

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

**Minutes of Regular Meeting
Monday, October 13, 2008**

Park Inn Gateway Conference Center

909 U.S. Highway 70SW

Hickory, North Carolina

8:30 a.m.



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

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
Norman Camp III
Karen Cragolin
John Crumpler
Rance Henderson
William Hollan
Robert Howard
Charles Johnson
Charles McGrady
John McMillan
Peter Rascoe
Stan Vaughan
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 September 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. Communications report - Lisa Schell
 - 2. Administrative Update
- D. Attorney General's Report - Frank Crawley
- E. Break
- F. Infrastructure/Wastewater Committee - Committee Co-Chairs Crumpler and Johnson (Action Items)
- G. Program Committee Report - Committee Co-Chairs Hollan and Markham (Action Items)
- H. Discussion
- I. Adjourn

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P R O C E E D I N G S

CHAIRMAN BADDOUR: I'll call the meeting to order and welcome all those who are in attendance. Thank you for being here and joining us today. And we're going to hear, maybe -- and we'll welcome -- from some of our guests in a few minutes; but at this time I'd like to ask Penny to call the roll.

PENNY ADAMS: Chairman of the Board?

CHAIRMAN BADDOUR: Here.

PENNY ADAMS: Mr. Beane?

MR. BEANE: Here.

PENNY ADAMS: Yevonne Brannon?

MS. BRANNON: (No response.)

PENNY ADAMS: Mr. Camp?

DR. CAMP: Here.

PENNY ADAMS: Mr. Coleman?

MR. COLEMAN: (No response.)

PENNY ADAMS: Ms. Cragnolin?

MR. CRUMPLER: She's here, but not here yet.

PENNY ADAMS: Mr. Crumpler?

MR. CRUMPLER: Here.

PENNY ADAMS: Mr. Henderson?

MR. HENDERSON: Here.

PENNY ADAMS: Mr. Hester?

MR. HESTER: (No response.)

1 PENNY ADAMS: Mr. Hollan?
2 MR. HOLLAN: Here.
3 PENNY ADAMS: Mr. Howard?
4 MR. HOWARD: Here.
5 PENNY ADAMS: Mr. Johnson?
6 MR. JOHNSON: Here.
7 PENNY ADAMS: Mr. Markham?
8 MR. MARKHAM: (No response.)
9 PENNY ADAMS: Mr. McGrady?
10 MR. McGRADY: Here.
11 PENNY ADAMS: Mr. McLean?
12 MR. McLEAN: (No response.)
13 PENNY ADAMS: Mr. McMillan?
14 MR. McMILLAN: Here.
15 PENNY ADAMS: Mr. Rascoe?
16 MR. RASCOE: Here.
17 PENNY ADAMS: Mr. Vaughan?
18 MR. VAUGHAN: Here.
19 PENNY ADAMS: Ms. Weston?
20 MS. WESTON: (No response.)
21 PENNY ADAMS: Mr. Wright?
22 MR. WRIGHT: Here.
23 CHAIRMAN BADDOUR: Okay. General
24 Statute §138-15 mandates that the Chair inquire as to
25 whether any Trustee knows of any conflict of interest

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

5 (Ms. Cragolin enters.)

6 THE BOARD: (No response.)

7 CHAIRMAN BADDOUR: Are there any revisions,
8 additions to the agenda?

9 MR. BEANE: I move that the agenda be
10 approved as is.

11 MR. WRIGHT: Second.

12 CHAIRMAN BADDOUR: Heard the motion and
13 second. Is there any discussion?

14 THE BOARD: (No response.)

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

18 THE BOARD: Aye.

19 CHAIRMAN BADDOUR: Opposed, "No."

20 THE BOARD: (No response.)

21 CHAIRMAN BADDOUR: The ayes have it. Remind
22 you to put your cell phones on vibrate or off.

23 You have the transcript of the September
24 2008 Board meeting. Do I hear a motion that those
25 minutes be approved?

1 MR. RASCOE: Mr. Chairman, on page 6, we
2 need to change the "adopted" to "adoption."

3 And I just wanted -- Mr. Markham isn't here,
4 but he asked a question regarding an acquisition
5 project, 2007-M005. It's referenced on page 61, I
6 believe, and it was a small change in the project
7 related to the Oklawaha Swamp in Henderson County.
8 And this question, I guess, in committee, was, well,
9 does this mean that now swampland in Henderson County
10 is worth about \$25,000 an acre? And at the time I
11 responded "Yes," but I got my swamps mixed up, and it
12 bothered me all the way back to Henderson County that
13 day.

14 And I went out and looked at the property;
15 and, in fact, it's a piece of swampy land, but they're
16 building houses on it. So a lot in Henderson -- a
17 swampland in Henderson County doesn't run \$25,000 an
18 acre, but a lot will. And I just wanted to correct
19 that, and I'll tell Mr. Markham when I see him. And
20 then I'll move approval of the minutes with that one
21 change.

22 MR. WRIGHT: Second.

23 CHAIRMAN BADDOUR: Thank you for reading the
24 minutes and bringing all that to our attention. Any
25 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: I just want to welcome
8 Chuck Bennett, member of the Wildlife Commission, who
9 is one of our advisory committee members and one of
10 our most faithful advisory committee members who
11 attend. Chuck, always glad to have you with us.

12 Okay, at this time on the agenda we have
13 time for public comment. And we're very honored,
14 first of all, to be in Catawba County and Hickory.
15 We've had -- they're hospitable, and we had -- some of
16 us had a very good meal at one of the nice restaurants
17 last night. And this is certainly a very fine meeting
18 facility, as fine as, I think, those that we have been
19 able to attend. So we're glad to be here.

20 And I want to recognize Kitty Barnes, who is
21 Chair of the County Commissioners of Catawba County.
22 Would she like to say anything? Kitty?

23 MS. BARNES: Good morning, and welcome to
24 Catawba County. We are really thrilled that this very
25 esteemed body is here meeting in our county. You all

1 do tremendous work to protect so much of the water and
2 make -- both wastewater and infrastructure, as well as
3 the natural resource that we value so highly. I
4 welcome you.

5 I know that you've gotten a few letters from
6 me. Catawba County does have an acquisition project;
7 and, if any of you do change your mind, you might want
8 to just check out that wonderful 600 acres. We're
9 very happy to take you there after your meeting today.
10 I know that Mr. Rogers did have an opportunity on
11 Friday to visit it, and we appreciate any
12 consideration that you would have.

13 But, on behalf of the entire county, we
14 appreciate the work that you do for the entire state.
15 We all have to work together. And thank you.

16 CHAIRMAN BADDOUR: Thank you.

17 We're also very pleased to have with us Jill
18 Patton, who is the Mayor Pro Tem of Hickory.

19 MS. PATTON: Thank you, and welcome to
20 Hickory. I'm glad everyone -- I hope everyone got to
21 enjoy the parts of Hickory, not just the restaurant.
22 We have a lot to offer, and part of what we have to
23 offer is thanks to you folks for your funding.

24 And I want to especially thank you for the
25 grant for Cripple Creek. It was a 3.1-million-dollar

1 project, and you're funding 1.62 million, and
2 that's -- we do appreciate it. The line is about 100
3 years old and cuts straight through the oldest part of
4 Hickory, all the downtown areas. When we have
5 problems, we hear about it from everybody, so we
6 really do appreciate your funding on that.

