

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

**Minutes of Regular Meeting  
Monday, August 11, 2008**

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**North Raleigh Hilton Hotel**

**3415 Wake Forest Road**

**Raleigh, North Carolina**

**9:00 a.m.**



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B O A R D M E M B E R S P R E S E N T

Philip A. Baddour, Jr., Chairman  
Ron Beane  
Yevonne Brannon  
Norman Camp III  
Karen Cragolin  
Rance Henderson  
William Hollan  
Robert Howard  
Charles Johnson  
Kevin Markham  
Charles McGrady  
Dickson McLean  
John McMillan  
Peter Rascoe  
Stan Vaughan  
Claudette Weston  
Jerry Wright

## A G E N D A

- A. Call to Order - Chairman Baddour
  - 1. Welcome
  - 2. Roll Call - Penny Adams
  - 3. Compliance with General Statute § 138A-15
  - 4. Revisions, additions, and adoption of the Agenda (Action Item)
  - 5. Please put cell phones on vibrate or off
  - 6. Review and approval of the transcripts of the June 2008 meeting of the Board of Trustees (Action Item)
  - 7. Recognize CWMTF Advisory Committee Members
  
- B. Public Comments (Three Minutes Per Person) - Chairman Baddour
  
- C. Executive Director's Report - Richard Rogers
  - 1. Administrative Update
  - 2. Communications report and Trustee presentation - Lisa Schell
  
- D. Attorney General's Report - Jennie Hauser
  
- E. Break
  
- F. Chairman and Co-Chair Meeting, 2008 Allocation and Committee Funding Recommendations - Chairman Baddour
  
- G. Acquisition Committee Report - Committee Co-Chairs Cragolin and Coleman (Action Items)
  
- H. Administrative Committee Report - Committee Co-Chairs Beane and Vaughan (Action Items)
  
- I. Restoration/Stormwater Committee Report - Committee Co-Chairs Brannon and Hester (Action Items)
  
- J. Discussion
  
- K. Adjourn

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P R O C E E D I N G S

CHAIRMAN BADDOUR: Call the meeting to order. Welcome everyone here. I guess, before the roll call -- Penny, you're going to call the roll, but I want to say that we're glad to know that Kevin Markham and Rance Henderson have been reappointed by the House. Glad to have you here. We do still have one vacancy on the Board. The Senate still has a vacancy that has not been filled, so we will await that. So, with that, Penny, would you call the roll?

MS. ADAMS: Chairman Baddour.

CHAIRMAN BADDOUR: Here.

MS. ADAMS: Mr. Beane.

MR. BEANE: Here.

MS. ADAMS: Ms. Brannon.

MS. BRANNON: Here.

MS. ADAMS: Mr. Camp.

MR. CAMP: Here.

MS. ADAMS: Mr. Coleman.

MR. COLEMAN: (No response.)

MS. ADAMS: Ms. Cragolin.

MS. CRAGOLIN: Here.

MS. ADAMS: Mr. Crumpler.

MR. CRUMPLER: (No response.)

MS. ADAMS: Mr. Henderson.

1 MR. HENDERSON: Here.

2 MS. ADAMS: Mr. Hester.

3 MR. HESTER: (No response.)

4 MS. ADAMS: Mr. Hollan.

5 MR. HOLLAN: Here.

6 MS. ADAMS: Mr. Howard.

7 MR. HOWARD: Here.

8 MS. ADAMS: Mr. Johnson.

9 MR. JOHNSON: Here.

10 MS. ADAMS: Mr. Markham.

11 MR. MARKHAM: Here.

12 MS. ADAMS: Mr. McGrady.

13 MR. McGRADY: Here.

14 MS. ADAMS: Mr. McLean.

15 MR. McLEAN: Here.

16 MS. ADAMS: Mr. McMillan.

17 MR. McMILLAN: Here.

18 MS. ADAMS: Mr. Rascoe.

19 MR. RASCOE: Here.

20 MS. ADAMS: Mr. Vaughan.

21 MR. VAUGHAN: Here.

22 MS. ADAMS: Ms. Weston.

23 MS. WESTON: Here.

24 MS. ADAMS: Mr. Wright.

25 MR. WRIGHT: Here.

1                   CHAIRMAN BADDOUR: General statute 138A-15  
2 mandates that the chair inquire as to whether any  
3 trustee knows of any conflict of interest or the  
4 appearance of a conflict of interest with respect to  
5 matters on the agenda. If any trustee knows of a  
6 conflict of interest or the appearance of a conflict  
7 of interest, please so state at this time. Kevin?  
8 Kevin Markham?

9                   MR. MARKHAM: Thank you, Chairman Baddour.  
10 I will be recusing myself from the following seven  
11 projects for either conflict of interest or appearance  
12 of conflict of interest: 2008-006, Catawba County,  
13 Crescent resource tracts, Mountain Creek; 2008-014,  
14 Durham County, the McClendon tract on the Little  
15 River; 2008-040, North Carolina Coastal Land Trust,  
16 Henry tract, Turnagain Bay; 2008-042, Coastal Land  
17 Trust, Luken's Island timber tract, South River;  
18 2008-049, North Carolina Wildlife Resources  
19 Commission, Diggs tract on Solomons Creek; 2008-058,  
20 City of Raleigh, Leonard tract, Neuse River; and a  
21 project that was withdrawn, 2008-038, Nature  
22 Conservancy, the Weyerhaeuser Tract on Rocky River.

23                   CHAIRMAN BADDOUR: Mr. Beane?

24                   MR. BEANE: Mr. Chairman, I'd like to recuse  
25 myself on three projects on this agenda today:

1           2008-018, the Foothills Conservancy acquisition on the  
2           Hull tract; it's on Wilson Creek in Caldwell County.  
3           2008-019; it's an acquisition, Jones Farm agriculture  
4           easement on the Yadkin River; it's in Caldwell County.  
5           And 2008-020 Foothills Conservancy acquisition of the  
6           Lutz tract on Wilson Creek in Caldwell County.

7                   CHAIRMAN BADDOUR: Okay. Anyone?

8           Mr. Rascoe?

9                   MR. RASCOE: Mr. Chairman, I'm not sure if  
10           this mike is working.

11                   Due to a potential conflict of interest, I  
12           would recuse myself from Project Number 2008-015, Town  
13           of Edenton.

14                   CHAIRMAN BADDOUR: Anyone else? Are there  
15           any revisions, additions to the agenda that anyone  
16           would like to propose?

17                   THE BOARD: (No response.)

18                   CHAIRMAN BADDOUR: If not, do I hear a  
19           motion that the agenda as presented be adopted?

20                   MR. McGRADY: So moved.

21                   MR. McMILLAN: Second.

22                   CHAIRMAN BADDOUR: Move by Mr. McGrady,  
23           seconded by Mr. McMillan. Any discussion?

24                   THE BOARD: (No response.)

25                   CHAIRMAN BADDOUR: Hearing none, so many as

1 favor the motion, signify by saying "Aye."  
2 THE BOARD: Aye.  
3 CHAIRMAN BADDOUR: Opposed, "No."  
4 THE BOARD: (No response.)  
5 CHAIRMAN BADDOUR: The ayes have it.  
6 I ask you to put your cell phones on vibrate  
7 or off.  
8 All of you have received the transcript of  
9 the June 2008 meeting. Do I hear a motion that the  
10 minutes of that meeting be adopted?  
11 MR. BEANE: So moved.  
12 CHAIRMAN BADDOUR: Mr. Beane.  
13 MR. VAUGHAN: Second.  
14 CHAIRMAN BADDOUR: Seconded by Mr. Vaughan.  
15 Discussion?  
16 THE BOARD: (No response.)  
17 CHAIRMAN BADDOUR: So many as favor the  
18 motion, signify by saying "Aye."  
19 THE BOARD: Aye.  
20 CHAIRMAN BADDOUR: Opposed, "No."  
21 THE BOARD: (No response.)  
22 CHAIRMAN BADDOUR: The ayes have it.  
23 I want to recognize some of our friends that  
24 are here today, advisory committee members. Dewitt  
25 Hardy from the Department of Agriculture, we're always



1 glad to have you. And always with us, Chuck Bennett  
2 from the Wildlife Commission.

3 Now is the time on our agenda when we allow  
4 time for public comments. Is there anyone from the  
5 public here who would like to make a presentation of  
6 up to three minutes?

7 THE ROOM: (No response.)

8 CHAIRMAN BADDOUR: Moving right along.  
9 Mr. Executive Director, you're up. Are you ready to  
10 bat?

11 MR. ROGERS: Thank you, Mr. Chairman. I'll  
12 be going through my administrative report. There's  
13 only about 40 items on here, so it shouldn't take more  
14 than an hour. But a lot of activity has been going  
15 on, and we do want to run through and update you with  
16 regards to Administrative. I'm going to review a  
17 little bit of legislative activity that went on this  
18 past session, as well as some of the things we're  
19 doing with regards to moving and that kind of thing.

20 One thing I do want to tell you: I guess  
21 the end of July, the Clean Water Management Trust Fund  
22 received a public -- an Education and Public Service  
23 award from UCOWR, which is Universities Council on  
24 Water Resources. This is a council that covers  
25 universities across the U.S., and they do a whole lot

1 of research with regards to water resources. It's an  
2 interesting consortium of engineers, academics, and  
3 other folks that come together to talk about the value  
4 of water and how we can better conserve and manage our  
5 water. Dr. Ken Reckhow, who is a member of this,  
6 actually put our name in the hat and introduced Clean  
7 Water and myself at this meeting. And so I just  
8 wanted to let you all know that the recognition is a  
9 wide recognition from a body that covers the U.S.

10 I had the opportunity to speak just a minute  
11 or two with regards -- in acceptance of the award, and  
12 I mentioned our Innovative Stormwater and the fact  
13 that we are putting up the \$5 million to look at  
14 Innovative Stormwater projects and demonstration  
15 projects in the state. And, if you could just see the  
16 jaws drop and the eyes go, "Oh, my gosh" -- they were  
17 extremely jealous of the funding that was being put  
18 towards water resources in North Carolina. And it  
19 just kind of makes you proud of what the Legislature  
20 has provided and the work that the Board has done over  
21 the past 10 or 11 years.

22 So I just wanted to give y'all an update on  
23 that. I did not bring the plaque with us. I thought  
24 I was, but I did not bring it. But when we get in our  
25 new digs, we'll have it prominently displayed.

1                   As Chairman Baddour mentioned, the  
2                   Legislature closed its doors none too early, but not  
3                   too late either. And, before really bad things  
4                   started happening, I think they got out of town. And  
5                   I wanted to run down with you -- and in your Board  
6                   packet we've made copies of some of the legislation.  
7                   We've copied the first page of the budget deal, which  
8                   identifies Clean Water with no change. And also in  
9                   the report we have copied that division that says  
10                  we've got \$100 million this coming year.

11                  And it's interesting in the budget process  
12                  the Clean Water funds are in the recurring budget.  
13                  This was a budget year dealing with revisions and  
14                  expansions. Clean Water should not come up at all.  
15                  But, as we worked through committee, I was going, "Why  
16                  is it even in the budget?" And I finally got  
17                  responses that, every time they would go back and the  
18                  committee chairs looked, and they'd go, "Where's Clean  
19                  Water money? Where's Clean Water money?" They wanted  
20                  to make sure that it was in there, so I think that's  
21                  good news for us all.

22                  Other legislation that passed with regards  
23                  to funding, there were several additional funds that  
24                  went towards conservation this year that I think the  
25                  Legislature did a grand job on in a time of tightening

1 economy and those type of things. The Land For  
2 Tomorrow funding at \$50 million, these are COP funds.  
3 The difference in these COP funds is the fact that it  
4 will be paid back by the general fund and not by the  
5 Heritage Trust Fund or the Park and Rec trust fund;  
6 and my understanding is that they are well on their  
7 way to identifying those projects that they'll look to  
8 fund as well.

9 \$4 million was also put into the Farmland  
10 Preservation Trust Fund. Last session it got  
11 8 million, and this year it got 4 million, and I know  
12 that Dewitt is happy about that -- not overjoyed, but  
13 extremely happy that it continued to be funded.

14 Another funding legislation is the Rural  
15 Centers legislation. This provides another  
16 \$50 million for their water infrastructure, which  
17 includes water supply, wastewater; and there is also a  
18 little piece in there for natural gas, as well.

19 Other legislative activity: In the  
20 beginning of July, maybe a little earlier, we were  
21 contacted by the newly formed Program Evaluation  
22 Division in the Legislature. This program is new.  
23 What they do is they evaluate state agency programs,  
24 and their interest here is they're looking at water  
25 and wastewater infrastructure projects. They are

1 working with us, as well as the Construction Grants  
2 and Loans, Rural Center, and all those folks that  
3 provide grants with regards to water infrastructure,  
4 and doing an assessment of those programs. So we're  
5 engaging in them. The next meeting we're having is  
6 August 20th, and we'll continue that. In my  
7 understanding, it's supposed to report out to the  
8 Legislature in December.

9           Once again, I put in your packet the  
10 appointments bill; and, as Chairman Baddour said,  
11 we're extremely excited to have Kevin and Rance back  
12 with us. And I've also included the whole bill. It's  
13 always kind of interesting to look at the names and  
14 all of the different commissions that are there, so  
15 you may want to just take a minute or two and run  
16 through that.

