflict or
7 because a member has asked it to be voted upon
8 separately.

9 Stan?

10 MR. VAUGHN: I'd like to make a couple of
11 observations and have --

12 MR. BADDOUR: Wait. Wait one minute now.
13 Just hang on a second. Kevin?

14 MR. MARKHAN: Yes. I think you had
15 mentioned 2008-1005 and that is one I need to recuse
16 myself on.

17 MR. BADDOUR: Well -- right.

18 MR. MARKHAM: Can we pull that back out of
19 that list?

20 MR. BADDOUR: Okay. Let's take out from
21 the list that I just went over 2008-1005. I'm sorry.
22 Okay. Now, is that your motion, Joe, that they be
23 approved?

24 MR. HESTER: Motion we approve those
25 projects as recommended by the staff in the amounts

1 that we read out.

2 MR. BADDOUR: And a second by Yevonne?

3 DR. BRANNON: Yes.

4 MR. BADDOUR: Okay. Now, we'll have
5 discussion. Stan?

6 MR. VAUGHN: While we got a lot of
7 applications throughout the state, if you look at the
8 recommendations, the funding is going almost in the
9 Raleigh/Durham area, almost -- in fact, over half of
10 the funding is in the Raleigh/Durham area. That's
11 just an observation. No -- nothing wrong with it,
12 except that I think it does put a lot of pressure on
13 the -- on our satisfaction of the scoring mechanism
14 that it's been fair and that it's been done in a
15 way -- `cause that's what we're relying on is the
16 scoring mechanism to prove these things. So I just
17 say that as an observation.

18 The other thing is -- that I would make as a
19 recommendation -- this is because of the -- again, the
20 economic situation -- that we stop at funding anything
21 of 71 and above. That would put another million
22 dollars aside and be security for us in case we have
23 to put more funds back to the state. So that's the
24 recommendation.

25 MR. BADDOUR: Well, I have a motion -- I

1 have a motion, though, before me to approve the seven
2 projects, in estimation. If you -- did you want to
3 make --

4 MR. ROGERS: We can have discussion.

5 MR. VAUGHN: Well, if -- is -- if any of
6 those projects number --

7 MR. BADDOUR: Yes, sir.

8 MR. VAUGHN: -- then I would like to amend
9 the motion to, first, limit the funding to scores of
10 71 and above.

11 MR. BADDOUR: Is there a second to the
12 motion?

13 TRUSTEES: (No response.)

14 MR. BADDOUR: Okay. The motion --

15 MR. HOLLAN: Mr. Chairman, if the motion
16 were to pull out Number 11 and 13 and vote on them
17 separately, I would second that.

18 MR. BADDOUR: Well, that -- I'm not going
19 to take it that way. Okay? The motion is not to fund
20 11 and 13. I mean, essentially, that's what you got,
21 Bill. I mean Stan has made the motion to amend the
22 original motion --

23 DR. BRANNON: Don't we need a second.

24 MR. BADDOUR: -- to remove 11 and 13 from
25 it.

1 MR. HESTER: Only 12 and 14.

2 MR. BADDOUR: Well, we -- they're not
3 before us right now.

4 MR. HESTER: Okay. Right.

5 MR. BADDOUR: They're not before us right
6 now. Okay?

7 MR. HOLLAN: I guess we had allowed others
8 to --

9 MR. BADDOUR: I've gone too far. Is --

10 MR. HOLLAN: -- pull things out separately
11 and I've -- so I was --

12 MR. BADDOUR: It's the same thing now.
13 It's the very same thing is what you said. The motion
14 to amend is not to fund 11 and 13. To amend the
15 motion to -- if you adopt the amendment, then you will
16 be removing 11 and 13 from funding.

17 MR. HOLLAN: Well, that was Stan's motion.
18 I was simply saying that if he moved to consider them
19 separately, by a separate vote, as we are doing some
20 of the others for other reasons, then I would support
21 his -- I would support a motion to consider them
22 separately, but not a motion to only -- I did not
23 second his motion to kill them is the point.

24 MR. BADDOUR: Is there a second to Stan's
25 motion?

1 TRUSTEES: (No response.)

2 MR. BADDOUR: Okay. The motion dies for a
3 lack of second. What is before us now is the motion
4 to fund the projects that I have -- the seven projects
5 that I just went over.

6 DR. CAMP: May I just make a comment,
7 Chairman?

8 MR. BADDOUR: Yes.

9 DR. CAMP: It is high time that we begin
10 to think about an attitude change, a culture change
11 when it comes to conserving our natural resources,
12 particularly as something as valuable as fresh water.
13 I think the committee has done a commendable job and
14 the staff, likewise, and these projects ought to be
15 funded based on the recommendation of the staff.