7 Another thing that Hickory is really
8 promoting this year is our greenways, and we have some
9 property down near Lake Hickory that we are turning
10 into a passive park. We have hired a consulting firm
11 to help us decide how to utilize that. It's got a
12 waterfall feature on the property, and it's just a
13 beautiful piece to put canoes in, kayaking. And it's
14 just such a wonderful piece of property, we did want
15 to use it to the best of everyone's benefit. And
16 thank you for all of your help on the creek plans.

17 And the other portion that we're doing is a
18 phase two stormwater, and we're experimenting with
19 best practices, and we do have an advisory committee
20 that meets once a month, and we get our monthly
21 updates. All the members of council get where they
22 are in their project. And we're trying to heighten
23 community awareness with identifying signs of where
24 the creeks are and the storm drains to make people
25 more aware of storm drain issues that we have.

1 And we are also working with a bioretention
2 and underground cistern at our future bus transfer
3 downtown. Now, I particularly want that to succeed
4 because my husband's the lead engineer on it, so I do
5 hope it works very well. It's beautiful so far.
6 They've got to get the rest of the building done.

7 Some of the small things that we -- not
8 small; this is a huge thing -- it's a 6-million-
9 gallon-per-day wastewater treatment. We are
10 completely replacing one out in the northeast section
11 of town. It's going to be a 33.5-million-dollar
12 project. And the city is donating 16 million, and we
13 also borrowed from the state revolving fund the
14 balance of that. And we're trying to be proactive in
15 that, that we consider that type of program in
16 Hickory, and we need that replacement.

17 We're also the lead agency for the Board of
18 Directors on the Water Management Group. And with
19 that we get our monthly updates also, where we are in
20 our drought stage. And also, to all of the systems of
21 Hickory, we had an insert that goes out in your water
22 bill. And it concerns where we are on our water
23 issues, the drought. And we also advised and we
24 partnered with RainBarrelUSA for collections of your
25 water running off your roof. We have one, and it's

1 nice to get out and water plants and know you're doing
2 something really good for the environment.

3 But that's just a little bit of what Hickory
4 is doing, and we do appreciate everything that you
5 have done for Hickory. Thank you.

6 CHAIRMAN BADDOUR: Thank you. We appreciate
7 that report. It sounds like a lot is going on in
8 Hickory and Catawba County, and we are grateful for
9 your efforts and your support of what we do.

10 Okay, next on our agenda is our executive
11 director's report. And I'll call on our executive
12 director, Richard Rogers.

13 MR. ROGERS: Thank you, Mr. Chairman.

14 Lisa, if you will, start off with our
15 communication report.

16 MS. SCHELL: All right. Good morning,
17 everyone. That is not Hickory (indicating); that's
18 the Chowan River, and I'll talk about that in just a
19 few moments.

20 All right. Since our last meeting, we've
21 had quite a bit of media attention, largely
22 surrounding the acquisitions made in some of our
23 previous meetings. The two that are involved there,
24 "Nature Conservancy announces," and then the one
25 underneath it, "Wildlife zone expands," are direct

1 results of two events that we did in the last couple
2 of weeks with the Nature Conservancy and the Wildlife
3 Resources Commission, and I will talk about those in
4 just a few minutes.

5 The Nature Conservancy Hickory Nut Gorge
6 events that we did with Chuck McGrady et al. was
7 picked up by the Asheville Citizen as well as the
8 Charlotte Observer. They did their own piece on it.
9 The Hendersonville paper also did a story on that, and
10 it was picked up by the Associated Press and did go
11 statewide, once again pointing out the value of doing
12 those events, even though it may seem at the time like
13 a lot of work for maybe not too much return in the
14 form of the amount of people that actually come to
15 those events. It does result in good media attention
16 across the state. And, as you can see, quite a bit of
17 coverage in the last month.

18 Media contacts since our last meeting,
19 again, many of those are in conjunction with the two
20 events that we did. I want to point out that WLOS TV
21 did attend the Hickory Nut Gorge event. Usual amount
22 of public requests for information that come in to me
23 in the form of either document requests or just
24 questions about upcoming grant cycles and that sort of
25 thing.

1 And so on October 2nd we were out on the
2 Chowan River, and then October 6th on the King Tract
3 in Hickory Nut Gorge. That would be the Chowan River
4 (indicating). It would be better if we could dim the
5 lights, but that's okay. It was a beautiful day, and
6 we did see one of the -- well, a collection the IP
7 tracts that you all purchased. Thanks to the Wildlife
8 Resources Commission for getting us out on the boats
9 that day.

10 Switching to the mountains, this
11 (indicating) is sort of -- not quite the top of the
12 King Tract, but near it. A beautiful day. We were up
13 there scouting. We had overcast the actual day of the
14 event. And Richard is going to talk a little bit
15 about some of the other activities that we've been
16 doing, but that does conclude my report.

17 MR. ROGERS: Thank you, Lisa.

18 One other event I think we're all aware of,
19 that took place a week ago or two weeks ago this
20 Monday, was a dedication at Grandfather Mountain. It
21 was a little surprise to us. But, just to make sure
22 that we understand that Grandfather Mountain was
23 dedicated, the state is going to purchase property
24 there, the underlying fee on conservation easements
25 that Clean Water Management supported.

1 And really, the work that you all did as a
2 trust fund allowed this deal to happen. And the work
3 that you all did should be celebrated and -- just to
4 know that you played a key role in the actual deal
5 that's going. It will become a state park. Currently
6 the Morton family will continue to own and operate the
7 top of the mountain where they have developed their
8 facilities -- swinging bridge, et cetera -- but the
9 state has first-right refusal on purchasing that
10 property when they are done with that. So again,
11 Grandfather Mountain, a key acquisition to the state
12 and also, I think, the Clean Water Management Trust
13 Fund played a key role in making that happen. So we
14 did want to mention that as well.

15 I'd like to talk to you all just a few
16 minutes. I'll give you an update on the general
17 information that I think of what's going on
18 administratively. But we also -- as everybody else,
19 we're facing tough economic times. I want to give you
20 a little update on what we've gotten out of the
21 Governor's office with regards to budget cuts and some
22 things. I think the dominoes are starting to fall
23 with regards to the budget. The Governor, last week
24 or week before, made a release that he will cut the
25 budget, withhold 2 percent of state agency budgets,

1 appropriated budgets. There is -- imminently he'll
2 release another memo, I believe, that will add another
3 percent to that, to a minimum of a 3 percent cut, in
4 order to meet the budget needs for this fiscal year.

5 We need to have some discussion around that
6 point and kind of forecast how we want to move
7 forward. My intent is that we can do this in more
8 detail at our November meeting, but we want to put you
9 on notice that we do know of a 3 percent cut. It may
10 be more; this may not be the end of it, once he
11 announces the 3 percent cut -- and I've heard
12 5 percent too. So we'll see; we'll keep our ears to
13 the ground to make sure that we know what's coming.

14 But the Board will have to take some action
15 with regards to that, and we'll also have to kind of
16 plan for the upcoming and ensuing months as the
17 administration changes and as we move forward and as
18 the economic times appear to be really hindering our
19 receipts as a state.

20 Mr. Chairman, I don't know whether you want
21 to have any more discussion on that or get some input
22 from the Trustees at this point, but --

23 CHAIRMAN BADDOUR: Well, we're certainly --

24 MR. ROGERS: -- we're very open to
25 discussion.

1 CHAIRMAN BADDOUR: -- certainly give
2 everyone an opportunity to comment, if they would
3 like. I think our procedure in, you know, holding
4 back until November wasn't done for that purpose, but
5 it certainly plays into that very well and will give
6 us an opportunity to take another look at it, see
7 where we are and what we do in November. I think what
8 we -- we held back for November in discretion, about
9 20 percent, I think. Is that right? 21.9 million.
10 So we'll see where we are.