17           As we do, I wanted to give y'all an update  
18 on our contracts before the '07 cycle. One of the  
19 things we did was make a goal of getting all our  
20 contracts out before the 1st of July. We succeeded by  
21 getting all our contracts out by the 3rd of July. And  
22 I want to thank staff for their efforts on this. I  
23 think that we really pushed hard. I think we took it  
24 on as a priority. I think we have some more things to  
25 do with that, and hopefully we'll be able to work

1 in -- with approval of the staff, with some new  
2 location and some space to work, be able to produce  
3 even better results this year in trying to get our  
4 contracts out by the beginning of February when our  
5 2009 cycle will begin. If there's any questions on  
6 that, I'll be glad to answer that.

7 Just to note, the encumbered funds -- if  
8 y'all looked at the spreadsheet that Christopher went  
9 over, we have about 55 million that had not been  
10 encumbered, so we're right at 50 percent of the funds  
11 being encumbered, and that should go up exponentially  
12 over the next few weeks as contracts come back signed.

13 One of the things that we've been -- it's  
14 kind of taken over, over the last couple weeks, is the  
15 fact that we're moving. Our office -- I hope you  
16 don't have to walk in there. Penny almost boxed us in  
17 there with boxes the other day; we couldn't get out.  
18 But we are in the moving mode. We will be moving our  
19 offices this Wednesday, Thursday, and probably a  
20 little bit of Friday. At our June meeting we reported  
21 that we'd be heading to a location in South Saunders  
22 Street. That is no longer where we're heading; that  
23 has been changed. There's information in your packet  
24 of our location. We'll be on Six Forks and Anderson,  
25 which is a very good location -- on the third floor in

1           that building -- and I hope you will take a look at  
2           the information that's been provided for you in your  
3           packet.

4                        The phone numbers -- all our phone numbers  
5           will change. I don't know whether that's a good thing  
6           or not. It might be for some of the people that call.  
7           But what we've done with regards to that, while we are  
8           changing phone numbers on every personal line that we  
9           have in the office, we've extended for a year a  
10          message that will identify the forwarding number to  
11          that person so that they can be contacted immediately,  
12          and we hope not to have any issues there. One thing  
13          about these numbers, we still have to get them checked  
14          out. They are getting hooked up, I think, today. We  
15          will be in the offices tomorrow, insuring that these  
16          are the correct numbers and the company has given us  
17          the proper numbers.

18                       There's a little map here for your  
19          information, and we are excited about this move. We  
20          actually have some conference room space that we'll be  
21          able to have a meeting not in my office. And so we're  
22          excited about the move, and hopefully we'll be settled  
23          on in, and we'll look forward for y'all to drop by  
24          when you have the opportunity.

25                       There's also -- wanted to talk to you just a

1           little bit -- in September we are going to be  
2           presenting y'all our next year's Board meeting  
3           schedule, and this is an opportunity for feedback if  
4           y'all have any. We're looking to have the same  
5           schedule we have this year: a retreat in February,  
6           June and August meetings here in Raleigh. Our  
7           intention is to have them here at the North Raleigh  
8           Hilton. And then our September and October meetings  
9           will be on the road. This year we're looking to go --  
10          to have one in the east, down in Wilmington, and then  
11          one in the western part of the state. There's been  
12          some notion that we're looking into going to  
13          Morganton. But, again, if y'all have any interest or  
14          input on that, we'd be glad to take it and incorporate  
15          that, and then we'll be back in here in November. So  
16          take some notes on that; and, if you have any  
17          questions, please let us know.

18                 There's also a page in your packet that  
19                 identifies the next meetings that we have for the  
20                 remainder of the year. Please take note of that.  
21                 There's phone numbers for reservations and that kind  
22                 of thing on there. We're all set up with these  
23                 places, and we're looking forward to getting to  
24                 Winston and Hickory over the next couple of months.

25                         There's a couple things that I took off the



1 agenda yesterday that I wanted to talk about today  
2 real briefly. One -- with regards to acquisition, one  
3 project of interest that we've been working closely  
4 with our clients on is an Edgemont tract. It's rather  
5 unique; it is a trout club. It is giving -- selling  
6 conservation easement to us. One of the interesting  
7 factors is the fact that they have a house or a lodge  
8 and some other structures. And we've been trying to  
9 work with them there. They asked us to come up with  
10 an easement that would allow those structures in it.  
11 The staff, Robin and others, worked extremely hard to  
12 provide that with them.

13 We went in that with them about a month ago,  
14 and we did not come to a conclusion that that was that  
15 best thing to happen. What we're -- the path we're on  
16 right now is that I believe the trout club is taking a  
17 proposal to their members to talk about cutting that  
18 portion of the easement out, a Clean Water easement,  
19 and allowing the Foothills Land Conservancy to have an  
20 easement on that property. And I think that is the  
21 custom that we've had here and the way that the Board  
22 has taken structures out of their easements in the  
23 past. So I just wanted to give you a brief update on  
24 that.

25 One other thing is a stewardship program.

1 Again, we're awfully excited about this program.  
2 Again, there's a whole bunch of challenges that we  
3 face with regard to stewardship and having a state  
4 entity taking on this role. Phil mentioned the fact  
5 that we got our legislation in place and we're looking  
6 to let the rubber hit the road on that and get that  
7 moving forward with the endowment fund.

8 But we've also had the good fortune of  
9 having Cherri Smith in-house. Cherri, over the past  
10 several months, has been working diligently to make  
11 some sense of everything we've got with regards to our  
12 easements. She's also reviewed some of the  
13 applications that have come in and looking at the  
14 stewardship amounts and putting some questions and  
15 putting a good eye on those. And I just wanted to  
16 give Cherri just a couple minutes here to kind of give  
17 y'all an idea -- since this is kind of a new program  
18 that we're working on, to give you an idea about what  
19 she's working on and where we're heading with the  
20 program. So Cherri?

21 MS. SMITH: Thank you. It's been a real  
22 busy summer. I finished going through 11 years' worth  
23 of projects, gathering stewardship information. I  
24 would have never been finished at this point if I  
25 didn't have two wonderful interns, Lindsey Merriman

1 and Rishona Peace, helping me all summer long. So  
2 we've made it through that.

3 We found 184 projects that have Clean Water  
4 easements on them that are monitored by the Land Trust  
5 that we need to be making sure we follow up with. I'm  
6 in the process now of meeting with each of the  
7 individual land trusts that we have contracts with,  
8 around 20 land trusts, to fill in gaps of information  
9 that I was able to find, and also to check for  
10 accuracy with the land trust. I've also worked some  
11 with DENR's Office of Natural Resources Planning and  
12 Conservation to see where the two stewardship  
13 programs -- where there can be consistency between  
14 them.

15 I've also -- I'm also interested in pursuing  
16 signage for Clean Water easements for two reasons:  
17 for monitoring purposes for the Land Trust and also,  
18 really, as good publicity for the program. Signs like  
19 this (indicating) can be bought for less than \$2  
20 apiece, so it could be a pretty cost-effective way to  
21 get some good public relations.

22 And, as Beth mentioned yesterday, DENR is  
23 working on a lot of web-based type databases, and so  
24 I'm looking into that to determine the utility for the  
25 stewardship program to go to more of a web-based type

1 database. And so right now the main focus is with  
2 getting with the land trusts and making sure I have  
3 complete, accurate data to proceed with.

4 MR. ROGERS: Thank you, Cherri. And, again,  
5 we're excited about this program. There's a lot of  
6 challenges. And I think it's a great opportunity for  
7 us to really take the lead from a state interest in  
8 managing the easements that the state has and the  
9 Board approves.

10 I think that does it. I'll be more than  
11 happy to take any questions that we need. We also  
12 have our communications report from Lisa. And, if  
13 she'll do that, we'll move on.

14 MS. SCHELL: Technical challenges here this  
15 morning. Somebody might have unplugged it.

16 MR. JONES: It's on. You need to switch  
17 your input.

18 MS. SCHELL: There we go. Lovely beach  
19 theme, since it's the middle of the summer.

20 Good morning, everybody. We'll start with  
21 our media clips that we have received, our media  
22 attention since our last meeting in June. Quite a few  
23 here. The first one there at the top, from the  
24 Charlotte Observer, was one of several editorials in  
25 favor of our funding, as well as funding from our

1 other trust fund partners. We've received quite a few  
2 of those over the course of the legislative session.  
3 So that was very, very positive and encouraging from  
4 my standpoint, from where I sit.

5 Many, many news stories in smaller papers  
6 about grants that we had made previously and upcoming,  
7 potential grants, applications that were pending. So,  
8 as you can tell, we've had quite a few in the last two  
9 months, which is always good.

10 In the middle there, Fayetteville Observer  
11 on the 21st of July, another editorial, just to point  
12 that out to you. And yet another story from the  
13 Charlotte Observer. It's always good when the big  
14 papers start picking up those stories. And, of  
15 course, two newspapers across the state picked up  
16 Mr. Beane's conservancy honors there.

17 Media contacts since the last meeting, that  
18 would be interactions that I have had or Richard has  
19 had with reporters; a good variety there, as well.  
20 And the usual telephone calls, e-mail requests for  
21 public information.

22 Our events: The summer is usually the time  
23 when we slow down a little bit because of the heat.  
24 When I do events with our partners, I like to do them  
25 outside because that makes the most sense from getting

1 more publicity, and also that's what we do; our  
2 projects are outside. So, when it's hot and the  
3 weather is iffy, we kind of slow down and prepare to  
4 gear up in the fall. But Mr. Henderson and I had the  
5 wonderful opportunity to do six presentations in four  
6 days in the Morganton area, and I will let him say a  
7 few words about those, if he would like.

8 MR. HENDERSON: Well, first of all, it's a  
9 lot of fun, and Lisa was so well-prepared that it was  
10 just a win-win situation for us. A lot of feedback  
11 since those meetings, and the comments are  
12 generally -- the first -- the opening comment that I  
13 received from any number of people is something to the  
14 effect of: "Great program." And the second comment  
15 has been: "I never realized." And so it was a lot of  
16 fun, and I want to compliment Lisa on the excellent  
17 presentation that she put together.

18 MS. SCHELL: Thank you. I just want to  
19 thank you for your hospitality during those four days.

20 This is an outreach program that the  
21 chairman started, initiated, and something that we  
22 would like to continue. In addition to that, the  
23 major projects that I'll be working on or that I have  
24 been working on or continue to work on, probably the  
25 biggest one -- and Beth alluded to this yesterday --

1 is the design or redesign of our website. Independent  
2 of the online application scenario that she described,  
3 we're going to do a complete face-lift with our  
4 website. It's overdue.

5 Technology -- as much as I pride myself in  
6 being a geek, the technology has far surpassed my  
7 abilities and capabilities right now, so we're going  
8 to get some help with that from the very capable and  
9 talented graphic designers at the department level in  
10 the Office of Public Affairs with DENR, the same folks  
11 who do such a wonderful job designing our annual  
12 report. So they're going to help us with a face-lift  
13 on the website, streamline it, make it more user-  
14 friendly, get rid of the stuff that doesn't need to be  
15 there, make more prominent the stuff that most of our  
16 users and clients and partners do use.

17 That's not going to be an overnight thing.  
18 It's going to take a while because it is a rather  
19 technical, as well as artistic, endeavor. They are in  
20 very high demand right now for that kind of work, so  
21 we're looking at probably six to eight months down the  
22 line. But I'll be working very closely with them in  
23 getting that ready to go; and, hopefully, in a couple  
24 of months, they'll have some prototypes for me to look  
25 at, which I will bring back and let you all take a

1 look at. That is in the works.

2 The other thing I had the opportunity this  
3 session to do with Richard, as some of you know from  
4 reading his e-mail updates, is helping him with the  
5 legislative tracking, following legislation and bills  
6 that were of interest to us in this particular  
7 session.

8 Which leads me to next session. One of the  
9 things that we need to start turning our attention  
10 towards, from a communications and message standpoint,  
11 is the 2009 session and the challenges that it may  
12 present to us in terms of keeping our funding. It's  
13 going to be an extremely difficult session from what  
14 we can tell, budgetwise. And so Richard and I are  
15 going to put our heads together and start coming up  
16 with a communications plan to hit that head-on and be  
17 proactive.

18 Doing the community presentations that Board  
19 Member Henderson and our chairman have done is  
20 probably a key component of that, kind of getting word  
21 out to the communities, getting word out to the people  
22 who, as Rance said, had no idea. That way we can  
23 build even more grassroots support than we've had in  
24 the past. Using you all to help do that, I think,  
25 will be key. And I'll let Richard talk a little bit



1 more about that in a few minutes.

2 Reaching out to the conservation non-  
3 profits, maybe doing some of these same kinds of  
4 presentations to them to broaden the audiences that we  
5 have; and, again, lay that groundwork for mobilizing  
6 even more of a grassroots effort to reach the General  
7 Assembly. Taking it even a step farther, doing the  
8 same thing, reaching out to our local governments, to  
9 the Association of County Commissioners and the League  
10 of Municipalities, getting stories placed in their  
11 newsletters and publications and online communication  
12 outlets as well.

13 And, in coming up with that communications  
14 plan, we need to really sort of home in on the issues  
15 that will affect our funding. You know, "It's the  
16 economy, stupid" -- yes, obviously. Also drought and  
17 tourism, how what we do helps our tourism economy, can  
18 help with the drought situation that our state needs  
19 to hit head-on, and also how important water resources  
20 and clean water and what this Board does really is to  
21 our economy. A lot of times I think people have the  
22 idea that you can't have economic growth and at the  
23 same time spend money on land acquisition. But all of  
24 you know that that's not true. All of you know that  
25 that is very important to keeping our economy healthy

1 and keeping our growth going.