16 MR. BADDOUR: Okay. You've heard the
17 motion. Is there further discussion? This is for
18 projects one, two, four, eight, eleven, and thirteen.

19 MR. JOHNSON: Six, also.

20 MR. HESTER: Six.

21 MR. HOLLAN: And five wasn't?

22 MR. BADDOUR: No. Six. I missed --

23 MR. HESTER: You missed six.

24 MR. BADDOUR: I missed six. Okay. Add six
25 back in there. Okay. Hearing no further discussion,

1 all those in favor of the motion signify by saying
2 "Aye."

3 TRUSTEES: "Aye."

4 MR. BADDOUR: Opposed "No"?

5 MR. VAUGHN: No.

6 MR. HOLLAN: No.

7 MR. BADDOUR: Okay. The ayes have it. All
8 right.

9 Now, we'll move to -- let's take the ones
10 that Kevin Markham had recused himself from as a group
11 and that will be Number three, which is 2008-1018;
12 Number five, which is 2008-1005; Number nine, which is
13 2008-1015; and Number 10, which is 2008-1019. Okay.
14 Is that -- is that your motion, Joe?

15 MR. HESTER: I was -- did Kevin recuse
16 himself from all four of those?

17 DR. BRANNON: Yes.

18 MR. BADDOUR: Yes.

19 MR. HESTER: Okay. Yes, that's what I --

20 MR. MARKHAM: I only recused from three,
21 five and ten.

22 MR. ROGERS: 015 -- Number -- did you --

23 MR. BADDOUR: Should I have put in -- if I
24 made a mistake, I'm sorry.

25 MR. ROGERS: Number nine. You didn't

1 recuse yourself from Number nine. These are the
2 three.

3 MR. BADDOUR: Well, did I -- did I include
4 nine in the first group?

5 MR. ROGERS: Yes. Yes, sir.

6 MS. MCGEE: No.

7 MR. HESTER: No.

8 MR. BADDOUR: I don't think I did. All
9 right. Let's just put nine back in that group. Well,
10 no, we won't. We'll take nine separately. All right.
11 I'm sorry, folks.

12 We're now considering -- Joe, if you'll give
13 me the motion for three --

14 MR. HESTER: Motion to approve Number three,
15 2008-1018; Number five, 2008-1005; and Number 10,
16 2008-1019.

17 MR. BADDOUR: Okay. Is there any
18 discussion?

19 DR. BRANNON: Second.

20 MR. BADDOUR: Hearing none -- motion
21 seconded by Yevonne. Any discussion?

22 TRUSTEES: (No response.)

23 MR. BADDOUR: Hearing none, so as many as
24 favor the motion, signify by saying "Aye."

25 TRUSTEES: "Aye."

1 MR. BADDOUR: Opposed, "No"?

2 TRUSTEES: (No response.)

3 MR. BADDOUR: The ayes have it. All right.

4 Let me go back and get Number nine then, separately,

5 which is -- so, Kevin, you can vote on that one. It's

6 2008-1015. Is that your motion, Joe?

7 MR. HESTER: That is correct.

8 DR. BRANNON: Second.

9 MR. BADDOUR: Okay. Second by Yevonne.

10 Any discussion?

11 TRUSTEES: (No response.)

12 MR. BADDOUR: Hearing none, so as many as

13 favor the motion, signify by saying "Aye."

14 TRUSTEES: "Aye."

15 MR. BADDOUR: Opposed, "No"?

16 TRUSTEES: (No response.)

17 MR. BADDOUR: The ayes have it. All right.

18 Now, we're going to go to the --

19 DR. BRANNON: Number seven.

20 MR. BADDOUR: -- three that were -- members

21 asked them off, and we're going to take them one at a

22 time. And you all check me out on this. What we're

23 going to look at is seven, eleven [sic]--

24 MR. HESTER: Number seven --

25 MR. BADDOUR: -- and fourteen.

1 MR. HESTER: -- seven, twelve and
2 fourteen.
3 DR. BRANNON: Seven and twelve.
4 MR. HESTER: Seven, twelve and fourteen.
5 MR. BADDOUR: I'm sorry. Seven, twelve and
6 fourteen?
7 DR. BRANNON: Uh-huh (yes).
8 MR. BADDOUR: Thank you. All right. So,
9 first, Joe, do you want to make the motion with regard
10 to seven?
11 MR. HESTER: Well, seven is the Asheville
12 green roof project and we move -- or I move to
13 recommend the funding for that at \$218,000 --
14 MR. BADDOUR: Okay.
15 MR. HESTER: -- 2008-1031.
16 MR. BADDOUR: Okay. Second by --
17 DR. BRANNON: Second.
18 MR. BADDOUR: -- Yevonne. Okay.
19 Discussion? Mr. McMillan.
20 MR. McMILLAN: This is a green roof project.
21 It would -- as Bill Hollan pointed out, it would
22 collect up to one inch of rainfall off of a 4,000
23 square foot roof and it would use that water in other
24 ways and retain it. At my house in Raleigh last year,
25 I collected -- put in a system to collect water from