11 Stan?

12 MR. VAUGHAN: Mr. Chairman, we really won't
13 know a lot in November either because, you know, the
14 state won't know its collections until the income tax
15 filing comes in in April and May. I personally think,
16 based on what I've seen with the economic situation,
17 that the potential for a much more serious shortfall
18 in the state revenue is there. Hopefully, it won't
19 happen. But I do think when we look at -- even in
20 November, we need to be careful that we don't
21 overspend what may be our ultimate allocation for the
22 year.

23 MR. ROGERS: I think that's an excellent
24 point. There's a couple ways to approach that. I
25 think the Board has probably done it different ways in

1 the past. One is to try to estimate what you want to
2 hold in reserve, potentially, if there's a greater
3 recall on funds; or you can go ahead and allocate
4 funds with the understanding that those funds may be
5 reverted, and we can put the applicants and folks that
6 are awards on notice of that as well. But these are
7 things that we do need to contemplate, and we need to
8 have some kind of process and decision made in
9 November so that staff -- and we'll know how to move
10 forward, since that is our last billing cycle.

11 Other things that will be coming out of the
12 Governor's office, trying to reduce spending, is some
13 travel restrictions, basically saying that it's not --
14 to accomplish the mission of your organization, you
15 need not be traveling, cutting down the multiple
16 people attending meetings, those types of things.

17 And also, there will probably be some type
18 of hiring freeze as well. We are in the process of
19 getting our two positions in place. We've hit a bump
20 in the road or two getting those posted, and we hope
21 to work that out. We don't know how the human
22 resource office and the state budget is going to
23 respond to allowing us to get these posted. We are
24 going to pursue that and hopefully to get those posted
25 and run. But again, we'll keep our ear to the ground

1 and will respond accordingly to what the
2 administrative office suggests too with regards to
3 those positions, and we'll give you an update in
4 November.

5 Administrative leave -- we do have an
6 administrative budget. I am aware of that, and we
7 will, as staff, do our best to curtail travel that's
8 not extremely important to our organization; and we'll
9 also come back to you in November with some possible
10 cuts in our budget as well. We think that we all need
11 to pitch in and do our best here to participate, so
12 we'll be doing that as well, presenting something to
13 you administratively on the administrative budget with
14 regards to cuts as well.

15 Update on our contracts. Out of our 2007
16 contracts, 85 percent of our funds are now encumbered.
17 We are working hard to communicate with those folks
18 that have contracts that aren't signed and telling
19 them if they don't sign them within the next few days,
20 the next week or so, we'll be taking that money back
21 and putting it back in the pot for November. So we're
22 really trying to put the pressure on these folks that
23 haven't responded to the contracts that are out, to
24 make sure that they get on that, they sign them.

25 I think this past Thursday we had about five

1 or six come out of Parks and Rec after we sent out a
2 little e-mail to them reminding them that they needed
3 to sign contracts. So by November we hope to have all
4 those pulled together and signed and moving forward
5 there.

6 CHAIRMAN BADDOUR: May I ask a question,
7 Richard?

8 MR. ROGERS: Yes, sir.

9 CHAIRMAN BADDOUR: Are all contracts, as far
10 as we're concerned, out there waiting to be signed, or
11 are there still some that are --

12 MR. ROGERS: They're all out there waiting
13 to be signed.

14 CHAIRMAN BADDOUR: That's great news.

15 MR. ROGERS: With regards to our 2008, we've
16 had two committee meetings. Acquisition -- right now
17 we have 57 percent of the acquisitions that are
18 approved, contracts are in process. And, with regards
19 to our restoration, 72 percent of ours have had some
20 work done. We're working on the contract template,
21 but we're gathering information just to put into that
22 contract template. So we are working diligently on
23 those and working to get those out the door.

24 One other thing that we're doing is
25 adjusting my acquisition contracts to focus in on our

1 mini-grants we gave the Board. And we told the Board
2 that any mini-grant that was approved before
3 October 1, we would have them done before the end of
4 the year. On the mini-grants, I think there's about a
5 dozen of those that we'll be working through and
6 making sure that we get those out the door before the
7 end of year as well.

8 One of the areas that's related, of course,
9 to our efforts in the budget, too, is with regards to
10 our legislative strategy. We have been talking and
11 working with some other agencies with regards to that.
12 We had a meeting with the Quad Trust Fund on
13 September 30th. The Quad Trust Fund is the Natural
14 Heritage Trust Fund executive director and chair; the
15 Parks and Rec, Lew Ledford, the director -- also
16 Jonathan Howes, the chair there. Bill Rawles
17 participates. Wildlife Resources participates as
18 well, and then ourselves, and also the Farmland
19 Preservation.

20 In that discussion what we propose is trying
21 to come up with a strategy where we can go to the
22 legislature, arm in arm, and talk about the value of
23 the trust funds from an economic perspective but also
24 from the perspective of what we do on the ground and
25 how we use wisely the resources of the state. It's

1 going to be an extremely difficult session, and I
2 don't think we have any idea how difficult it's going
3 to be right now. But we're working diligently on
4 coming up with a strategy that we can approach the
5 legislature that is consistent and we can have a
6 common message among the trust funds.

7 And, within that, we're also looking at
8 developing profiles of each one of these trust funds,
9 and Clean Water especially, to talk about the economic
10 impact that our trust funds have on the state as well,
11 so that we can connect the benefits that these
12 programs bring economically to the state. And we will
13 provide that as well as information.

14 What we've done is -- Lisa's been a big
15 proponent in helping this and getting PIOs together,
16 to start talking about different strategies, talking
17 about how to communicate to our constituents and our
18 clients so that we can get them understanding what's
19 going on; and also coming up with different points and
20 talking points that we can use to the legislature and
21 to our constituents to get them understanding they
22 need to support our program. We'll have a little more
23 detail, and I'll have something to hand out with
24 regards to strategy.

25 One of the things that I'd like to do is get

1 a letter out from the Chair or myself to all the folks
2 that we've funded before, thanking them for their
3 efforts in protecting water quality and also asking
4 for their continued support of the trust fund, just to
5 put them on notice that things are going to be a
6 little tough and that we're going to need them to
7 stand up for us when we get into the legislative
8 session.

9 And it will be -- we've also talked a little
10 bit -- and this is at the Quad Trust Fund -- with
11 regards to the Wildlife Commission. And if we can
12 develop an insert about the benefits of our program,
13 they said that they would stuff every one of their
14 permits that go out the door with this, to put their
15 folks on notice about the benefits that these trust
16 funds provide for Wildlife Resources as well. So
17 we're working on these things. We are extremely --
18 working diligently, trying to get this organized. The
19 Quad Trust Fund will meet again on November 19th. We
20 will get in some more detailed discussion.

21 From a constituent concern, I've also sat
22 down with Reid Wilson, Katherine Skinner, and David
23 Knight of TNC and the Conservation Trust for North
24 Carolina, to talk about their perspective on the
25 upcoming legislative session and what they see coming.

1 Also, they're key components into the Land For
2 Tomorrow group as well. It is critically important in
3 my mind that we're all talking to the legislature from
4 the same page. And I think they're committed to
5 working with us to make sure we have the same message
6 going to the legislature so it's consistent and so
7 that we can maximize the lobbying effort in a way that
8 I think we can speak to the legislature and get their
9 commitment once again to support the trust funds.