2 And those are the issues that we really need  
3 to kind of make very apparent as we go towards the  
4 next legislative session. And we'll be developing  
5 message points and other tools to get that message out  
6 there and work on keeping our funding at the -- at the  
7 very least, keeping our funding at the level it is  
8 now.

9 Richard?

10 MR. ROGERS: Thank you, Lisa. I appreciate  
11 that. Again, towards the end of the legislative  
12 session, folks were happy with what happened. But,  
13 again, everybody sees a weakening economy for the time  
14 being, and money is going to be extremely tight, and  
15 so we're going to do our best to be proactive with  
16 regards to getting our message out.

17 Trustees, what I'd like to ask you to do --  
18 and as Phil has asked before -- is let us know  
19 potential groups that we can come and talk to. Give  
20 us a name. If you can make a phone call and introduce  
21 the idea, concept, it would help us down the road. If  
22 we can take care of the presentation, we'd love to  
23 have you there. You can do the presentation. But  
24 it's critically important if y'all can make that  
25 contact with the folks that you know, with these civic

1 organizations and other interests, it's going to help  
2 us get the word out, and it will help us in the long  
3 run with regards to -- it's important to the  
4 Legislature, as well. Thank you.

5 Mr. Chairman, that's the end of my report.

6 CHAIRMAN BADDOUR: Thank you for that very  
7 good report. Are there any questions that anyone has  
8 of our executive director?

9 THE BOARD: (No response.)

10 CHAIRMAN BADDOUR: Just a couple comments.  
11 First of all, I think the fact that all of our  
12 contracts now from 2007 are out the door is great news  
13 and a great milestone. And that means that, after  
14 today's meeting, when we approve acquisition projects,  
15 that our staff will be able to begin work on the 2008  
16 projects without having to be drafting contracts for  
17 2007. I think, for the other things that we have on  
18 our agenda, that hopefully will pass, involving some  
19 reorganization and new staff, that we're well on the  
20 way to having things run in the smooth way that we all  
21 wanted to see things happen.

22 The other thing is I want to thank Rance for  
23 his effort, and Lisa, and encourage you to do what  
24 Richard has asked you to do. It really is a lot of  
25 fun to give these presentations. Lisa's got a

1           PowerPoint that you can adapt to the area where you  
2           are and highlight some of the things that have been  
3           done in your area, and I think you'll enjoy doing  
4           that. It's -- you know, it's a really big state, and  
5           sometimes you get the feeling that, "Well, this isn't  
6           really that much because the state is so big." But,  
7           if we would do this and do it consistently over a long  
8           period of time, I think we'll build a tremendous  
9           amount of good will across the state.

10                    Okay. Now, with that, we have -- are very  
11           glad to have with us Jennie Hauser, who's stepping in  
12           for Frank Crawley, who I guess is on vacation. So, if  
13           you have a report, we'd be glad to hear from you.

14                    MS. HAUSER: Just briefly, Mr. Chairman and  
15           Trustees, it's my pleasure to be here. And, while  
16           Frank is on vacation, he has asked me to give you some  
17           information about what is called the Crawford Creek  
18           litigation: The formal name of the case is: Thomas  
19           Lenoir Woltz, as Trustee for the Crawford Creek trust  
20           agreement, and the Southern Appalachian Highlands  
21           Conservancy and the State of North Carolina versus  
22           Donald Taylor, Caroline Crowell Taylor, William Drake,  
23           and Lorraine Crowell Drake.

24                    This litigation arises concerning a  
25           conservation easement that was facilitated by this

1 Board in Haywood County. The State of North Carolina  
2 recently moved to intervene, as a party in the case,  
3 on the side of the Southern Appalachian Highlands  
4 Conservancy, which is the coholder of the conservation  
5 easement that is now held by the State of North  
6 Carolina. The actual -- the motion to intervene was  
7 granted on July the 21st. The case is set for trial  
8 the week of August the 18th.

9 Back in September of last year, Tom Massie  
10 of your staff visited the site and made photographs,  
11 and the State is expecting to call Tom as a witness in  
12 the case. The plaintiffs estimate that the case will  
13 take two to three days to try. It will be a jury  
14 trial in Haywood County. And Frank just wanted to  
15 make you aware of this effort to enforce one of the  
16 easements that you all had facilitated.

17 Thank you, Mr. Chairman.

18 CHAIRMAN BADDOUR: Thank you. Are there any  
19 questions?

20 THE BOARD: (No response.)

21 CHAIRMAN BADDOUR: All right, we'll skip  
22 over the break since we're moving ahead right now, and  
23 we'll take it at a little bit later time.

24 Yesterday we did have a meeting of the  
25 Funding Committee chairs in order to make a

1 recommendation to this Board as to the allocation of  
2 the funds that we have available to make our grants.  
3 And, in a sense -- this is not a formal committee, but  
4 the committee did -- the group that met together does  
5 have a recommendation. And, in a sense, what we did  
6 was we adopted the staff recommendations.

7 So, Richard, I'd like for you, if you would,  
8 to present what the staff recommended. And then,  
9 after that, maybe we'll have a motion.

10 MR. ROGERS: What you see before you is --  
11 what we've done is estimate the total available funds  
12 at \$109,500,000. This is the 100 million that the  
13 General Assembly appropriated, and then estimating  
14 interest on our fund balance that we want to roll into  
15 the award cycle. This is not an exact number, but  
16 it's our starting point. As we go forward through the  
17 next several months, we will make adjustments to that  
18 that are appropriate, and then we'll manage those  
19 funds with unencumbered contracts, unencumbered funds,  
20 and other contracts that have funds in them, as well,  
21 as we may have a little more interest than we  
22 estimated.

23 What we did, in the breakdown with regards  
24 to committee, is that we took last year's percentages  
25 as a starting point -- and there was a bit of

1 discussion yesterday with regards to these numbers,  
2 but we really didn't come up with a -- I don't know  
3 whether a better or an alternative to what we have  
4 proposed here. What we do is we take the reserve  
5 funds at 20 percent, which equals 21,900,000. Those  
6 reserve funds will be held for our November meeting,  
7 when we do the rest of the best awards for projects.  
8 What we've also incorporated and proposed in this  
9 funding is the \$5 million that the -- up to \$5 million  
10 that the Board allocated in June towards our  
11 Innovative Stormwater projects.

12 We're also looking that the -- each of --  
13 Acquisition and Restoration/Stormwater will take their  
14 mini-grant funds out of these, out of their allocation  
15 funds -- allocated funds. And then, our notion -- and  
16 there was some discussion around this topic too, with  
17 regards to cost overruns would be taken out of the  
18 reserve. So that's the proposal we presented. Again,  
19 we had lively discussion, and we'll entertain any  
20 comments, questions. One thing we can do very easily  
21 is we can change percentages on that little chart  
22 right there and refigure it if that's what y'all want  
23 to do. Or we can move forward.

24 CHAIRMAN BADDOUR: Remind the Members of the  
25 Board that the reason we're, of course, doing this is

1           so that, in the next few months, beginning with today,  
2           we can take the recommendations of the funding  
3           committees and make final decisions so that we can  
4           proceed with our contracts. The idea of having the  
5           reserve left so that we can -- you know, we can look  
6           at what are the best projects that we did not fund,  
7           and fund those out of the reserve. We certainly are  
8           not making any commitment, whatever the size of the  
9           reserve, that the allocation would be in the same  
10          percentage when we get to spending the reserve. The  
11          idea is to look at the best of the projects that are  
12          left. So this -- I'll open this up for discussion.  
13          At some point maybe somebody would like to make a  
14          motion.

15                            Okay, Karen?

16                            MS. CRAGNOLIN: I like the idea of taking  
17                            the cost overruns out of the committee from which they  
18                            came. That seems appropriate. Those -- the folks  
19                            that approved the grant from a committee are going to  
20                            be most familiar with the intimate details of that and  
21                            will be able to weigh the value of those cost overruns  
22                            against the current projects. So I would vote for  
23                            that.

24                            CHAIRMAN BADDOUR: Well, let me say this:  
25                            This is what you have to remember, is that this will



1           only make sense until November, because after November  
2           there's no more committee allocation. I mean, they  
3           will all be gone. So, I mean, they're two really  
4           separate issues here. The committee itself certainly  
5           can look at that on cost overruns and should be  
6           referred to that committee. But -- and we can -- I  
7           mean, while we're still in the process, we can do  
8           that, but after November there really won't be  
9           anyplace to take it except out of whatever unexpended  
10          funds we have or reversions that we have.

11                   MR. McLEAN: Mr. Chairman --

12                   CHAIRMAN BADDOUR: Any further discussion?

13                   MR. McLEAN: -- I move that the allocation  
14          report be approved.

15                   CHAIRMAN BADDOUR: We have a motion that the  
16          allocation report that you have there on the board be  
17          approved.

18                   MS. BRANNON: Second.

19                   CHAIRMAN BADDOUR: And there's a second.  
20          Now, what's not up there that you did have yesterday  
21          was that -- oh, you want to scroll down a little  
22          bit? -- that up to 5 million will be allocated out of  
23          reserves for funding Innovative Stormwater. That was  
24          yesterday. And any approved project cost overrun will  
25          be allocated -- now, out of reserve funds is the way

1           that the recommendation was yesterday. Now, if  
2           somebody wants to -- so I'm going to take that as your  
3           motion, Mr. McLean. First of all, is there a second  
4           to that motion?

5                       MS. BRANNON: Second.

6                       CHAIRMAN BADDOUR: Okay, second by  
7           Ms. Brannon. Now, we will be glad to hear any  
8           discussion or any amendments to that that someone  
9           would like to make.

10                      Did you want to make an amendment, Karen --  
11           offer an amendment about that the cost overruns be  
12           allocated up through November, through the --

13                      MS. CRAGNOLIN: Yes. Are you going to do  
14           all of those together?

15                      CHAIRMAN BADDOUR: Yes.

16                      MS. CRAGNOLIN: Okay. Yes, I would. I  
17           would move that or ask that the amendment be -- that  
18           you accept the amendment that cost overruns be  
19           allocated to the project up until November wherever  
20           possible, because I do believe that the folks in those  
21           committees are going to know those projects best.  
22           Would you accept that?

23                      MR. McLEAN: Second.

24                      CHAIRMAN BADDOUR: Okay, it's been moved and  
25           seconded that any cost overruns be allocated out of

1 the allocation to the committee as long as we're  
2 dealing with the allocation of the committee and can  
3 identify that. Is there a second to the motion?

4 Did you want to speak on that, Mr. Howard?

5 MR. HOWARD: Yes, sir. If this motion  
6 passes, then would it be appropriate to make a motion  
7 that any moneys that come back into the fund as a  
8 result of unencumbered funds be allocated to those  
9 committees also, please?

10 CHAIRMAN BADDOUR: That would certainly be  
11 appropriate. Okay, are you willing to accept that as  
12 a friendly amendment, Karen?

13 MS. CRAGNOLIN: (No verbal response.)

14 CHAIRMAN BADDOUR: Okay, she's willing to  
15 accept that as a friendly amendment. So, with that  
16 objection, then, we'll make that part of the motion.  
17 Is there any discussion?

18 THE BOARD: (No response.)

19 CHAIRMAN BADDOUR: Okay, is there any  
20 further discussion on the motion itself?

21 MR. HOLLAN: This is the amendment?

22 CHAIRMAN BADDOUR: With the amendment.

23 MR. HOLLAN: We're going to vote on the  
24 amendment?

25 CHAIRMAN BADDOUR: She accepted it -- he

1           accepted --

2                   MR. HOLLAN:       But I don't think that the  
3 movers of the original motion have accepted the  
4 amendment.

5                   CHAIRMAN BADDOUR:   He did.

6                   MR. McLEAN:    We accept it.

7                   CHAIRMAN BADDOUR:   Dickson accepted it; he  
8 did.

9                   MS. BRANNON:    I didn't.   I'm not --

10                   CHAIRMAN BADDOUR:   Okay, you do not accept  
11 it?   Okay.

12                   MR. HOLLAN:    I'm sorry.   I was looking the  
13 wrong way.

14                   CHAIRMAN BADDOUR:   We will vote on the  
15 amendment, then.   All right, let's get it up there.  
16 All right, you see the amendment.   Cost overruns  
17 through the November meeting to the appropriate  
18 funding committee, and funds from unencumbered return  
19 to the appropriate funding committee.   Any further  
20 discussion on the amendment?

21                   THE BOARD:    (No response.)

22                   CHAIRMAN BADDOUR:   Hearing none, so many as  
23 favor the amendment, signify by saying "Aye."

24                   THE BOARD:    Aye.

25                   CHAIRMAN BADDOUR:   Opposed, "No."

1 THE BOARD: (No response.)

2 CHAIRMAN BADDOUR: Okay, the ayes have it.

3 (A short interruption occurred.)

4 CHAIRMAN BADDOUR: Okay, now we have

5 discussion on the motion as amended. Further

6 discussion?

7 MR. HOLLAN: Mr. Chairman?

8 CHAIRMAN BADDOUR: Yes, sir?

9 MR. HOLLAN: I will vote --

10 CHAIRMAN BADDOUR: Mr. Hollan?

11 MR. HOLLAN: I will vote to -- in favor,

12 with the understanding that we may want to revisit the

13 question of whether, since we've made greenways a

14 separate category, that -- and are giving emphasis to

15 greenways -- for instance, today I think we're going

16 to recommend nearly \$5 million of funding for

17 greenways -- that we take another look at the

18 acquisition.