1 not quite that large of a roof but pretty close, and
2 probably more than a one-inch rainfall, and it cost me
3 less than five percent of this. I submit there's
4 nothing innovative about collecting rainwater off of a
5 roof and putting it in tanks and using it for
6 irrigation or whatever -- that's what I'm using it
7 for. I don't think it's innovative. I think it's
8 way, way, way too expensive and it is a misuse of our
9 funds, and so I would oppose that.

10 MR. BADDOUR: Okay. Is there any further
11 discussion?

12 MR. HENDERSON: This is item seven that
13 you're talking about?

14 MR. BADDOUR: Yeah, item seven.

15 MR. HOLLAN: I have the same observation
16 that even if this works, it's going to be too
17 expensive and they'll be other alternatives, and I
18 don't know that we'll -- as Mr. McMillan just said,
19 it's not really innovative and we're just going to
20 learn that it probably will take the water from one
21 inch of rain on a 4,000 square foot roof and I'll take
22 that is -- on face and not have to spend \$200,000.
23 So --

24 MR. BADDOUR: Further discussion?

25 MS. CRAGNOLIN: Would you stipulate to that?

1 MR. BADDOUR: Anybody else?

2 TRUSTEES: (No response.)

3 MR. BADDOUR: All right. You've heard the
4 motion that we fund it. If you're in favor of funding
5 it, the vote is "Aye"; if you're not in favor of
6 funding it, Mr. McMillan's position, the answer -- you
7 vote "No." All those in favor of funding Number
8 seven, 2008-1031, signify by saying "Aye."

9 TRUSTEE BRANNON: "Aye."

10 TRUSTEE HESTER: "Aye."

11 MR. BADDOUR: Opposed, "No"?

12 TRUSTEES: "No."

13 MR. BADDOUR: The no's have it. So we will
14 not fund that project.

15 Okay. Joe, do you want to make a motion
16 with regard to --

17 MR. HESTER: Twelve.

18 MR. BADDOUR: -- twelve?

19 MR. HESTER: Yes. Motion is to approve
20 the funding for Number 12, 2008-1016, in the amount of
21 \$122,000.

22 MR. BADDOUR: Any discussion?

23 MR. HESTER: That is the Cary - Black
24 Creek community ideas.

25 MR. BADDOUR: Kevin?

1 MR. MARKHAM: Yes. I asked for this one to
2 be pulled out at the risk of being tarred and
3 feathered when I return home this afternoon. I just
4 don't feel that changing attitudes really fits in as
5 well as I'd like with the overall intent of the
6 innovative stormwater program. So, I'm not going to
7 be voting for this. I just wanted to bring that to
8 everybody's attention that this is really more of a
9 public outreach, which is difficult to measure, and
10 the endearing outcomes may not quite be there.

11 MR. BADDOUR: Okay. Would anybody like to
12 speak in favor of this project?

13 MR. HESTER: Well, I -- the reason we
14 favored it, of course, was because if you do change
15 the public attitudes and you develop lots of
16 participation, then the result can be dramatic in
17 terms of runoff, stormwater treatment, et cetera. As
18 I say, on initial reading of this one, I, sort of,
19 felt the same way that Kevin did, but after the more I
20 thought about it, and it's part of what we approved in
21 our requests for proposals and part of what several
22 members of the committee felt was an important point
23 to make -- an important part of what we should do.

24 And so if you're able to take the whole
25 watershed and this is an already built-out -- Kevin,

1 as I recall, this thing -- it's already built-out.
2 We're done; we're through. There's not going to be
3 any -- anymore development. This is, in effect,
4 retrofitting through change in the public's attitude
5 to do what John McMillan is doing at his home and that
6 the result is an improvement in both the quantity and
7 quality of water.

8 MR. BADDOUR: Mr. Henderson?

9 MR. HENDERSON: But, I think, Kevin brings a
10 good point up about it is difficult to measure the
11 attitudes that are changed, but, Joe, presumably, you
12 and staff members were satisfied that there is a
13 measuring mechanism in place whereby that could be
14 done. Is that correct?

15 MR. HESTER: That could be -- that's -- I
16 think that's the idea of the project, isn't it, Kevin?
17 We can tell that there is a difference once this
18 project is through whether or not they can make a --

19 MR. BOYER: Well --

20 MR. HESTER: -- effect the difference by
21 changing the new attitudes.

22 MR. BOYER: Within the time period of the
23 project, it would be measured by participation in the
24 community by what they say they will do. Of course,
25 the project would not run long enough to see the

1 ultimate outcome of, you know, long-term benefits of
2 people changing what they do within their -- at their
3 houses and in their yards. We just don't fund
4 projects that, you know, go on for five and ten years.