10 One thing for us to consider as a group --
11 and we've had some discussion -- is: What is the
12 strategy? And this, I think -- depending on how bad
13 things get, I think probably where we're going to land
14 is we're going to need to hold the line with regards
15 to our funding. It might not be quite appropriate to
16 go for more funding at this time and put us in a
17 perspective from the legislature that we're kind of
18 out of touch with what's going on, because they're
19 going to be extremely -- it's going to be extremely
20 difficult for them meeting demands. They're going to
21 have to make cuts in agencies in order to make next
22 year's budget.

23 So there's a lot going on pre-session, and
24 we've got a lot of things to get done before we get
25 there so that we can be prepared to put our best foot

1 forward and advocate for Clean Water Management Trust
2 Fund.

3 The November meeting is getting extremely
4 loaded down with stuff, but we do need to have some
5 time to talk about that. And I think we can talk
6 about it in the context of how we want to manage cuts
7 and that kind of thing at the next meeting. But we'll
8 have a little more detail, a summary page of what our
9 strategic efforts are with regards to the legislature,
10 and we'd certainly appreciate your feedback. And any
11 comments you have now, I'll be glad to take those as
12 well.

13 CHAIRMAN BADDOUR: Okay, any comments on
14 anything Richard has had to say or anything about our
15 administration of the trust fund?

16 MR. BENNETT: Mr. Chairman, can I say
17 something about the Wildlife Commission and the
18 relationship with that?

19 CHAIRMAN BADDOUR: Sure.

20 MR. BENNETT: One of the things that I think
21 is very important is that you were talking about your
22 acquisitions, making sure access is part of that. And
23 I wanted you to know we lost nine miles of trout
24 streams this year because of lack of access. So it's
25 an important issue when we're looking at acquiring

1 properties and getting those properties, that we do
2 have public access.

3 And the second issue is we're trying to
4 develop a very large program to show the state what
5 the delayed harvest trout streams are doing for the
6 economic benefits of the state. Of course, if you are
7 the source of those lands, then you would be able to
8 include these delayed harvest streams.

9 CHAIRMAN BADDOUR: Thank you, Chuck.

10 Richard, anything else?

11 MR. ROGERS: That concludes my report,
12 Mr. Chairman.

13 CHAIRMAN BADDOUR: All right. Are you all
14 settled in now in the new offices?

15 MR. ROGERS: Yes, sir, we are. We have
16 settled in well. I think the space is adequate. We
17 have some room to breathe. We actually have a
18 conference room to meet in, which we've taken
19 advantage of, so we're extremely happy where we are.
20 We appreciate y'all's support in getting us there.
21 And I think we're more productive and a little happier
22 not falling all over each other, so we appreciate
23 that.

24 CHAIRMAN BADDOUR: I think most of you have
25 been by there; but, if you have not, if you're in

1 Raleigh -- and I guess we're meeting in Raleigh in
2 November.

3 MR. ROGERS: Yeah, we'll be right up the
4 road from our office, so we'll try to make some time
5 for you to drop by.

6 CHAIRMAN BADDOUR: Certainly encourage you
7 to go by and take a look. Okay, Mr. Crawley, have you
8 got a report for us?

9 MR. CRAWLEY: Briefly. The Crawford Creek
10 easement invasion litigation is scheduled for trial in
11 Haywood County on November the 3rd, and we'll
12 participate along with the easement grantor and the
13 Appalachian Conservation group. And secondly, our
14 friend, Daniel Willis, from Trenton in Jones County,
15 he lost his pro se appeal at the Fourth Circuit. They
16 reminded him again that the Fourth Circuit and U.S.
17 District Court in the Eastern District had him place
18 an order that required him to first get approval from
19 the U.S. District Court before he could file a
20 complaint. And, of course, he ignored the order and
21 filed his complaint against the trust fund and other
22 folks, so they had to again remind him when they
23 dismissed his appeal. And that's my report.

24 CHAIRMAN BADDOUR: Okay, any questions for
25 Mr. Crawley?

1 THE BOARD: (No response.)

2 CHAIRMAN BADDOUR: All right, we'll move on
3 to a report from our infrastructure wastewater
4 committee. And yesterday that was chaired by co-
5 chairman John Crumpler, so I'll call on him for that
6 report.

7 MR. CRUMPLER: Thank you, Mr. Chairman.

8 We had a lively and productive discussion.
9 We had 100 percent attendance, and many others were
10 here. We appreciate everybody's engagement. The
11 first item on the agenda was a discussion of how the
12 high unit cost requirement affects, really, our
13 funding cycle as much as anything and whether or
14 not -- well, in fact, Larry, can you give us just a
15 little, brief overview? There were some folks here
16 who were not here earlier today. Just really quickly.
17 And then --

18 MR. HORTON: Sure. Sure, I'll be glad to.
19 We are currently implementing a -- currently
20 implementing a policy that the Board enacted in
21 September 2006. And what that says is that the
22 applicants need to comply with -- or are required to
23 comply with the most recent update of the high unit
24 cost threshold. And it's causing some difficulty both
25 for staff and for applicants because the high unit

1 cost threshold is basically a moving target. It's one
2 thing when they send their application in. And then,
3 because of the timing of that update, the update
4 doesn't happen until after most folks have enacted
5 their rate changes in June.

6 And that is -- that causes trouble for the
7 applicants. They may be complying with the -- for
8 instance, complying with the 2007 threshold. If they
9 weren't, and made an application, and they may have
10 raised their rates in June; and then, in August this
11 year, the threshold was updated again for 2008, so
12 that creates a difficulty. We don't execute contracts
13 until they comply with the high unit cost threshold.
14 So what that would mean would be they'd either have to
15 raise the rates again to comply with the 2008
16 threshold and then have to do that out of the normal
17 sequence; or they'd either have to wait until June,
18 which is when they normally raise their rates, and we
19 wouldn't be able to execute a contract, then, until
20 June.

21 But the staff has just brought it forward to
22 the Board to think about that and see if it would be
23 okay if we could just go with the -- require
24 compliance with the high unit cost threshold that's in
25 effect when they submit their application.

1 MR. CRUMPLER: And, Mr. Chairman, the
2 committee voted to accept staff recommendation that
3 applicants are eligible for the grant award if they
4 meet the high unit cost standards at the time of the
5 application.

6 CHAIRMAN BADDOUR: Okay, you've heard the
7 recommendation of the committee. It does not need a
8 second. Is there any discussion?

9 MR. WRIGHT: Mr. Chairman?

10 CHAIRMAN BADDOUR: Mr. Wright?

11 MR. WRIGHT: I have some concerns -- and
12 this isn't the first time this has come up -- that
13 many people that apply will not receive grants and
14 those people that do go through the process and don't
15 receive grants. Basically, from what I understand
16 about this motion, they're going to have to raise
17 their rates to basically apply. Is that correct,
18 John?