19 We had the opportunity -- as to the

20 allocation to acquisition as a percentage, we had the

21 opportunity yesterday to review a number of projects.

22 We had some wonderful projects that are not going to

23 make the cut today and some projects that we need to

24 do because of this allocation. And part of that is

25 because we're doing these greenway projects that

1           wouldn't have got the emphasis in the past. So I know  
2           I've talked to you about it, and some others, and I'm  
3           hopeful that we'll be able to come back and take  
4           another look at this and either make the adjustment  
5           through looking at the reserve funds in November; or,  
6           going forward, we may want to create a separate  
7           category for greenways. Thank you.

8                         CHAIRMAN BADDOUR: Yes, and thank you for  
9           that point. And we can certainly do that. And one of  
10          the things that's been suggested is that we'll deal  
11          with it when we can look at the reserves in November,  
12          but also when we have our retreat in February. Some  
13          have suggested that perhaps greenways should be  
14          actually a separate category in and of itself; and we  
15          can look at all that in depth, I think, as we go into  
16          the next cycle. So thank you for those comments.

17                        Is there further discussion?

18                        THE BOARD: (No response.)

19                        CHAIRMAN BADDOUR: Hearing none, so many as  
20          favor the motion as amended, signify by saying "Aye."

21                        THE BOARD: Aye.

22                        CHAIRMAN BADDOUR: Opposed, "No."

23                        THE BOARD: (No response.)

24                        CHAIRMAN BADDOUR: The ayes have it.

25                        Ms. Cragolin, I'd like to call on you for

1 the report of the Acquisition Committee.

2 MS. CRAGNOLIN: Thank you, Mr. Chairman.  
3 And I'd like to thank the staff. They have worked  
4 exceptionally hard. We had a number of wonderful  
5 projects this time, as we always do, almost twice as  
6 many as we're going to be able to fund, which is  
7 always heartbreaking. We did, this past time, ask our  
8 staff to put together in your packets a list of the  
9 conservation easements that have had public access and  
10 those that did not, the idea being that we would look  
11 at those, maybe in the future, as part of the  
12 criteria. And if we had to weigh two equal projects,  
13 maybe we'd give more weight in the criteria section as  
14 something that we wanted Kevin to look at, if there is  
15 public access. Part of that is because we're using  
16 public funds, so there is a bias towards public funds  
17 and public access, though we understand there's  
18 reasons why that would not always be the case.

19 Some of the other issues that we've looked  
20 at -- and I want to tell you that Richard's done a  
21 wonderful job. He pulls the committee chairs together  
22 with all the staff before the meetings. And, in an  
23 effort to make the committee meetings go smoothly --  
24 and yesterday was a prime example of how smoothly  
25 things can go. But we did come in with some sort of a

1 blueprint of how we wanted to move forward on the  
2 projects.

3 A couple of things we did yesterday: The  
4 committee did recommend that steward funds for donated  
5 mini-grants be released. I'm jumping around the  
6 agenda here a little bit, but I'd like to get that out  
7 of the way. So that was a committee recommendation of  
8 yesterday, that the stewardship funds for donated  
9 mini-grants be released. I think it's a  
10 recommendation where the committee doesn't need a  
11 second.

12 CHAIRMAN BADDOUR: Okay, well we have a --  
13 the recommendation of the committee is that we release  
14 the stewardship funds on donated mini-grants.  
15 Discussion on the recommendation of the committee?

16 THE BOARD: (No response.)

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

19 THE BOARD: Aye.

20 CHAIRMAN BADDOUR: Opposed, "No."

21 THE BOARD: (No response.)

22 CHAIRMAN BADDOUR: The ayes have it.

23 MS. CRAGNOLIN: Okay. We moved around some  
24 projects that came in initially looking like a  
25 planning project, and we moved them into greenway



1 mini-grants. And the committee recommends that --  
2 funding for greenway mini-planning grants. And that  
3 would be 2008-803 in Ramseur for the amount of  
4 \$35,000; 2008-805 for the Town of Troy for \$24,000;  
5 2008-806, Walnut Cove, \$24,000; and 2008-807 in  
6 Wingate for \$24,000. That's the committee  
7 recommendation, Mr. Chairman.

8 CHAIRMAN BADDOUR: Again, what we're going  
9 to do here on the committee recommendation, we're  
10 going to remove 2008-806 and vote on that separately  
11 because of the conflict of Mr. Markham.

12 MS. CRAGNOLIN: Yes.

13 CHAIRMAN BADDOUR: So, now, with regard to  
14 803, 805, and 807, is there any discussion?

15 MR. MARKHAM: Mr. Chairman, I don't believe  
16 I have a conflict with 806.

17 CHAIRMAN BADDOUR: I'm sorry. I made a  
18 mistake. It was --

19 MS. CRAGNOLIN: He may be the only one who  
20 doesn't. I've got a list.

21 CHAIRMAN BADDOUR: I'm sorry. I'm sorry.  
22 It's 006. Okay, all four, then. Is there any  
23 discussion?

24 THE BOARD: (No response.)

25 CHAIRMAN BADDOUR: So many as favor the

1 committee recommendation as presented, signify by  
2 saying "Aye."

3 THE BOARD: Aye.

4 CHAIRMAN BADDOUR: Opposed, "No."

5 THE BOARD: (No response.)

6 CHAIRMAN BADDOUR: The ayes have it.

7 MS. CRAGNOLIN: Thank you, Mr. Chairman.

8 Thank you, Members of the Board. We, as Board  
9 committee chairs, felt that we get a lot of bang for  
10 our buck or return on our investment with our planning  
11 grants. The committee agreed with that as a  
12 recommendation from the committee, yesterday's  
13 meeting, that we approve three planning grants. That  
14 would be 2008-801 for Chatham County for the amount of  
15 \$40,000; 2008-802 for the Northwest Piedmont COG for  
16 \$40,000; and 2008-804 for Tarboro, \$56,000. Thank  
17 you, Mr. Chairman.

18 CHAIRMAN BADDOUR: Okay, is there any  
19 discussion?

20 THE BOARD: (No response.)

21 CHAIRMAN BADDOUR: So many as favor the  
22 committee recommendation for funding these three  
23 planning projects, signify by saying "Aye."

24 THE BOARD: Aye.

25 CHAIRMAN BADDOUR: Opposed, "No."

1 THE BOARD: (No response.)

2 CHAIRMAN BADDOUR: The ayes have it.

3 MS. CRAGNOLIN: Thank you, Mr. Chairman. As

4 has been mentioned, Mr. Beane has recused himself from

5 2008-007, Catawba Lands Conservancy -- oh, excuse me.

6 No, he has not. Okay.

7 For greenways, we had a number of projects

8 we liked that we were very excited about, and the

9 committee recommended funding for several of them.

10 I'd like to read the numbers. 2008-007, Catawba Land

11 Conservancy, the Carolina Thread Trail, and the

12 committee recommended \$3 million of funding for that;

13 2008-073, the Triangle Greenway Council, and the

14 committee recommended funding of 331,000 for that; the

15 Trust for Public Land, the Waller tract on Hominy

16 Creek, the committee recommended \$154,000 for that;

17 Carolina Mountain Land Conservancy on Cane Creek,

18 \$68,000 -- and that is 2008-005; the Jonesville, Town

19 of, 2008-023, in the mind of \$455,000; 2008-069,

20 Sparta, in the amount of \$200,000; Edenton -- and

21 Mr. Rascoe has recused himself from this, so we may

22 want to take that as a separate vote; I'm not sure --

23 2008-115 [sic], \$535,000; and 2008-026, Land Trust for

24 Central North Carolina, 91,000. Thank you,

25 Mr. Chairman.

1                   CHAIRMAN BADDOUR: Okay, we will take out  
2                   2008-073 because Mr. Camp had a conflict there, and  
3                   2008-015 because Mr. Rascoe had a conflict there. So  
4                   let's vote on all of those presented except those two.

5                   MR. VAUGHAN: Mr. Chairman?

6                   CHAIRMAN BADDOUR: Yes?

7                   MR. VAUGHAN: I'd like to at least raise a  
8                   question on three of these, not because I'm opposed to  
9                   the project, but in the consistency of what we've done  
10                  on the rest of the acquisitions. Three of these  
11                  projects, the last three -- 069, 015, and 026 -- have  
12                  scores of 82, 78, and 70. Since we stopped  
13                  acquisitions yesterday at 90, except for one  
14                  exception, would it be appropriate to maybe pull those  
15                  and hold those until November, to be consistent with  
16                  what we're doing with acquisitions?

17                  CHAIRMAN BADDOUR: I'll be glad to take any  
18                  motion that anyone would like to make, Stan.

19                  MR. VAUGHAN: I'd like to offer that as an  
20                  amendment to the committee report. I don't know if  
21                  I'll get a second or not.

22                  MS. BRANNON: There's only one project  
23                  missing.

24                  CHAIRMAN BADDOUR: Okay. What we have  
25                  before us is consideration of the -- all the greenway

1 projects except for 073 and 015, okay? I don't know  
2 any other way to do it, Stan. So what Stan is doing  
3 is recommending that -- let's see -- that we do not  
4 fund 023 and 069 and 026.

5 MS. CRAGNOLIN: And 015.

6 CHAIRMAN BADDOUR: Well, I'm going to have  
7 to come back to 015 because we've got to discuss that  
8 separately, okay?

9 MR. VAUGHAN: I was just referring to three  
10 out of the total on this package, 69 and 26. I would  
11 leave the one with the score of 88 in the package.

12 CHAIRMAN BADDOUR: All right. I'm sorry.  
13 All right, then, for this motion, Stan has offered an  
14 amendment to the committee recommendation to remove  
15 2008-069 and 2008-026.

16 MS. CRAGNOLIN: Mr. Chairman, did he offer  
17 to take those -- remove them completely or defer them  
18 until November?

19 CHAIRMAN BADDOUR: To defer them until  
20 November; you're correct. Defer them until November.

21 MR. VAUGHAN: And, again, I'm not opposed to  
22 the projects. It's just a matter of being consistent  
23 in the way we allocated on acquisition.

24 CHAIRMAN BADDOUR: So that is now -- is  
25 there a second to that motion?

1 MR. McGRADY: Second.

2 CHAIRMAN BADDOUR: Moved and seconded. It's  
3 now open for discussion. And, Mr. Rascoe, you're free  
4 to debate this because I left 015 out. We'll have to  
5 take that separately, so -- okay, is there any  
6 discussion on Mr. Vaughan's amendment?

7 Mr. Hollan?

8 MR. HOLLAN: The only problem I have is that  
9 I don't think the scoring criteria is between -- I  
10 think we've agreed, when we went through the process  
11 of trying to redesign the scoring, that it's kind of  
12 comparing apples and oranges when you compare  
13 different kinds of projects. And the wastewater  
14 projects and stormwater projects may have different  
15 scores; but, within their own category, they should be  
16 ranked; and if they don't score 95, they may still be  
17 very good projects, just because the way our scoring  
18 is -- awards points.

19 And I think greenway projects, as a special  
20 kind of project, don't necessarily score in the same  
21 way that the other acquisition projects do. So I  
22 don't think that it's -- that we're looking at apples  
23 and apples when we're looking at these numbers. Our  
24 scoring system is not good enough to compare across  
25 categories.

1                   Having said that, it's clear that the two  
2                   that Mr. Vaughan has identified are the two that got  
3                   the lowest scores within their own category. And so,  
4                   if -- but I would hope that they would ultimately be  
5                   funded in November because I think they are good  
6                   projects.

7                   But, if we want to wait until November, I'm  
8                   not strongly opposed to that. But I just think we  
9                   need to be real careful about it, because we're going  
10                  to get down to November, and we're going to say,  
11                  "Here's a wastewater project that's only scored 80,  
12                  and it shouldn't be funded ahead of an acquisition  
13                  project that scored 86." And I don't think that'll be  
14                  a fair comparison to make at that time.

15                  CHAIRMAN BADDOUR: Any other discussion?

16                  THE BOARD: (No response.)

17                  CHAIRMAN BADDOUR: All right, hearing none,  
18                  so many as favor the amendment offered by Mr. Vaughan  
19                  to defer Project 2008-069 and 2008-026 to November,  
20                  signify by saying "Aye."

21                  THE BOARD: (Some members) Aye.

22                  CHAIRMAN BADDOUR: Opposed, "No."

23                  THE BOARD: (Some members) No.

24                  CHAIRMAN BADDOUR: Okay. All in favor of  
25                  the motion, please raise your hand.

1 THE BOARD: (Members comply.)

2 MS. CRAGNOLIN: Mr. Chairman, can I ask for  
3 a clarification? It's my understanding that the  
4 chairman of the committee only votes in the event of a  
5 tie.

6 CHAIRMAN BADDOUR: You're not the chairman  
7 of this committee; I'm the chairman.

8 MS. CRAGNOLIN: Okay.

9 CHAIRMAN BADDOUR: Okay. Seven in favor of  
10 the motion. Those who -- did you get seven? Raise  
11 your hands again. I'm sorry.