5 DR. BRANNON: Uh-huh (yes).

6 MR. BADDOUR: Mr. McGrady?

7 MR. McGRADY: Kevin or Joe, we're only
8 being -- well, the recommendation is only to fund
9 about half of what was requested. Will this project
10 go forward if we cut out all the money for the actual
11 work, the BMPs and all?

12 MR. BOYER: Yes, Will Summer, who is not
13 here today, did talk with the applicant who said they
14 would accept a grant for this part of the project
15 only.

16 MR. BADDOUR: Anyone else?

17 TRUSTEES: (No response.)

18 MR. BADDOUR: Ready to vote?

19 TRUSTEES: (No response.)

20 MR. BADDOUR: Okay. So as many as favor
21 the motion to fund this project, signify by saying
22 "Aye."

23 TRUSTEES: "Aye." (Seven Trustees
24 respond.)

25 MR. BADDOUR: Those opposed, "No"?

1 TRUSTEES: "No." (Seven Trustees
2 respond.)

3 MR. BADDOUR: Yeah. I can't tell. So all
4 those in favor, if you would, please raise your hand.
5 Help me count.

6 MR. ROGERS: One, two --

7 MR. BADDOUR: Two, three, four, five, six,
8 seven.

9 MR. ROGERS: I've got seven.

10 MR. BADDOUR: Okay. All opposed?

11 MR. ROGERS: One, two, three, four, five,
12 six --

13 MR. McMILLAN: Behind you, too.

14 MR. ROGERS: -- seven.

15 MS. MCGEE: Seven. It's a tie.

16 MR. ROGERS: Seven.

17 MR. BADDOUR: I'm going to vote in favor
18 of the project. So, by a vote of eight to seven, with
19 the Chairman breaking a tie, it -- the project will be
20 funded. Okay.

21 MR. HESTER: The next motion, Mr.
22 Chairman, is Number 14 on your handout. It's 2008-
23 1004. It's the Craven County rainwater harvest and
24 reuse project and the motion is to approve \$124,000.

25 MR. BADDOUR: Okay. Any discussion?

1 MR. MARKHAM: Yes.

2 MR. BADDOUR: Okay. Mr. Markham.

3 MR. MARKHAM: Again, I have to commend
4 Craven County for attempting to find ways to reuse
5 some of the stormwater, but I really saw this as not
6 so much of a stormwater project as so much as a way
7 of, maybe, more innovative on reuse. It's just
8 that -- I think, we need to elaborate, Kevin, as to
9 why it scored so low out of this batch as well.

10 MR. BOYER: Well, I've -- the reason
11 is -- I think you put your finger on it -- is the
12 emphasis was on or is on harvesting and reuse as
13 opposed to benefits to water quality. It's not as
14 good a project as the ones above it.

15 MR. MARKHAM: Okay.

16 MR. BADDOUR: Joe?

17 MR. HESTER: I'd just like to make a
18 comment about this. It is -- there's a gap, in my
19 opinion, between our knowledge and what we do with
20 that knowledge. And the reason I was in favor of
21 this -- and I probably pushed this project as much as
22 anybody during our meeting -- is that I'd like to see
23 this happen across the state so that we will get used
24 to doing this sort of thing. It seems to be very
25 important that when we construct or retro -- or add on

1 to buildings that we ought to be doing this, because
2 it's a quantity and a quality situation.

3 It's the first time we've written [sic] --
4 we've really been able to deal with water quantity,
5 which is a big deal. And I can tell you, from a local
6 phone call to tell somebody on the city council that
7 you can harvest rainwater and you ought to consider
8 doing it, doesn't go very far, and they -- usually it
9 comes back to you about -- saying, "Well, why don't
10 you contact so-and-so." And so these people are being
11 pro-active about it in that they're, at least, getting
12 it included or starting it. And I'd like to see the
13 counties all across the state do the same thing so we
14 can get use -- used to the idea and start including it
15 in their planning. And that's my thought about it.

16 MR. BADDOUR: Okay. Further discussion?

17 DR. CAMP: I have just a comment.

18 MR. BADDOUR: Dr. Camp?

19 DR. CAMP: This is a further example of
20 the need for North Carolina -- North Carolinians and
21 Americans to begin changing the way we think about how
22 we use water. I know this is a project that can stand
23 up as a model for other communities that may undertake
24 this. And you've got a multitude of -- a multiplicity
25 of --

1 DR. BRANNON: Uh-huh (yes).

2 DR. CAMP: -- concerns trying to do
3 this. So we've got to start somewhere. This is a
4 start.

5 MR. BADDOUR: Further discussion?

6 TRUSTEES: (No response.)

7 MR. BADDOUR: All right. Hearing none, so
8 many as favor the motion to fund this project on line
9 14, 2008-1004, please signify by saying "Aye."