19 MR. CRUMPLER: I think they've got to make
20 some kind of action that gives us a sense that they --

21 MR. WRIGHT: They have to pass a resolution;
22 is that correct?

23 CHAIRMAN BADDOUR: Yes.

24 MR. WRIGHT: Okay, then I have no problem
25 with it.

1 CHAIRMAN BADDOUR: Okay, further discussion?

2 MR. HOLLAN: Mr. Chairman, I have a point
3 that would be opposite of Mr. Wright's, I think, that
4 the state's put this high unit cost ratio in effect to
5 level the playing field and to kind of treat everybody
6 the same. It takes the average household income,
7 multiplies it times 1-1/2 percent, and says that that
8 1-1/2 percent -- that people, to be eligible for
9 assistance from the state, should spend at least
10 1-1/2 percent of their average household income in
11 their water and sewer systems, and that that's a
12 standard that results in adequate maintenance and so
13 on.

14 Every applicant who comes to us comes to us
15 saying that: "My system is failing." And the system
16 is failing because they aren't spending enough local
17 money on it. And the fact that they have not met the
18 high unit cost threshold is an indicator that,
19 relative to other people around the state, they aren't
20 paying their fair share for water and sewer. And it's
21 adjusted based on the local incomes so that the people
22 in a relatively poor county have to meet a lower
23 threshold than the people in a relatively wealthier
24 county.

25 But, for people to come in and say, "Our

1 system is failing, we're polluting the waters of the
2 state, but we're unwilling to raise our rates to
3 pay -- to have the people pay enough to properly
4 maintain this unless you're going to give us money,"
5 to me sends the wrong message. They should be
6 obligated to raise their rates to a level that would
7 result in their not polluting the waters of the state,
8 their not getting these notices of violation, and
9 their not getting these special orders of consent.

10 Now, if they have raised them above that
11 level and are doing everything they can, then I think
12 it's perfectly appropriate for them to come to this
13 trust fund and come to the taxpayers of the state and
14 say, "We're doing our share. We need help." And in
15 that case we ought to help them.

16 But I would favor saying that they have to
17 meet that high unit -- we had some discussion
18 yesterday about even requiring them to meet it during
19 the whole course of the grant, which might require
20 them raising their rates every year. But the cost of
21 everything goes up every year. And, if they continue
22 to maintain the same rates, they're going to let the
23 pump stations fail, they're going to let their lines
24 not be repaired, and the state is going to have to
25 continually come in and rescue the people who aren't

1 paying their fair share.

2 So I think we need -- I think that we might
3 talk about this issue at the retreat, and I think we
4 probably ought to.

5 Thank you.

6 CHAIRMAN BADDOUR: Sir, thank you.

7 Further discussion?

8 THE BOARD: (No response.)

9 CHAIRMAN BADDOUR: Okay, the motion before
10 us is to adopt the recommendation of the committee
11 that applicants are eligible for the grant award if
12 they meet the high unit cost as established at the
13 time of the application. Is there further discussion?

14 MR. HOLLAN: Will they meet or agree to
15 meet?

16 CHAIRMAN BADDOUR: Right; that's correct.
17 But the point is that the time that you look at is
18 whatever the high unit cost was at the time of the
19 application. Is there further discussion?

20 THE BOARD: (No response.)

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

24 THE BOARD: (Some members) Aye.

25 CHAIRMAN BADDOUR: All opposed, "No."

1 THE BOARD: (Some members) No.

2 CHAIRMAN BADDOUR: The ayes have it.

3 Mr. Crumpler?

4 MR. CRUMPLER: And additionally, the

5 committee discussed many projects -- we discussed many

6 projects, and we recommended funding 38 projects

7 totaling \$24,893,000; we recommend deferring three

8 projects to November; and 11 projects are not

9 recommended for funding; with the final three to be

10 withdrawn. Should I just read these into the record?

11 We should do that now, right, Mr. Chairman? I'll read

12 each project that we approved?

13 CHAIRMAN BADDOUR: Yes. And the amounts.

14 MR. CRUMPLER: Starting at the top: Project

15 2008-529, Onslow Water and Sewer Authority, the

16 committee recommends \$188,000; Project 2008-541, City

17 of Wilson, the committee recommends \$700,000; Project

18 2008-503, Town of Beaufort, committee recommends

19 \$1,500,000; Project 2008-504, Town of Benson,

20 committee recommends \$1,201,000; Project 2008-509,

21 Town of Clarkton, committee recommends \$500,000;

22 Project 2008-530, Town of Parkton, committee

23 recommends \$145,000; Project 2008-520, Town of Kenly,

24 committee recommends \$479,000; Project 2008-824, Town

25 of Lake Lure, committee recommends \$50,000; Project

1 2008-537, Town of Vass, committee recommends \$192,000;
2 Project Number 2008-826, Town of Spring Lake,
3 committee recommends \$37,000; Project 2008-502, Town
4 of Bath, committee recommends \$117,000; Project
5 Number 2008-511, Contentnea Metropolitan Sewer
6 District, committee recommends \$400,000; Project
7 2008-531, Town of Princeville, committee recommends
8 \$80,000; Project Number 2008-522, Town of LaGrange,
9 committee recommends \$401,000; 2008-533, Town of
10 Scotland Neck, committee recommends \$1,591,000;
11 2006-604 [sic], Town of North Wilkesboro, committee
12 recommends \$1,071,000; Project Number 2008-510, Town
13 of Columbia, committee recommends \$400,000; Project
14 Number 2008-523, Kinston in Lenoir County, committee
15 recommends \$143,000; Project Number 2008-825, Town of
16 Red Springs, committee recommends \$25,000; 2008-543,
17 Town of Youngsville, committee recommends \$743,000
18 [sic]; Project 2008-526, committee recommends -- oh,
19 sorry -- Town of Maysville, committee recommends
20 \$241,000; Project Number 2008-512, Town of Conway,
21 committee recommends \$1,612,000; Project
22 Number 2008-507, Town of Candor, committee recommends
23 \$54,000; Project Number 2008-528, Mount Olive,
24 committee recommends \$717,000; Project
25 Number 2008-821, Candlewick Sanitary District,

1 committee recommends \$40,000; Project Number 2008-532,
2 Town of Rich Square, committee recommends \$1,619,000;
3 Project Number 2008-518, City of Henderson, committee
4 recommends \$1,581,000; Project Number 2008-514, Town
5 of Enfield, committee recommends \$1,393,000; Project
6 Number 2008-524, Town of Lilesville -- did I say that
7 right? That's good -- committee recommends
8 \$1,088,000; Project Number 2008-508, Town of
9 Chadbourn, committee recommends \$1,204,000; Project
10 Number 2008-527, Town of Morven, committee recommends
11 \$1,247,000; Project Number 2008-823, Town of
12 Farmville, committee recommends \$100,000; Project
13 2008-542, Town of Windsor, committee recommends
14 \$1,147,000; Project Number 2008-539, Town of Warsaw,
15 committee recommends \$400,000; and Project
16 Number 2008-505, Town of Boonville, committee
17 recommends \$41,000; Project Number 2008-519, Town of
18 Hillsborough, committee recommends \$492,000; Project
19 2008-538, Walnut Island Sanitary District, committee
20 recommends \$500,000; 2008-602, Maple Hill Sewer
21 District, committee recommends \$1,463,000; for a total
22 committee recommendation of \$24,893,000.

23 CHAIRMAN BADDOUR: Okay. Mr. Crumpler, I
24 think you -- on Number 20, Youngsville, you may have
25 said 744, and I think you meant 734.

1 MR. CRUMPLER: I definitely meant 734.

2 CHAIRMAN BADDOUR: Okay. With that
3 correction, is -- you heard the committee
4 recommendation. Is there any discussion?
5 Mr. Vaughan?