12 THE BOARD: (Members comply.)

13 CHAIRMAN BADDOUR: Okay, so many as opposed?

14 THE BOARD: (Some members raise hands.)

15 CHAIRMAN BADDOUR: Okay, the motion passes  
16 by a vote of nine to five.

17 All right. Now what we're going to do is go  
18 back now and vote on the motion itself; and that will  
19 be to approve projects 2008-007, 2008-079, 2008-005,  
20 2008-023. Okay. Any discussion?

21 THE BOARD: (No response.)

22 CHAIRMAN BADDOUR: So many as favor that  
23 motion, signify by saying "Aye."

24 THE BOARD: Aye.

25 CHAIRMAN BADDOUR: Opposed, "No."



1 THE BOARD: (No response.)

2 CHAIRMAN BADDOUR: All right, the ayes have  
3 it.

4 All right, now we're going to go back and  
5 vote on 2008-073 individually, and that will be with  
6 Mr. Camp having recused himself. Is there any  
7 discussion with regard to 2008-073?

8 THE BOARD: (No response.)

9 CHAIRMAN BADDOUR: So many as favor the  
10 motion of approving that project, signify by saying  
11 "Aye."

12 THE BOARD: Aye.

13 CHAIRMAN BADDOUR: Opposed, "No."

14 THE BOARD: (No response.)

15 CHAIRMAN BADDOUR: The ayes have it.

16 All right, now we have before us 2008-015,  
17 which is the Town of Edenton, with Mr. Rascoe recusing  
18 himself.

19 MR. McGRADY: Mr. Chairman, I move that,  
20 consistent with our earlier motion, we defer action on  
21 015 until our November meeting.

22 CHAIRMAN BADDOUR: Is there a second to that  
23 motion?

24 MS. WESTON: Second.

25 CHAIRMAN BADDOUR: Okay. Moved and

1           seconded. Any discussion about 015, on the amendment  
2           to defer?

3                         THE BOARD: (No response.)

4                         CHAIRMAN BADDOUR: So many as favor, signify  
5           by saying "Aye."

6                         THE BOARD: (Some members) Aye.

7                         CHAIRMAN BADDOUR: Opposed, "No."

8                         THE BOARD: (Some members) No.

9                         CHAIRMAN BADDOUR: All right. The ayes have  
10          it.

11                        Well, I guess with the amendment I don't  
12          have to have a vote on the motion. So that will be --  
13          those three will be deferred.

14                        Okay, Madame Chair.

15                        MS. CRAGNOLIN: Thank you, Mr. Chairman.  
16          Yesterday we looked at projects and sort of did them  
17          somewhat by score. Looking in depth at projects that  
18          were under, I believe, 92 and -- a score of 92 -- was  
19          it 92 or 90? -- and we pulled them out. Then we  
20          pulled out some additional projects that scored higher  
21          than that for more in-depth work that some trustees  
22          had asked for additional information on.

23                        With that in mind, the committee recommends  
24          funding for the following projects: 2008-049, North  
25          Carolina Wildlife Resources Commission, in the amount

1 of 1,100,000; 2008-001, the Town of Andrews, in the  
2 amount of 1,627,000; 2008-025, Land Trust for Central  
3 North Carolina, in the amount of 450,000; 2008-075 in  
4 the amount of 3,275,000; 2008-075, Triangle Land  
5 Conservancy, in the amount of 182,000; 2008 --

6 CHAIRMAN BADDOUR: Wait. That's 074.

7 MS. CRAGNOLIN: 074, excuse me -- in the  
8 amount of 182,000; 2008-057 for Piedmont Land  
9 Conservancy in the amount of 376,000; 2008-040, North  
10 Carolina Land Trust, in the amount of 1,869,000;  
11 2008-018, the Foothills Conservancy, in the amount of  
12 693,000; 2008-004, Carolina Mountain Land Conservancy,  
13 in the amount of 3,275,000; 2008-078, Triangle Land  
14 Conservancy, in the amount of 268,000; 2008-082, Wake  
15 County, Walnut Hill tract, in the amount of 745,000;  
16 2008-033, the Nature Conservancy, in the amount of  
17 982,000; 2008-031, Nature Conservancy, in the amount  
18 of 246,000 -- and that's for the Gaines and Liverman-  
19 Bond tracts.

20 2008-080 in Wake County in the amount of  
21 300,000; 2008-011, the Conservation Trust for North  
22 Carolina, 4,215,000; 2008-020, the Foothills  
23 Conservancy, for the Lutz tract of Wilson Creek,  
24 4,858,000 -- and Mr. Beane had recused himself from  
25 discussion of this, of any vote.

1                   2008-008, Chatham County, in the amount of  
2                   218,000; 2008-054, the North Carolina Zoo, in the  
3                   amount of 932,000; 2008-016, Ellerbe Creek Watershed  
4                   Association, in the amount of 276,000; 2008-003,  
5                   Carolina Mountain Land Conservancy, in the amount of  
6                   526,000; 2008-041, the North Carolina Coastal Land  
7                   Trust -- and this was a military project. We believe  
8                   we have about \$70,000 in COPs left, so that would be  
9                   applied to this, and the committee recommended funding  
10                  in the amount of 593,000 with the COPs.

11                  2008-013 in Dare County, 1,283,000;  
12                  2008-052, North Carolina Wildlife Resources  
13                  Commission, 316,000; 2008-014 in Durham County, the  
14                  Little River, 283,867; 2008-077, the Triangle Land  
15                  Conservancy, 618,000; and the Blue Ridge Rural Land  
16                  Trust on the Pond -- the original request here was for  
17                  about \$7 million. Based on the number of requests we  
18                  received and the number of projects that we received,  
19                  the committee recommended \$2 million of funding as a  
20                  partial payment, and we would look again at any  
21                  remainder for -- in the November cycle -- no, excuse  
22                  me -- the November meeting.

23                  Continuing: 2008-042, the North Carolina  
24                  Coastal Land Trust, committee recommends funding in  
25                  the amount of \$1,007,000; 2008-068, Southern

1           Appalachian Highlands Conservancy, the Jewell tract,  
2           300,000; and 2008-032, the Nature Conservancy in  
3           Hickory Nut Gorge, in the amount of 3,579,000. Thank  
4           you, Mr. Chairman.

5                   CHAIRMAN BADDOUR: Okay. Now, what we will  
6           do is we'll remove 2008-019, 2008-006.

7                   MR. BEANE: Mr. Chairman, 2008-018 also.

8                   CHAIRMAN BADDOUR: I didn't see that.

9                   MR. McMILLAN: Number 20.

10                   CHAIRMAN BADDOUR: You're right. Two  
11           thousand -- let me run that again. We'll remove from  
12           consideration 2008-049, 2008-018, 2008-020, 2008-014,  
13           and 2008-042 from consideration right this minute.  
14           Okay, except for those projects that I just read,  
15           you've heard the recommendation of the committee. Is  
16           there any discussion? Mr. Vaughan?

17                   MR. VAUGHAN: I guess I have a question of  
18           clarification on 2008-002, Blue Ridge. I thought the  
19           discussion was that the 2 million was there, but I  
20           didn't realize it was carrying a balance for November.  
21           Was that the intent?

22                   MS. CRAGNOLIN: It wasn't really discussed  
23           so much yesterday, but it's my understanding that was  
24           staff's intent with this project.

25                   MR. ROGERS: Yes, sir, that was the intent.

1           What we're looking to do is -- this project's also  
2           before the Natural Heritage Trust Fund, which their  
3           taking into consideration in their next round. And  
4           we're working with them on seeing what the proper and  
5           appropriate division of funding is for the project, so  
6           we'll continue to do that. The project's extremely  
7           worthwhile, and I think it was a high priority with  
8           regards to the Wildlife Commission as well.

9                   CHAIRMAN BADDOUR: So what that is -- to  
10           clarify the motion -- it's actually in the report,  
11           that 2 million, but the remaining amount is deferred  
12           until November.

13                   MR. VAUGHAN: Okay.

14                   MR. MARKHAM: Mr. Chairman?

15                   CHAIRMAN BADDOUR: Yes. Mr. Markham?

16                   MR. MARKHAM: Yes, can I get clarification  
17           on 2008-068, the Southern Appalachian Highlands  
18           Conservancy? They were requesting 275,570, and the  
19           recommendation is at 300,000. Would it be more  
20           appropriate to go in at 276,000 for approval?

21                   CHAIRMAN BADDOUR: What number is that?

22                   MR. MARKHAM: That's Number 43 on the list.

23                   MR. JONES: Page 3.

24                   CHAIRMAN BADDOUR: Well, I'm looking at Tom  
25           Massie for that answer for sure.

1 MR. MASSIE: Mr. Markham is correct. It  
2 would be more appropriate at \$276,000.

3 CHAIRMAN BADDOUR: Okay, I'll accept that  
4 amendment as a friendly amendment. Okay, thank you  
5 very much for catching that. Is there any further  
6 discussion?

7 THE BOARD: (No response.)

8 CHAIRMAN BADDOUR: Hearing none, so many as  
9 favor the committee recommendation, signify by saying  
10 "Aye."

11 THE BOARD: Aye.

12 CHAIRMAN BADDOUR: Opposed, "No."

13 THE BOARD: (No response.)

14 CHAIRMAN BADDOUR: The ayes have it.

15 Okay, and what we're going to do is go back  
16 and take 2008-049 and 2008-014 together. These are  
17 the ones that Mr. Markham had recused himself from.

18 MR. MARKHAM: Mr. Chair, also there will be  
19 in this group 2008-040, which is Number 19 on the  
20 list, and 2008-042, which is Number 41.

21 CHAIRMAN BADDOUR: Wow. Did I remove those  
22 before?

23 MR. MARKHAM: You may have missed it on the  
24 first one.

25 CHAIRMAN BADDOUR: I missed this one. Okay.

1 That was Number 19, and what was the other one?

2 MR. MARKHAM: Let's see. The total would be  
3 Number 13, 19, 38, and 41 on this list.

4 MR. JONES: Number 041 is Number 35 on the  
5 list.

6 CHAIRMAN BADDOUR: All right. Kevin, I'm  
7 sorry. I somehow missed that. Give me the project  
8 numbers again.

9 MR. MARKHAM: Okay. The project numbers are  
10 2008-049, which is Number 13 on the list; 2008-040,  
11 which is Number 19 on the list; 2008-014, which is  
12 Number 38 on the list; and Number 2008-042, which is  
13 Number 41 on the list.

14 CHAIRMAN BADDOUR: All right. Well, in  
15 order to get the record straight with regard to  
16 Kevin's, okay. Did you vote on that motion before?

17 MR. MARKHAM: Yes, I did, but I may have  
18 missed that -- I thought we had pulled those out.

19 CHAIRMAN BADDOUR: Yeah. What I would like  
20 to do is -- Mr. Vaughan, having voted on the  
21 prevailing side, moves that we reconsider the motion  
22 that we had before, and that's seconded by Mr. Beane.  
23 And, hearing no discussion, without objection, that  
24 motion is passed.

25 We now have back before us the motion that



1 was previously voted on, and I would now have a motion  
2 by Mr. McMillan that we do not consider projects 014,  
3 040, 042, and 049 as a part of that motion, which is  
4 seconded by Ms. Cagnolin. And, hearing no  
5 discussion, Mr. McMillan's motion is -- without  
6 objection, passes.

7 And now we have the motion back before us to  
8 vote in favor of all of the projects except for 014,  
9 040, 042, and 049. So many as favor that motion,  
10 signify by saying "Aye."

11 THE BOARD: Aye.

12 CHAIRMAN BADDOUR: Opposed, "No."

13 THE BOARD: (No response.)

14 CHAIRMAN BADDOUR: The ayes have it.

15 Now we have before us the projects in  
16 which -- and Mr. Markham did not vote on that last  
17 motion. We now have back before us Projects 014, 040,  
18 042, and 049. I'm sorry, Mr. Markham. You could vote  
19 on that one, couldn't you? I should not have said  
20 that. You did vote on those. We now have back before  
21 us the four projects I just identified that  
22 Mr. Markham has recused himself from. Is there any  
23 discussion on those?

24 THE BOARD: (No response.)

25 CHAIRMAN BADDOUR: And I apologize to you

1 folks for that. Okay, so many as favor the motion,  
2 signify by saying "Aye."

3 THE BOARD: Aye.

4 CHAIRMAN BADDOUR: Opposed, "No."

5 THE BOARD: (No response.)

6 CHAIRMAN BADDOUR: Okay, the ayes have it.

7 All right, now we have before us, which we  
8 did leave out, the projects that Mr. Beane had recused  
9 himself from, which were Projects 018 and 020. Is  
10 that right, Mr. Beane?

11 MR. BEANE: Correct.

12 CHAIRMAN BADDOUR: Okay. Any discussion on  
13 those projects? You've heard the committee  
14 recommendation.

15 THE BOARD: (No response.)

16 CHAIRMAN BADDOUR: So many as favor the  
17 committee recommendation as to the funding of those  
18 two projects, signify by saying "Aye."

19 THE BOARD: Aye.

20 CHAIRMAN BADDOUR: Opposed, "No."

21 THE BOARD: (No response.)

22 CHAIRMAN BADDOUR: The ayes have it.

23 Ms. Cragolin?

24 MS. CRAGOLIN: Thank you Mr. Chairman.

25 That was masterful. The only project that the

1 committee voted and recommended not funding yesterday,  
2 Mr. McGrady made a motion to not fund 2008-072 in  
3 Transylvania County, the Connestee Falls, for the  
4 amount of \$223,440.