10 TRUSTEES: "Aye."

11 MR. BADDOUR: Opposed, "No"?

12 TRUSTEES: "No." (Three Trustees
13 respond.)

14 MR. BADDOUR: I think the aye's have it,
15 but let's have a raise of hand. All in favor, please,
16 raise your hand.

17 TRUSTEES: (Comply with 11 hands
18 raised.)

19 MR. ROGERS: Eleven.

20 MR. BADDOUR: Okay. Eleven in favor.
21 Opposed, "No."

22 TRUSTEES: (Comply with three hands
23 raised.)

24 MR. ROGERS: Three.

25 MR. BADDOUR: Okay. Three?

1 MR. ROGERS: Three.

2 MR. BADDOUR: Okay. The ayes have it
3 and it passes.

4 MR. HESTER: Mr. Chairman, can I --

5 MR. BADDOUR: You may. Sure.

6 MR. HESTER: One other thing, if I could?
7 Folks, a lot of these we did not recommend because
8 they were not innovative under the terms of our RPO
9 [sic] -- RFP rather. And so what we would -- I'd like
10 to ask the Board to consider is to allow these
11 applicants, should they chose, to include their
12 projects in this cycle, but we've passed the deadline
13 on this cycle. And what they would have to do is go
14 back and take their application and then change it to
15 fit our regular application, fit the criteria, be re-
16 scored -- differently than what it scored here -- and
17 be included in our regular cycle -- this year's cycle,
18 2009.

19 DR. BRANNON: 2009.

20 MR. BADDOUR: Okay.

21 MR. HESTER: We'd like to --

22 MR. BADDOUR: -- we've got --

23 MR. HESTER: -- we need the Board's
24 approval for that because --

25 MR. BADDOUR: Right.

1 MR. HESTER: -- we're past the February 1
2 deadline, but they've already done this much work and
3 we said they're not innovative, which doesn't mean
4 they aren't -- there aren't good stormwater projects
5 here.

6 MR. BADDOUR: Okay. And I think I have a
7 motion and a second --

8 DR. BRANNON: (Nods affirmatively.)

9 MR. BADDOUR: -- and, Richard, I believe
10 you've actually had some communications about that
11 and, I think, staff has a recommendation on that, too.
12 So go ahead and tell the Board what the staff
13 recommendation is on that motion.

14 MR. ROGERS: That is what we'd like to see
15 happen so that we can receive these as potential
16 applicants for this cycle. So that's what I need.

17 MR. CRAGNOLIN: By what date?

18 MR. ROGERS: By April 1. We figure we're
19 giving them six, seven weeks to revamp these into our
20 normal application. It's sufficient time and it won't
21 put staff too far behind with regards to their review
22 packet -- process of their total application load.

23 MR. BADDOUR: And let me -- there will be
24 another motion after this. I'll alert you to this,
25 because, I think, it's part of it. And that is that

1 there will be a motion for staff to seek RFPs for
2 innovative stormwater projects for the next cycle, but
3 the recommendation from staff will be that we consider
4 those as part of the regular process and not
5 separately. So, I just wanted to let you know that
6 that was coming. That's the other little piece to
7 this. So, you know -- I mean, hopefully, this is new;
8 this is different. Maybe by next time we can get back
9 on cycle for -- you know, that people will have the
10 opportunity, by the same deadline, to submit RFPs for
11 innovative projects as the other, but we're -- you
12 know, we're learning and we're working with something
13 new. So -- okay.

14 Well, you've heard the motion. Is there any
15 discussion on that motion?

16 TRUSTEES: (No response.)

17 MR. BADDOUR: Hearing none, so as many as
18 favor the motion, signify by saying "Aye."

19 TRUSTEES: "Aye"

20 Mr. BADDOUR: Opposed, "No"?

21 TRUSTEES: (No response.)

22 MR. BADDOUR: Okay. Now, can I have -- the
23 motion I just said, I'd like to have from somebody.

24 MR. HESTER: Well, I'd be happy to make a
25 motion that we, once again, submit a request for

1 proposals and that those proposals be considered in
2 the Stormwater Committee as part of our normal cycle.