6 MR. VAUGHAN: I have about three comments,
7 if I may, Mr. Chairman.

8 CHAIRMAN BADDOUR: Okay. You have the
9 floor.

10 MR. VAUGHAN: Project Number 6 and Project
11 Number 9, because of the high unit cost, I have a
12 concern. But, since we're only funding there the
13 planning, I would not oppose those, but I would hope
14 in those two cases that -- along with the grant for
15 the planning, that they are asked to seriously look at
16 alternatives to reduce the per-unit cost on how they
17 plan to solve that problem. On Projects Number 16,
18 26, and 30 --

19 CHAIRMAN BADDOUR: Is that just three?

20 MR. VAUGHAN: Yes. -- because of the high
21 unit cost, I'm not sure how I'm going to vote. I'd
22 like for those to be voted on separately, if they
23 would, so I don't have to oppose --

24 CHAIRMAN BADDOUR: I can't do that, but if
25 you -- I will recognize you for any amendment that you

1 would like to make.

2 MR. VAUGHAN: All right, I'd like to amend
3 the recommendation, that we pull those out for a
4 separate vote.

5 CHAIRMAN BADDOUR: Okay, I'll take that
6 motion right now, then, as to those three.

7 MR. HOLLAN: Second.

8 A BOARD MEMBER: Which ones, again?

9 MR. VAUGHAN: It's 16, 26, and 30.

10 CHAIRMAN BADDOUR: Okay, the motion is that
11 we vote on 16, 26, and 30 separately. Is there any
12 discussion?

13 THE BOARD: (No response.)

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

16 THE BOARD: Aye.

17 CHAIRMAN BADDOUR: Opposed, "No."

18 THE BOARD: (No response.)

19 CHAIRMAN BADDOUR: The ayes have it. Okay,
20 we will take those separate.

21 MR. VAUGHAN: Okay. And my third comment:
22 Projects 32, 33, 34, and 35, based on the economics
23 that we -- that our executive director discussed
24 earlier and what's going on with the budget's being
25 cut from the Governor's office, to be consistent with

1 what I think the other two committees have done on
2 lower-scoring projects, just on the Clean Water scores
3 themselves, I would recommend we defer those four
4 until November. And I'll make that a motion.

5 MR. McGRADY: Second.

6 CHAIRMAN BADDOUR: Okay, you heard the
7 motion by Mr. Vaughan, seconded by Mr. McGrady, that
8 Projects 32, 33, 34, and 36 --

9 MR. VAUGHAN: 35.

10 CHAIRMAN BADDOUR: 35; I'm sorry -- 35 be
11 deferred until November. Discussion?

12 MR. WRIGHT: I have a comment.

13 CHAIRMAN BADDOUR: Mr. Wright?

14 MR. WRIGHT: I think the thing that concerns
15 me is, basically, we're looking at all these based on
16 scores, and the same person isn't scoring all these,
17 and we're not -- I question sometimes the scoring
18 systems. If you look at them on the list in terms of
19 our three committees, they might be comparable. When
20 you put different people looking at scoring in
21 different manners, I question the equitableness of the
22 scores in terms of a set lower unit.

23 MR. VAUGHAN: Just to respond, Mr. Chairman,
24 if I might?

25 CHAIRMAN BADDOUR: Mr. Vaughan?

1 MR. VAUGHAN: I'm not disagreeing that
2 there's different values on scoring based on the three
3 different groups. But what I'm saying is those four
4 projects score less than 50 percent of the potential
5 Clean Water score for that group, and for that reason
6 I ask that they be deferred, not that it's really in
7 comparison to the others, but in -- it's getting
8 pretty far down the ladder as far as those four
9 projects.

10 CHAIRMAN BADDOUR: Further discussion?
11 Mr. Rascoe?

12 MR. RASCOE: Mr. Chairman, this was an
13 action of the committee, a unanimous action, and I
14 would just submit -- reiterate some of the discussion
15 that occurred yesterday. As Jerry said, you know, the
16 scoring is different.

17 This is an autonomous committee action from
18 yesterday. Some of these municipalities, again, as we
19 discussed yesterday, are poor municipalities. They
20 cannot raise their rates on a political whim. They
21 are poor, and they're trying to do what's right for
22 the quality of life. There's a lot of minority
23 population in a lot of these communities that we're
24 talking about, and they quite frankly do not have any
25 other source, other than Rural and us.

1 And these -- I think Stan made the point
2 that, because of the budget concerns, there's a
3 question -- well, I would also state that these need
4 to be funded; and, if we put these off another month,
5 there's a possibility they may not be funded. And I
6 would just submit that this was a committee action and
7 ask the Board to vote against that motion.

8 DR. CAMP: Mr. Chairman?

9 CHAIRMAN BADDOUR: Well, let me get --
10 Ms. Cragolin? Hold on one second. Did you -- I
11 thought I saw your hand.

12 MS. CRAGNOLIN: Yes. I had asked Larry
13 yesterday if he could get some information together to
14 us. You know, one of the things that we heard from
15 our committee in acquisitions is people wanted an
16 overview of the project -- where they are, maps, et
17 cetera. Larry, can you put that up on the board, some
18 of the information we have, just to take a step back
19 and look at what are we funding?

20 CHAIRMAN BADDOUR: Now, does this involve
21 this particular motion?

22 MS. CRAGNOLIN: Yes, it involves the motion.

23 MR. ROGERS: Okay. If the Trustees will
24 refer to the last page of their spreadsheet, we have
25 the regional distribution that you asked for, Karen.

1 And then also, you wanted a report on the rehab
2 projects that we have that have pump station and I&I
3 in it as well; is that correct?

4 MS. CRAGNOLIN: Yeah. On the -- how many
5 pump stations are we buying with this? Where is that?

6 MS. McGEE: This is just the little table at
7 the bottom of page 6. It's just --

8 MR. ROGERS: It's the distribution of the
9 projects.

10 CHAIRMAN BADDOUR: This was -- that was
11 passed out this morning?

12 MS. CRAGNOLIN: So you -- Larry, you weren't
13 able to get the rest of the information?

14 MR. HORTON: Yes, I was. What you had asked
15 for was all the projects that involved inflow and
16 infiltration and pump stations. And we are
17 currently -- we're working on getting the spreadsheet
18 up here for you. Nancy, if you can go show us --

19 CHAIRMAN BADDOUR: Well, hold on one minute.
20 Karen, I don't want to put too fine a point, but isn't
21 that more about the main motion than as to this motion
22 that Stan just made?

23 MS. CRAGNOLIN: Well, I think it has to do
24 with the overview of the whole wastewater issue and
25 what it is we're funding and what it's costing per

1 unit. And, you know, we never did I&I in the past.
2 This is some new input on it.

3 CHAIRMAN BADDOUR: Well, I tell you, I'm
4 going to rule that out of order right now. I want to
5 stick with the motion that Stan made, which I think is
6 a different issue, okay?

7 Mr. Johnson?

8 MR. JOHNSON: Mr. Chairman, as we look at
9 this, the wastewater committee yesterday did an
10 extensive look at wastewater projects. We also, in
11 the process, eliminated between 10 and 12 projects
12 because of a factor that dealt with water quality.
13 Now, if we're going to use just the water quality
14 score, we have eliminated probably 10 projects that
15 score much higher than this because of our concern
16 over water quality.