5 MR. McGRADY: I don't believe it was my  
6 motion, but I certainly supported the motion.

7 CHAIRMAN BADDOUR: You've heard the  
8 committee recommendation. Any discussion?

9 THE BOARD: (No response.)

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

12 THE BOARD: Aye.

13 CHAIRMAN BADDOUR: Opposed, "No."

14 THE BOARD: (No response.)

15 CHAIRMAN BADDOUR: The ayes have it.

16 MS. CRAGNOLIN: Okay. As we said earlier,  
17 there were a number of projects that we cannot fund,  
18 we don't -- and we'll put them into the pot for  
19 November, to see where we are with that. And the  
20 committee recommended reviewing these following  
21 projects in November -- and I'll read those for you:  
22 2008-058, Raleigh, the Leonard tract on the Neuse  
23 River; and the 2008-061, Sandhill Area Land Trust;  
24 2008-019, the Foothills Conservancy; 2008-063,  
25 Sandhills Area Land Trust; 2008-070, Tar River Land

1 Conservancy; 2008-039, the Nature Conservancy;  
2 2008-029, the National Audubon Society; 2008-030, the  
3 Nature Conservancy; 2008-067, Southern Appalachian  
4 Highlands; 2008-048, the North Carolina Division of  
5 Parks and Recreation; 2008-027, Land Trust of Little  
6 Tennessee; 2008-081, Wake County; 2008-010,  
7 Conservation Trust for North Carolina; 2008-044, North  
8 Carolina Division of Parks and Recreation, application  
9 for the Barron tract; 2008-037, Nature Conservancy,  
10 for the Squires tract at South River; 2008-046, Parks  
11 and Recreation, Riverwalk tract; 2008-053, Wildlife  
12 Resources Commission, Tuckertown; Nature Conservancy,  
13 the Toe River, 2008-036; 2008-055, Piedmont Land  
14 Conservancy; 2008-022, High Country Conservancy,  
15 Buffalo Creek; 2008-047, Parks and Recreation, Snake  
16 Mountain tract; 2008-056, Piedmont Land Conservancy;  
17 2008-006, Catawba County; 2008-045, another Parks and  
18 Recreation Trust Fund -- excuse me -- Parks and  
19 Recreation, request for Terrells Creek; 2008-064, the  
20 Sandhill Area Land Trust; 2008-065, another Sandhill  
21 Land Trust; 2008-009, Conservation Trust for North  
22 Carolina; and 2008-034, Nature Conservancy.

23 CHAIRMAN BADDOUR: Okay. Now, if I've got  
24 this right -- and help me this time, Ron and Kevin --  
25 we'll leave off 2008-058 and 2008-006 because of

1 Mr. Markham --

2 MR. MARKHAM: Correct.

3 CHAIRMAN BADDOUR: -- and we'll leave off  
4 2008-019 because of Mr. Beane?

5 MR. BEANE: Right.

6 CHAIRMAN BADDOUR: Are there any others?  
7 Mr. McMillan?

8 MR. McMILLAN: Mr. Chairman, I want to be  
9 recused from voting on 2008-058 also.

10 CHAIRMAN BADDOUR: Okay. Yes, sir.

11 MR. ROGERS: If I might just want to make a  
12 comment, there were four projects that were pulled out  
13 by trustees for discussion yesterday, and I think that  
14 it is of note that, with regards to 2008-046,  
15 2008-055, 2008-006, as well as 2008-010, these tracts  
16 were debated and discussed. And my sense from the  
17 trustees and the discussion was that staff would look  
18 at these more closely, review the projects, and bring  
19 those forward to see priorities which we will be  
20 reviewing during the interim. So I just wanted to  
21 make sure that that note was made. Thank you.

22 CHAIRMAN BADDOUR: Okay. You've heard the  
23 committee recommendation with regard to all of those  
24 projects except the three that I had previously  
25 identified from which members have recused themselves.

1 Is there any further discussion?

2 THE BOARD: (No response.)

3 CHAIRMAN BADDOUR: Hearing none, so many as  
4 favor the committee recommendation, signify by saying  
5 "Aye."

6 THE BOARD: Aye.

7 CHAIRMAN BADDOUR: Opposed, "No."

8 THE BOARD: (No response.)

9 CHAIRMAN BADDOUR: Those projects will be  
10 reviewed in November. Now, with regard to  
11 Project 2008-058 and with regard to -- Project 258  
12 [sic]; we'll just take that by itself. And we have, I  
13 believe, Mr. Markham and Mr. McMillan recusing  
14 themselves. Is there any discussion about the  
15 committee recommendation to review in November that  
16 project?

17 THE BOARD: (No response.)

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

20 THE BOARD: Aye.

21 CHAIRMAN BADDOUR: Now the same with regard  
22 to 2008-019, except in this case Mr. Beane is recusing  
23 himself. Any further discussion?

24 THE BOARD: (No response.)

25 CHAIRMAN BADDOUR: Hearing none, so many as

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

2 THE BOARD: Aye.

3 CHAIRMAN BADDOUR: And, with regard to  
4 2008-006, to review in November, with Mr. Markham  
5 recusing himself, discussion?

6 THE BOARD: (No response.)

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

9 THE BOARD: Aye.

10 CHAIRMAN BADDOUR: The ayes have it. Okay.  
11 Madame Chair?

12 MS. CRAGNOLIN: Thank you, Mr. Chairman.  
13 We, in an effort to focus our attention, as a Board  
14 and as a committee, on sort of the projects that are  
15 sort of in the middle -- and this time the middle was  
16 in the 90s and the high 80s -- we asked our staff to  
17 help us screen out some projects that really maybe  
18 just weren't going to make it through the list in the  
19 funding cycle. Staff said that they don't feel as  
20 though the screening process worked as well as they  
21 had hoped. It's really pretty much the first time  
22 that we've tried to implement that. As a result of  
23 that, we -- the committee recommended yesterday that  
24 projects that had been screened out in June would be  
25 brought back to the full score for us to review in

1 November.

2 And I would like to read the following  
3 projects for that and recuse myself from 2008-060.  
4 But I'll read the other ones, and you can take that  
5 separately. So it would be 2008-043, the North  
6 Carolina Coastal Land Trust; 2008-012, Creedmoor;  
7 2008-021, the Foothills Conservancy; 2008-017, Ellerbe  
8 Creek; 2008-024, Land Trust for Central North  
9 Carolina; 2008-050, Wildlife Resources Commission;  
10 2008-071, Tar River Land Conservancy; 2008-066,  
11 Sandhill Area Land Trust; 2008-028, Mountain Valleys  
12 RC&D; 2008-062, Sandhill Area Land Trust. And that's  
13 it. Thank you.

14 CHAIRMAN BADDOUR: Okay. You heard the  
15 committee recommendation. We're not now considering  
16 2008-060, but the remainder of the projects that you  
17 see and have had presented, is there any discussion?

18 THE BOARD: (No response.)

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

21 THE BOARD: Aye.

22 CHAIRMAN BADDOUR: Opposed, "No."

23 THE BOARD: (No response.)

24 CHAIRMAN BADDOUR: The ayes have it.

25 Now, with regard to 2008-060, the RiverLink



1 Project, with Ms. Cagnolin recusing herself, so many  
2 as favor the committee recommendation, signify by  
3 saying "Aye."

4 THE BOARD: Aye.

5 CHAIRMAN BADDOUR: Opposed, "No."

6 THE BOARD: (No response.)

7 CHAIRMAN BADDOUR: The ayes have it.

8 And now I think -- Ms. Cagnolin?

9 MS. CRAGNOLIN: Thank you, Mr. Chairman.

10 One of the other things that came out of the meetings  
11 yesterday, there were several projects that were sort  
12 of grouped in various watersheds, and what staff is  
13 going to be doing to start off our acquisition  
14 discussion next time around is to show us an overall  
15 map where all these acquisition projects are all over  
16 the state, and ones that we funded and ones that we  
17 have at hand, sort of give us a little more  
18 perspective and help us connect the dots with these  
19 great projects that we get.

20 We had three projects that were withdrawn by  
21 applicants, and I would like to read those into the  
22 record: 2008-059, Randleman -- City of Randleman;  
23 2008-038, Nature Conservancy, the Weyerhaeuser tract;  
24 and 2008-035, another Nature Conservancy down in Flat  
25 Swamp. Thank you, Mr. Chairman.

1 CHAIRMAN BADDOUR: Do we need to act on that  
2 except to put down --

3 MS. MCGEE: We usually do.

4 CHAIRMAN BADDOUR: We do? Okay. The  
5 committee recommendation is to accept the withdrawal  
6 by the applicant for the three projects listed or  
7 stated. Is there any discussion?

8 THE BOARD: (No response.)

9 CHAIRMAN BADDOUR: So many as favor the  
10 motion, signify by saying "Aye."

11 THE BOARD: Aye.

12 CHAIRMAN BADDOUR: Opposed, "No."

13 THE BOARD: (No response.)

14 CHAIRMAN BADDOUR: The ayes have it.

15 MR. MARKHAM: Mr. Chair?

16 CHAIRMAN BADDOUR: Yes?

17 MR. MARKHAM: I will note for the record I  
18 did not vote on this. You know, there were some  
19 withdrawals due to, again, a relationship that my  
20 company has with the Weyerhaeuser Company. That's why  
21 I was recusing from --

22 CHAIRMAN BADDOUR: So noted.

23 MS. CRAGNOLIN: We have one more item on the  
24 agenda -- it was on our agenda. It's GF, and it was a  
25 request for a modified scope of work from the Catawba

1 Land Conservancy, and the staff recommendation was  
2 that we accept this and the committee recommendation  
3 that we approve the staff recommendation.

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

6 MS. CRAGNOLIN: I'll just read into the  
7 record that that is 2006A-006.

8 CHAIRMAN BADDOUR: Any discussion?

9 THE BOARD: (No response.)

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

13 THE BOARD: Aye.

14 CHAIRMAN BADDOUR: Opposed, "No."

15 THE BOARD: (No response.)

16 CHAIRMAN BADDOUR: The ayes have it. Thank  
17 you, Ms. Cragnolin.

18 And with that --

19 MS. CRAGNOLIN: Thank you, Mr. Chairman.

20 CHAIRMAN BADDOUR: With that we will take a  
21 10-minute break.

22 (A short recess was taken.)

23 CHAIRMAN BADDOUR: Just a couple kind of  
24 housekeeping things. As I was talking to some of you  
25 last night, the tentative plan for next year, when we

1 meet in Raleigh -- and if you have any thoughts about  
2 this, you can either express them now or express them  
3 to staff later -- but is to meet here at the North  
4 Raleigh Hilton. Everybody seems to like this place.  
5 I guess, Richard, you were going to deal with that in  
6 the next month, weren't you? But I want to say that  
7 because I had said to some of you that it didn't look  
8 like we would continue having lunch on Monday.  
9 There's some cost issues involved; I won't go into the  
10 detail. But our contract with the hotel for the rest  
11 of this year is that we will have lunch on Monday. So  
12 I wanted to tell y'all that if you'd heard me -- so,  
13 if you can stay, I hope that you'll stay for lunch  
14 today. And we will continue to do that for the rest  
15 of this year.

16 Next month, I think, Richard, we're going to  
17 talk about what we'll do for the future. But there  
18 will be some thought about staying here but not having  
19 lunch. Of course, you'd be reimbursed your per diem  
20 for lunch if you don't have it here.

21 Okay. Let's see. The next item on our  
22 agenda is the Administrative Committee report. And,  
23 let's see, who is going to make that report, Mr. Beane  
24 or Mr. Vaughan?

25 MR. VAUGHAN: Mr. Beane will go first.

1                   CHAIRMAN BADDOUR: Mr. Beane, you will go  
2 first.

3                   MR. BEANE: Thank you, Mr. Chairman. In our  
4 committee meeting yesterday, we would like to make --  
5 as a result of our meeting yesterday, we'd like to  
6 make the following recommendations to the full  
7 committee. It has to do with four positions in the  
8 Clean Water Management staff. The first -- I'll just  
9 take these one at a time -- the first two that I'm  
10 going to talk about are new positions, and our  
11 recommendation to the full committee is that we hire a  
12 real property staff attorney. The legal work is now  
13 currently being done by contract attorneys, and so our  
14 recommendation is to hire our own attorney at a salary  
15 grade of 79. I'm taking them one at a time.

16                  CHAIRMAN BADDOUR: All right, you've heard  
17 the committee recommendation. Is there any questions  
18 or discussion?

19                  THE BOARD: (No response.)

20                  CHAIRMAN BADDOUR: Hearing none, so many as  
21 favor the committee recommendation, signify by saying  
22 "Aye."

23                  THE BOARD: Aye.

24                  CHAIRMAN BADDOUR: Opposed, "No."

25                  THE BOARD: (No response.)

1 CHAIRMAN BADDOUR: The ayes have it.

2 MR. BEANE: Thank you, Mr. Chairman. The  
3 second recommendation is that we hire a new position,  
4 Acquisition Administrative Assistant 1. Right now we  
5 have one person who is doing all that administrative  
6 work, administrative assistant work, and we're going  
7 to add the second one, and the second person would be  
8 working with acquisitions, and we recommend hiring  
9 that position with a salary grade of 63.