3 DR. CAMP: Second.

4 MR. BADDOUR: And with what deadline?

5 MR. ROGERS: It would be our normal cycle
6 deadline as February 1.

7 MR. BADDOUR: I mean, when are you going to
8 give them to submit the RFPs?

9 MR. BADDOUR: February 1.

10 MS. MCGEE: To be sent in.

11 MR. BADDOUR: No, I thought you meant for
12 this year.

13 MR. ROGERS: It will -- what will end
14 up -- what the impact of this has is that we will not
15 have RFPs for this cycle except for the ones --

16 MR. BADDOUR: I misunderstood.

17 MR. ROGERS: -- we are approving now. One
18 of the things, I think, that is important here is
19 that, from a practical purpose, I think it will be
20 good for us to get some of these underway, under
21 contract, and see how they're going and get a little
22 bit of experience under our belt with regard to these
23 things.

24 So that what we would do is line this up so
25 that we would have the RFP due February 1. I think

1 there's a little work that we may want to do with
2 regards to the RFP and my sense is we would release
3 the RFP similarly, probably, July -- June, July time
4 frame to get out and make that call and then have the
5 due date February 1. And what we would do is just
6 cycle this in -- these innovative stormwater requests
7 in with our normal applications.

8 It really helps us as staff to be -- we're
9 in the mode of reviewing applications and doing that
10 type of work now. It was a little bit and we
11 didn't -- we knew this was coming, but it was a little
12 bit out of our normal operation -- mode of operation,
13 because Kevin was sitting here with new contracts to
14 get written and, also, having to review these and so
15 it was a little burdensome with regards to that.
16 Nancy did a lot of help -- helped us a lot, too, with
17 regards to this. But if we can get it on our normal
18 cycle, it will help us move it along and, I think,
19 that it will be the best thing for us.

20 We can continue this. I think we have the
21 opportunity to realize more innovative projects next
22 time. This is the first time that we've sent this
23 out. I think folks will be more accustomed to what it
24 is. We will definitely give them feedback on what
25 we're looking for a little bit more and we'll have one

1 round under our belts. So we look forward to having
2 some extremely innovative projects next cycle.

3 But, again, I think with regards to the
4 motion that Joe gave that we need -- it would help us
5 to facilitate review and make it work
6 administratively.

7 MR. BADDOUR: Well, I have to say that I
8 misunderstood. I thought that you were going to allow
9 RFPs so we could consider it out of whatever funds we
10 get this year. So, I mean, the net effect of this is
11 that we would not be spending any money from this
12 year's appropriations for --

13 MR. ROGERS: That's right.

14 MR. BADDOUR: -- innovative stormwater. I
15 misunderstood. But I do understand. It's just -- you
16 think it's just too tight to try to do that --

17 MR. ROGERS: We would be -- we would, once
18 again, be working out of cycle and it would -- if you
19 could line it up with our cycle it would make sense.
20 And I think it's also -- this way we will give folks
21 plenty of time to be more creative and innovative in
22 their applications by giving them six or seven months
23 to complete the RFP rather than trying to do it in a
24 four month stint. So --

25 MR. BADDOUR: All right. I understand.

1 Yevonne?

2 DR. BRANNON: And I would add just two
3 points. I really do think that the thing that's most
4 important to me is to see how some of this stuff is
5 going, because we're struggling with what is creative
6 and innovative.

7 MR. BADDOUR: Okay.

8 DR. BRANNON: And, secondly, it moves -- we
9 have to move this process from the External Advisory
10 Committee to the Stormwater Committee.

11 MR. BADDOUR: Right.

12 DR. BRANNON: And so this will allow us
13 some -- to get it back into that -- the regular
14 stormwater committee, which broadens the participation
15 in selecting and recommending these to the Board for
16 the next cycle, which, I think, would be good.

17 MR. BADDOUR: Okay. Dr. Camp?

18 DR. CAMP: Is there a second on that?

19 DR. BRANNON: I did.

20 DR. CAMP: I do --

21 DR. BRANNON: No, you did.

22 MR. BRADDOUR: Okay. Two seconds.

23 DR. CAMP: I second it.

24 MR. BADDOUR: Further discussion?

25 TRUSTEES: (No response.)

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

3 TRUSTEES: "Aye."

4 MR. BADDOUR: Well, I -- Joe, I know you
5 may want to say something, and Yevonne, too. But this
6 is -- has been new. It's been something the General
7 Assembly wanted us to do and I want to thank Yevonne
8 and Joe, and particularly our staff for what you did,
9 Kevin. It's a lot of work -- a lot of extra work and
10 I think -- you know, our clients out there, as has
11 been said, will get used to this and will be something
12 that they will look forward to and, I think, it's
13 something that we can point to with a great deal of
14 pride.

15 Joe, Yevonne, anything you all want to say?

16 MR. HESTER: Well, I'd just like to thank
17 everybody. We had all these committee meetings.
18 Richard was there; Nancy was there. And there -- many
19 of us were there, but Kevin, I think, more than
20 anybody else has spent untold hours on this and I
21 can't tell him how much I appreciate it and how much
22 I've enjoyed working with him on it. You've been
23 great and -- but the rest of the staff has been great,
24 too. So, it's been hard; it's been something out of
25 sight. Well, it's been something extra and they have

1 done it and done it well, and I'm proud of them.