17 Now, if we're going to come back -- and the
18 committee looked at it, and we approved this as part
19 of our package. I think we've done a tremendous job
20 of doing this. We've looked at this thing internally;
21 and, I think, going through and taking the
22 recommendations of the state, we eliminated projects
23 that scored 98 because we felt that what we were doing
24 was in the best interest of our organization. So,
25 after having gone through that type of operation, and

1 we have gone and come down to this particular point, I
2 hope that this Board will accept the recommendation of
3 this committee.

4 CHAIRMAN BADDOUR: Dr. Camp?

5 DR. CAMP: Mr. Chairman and Trustees, I
6 think we should approve these projects this time.
7 These folk are knee-deep in alligators, and they need
8 help now. They're in an intervention mode; and, to
9 delay this further -- as I said, they're knee-deep in
10 alligators -- I could use another term -- but these
11 projects are in dire need of funding. The counties
12 are listed in the economically unable to fund
13 themselves, and it's this committee's responsibility
14 to take care of some of these. These are all Down
15 East. If you've ever been down there, you know how
16 poor they are. So they need help now, intervention
17 now. They're knee-deep in sludge.

18 CHAIRMAN BADDOUR: Okay, further discussion?

19 MR. HOLLAN: Mr. Chairman, I'd be a little
20 bit concerned about the notion that, because the
21 committee has recommended this, the Board ought to
22 rubber-stamp it. If we get to that point, we don't
23 need to meet on Monday. So I don't -- that's not a
24 persuasive argument to me.

25 Now, I'm trying to decide this on the

1 merits. But I think I would urge all of our
2 committees not to believe that their take on these
3 things should be the final action, that the Board
4 ought to have the opportunity to talk about these and
5 to consider them because we don't get a vote on
6 yesterday about these. We're sitting here on this
7 Board, acting on these, and I really think that these
8 should -- we're talking about \$22 million, and it
9 should be an action by this whole Board, that the
10 whole Board, by majority, agrees to it and not just
11 the committee that happened to meet on that day.

12 Thank you.

13 CHAIRMAN BADDOUR: Okay, further discussion?

14 THE BOARD: (No response.)

15 CHAIRMAN BADDOUR: All right. So many as
16 favor the motion by Mr. Vaughan to defer projects 32,
17 33, 34, and 35 to November, signify by raising your
18 hand.

19 THE BOARD: (The Board complies.)

20 CHAIRMAN BADDOUR: Okay. So many as oppose
21 the motion, please raise your hand.

22 THE BOARD: (The Board complies.)

23 CHAIRMAN BADDOUR: Okay. By a vote of eight
24 to six, the motion fails.

25 All right, now we're back to the main

1 motion. Karen, I really do want to hear that
2 discussion, so if you want to go ahead and continue
3 that, I think it's very appropriate for the general
4 discussion. If you'll go ahead now, Larry, come back
5 with that screen, and let's hear what you have to say.

6 MS. GUTHRIE: Larry -- I was just given this
7 information briefly. He did a good bit of work last
8 night getting a spreadsheet together, which is a
9 little unwieldy to put up on the screen. But the
10 summary, to answer the question, there were 28
11 projects that involved sewer rehab for the I&I, which
12 is the inflow and infiltration; and six of the
13 projects included pump station rehabilitation.

14 MR. HORTON: I would tweak that just a
15 little bit. There were 28 projects that involved
16 inflow and infiltration, total. We recommended
17 funding 22 of those. There were six of those 22 that
18 included pump stations. So that the total number of
19 I&I projects was 22.

20 You had also asked about how the funding was
21 split on that between the different regions. The
22 total amount of that funding was \$16,441,000. The
23 Coastal Plain portion of that was 13,277,000; the
24 Piedmont portion was 3,164,000; and the Mountain
25 portion is zero.

1 CHAIRMAN BADDOUR: Karen?

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

3 Well, just one thing. I think our standards
4 have changed in the past. We never did fund I&I
5 before. We might have six projects with pumps, but
6 there are multiple pumps in each one of those. We
7 didn't used to fund those either.

8 And, in terms of the distribution, once we
9 do an allocation for the different projects, then I
10 think that forces us to do the second look at how our
11 money is being spent and look at that regionally. So
12 I would say, okay, maybe the mountains doesn't have a
13 lot of wastewater, but maybe that extra money should
14 be put into what the mountains want, is acquisition.

15 The other comment I would have is that some
16 of the costs related to this -- to these wastewater
17 projects are exorbitant per residential house, and I
18 can't really vote for any of those that are over
19 \$10,000 per residence.

20 CHAIRMAN BADDOUR: Mr. Crumpler?

21 MR. CRUMPLER: Thank you, Mr. Chairman, and
22 thank you, Karen.

23 I mean, I think we had a great discussion
24 yesterday, and a lot of wonderful points were brought
25 up, and I think everyone on our committee, certainly,

1 and I share the notion that we would love to discuss
2 these at our retreat. But we feel like we are working
3 under our understanding of the best way to meet our
4 objectives and our goals as a committee.

5 I would point out that, of the projects that
6 were not recommended for funding, 12 were based by
7 either west, central, or east; and nine from the east
8 were not recommended, two from the central, and one
9 from the west. So, you know, I'm not sure exactly
10 where we're going with this, but I think we are being
11 very responsive to the needs that are put before us.

12 CHAIRMAN BADDOUR: Okay. Further
13 discussion? Mr. Wright and Mr. Rascoe?

14 MR. WRIGHT: Mr. Chairman, the one thing
15 that -- I didn't get on the wastewater committee until
16 about four or five years ago, and I didn't know a lot
17 about wastewater. I've learned a huge amount of
18 information while being involved in the process in the
19 last four years.

20 I think the one thing I will say, Karen, is
21 that I've been here the same 12 years that you've been
22 here. And my memory is that, for the first year and a
23 half, we probably didn't fund any I&I; but, for the
24 last ten and a half years, we have indeed funded I&I.

25 The thing that I will say is that, when we

1 go to a pump station, pump stations basically are
2 where sewer lines are. These sewer lines basically
3 are gravity, many times, and falls, streams, and lower
4 elevations to get to whatever site they are. And, if
5 you have a failure of a pump station, you've got
6 100 percent of your effluent going directly into a
7 stream, because there's somewhere along that area
8 where it's low where the streams are, especially in
9 the Piedmont and upper North Carolina.

10 I&I is a constant problem, but it's not
11 100 percent. So sometimes I actually think the pump
12 stations working are even more important than the I&I
13 work in terms of reality about keeping spills and
14 things of that nature out of our streams, which seems
15 to be one of the -- a lot of our major pollution
16 happens, is in these storm events or when pumps go
17 down. And so I have a concern about that.

18 The one thing I will say is that we need to
19 take a ten-year look about where our funds have gone
20 in terms of regions and things. One batch of
21 applications I don't think really, truly shows what's
22 going -- where it's going or how it's going, and so we
23 need to spread it out over a longer period.

24 The other thing I'll say is this: I don't
25 think it's fair for our staff, for them to go out and

1 somebody says, "Well, how does this work," and they
2 say generally, "Well, this is how it has worked, and
3 we feel, if you're working in this direction, you
4 ought to do it," and then accept those applications
5 and change our philosophy about doing things. Now, if
6 we're going to change our philosophy, then we should
7 basically say that prior to an application cycle so at
8 least they know what to tell the applicants in terms
9 of what they think will happen.

10 And I believe that, if we are going to
11 indeed change this, I have a lot of concerns about no
12 matches in a lot of these cases about these programs.
13 We should at least require some match. But my opinion
14 is that should be developed based on the actual
15 community that's being served, in terms of the
16 locality, and not specifically -- the one in my county
17 at this time, it's the -- it's one of the poorest
18 communities in the county; and, compared to other
19 communities, they have no ability to pay. They did
20 raise one-third of their application value to try and
21 do it, and I'm proud that they did that.