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

12 THE BOARD: (No response.)

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

15 THE BOARD: Aye.

16 CHAIRMAN BADDOUR: Opposed, "No."

17 THE BOARD: (No response.)

18 CHAIRMAN BADDOUR: The ayes have it.

19 MR. BEANE: And the last recommendation is  
20 two reclassifications, and I'll do these together.  
21 Number one, we reclassify an Administrative Officer 3  
22 position to a Business Officer 1, and that would be an  
23 upgrade in salary from a 72 to 73. And, secondly, the  
24 reclassification of an Office Assistant 3 to the  
25 Infrastructure Administrative Assistant, and that

1 upgrade salary would be from 57 to 65.

2 CHAIRMAN BADDOUR: All right, you heard the  
3 committee recommendation. Any discussion?

4 THE BOARD: (No response.)

5 CHAIRMAN BADDOUR: So many as favor the  
6 committee recommendation, signify by saying "Aye."

7 THE BOARD: Aye.

8 CHAIRMAN BADDOUR: Opposed, "No."

9 THE BOARD: (No response.)

10 CHAIRMAN BADDOUR: The ayes have it.

11 MR. BEANE: And one item of information --  
12 and I mentioned this yesterday -- for those committee  
13 members who weren't here yesterday, thank you for  
14 sending in those director evaluation forms. I'll have  
15 the composites of all those back to Chairman Baddour,  
16 and then they will be distributed out to each of the  
17 committee members. I still don't have all of them  
18 yet, so just reminding those that haven't sent them  
19 in, please do, and we will hopefully try to do that  
20 before the end of August.

21 CHAIRMAN BADDOUR: Okay. Thank you.

22 Mr. Vaughan?

23 MR. VAUGHAN: Thank you, Mr. Chairman. The  
24 next item on our agenda was the approval of the  
25 administrative budget. A couple of highlights I will

1 read into the record: One, that we have a cash  
2 balance as of June 30th, 2008, \$234,528,193. And  
3 Worksheet Number HD1, which, by permission, we will  
4 furnish to the recorder so she can attach it to the  
5 minutes -- will demonstrate how we got to the  
6 available cash allocation of \$109,540,039. So --

7 CHAIRMAN BADDOUR: That's Agenda Item HD1?

8 MR. VAUGHAN: Right.

9 CHAIRMAN BADDOUR: Okay. It will be  
10 attached, then, to the minutes.

11 MR. VAUGHAN: The next item is the -- is  
12 Item Number HD2, which will also be attached to the  
13 minutes. But I will furnish some information. It's a  
14 three-column-a-page I think we've all received in our  
15 file. But it basically gives us a comparison between  
16 the 2007-8 budget, 2007-8 actual spending, and 2008-9  
17 budget. It highlights the increases and gives an  
18 explanation in the Comments column for some of the  
19 increases. The bottom line is that our administrative  
20 budget of 2008-09 will be \$2,493,841, and that is the  
21 recommendation of the committee, to approve this  
22 budget.

23 CHAIRMAN BADDOUR: Okay, you've heard the  
24 committee recommendation. Is there any discussion?  
25 Any questions?



1 THE BOARD: (No response.)

2 CHAIRMAN BADDOUR: Okay, hearing none, so  
3 many as favor the committee recommendation to adopt  
4 the budget as shown on Agenda Item HD2, signify by  
5 saying "Aye."

6 THE BOARD: Aye.

7 CHAIRMAN BADDOUR: Opposed, "No."

8 THE BOARD: (No response.)

9 CHAIRMAN BADDOUR: The ayes have it.

10 MR. VAUGHAN: All right, I will also point  
11 out as part of that budget that, with that budget, we  
12 will be at 2.49 percent of the annual 100 million-  
13 dollar allocation as an administrative budget, which  
14 is, I think, a pretty good number. Under the  
15 administrative cap per the Legislature, we would  
16 allow -- be allowed to have an administrative budget  
17 of \$4,690,464, so we're well within the cap prescribed  
18 by the Legislature.

19 I also would like to -- just for the record,  
20 HD3 will also been furnished to the recorder, and this  
21 is an analysis of the administrative budget increases.

22 I believe also in Item HD4, which will be a  
23 comparison of the attorney cost increases and show the  
24 effect of hiring the new attorney over the next two  
25 budget cycles.

1                   And last but not least, for the record, HD5,  
2                   which will also be furnished, is analysis of the  
3                   current office space cost and the new office space  
4                   cost we'll be going into next week. I don't think  
5                   there's any action required on that, other than being  
6                   sure it's in the budget -- in the record.

7                   The next item was a request to unencumber  
8                   funds; this is item HE, which will also be furnished  
9                   to the recorder. But we have available to unencumber  
10                  \$1,122,268.10 per that list, and it's the  
11                  recommendation of the committee that we unencumber  
12                  these funds.

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

15                  THE BOARD: (No response.)

16                  CHAIRMAN BADDOUR: So many as favor the  
17                  motion, signify by saying "Aye."

18                  THE BOARD: Aye.

19                  CHAIRMAN BADDOUR: Opposed, "No."

20                  THE BOARD: (No response.)

21                  CHAIRMAN BADDOUR: The ayes have it.

22                  MR. VAUGHAN: And the last item -- if I can  
23                  find my sheet -- was a project administration cost  
24                  analysis. I don't know if Richard wants to have any  
25                  comment on this or not, but they had reviewed the

1 administrative cost in several different ways of  
2 dealing with it from a method point of view. And the  
3 recommendation -- do we have that to put on the  
4 board -- the actual motion?

5 MR. ROGERS: While they're getting that up,  
6 just a note. One of the reasons that we're looking at  
7 administrative cost is consistency between our  
8 programs. Direct cost is allowed in our wastewater as  
9 well as restoration/stormwater, and we're looking to  
10 provide consistency. And one of the issues here is so  
11 that we can add this item to the budget template that  
12 we have in our applications.

13 And then, what Mr. Vaughan is referring to  
14 is the formula that we'll apply to administrative  
15 costs. And the summary of that formula -- while we're  
16 getting it up here -- is that we take the transaction  
17 cost of acquisition projects, which is what the  
18 conservation non-profits are engaged in directly with  
19 personnel, and we are taking 10 percent of that total  
20 transaction cost and applying that to administrative  
21 costs for these projects. One note is that we are  
22 just applying this to conservation non-profits and not  
23 to state agencies.

24 MR. VAUGHAN: All right. And the motion is  
25 up on the board. I'll read it. It says that we will

1 recommend -- accept the staff's recommendation of a  
2 10 percent reimbursement of transaction cost with a  
3 cap of \$25,000 per project. This will be applied to  
4 the 2008 grant requests that have already been --  
5 well, these funds have been requested. That's the  
6 motion.

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

9 MR. HOLLAN: Mr. Chairman?

10 CHAIRMAN BADDOUR: Mr. Hollan?

11 MR. HOLLAN: Yesterday I raised the question  
12 of whether 10 percent is a number that has any  
13 support. I think it's a starting point, but I think  
14 we ought to continue to take a look at that. We want  
15 to come up with something that's fair, that  
16 encourages -- I wish we could put incentives in there  
17 to get better deals, to get bigger matches, better  
18 bargains and so on and accurately reflect the extra  
19 time and effort that goes into those things that will  
20 save us money and result in more protection. So I  
21 think it's a good starting point, but I hope we'll  
22 continue to look at it and won't consider it set in  
23 stone in the future.

24 CHAIRMAN BADDOUR: Further discussion?

25 Ms. Cragolin?

1 MS. CRAGNOLIN: For me the big thing is  
2 this -- of this is that we have a policy and it will  
3 be applied sort of across the board, and the smaller  
4 land trusts, that maybe haven't been as sophisticated  
5 or aware, will be able now to know what the policy is.  
6 I think in the past we've been -- depending on who you  
7 asked, you got a different opinion, so I'm pleased  
8 with this. I think it's a good starting point.

9 CHAIRMAN BADDOUR: Further discussion?

10 THE BOARD: (No response.)

11 CHAIRMAN BADDOUR: Hearing none, so many as  
12 favor the committee recommendation, signify by saying  
13 "Aye."

14 THE BOARD: Aye.

15 CHAIRMAN BADDOUR: Opposed, "No."

16 THE BOARD: (No response.)

17 CHAIRMAN BADDOUR: The ayes have it.

18 MR. VAUGHAN: Mr. Chairman, that concludes  
19 our report. And staff, if you will be sure that the  
20 recorder gets those documents for the record?

21 CHAIRMAN BADDOUR: Thank you very much.

22 Next is our Restoration and Stormwater Committee.

23 And let me say this -- I have told you this,  
24 Richard -- Chuck McGrady said that he saw in the  
25 newspaper that Mr. Hester's father did die. So I

1           wanted to let you know that's where Joe was. He's  
2           been with his father. And apparently he did pass  
3           away. It was in the paper when?

4           MR. McGRADY: Sunday's N&O had it in there.

5           CHAIRMAN BADDOUR: Okay. So --

6           Okay. Yevonne?

7           MS. BRANNON: Well, that is startling and  
8           very sad. And Joe did meet with the staff and myself  
9           to go over all of the -- our committee's business for  
10          this session last week. And it's very, very sad to  
11          hear that.

12          Okay, we have a few actions to bring to the  
13          Board today. A couple are to modify the scope of --  
14          the first one is for the North Carolina Division of  
15          Parks and Recreation. It is a restoration project on  
16          Stone Mountain State Park, and the request has been to  
17          substitute a source of matching funds and to modify  
18          certain aspects of the project. The committee did  
19          recommend to substitute two alternative endeavors in  
20          the watershed as the matching-funded contribution to  
21          the project, including accepting as matching funds  
22          89,700, from the North Carolina Parks and Recreation  
23          Trust Fund awarded in 2007; and 45,300 of the 318,000  
24          from the North Carolina Parks and Recreation Trust  
25          Fund used for land acquisition in 2005. The committee

1 did vote for taking the staff recommendation.

2 CHAIRMAN BADDOUR: Okay, you've heard the  
3 committee recommendation. Is there any discussion?

4 THE BOARD: (No response.)

5 CHAIRMAN BADDOUR: Hearing none, so many as  
6 favor the committee recommendation, signify by saying  
7 "Aye."

8 THE BOARD: Aye.

9 CHAIRMAN BADDOUR: Opposed, "No."

10 THE BOARD: (No response.)

11 CHAIRMAN BADDOUR: The ayes have it.

12 MS. BRANNON: The next project is the Macon  
13 Soil and Water Conservation District restoration  
14 project, Little Tennessee. Also here the Macon  
15 Soil and Water Conservation District submitted a  
16 letter asking to revise their project budget,  
17 requesting reduction of matching funds from 458,226 to  
18 273,226. The staff did recommend accepting reduction  
19 of the contribution of matching funds to the project  
20 up to the amount of \$185,000. The committee  
21 recommends this to the Board.

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

24 THE BOARD: (No response.)

25 CHAIRMAN BADDOUR: So many as favor the

1 adoption of the committee recommendation, signify by  
2 saying "Aye."

3 THE BOARD: (Some members) Aye.

4 CHAIRMAN BADDOUR: Opposed, "No."

5 THE BOARD: (Some members) No.

6 CHAIRMAN BADDOUR: Okay, the ayes have it.

7 MR. BRANNON: The Mecklenburg County  
8 stormwater on Mount Island Lake Initiative, the  
9 Caldwell Station Creek; Mecklenburg County requested  
10 to reduce the project's scope of work and the project  
11 budget because of previously unknown or unforeseen  
12 site conditions. And so they did ask to modify their  
13 rain gardens to a smaller number of rain gardens --  
14 instead of 42 smaller ones, they'll have 12 larger  
15 rain gardens -- and to reduce the area contributing  
16 runoff by about 35 percent.

17 The staff did recommend to reduce from  
18 six -- to the six -- from six to four the wetland  
19 gardens; and also to reduce the matching contribution  
20 from 1,116,448 to 848,648. The staff approved this  
21 request in reduction in scope of works. Committee  
22 does recommend that for approval to the Board. I  
23 would note that this means that they will underspend  
24 their allotted amount by \$157,000.

25 CHAIRMAN BADDOUR: Okay, you've heard the



1 staff -- the committee recommendation. Is there any  
2 discussion? Any questions?

3 THE BOARD: (No response.)

4 CHAIRMAN BADDOUR: So many as favor the  
5 adoption of the committee recommendation --

6 MR. ROGERS: Excuse me, Ms. Chairman. One  
7 part of the motion was it they did not spend more than  
8 \$482,000, which applies to reduction in their scope.  
9 So if you'll make note of that?

10 CHAIRMAN BADDOUR: All right, with that  
11 note, is there any discussion?

12 THE BOARD: (No response.)

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

16 THE BOARD: Aye.

17 CHAIRMAN BADDOUR: Opposed, "No."

18 THE BOARD: (No response.)

19 CHAIRMAN BADDOUR: The ayes have it.

20 MS. BRANNON: Kevin did tell me that, and I  
21 just looked right at it and didn't see it. I'm sorry.  
22 Thank you, Richard, for fixing that.

23 The additional funds, we have three projects  
24 that are brought to the Board's attention today.

25 Three additional requests for funds today, and the

1 first one is the Ellerbe Creek Watershed Association;  
2 it's a restoration project in Durham. And they have  
3 asked that, due to design construction problems, that  
4 they would like to come to us for, I think -- oh, this  
5 was the one in which the staff made an error of \$5,000  
6 when they were looking at this original request. Is  
7 this right, Kevin?