2 DR. BRANNON: And, also, can we add that
3 there was an awful lot to learn about stormwater. And
4 I think when we added these two new positions, to have
5 someone who could spend [sic] -- use their expertise
6 and training and spend their time -- some people on
7 these areas, whether it's wastewater or stormwater,
8 has been a tremendous benefit. I've learned a
9 tremendous amount. Kevin is very knowledgeable and
10 very even-handed and very fair in assessing these
11 projects, and it gives me great comfort, when I don't
12 understand everything they're doing, to know that we
13 have an expert on staff. So, Kevin, probably, did not
14 mean to leave his teaching job to come here and start
15 teaching me, but he's, pretty much, done that, and I
16 appreciate it.

17 MR. BOYER: Thank you. And as long as
18 we're loading it on, I would have fallen off the edge
19 if not for the work that Nancy Guthrie -- who did, at
20 least, as much on this as I did.

21 DR. BRANNON: Thank you.

22 MR. BADDOUR: Thank you, Nancy. All right.
23 We now come to our agenda where we talk about
24 yesterday.

25 We did meet as a committee of the whole and,

1 I believe, there were a couple committee
2 recommendations that the Board needs to act on.
3 Richard, I'll -- I don't think we have it on the
4 screen, but I'm going to call on you for that.

5 MR. ROGERS: Thank you, Mr. Chairman.
6 What our plan is here -- there are two motions that
7 were made that we need to take action on today. There
8 are also other points that were made during the
9 discussion of these projects or follow up that staff
10 will be doing. Our intention is to summarize this and
11 get this information back out to you all just to let
12 you know about what we're doing with regards to follow
13 up on these projects that we presented yesterday.

14 In the stormwater area -- and this is,
15 though, as a result of our easement and other legal
16 instruments. We had a motion by Bill Hollan, and,
17 Bill, if you want to -- have you got that before you?
18 And you can make that motion for us. Here it is
19 (indicating).

20 MR. HOLLAN: I do not, but I know Nancy --
21 okay. The committee of the whole yesterday voted to
22 recommend to the Board the following: That the --
23 that an operation and maintenance agreement may be
24 substituted in place of a conservation easement for
25 future and current stormwater projects when the grant

1 recipient is a local government.

2 MR. BADDOUR: Now, you've heard the motion.
3 Of course, we discussed it yesterday as a committee of
4 the whole. Is there any -- it won't take a second
5 since it was a committee recommendation. Any
6 discussion?

7 TRUSTEES: (No response.)

8 MR. BADDOUR: Hearing none, so as many as
9 favor the motion, signify by saying "Aye."

10 TRUSTEES: "Aye.

11 MR. BADDOUR: Opposed, "No"?

12 TRUSTEES: (No response.)

13 MR. BADDOUR: The ayes have it.

14 MR. HOLLAN: Okay. That had to do with
15 stormwater. The next one had to do with greenways.
16 Again, conservation easements didn't seem to be
17 appropriate for greenways and so the committee
18 recommends that the Board authorize the staff to
19 develop permanent protection for greenway projects --
20 a mechanism for permanent protection of greenway
21 projects including, for instance, declaration of
22 restrictive covenants or conservation easements to be
23 held by local governments rather than the state, and
24 that these mechanisms may be substituted in place of
25 the standard Clean Water Management Trust Fund

1 conservation easement.

2 MR. BADDOUR: Okay. You've heard the
3 motion. Is there any discussion?

4 TRUSTEES: (No response.)

5 MR. BADDOUR: So as many as favor the
6 motion, signify by saying "Aye."

7 TRUSTEES: "Aye.

8 MR. BADDOUR: Opposed, "No"?

9 TRUSTEES: (No response.)

10 MR. BADDOUR: The ayes have it.

11 Where's Yevonne? I want to tell you all.
12 She won't -- she wasn't here yesterday and we're glad
13 to have her here today. I'm sorry she's not here to
14 hear me say this, but she had some illness in her
15 family -- her grandson, I think. And I think things
16 are better, but she had to be tending to that
17 yesterday, so we're glad to have her back with us
18 today.

19 I think everybody -- just about everybody
20 has turned in the committee assignments so I
21 appreciate that. And we'll be working on that.

22 We will now have any discussion that any
23 Board member would like to comment about anything that
24 they'd like to. Mr. Crumpler?