8 MR. MARKHAM: (No verbal response.)

9 MS. BRANNON: Okay. And, after we looked at  
10 the error, the recommended amount should have been up  
11 to 416,000, so we are -- the staff asked us to  
12 consider an additional award of up to \$5,000, which  
13 will bring the total grant award up to 416,000. The  
14 committee does recommend this to the Board.

15 CHAIRMAN BADDOUR: Okay, you've heard the  
16 committee recommendation. Any discussion?

17 THE BOARD: (No response.)

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

21 THE BOARD: Aye.

22 CHAIRMAN BADDOUR: Opposed, "No."

23 THE BOARD: (No response.)

24 CHAIRMAN BADDOUR: The ayes have it.

25 MS. BRANNON: The NCSU Sea Grant restoration

1 on the Rocky Restoration Phase II project, the  
2 original grant was up to \$449,000. NCSU has modified  
3 this design to reduce construction costs. They have  
4 gone out and investigated, and are now in their third  
5 bid process, which expires on August the 31st of this  
6 year. Most of these cost overruns have been to market  
7 increases. This is the last stage, where they're  
8 daylighting and opening up the area. And one thing  
9 that was -- one thing mentioned yesterday is that this  
10 is part of the greenway connection to the Neuse River.

11 They are asking for an additional \$309,532.  
12 Wait a minute. I made a mistake there; please excuse  
13 me. They have already secured \$652,156 in additional  
14 matching funds and have asked for an additional  
15 \$309,532 from the Parks and Recreation. Once all this  
16 is done, there will be an increase of 77 percent match  
17 on this project. They're requesting from Clean Water  
18 \$378,614.

19 The staff does recommend this additional  
20 funding up to 379,000 contingent on NCSU securing the  
21 additional \$935,391 in additional matching funds.  
22 They did say that this funding is mostly in hand and  
23 will be totally in hand by the middle of September.  
24 The committee does recommend accepting the staff  
25 recommendation.

1                   CHAIRMAN BADDOUR: Okay, you've heard the  
2                   committee recommendation. Discussion? Mr. Markham?

3                   MR. MARKHAM: Yes, Mr. Chair. We'd like to  
4                   point out that it was a split decision on this and  
5                   that I will also be voting in the negative. Again,  
6                   today I think it's important to note that, while it's  
7                   a very noble project, it's a high-profile project, the  
8                   cost on this project, for what is being achieved, is  
9                   very large. When this was approved last year, it was  
10                  a very significant charge per linear foot of  
11                  restoration.

12                  I don't believe the information was  
13                  available yesterday as to what the cost was per linear  
14                  foot, but some quick calculations shows that we're --  
15                  between our contributions and what NC State is  
16                  funding, the matching funds, it appears that it's  
17                  increasing the price by a little over \$1,000 a linear  
18                  foot on top of what the original proposal was, which  
19                  brings it to approximately \$2,686 per linear foot,  
20                  which is a very significant cost.

21                  Again, it's a very noble project; however, I  
22                  think we, as a Board, need to weigh carefully the  
23                  consideration for what is being achieved for the cost  
24                  on these projects. Thank you.

25                  CHAIRMAN BADDOUR: Is there further

1 discussion?

2 MR. HOLLAN: I must agree with Mr. Markham.  
3 I think this was a close call to be funded page one,  
4 which was a high cost. This one came back with even  
5 more cost, and we're talking about fixing up 1,000  
6 feet of -- 1100 feet of stream and daylighting 235  
7 feet, and we're going to spend nearly \$3 million on  
8 it. It's out of all proportion to what makes sense,  
9 so I'm going to vote against this.

10 CHAIRMAN BADDOUR: Is there further  
11 discussion?

12 THE BOARD: (No response.)

13 CHAIRMAN BADDOUR: Okay, so many as favor  
14 the committee recommendation, signify by saying "Aye."

15 THE BOARD: (Some members) Aye.

16 CHAIRMAN BADDOUR: Opposed, "No."

17 THE BOARD: (Some members) No.

18 CHAIRMAN BADDOUR: All right, let's see a  
19 show of hands. Those who favor the committee  
20 recommendation -- did you want to speak, Karen?

21 MS. CRAGNOLIN: No.

22 CHAIRMAN BADDOUR: Those who favor the  
23 committee recommendation, signify by raising your  
24 hand.

25 THE BOARD: (Members comply.)

1 CHAIRMAN BADDOUR: Okay, opposed?

2 THE BOARD: (Some members raise hands.)

3 CHAIRMAN BADDOUR: Okay, the ayes do have it  
4 by a vote of nine to seven. Okay.

5 MS. BRANNON: The last project of record --

6 CHAIRMAN BADDOUR: Ms. Brannon?

7 MS. BRANNON: -- to bring to your attention  
8 is the North Carolina Zoological Park. This is a  
9 storm/constructed wetland. The committee decided that  
10 this is a project needing more information for the  
11 Board. It was the concurrence of the committee that  
12 we ask that this project be deferred until September,  
13 and which the staff is to bring back more information  
14 detailing the construction costs. So this is our  
15 recommendation to the Board, that we accept the  
16 committee's recommendation to defer until September.

17 CHAIRMAN BADDOUR: Okay, you heard the  
18 committee recommendation. Any discussion?

19 MR. ROGERS: I do want to note that the  
20 recommendation in your notebook is incorrect. The  
21 actual recommendation is \$217,000.

22 CHAIRMAN BADDOUR: Okay, you've heard the  
23 committee recommendation that we defer this until  
24 September and get additional information. Is there  
25 any discussion?

1 THE BOARD: (No response.)

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

4 THE BOARD: Aye.

5 CHAIRMAN BADDOUR: Opposed, "No."

6 THE BOARD: (No response.)

7 CHAIRMAN BADDOUR: The ayes have it.  
8 Is there one more item there?

9 MS. BRANNON: Yes, the committee did vote to  
10 accept the staff recommendation that \$750,000 be set  
11 aside from the 2008 allocation for stormwater mini-  
12 grants.

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

15 THE BOARD: (No response.)

16 CHAIRMAN BADDOUR: So many as favor the  
17 committee recommendation, signify by saying "Aye."

18 THE BOARD: Aye.

19 CHAIRMAN BADDOUR: Opposed, "No."

20 THE BOARD: (No response.)

21 CHAIRMAN BADDOUR: Okay, the ayes have it.  
22 Thank you very much.

23 Well, we certainly have some time. Is there  
24 any item that any Member of the Board would like to  
25 bring up for discussion?

1 Karen?

2 MS. CRAGNOLIN: We had a wonderful  
3 experience on our tour in the eastern part of the  
4 state, and I was wondering if we're still planning to  
5 do something in the west; and if, in fact, we are, if  
6 we can try to get some dates on people's calendars.  
7 Time will fly; reservations will be difficult. You  
8 know, the sooner we get a date, we can work out the  
9 details.

10 MR. ROGERS: We will do that, and we will  
11 look to get some proposed dates at the September Board  
12 meeting, if you think that's timely enough.

13 MS. CRAGNOLIN: Yeah, that's great. And one  
14 of the things that we had talked about -- and I don't  
15 know if this is still on the table -- is we spend a  
16 lot of time moving from place to place each night, and  
17 if we could have a central location that we could, you  
18 know, sort of move out from and visit various places  
19 from in a certain radius around that central location.

20 MR. ROGERS: I think, in our discussions at  
21 the end of the last tour, that is the preferred  
22 alternative. The idea is perhaps we'll hit a site on  
23 the way out west, have a central location, and feed  
24 out from there. And then, on the way back, we may hit  
25 another project as well. But we will try to stay at a



1 single site for convenience. And I think it's a  
2 little better idea. Thank you.

3 CHAIRMAN BADDOUR: Well, what I'd like to  
4 do, though, is for the Administrative Committee to  
5 take this up; and, with the subcommittee kind of  
6 headed by Claudette, to take a look at that and make a  
7 recommendation to us at the September Board meeting,  
8 if you can, on that.

9 MS. WESTON: I was reading, Mr. Chairman.  
10 Will you repeat that?

11 CHAIRMAN BADDOUR: Well, you know, under our  
12 setup, the Administrative Committee, we want you to  
13 look at planning the -- well, not only the retreat,  
14 but also the tour, the mountain tour. And Karen had  
15 some suggestions, and Richard had some thoughts. But  
16 I think it would be good for the committee to look at  
17 that in September, as well as the Board meeting,  
18 because I think that would be a good item for the  
19 Administrative Committee to look at in September and  
20 make a recommendation to the Board, taking into  
21 account all that has been said.

22 MS. WESTON: I guess we'd have to kind of  
23 see what we're going to look at before we choose a  
24 central place to stay, be aware of where -- whether  
25 you're going to be, you know, around the Asheville

1 area or down in the Morganton area or way up there  
2 where Tom Massie lives.

3 CHAIRMAN BADDOUR: Probably the only thing  
4 in September we need to nail down is the date, and  
5 then you can continue to think and talk about the  
6 details of what we do and how we do it. But I do  
7 agree that the date needs to be firmed up.

8 MS. WESTON: And the place.

9 CHAIRMAN BADDOUR: And the place. And the  
10 place. That's true. That's true, very true. There's  
11 no point in picking the date if you're not going to  
12 make some reservations, right?

13 MS. WESTON: Right.

14 CHAIRMAN BADDOUR: Okay. Except you know  
15 everyone's calendar.

16 MS. WESTON: On the retreat, Jennie and I  
17 are working together. Right now the Washington has  
18 somebody in on the dates that we wanted. I think that  
19 might work out. We can -- we'll just have to be sure  
20 we have a big room and enough rooms to sleep in, and I  
21 think it'll work. But we'll let you know.

22 CHAIRMAN BADDOUR: Okay. Any other item  
23 that members would like to bring up? Karen?

24 MS. CRAGNOLIN: Just a comment that some  
25 other ways we're trying to accommodate all of us with

1           this new one cycle, you know, how we still continue to  
2           improve the process and work forward to make sure that  
3           we're reviewing the projects and we're getting enough  
4           information on it, I really do appreciate the effort  
5           the staff has made to say, as we're going through this  
6           and trying things, "This worked better than that; this  
7           didn't work" and to be very receptive to, you know,  
8           continuing to improve the process. And they bring  
9           things to us and say, "You know, from our point of  
10          view, we don't -- you know, feel as though this worked  
11          as well as we thought it was going to be." And  
12          that -- I really appreciate that honesty and that kind  
13          of dialogue, and I just think we have a terrific  
14          staff, so I'll say that.

15                   CHAIRMAN BADDOUR: Thank you for that.

16                   Mr. Markham?

17                   MR. MARKHAM: Yes, I would like to just make  
18          a comment that, in these difficult economic times for  
19          a lot of people, there are a lot of people suffering.  
20          However, from the flip side, from a conservation  
21          standpoint, I think we're going to see, as a Board, a  
22          good opportunity over the coming year, year and a  
23          half. As the market is solvent, there are a lot of  
24          property's going to be back onto the market that were  
25          picked up by developers. So, again, I think that we,

1 as a Board, should see another round of projects in  
2 the next year. I would encourage staff to look hard  
3 at some of the applications coming in and the land  
4 prices that are being brought in by the appraisals  
5 now, that I would encourage the staff to perhaps look  
6 for a second round of appraisals closer to closing  
7 dates. I think we may see some better volumes and  
8 values coming up.

9 CHAIRMAN BADDOUR: Excellent point.

10 Mr. Vaughan?

11 MR. VAUGHAN: I was just going to suggest,  
12 using yesterday as a learning process, that maybe, on  
13 the future committee meetings, when we're going  
14 through the process we went through yesterday on the  
15 acquisitions, that we go through and have the  
16 presentations all the way down to where we think we  
17 can go based on the money, available money, and then  
18 go back and vote allocation, rather than voting on  
19 each item as we go. Just so -- I think the thing I  
20 learned yesterday, there probably were some of the  
21 earlier projects that I may not have voted for and I'm  
22 interested in one further down the list. For the  
23 dollars, I thought there were some other projects that  
24 may have been better overall. And so, if we just wait  
25 and vote until we've gone through all the

1 presentations, it might be better.

2 CHAIRMAN BADDOUR: Any other comments  
3 anybody would like to make? Richard?

4 MR. ROGERS: Yeah. Thank you, Mr. Chairman.  
5 I just wanted to thank the chairs for working with the  
6 staff and making the time -- which I know is valuable  
7 to you -- but taking the time to review  
8 documentations, to meet with us so that we can  
9 hopefully do a better job of organizing and keeping  
10 the Board informed with the information they need and  
11 not so much of the information they don't need. So I  
12 do appreciate the commitment by the chairs --  
13 Mr. Vaughan, Mr. Beane, Ms. Cragolin this time  
14 around -- and we look forward to continuing improving  
15 our processes and trying to do the best we can to get  
16 informed as they can -- the Board as informed as they  
17 can when they're making decisions. Thank you.

18 CHAIRMAN BADDOUR: Any other comments?

19 MR. BEANE: I move we adjourn.

20 CHAIRMAN BADDOUR: Okay, a motion that we  
21 adjourn. All in favor of the motion?

22 THE BOARD: Aye.

23 CHAIRMAN BADDOUR: Those opposed?

24 Well, go ahead; you want to say something  
25 about lunch?

1                   MR. ROGERS: Lunch; it should be coming out  
2                   in a moment; so, as soon as you get up and have a  
3                   stretch, we should be serving lunch. Also make sure  
4                   you turn in your travel forms to Penny so that we get  
5                   those reimbursements back to you.

6                   (Meeting Adjourned at 11:27 a.m.)