25 MR. CRUMPLER: I saw Richard in the

1 breakfast room and I was just compelled to tell him --
2 and he was talking about how he was bumbling through
3 whatever he was doing, but I felt compelled to tell
4 him what a fantastic job he and the entire staff do --
5 but he, in particular, leading this great staff. And,
6 in my job, I get to see lots of leaders `cause we
7 invest in companies and -- of this size and smaller --
8 some are larger, but I just want to commend him for
9 the job he's doing as our leader.

10 MR. BADDOUR: Thank you. Well said.

11 MR. McMILLAN: Mr. Chairman, we had some
12 discussion yesterday about the state budget and what
13 the challenges the General Assembly is going to face
14 and what our responsibility is, and I thought about
15 that some, and talked to some of the Board members
16 about that. Our job is to advocate for clean water
17 and we weren't elected to hear the debate and the
18 input on education, and health and human services, and
19 transportation, and prisons, and all of the other
20 aspects of it. It's not our job to balance those and
21 say, "Well, maybe, education is more important and,
22 maybe, we ought to drop back from our responsibility
23 and clean water and donate our funds to that." If we
24 don't advocate for clean water funding, it won't get
25 funded.

1 And so, I think, it's incumbent upon us to
2 make sure the General Assembly members that we know
3 hear from us on the important work that we do. Stress
4 the fact that, in these economic times that there are
5 some opportunities out there that aren't there in good
6 times, that there are properties that are available at
7 bargain prices and, if we have the funds to step up
8 and do that now, then we will benefit the state. And
9 so we know universities are important and we know that
10 education, in general, is important, but we'll let
11 them -- they get paid the big dollars to hear input
12 from everybody on that. So, let's stay after our
13 primary responsibility.

14 MR. BADDOUR: Thank you for those comments.
15 Well said. Anybody else? Richard?

16 MR. ROGERS: I want to thank the Board for
17 their participation this weekend. It's a little
18 different than our ordinary meeting and we appreciate
19 your attentiveness and helping us out. You've made a
20 few -- very -- not a whole lot of action was taken,
21 but the action you did take will help us facilitate
22 processes with regards to contracts. So we do thank
23 you.

24 Also, following up on what John said, one
25 thing we are going to do and I didn't mention this in

1 my legislative review, but we'll move forward with
2 regards to appropriations and make sure you all know
3 who those are. It's important, if you know these
4 people, and are -- or even if you just feel compelled
5 to communicate with these and communicate the message
6 similar to what John just said. And he is right, if
7 we don't stand up and advocate for those funds, we're
8 not going to get what we -- what is our fair share of
9 them. So, I would encourage you all to be as active
10 as you like with regards to communication to our
11 legislature and any legislators that you know they all
12 have an impact on the budget. It's just not the
13 committee chairs. The idea is to getting a
14 groundswell of legislators hanging out around the
15 Speaker and the President pro tem office about wanting
16 Clean Water money. So, that's the goal here.

17 One other thing that I wanted to mention
18 that I did not mention earlier, in December we had a
19 past employee pass away, Leland Heath. On December
20 28th, he died tragically, and I just wanted to make
21 recognition of that. And I'm sure you all have kept
22 him -- that knew him have kept him in your thoughts
23 and prayers and his family, especially. But we do
24 want to recognize Leland and the service he provided
25 Clean Water when he was here and even beyond. So, I

1 just wanted to mention that as well.

2 MR. BADDOUR: Thank you very much. From my
3 perspective, this has been a successful weekend. This
4 is the third time we've had a retreat like this. I
5 think the -- this retreat setting is particularly
6 important in light of the fact that -- again, I think,
7 Stan, your committee recommended this, but we cut back
8 from 10 meetings to six meetings a year. That
9 includes the retreat. And really four of those we're
10 heavy into funding. So there really isn't much
11 opportunity at other times to do the kinds of things
12 that we are able to do and this is a terrific Board.
13 I really appreciate everyone's participation and
14 involvement. And unless there is something else, we
15 will stand adjourned.

16 TRUSTEES: (No response.)

17 **(MEETING WAS ADJOURNED AT 11:42 A.M.)**

*Quoted material in this transcript
is verbatim and may/may not
reflect a direct quote.*

CERTIFICATE OF NOTARY - COURT REPORTER

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

I, Amelia W. Mount, Court Reporter, Notary Public in and for the above county and state, do hereby certify that foregoing was taken before me at the time and place hereinbefore and was duly recorded by me by means of Stenomask; which is reduced to written form under my direction and supervision, and that this is, to the best of my knowledge and belief, a true and correct transcript of the meeting of the Board of Trustees of the Clean Water Management Trust Fund held at the Washington Duke Inn and Golf Club, 3001 Cameron Boulevard, Durham, North Carolina, on the 9th day of February, 2009.

Amelia W. Mount, Court Reporter
Notary Public, #20021680310