22 There are some communities that I know of in
23 eastern North Carolina, and some of these counties
24 that can't raise any money -- none whatsoever. They
25 don't have the ability; they don't have anybody

1 helping them. And in those communities we have got to
2 try and allow the process to work and have some kind
3 of graduate scale about matches to at least adhere to
4 that or they will never get any kind of help and they
5 will not get any help in these sewer systems and
6 alleviate the problems, because they can't do it. And
7 it's going to get worse; now, things are going to get
8 worse in these communities, not better.

9 CHAIRMAN BADDOUR: Mr. Rascoe?

10 MR. RASCOE: Thank you, Mr. Chairman.

11 I'd just like to comment on the -- I look
12 forward to the retreat and discussing this; and I do
13 understand, I guess, the history that the Board may
14 have acted on in the past. But my problem, my
15 challenge, is what the statute says. And the general
16 statutes say "failing systems." And, if we have
17 engineers, professionals, telling us and telling the
18 applicants that a failing system includes I&I,
19 includes a broken-down pump station, then logically,
20 in my mind, that is fundable.

21 And if you have a small community that
22 cannot afford to dig up a sewer pipe and fix their I&I
23 problem, and cannot afford to fix their pumping
24 station, which we are telling them professionally is a
25 failed system, then we're telling them wrong. And I

1 just feel like that's something we need to talk about
2 in the retreat. But for right now that's what the law
3 says, and we're here for them. Just like Rural's
4 there, we're here for our purpose.

5 CHAIRMAN BADDOUR: Further discussion?
6 Okay, first of all, just -- I would like for the
7 minutes to -- if you would attach a copy of the
8 committee report to the minutes.

9 Further discussion?

10 THE BOARD: (No response.)

11 CHAIRMAN BADDOUR: Okay. Hearing none, you
12 heard the committee recommendation. So many as favor
13 the adoption of the committee recommendation, signify
14 by saying "Aye."

15 THE BOARD: (Some members) Aye.

16 CHAIRMAN BADDOUR: Opposed, "No."

17 THE BOARD: (Some members) No.

18 MR. VAUGHAN: Mr. Chairman, can I ask a
19 question? The motion is the committee report as
20 amended --

21 MS. CRAGNOLIN: No.

22 MR. VAUGHAN: -- with those three projects
23 for a separate consideration?

24 CHAIRMAN BADDOUR: Thank you very, very
25 much. And I'm sorry for that. So let me go back and

1 clarify that, if I can. Okay, the motion is to adopt
2 the committee report with the exception of Projects
3 Number 16, 26, and 30. And those will be considered
4 separately. Thank you very much, Stan. I just forgot
5 that.

6 Okay. So now do you understand -- does
7 everybody understand what we're voting on? All but --
8 the committee recommendations except 16, 26, and 30.
9 So many as favor the recommendation of the committee
10 as to those projects, signify by saying "Aye."

11 THE BOARD: (Some members) Aye.

12 CHAIRMAN BADDOUR: Opposed, "No."

13 THE BOARD: (Some members) No.

14 CHAIRMAN BADDOUR: The ayes have it. Okay,
15 now we'll go back and consider Projects 16, 26, and 30
16 as a group, as those three.

17 Mr. Vaughan?

18 MR. VAUGHAN: I will speak to them as a
19 group even though you may want to vote on them
20 individually. My concern -- and I'll say this: It's
21 a concern without necessarily being opposed, but I
22 wanted to have this discussion before the vote -- all
23 three of those projects have very high unit costs.
24 All three of those projects are serving a very small
25 group of our population -- I think it's 87, 70, and 58

1 residences in those three. That's spending an awful
2 lot of money for a small group.

3 And what I would challenge us is to be sure
4 the right engineering has been done and the best
5 solution at the least cost has been determined; and
6 that's my question. It may be that that is the only
7 solution for them, for these residences. But you
8 think about what almost 30,000, 25-, and 19,000
9 respectively per unit -- think about what could be
10 done. You could almost, probably, replace some of
11 those houses in a different location for those prices.
12 And I'm not speaking down to those houses; I'm just
13 saying -- because I've never seen them. But you could
14 buy a mobile home and move it to a location that has
15 water and sewer probably for less -- almost less than
16 those dollars.

17 And I just -- the question I am asking is:
18 Are we sure, at that high per-unit cost for a small
19 number of residences, we have the best solution at the
20 least cost?

21 CHAIRMAN BADDOUR: Okay. Now, you
22 understand, when you're -- you're not talking about
23 high unit cost in terms of what they charge their
24 residents?

25 MR. VAUGHAN: Right.

1 CHAIRMAN BADDOUR: You're talking about the
2 amount of money it's costing per residence to correct
3 the system?

4 MR. VAUGHAN: Right.

5 CHAIRMAN BADDOUR: Okay. I -- Mr. Rascoe?

6 MR. RASCOE: Mr. Chairman, I'd just like to
7 respond. We're talking about them as a group. I
8 would -- for example purposes, Number 26, the Town of
9 Rich Square, we talked about this extensively. The
10 number 87 is on there for residents served. But, when
11 we queried the engineer -- I mean, the town obviously
12 has more people in it than that. This is a small
13 town; I believe the number 430 popped up. This was --
14 that would impact the -- I would submit to you that
15 fixing the problem affects the whole town rather than
16 just those number of residents on that street or in
17 that particular area, as he put it.

18 Again, you know, these are rural areas,
19 especially Number 26. The town is trying to do the
20 best it can with what it has to fix its sewer system.
21 And this is another one that I would just submit to
22 you the committee discussed and recommended approval
23 for, and I would just urge the committee to -- the
24 Board to do the same for these three.

25 CHAIRMAN BADDOUR: Further discussion?

1 MR. HORTON: I would just like to, if I
2 could, make a comment on the --

3 CHAIRMAN BADDOUR: Larry?

4 MR. HORTON: I'd just like to make one
5 comment on the North Wilkesboro project. That is the
6 Project Number 16. That is one that's going to take
7 some septic systems off-line. We funded that for
8 engineering and design last year, and we had this --
9 basically the same discussion about that project. But
10 one of the conditions that we put in their engineering
11 and design funding was that they would come back to us
12 and tell us what they had done to try to lower the
13 cost on that.

14 Also on that project we applied to it the
15 formula and the decision that the Board made in
16 February as to how to adjust that project downward,
17 based on your decisions in February. And that was
18 applied to that project, and their funding was cut
19 somewhat. So I just wanted to make that observation
20 on that particular project.

21 CHAIRMAN BADDOUR: Mr. Vaughan?

22 MR. VAUGHAN: And, Larry, you're telling me
23 what I wanted to know, that -- we're satisfied, as a
24 staff and engineers -- I'm not an engineer -- but
25 we've pushed them hard to come up with the most

1 economic solution and we're not just doing this to
2 fund it and get it behind us.

3 DR. CAMP: Two things --

4 CHAIRMAN BADDOUR: Okay, Dr. Camp?

5 DR. CAMP: Two things: We have a hard-
6 working staff, and their recommendation is to fund
7 these projects, and I trust their analysis of these
8 situations. I'm also looking at the match. Project
9 16 and Project 26 have made, I think, significant
10 matches based on their economic conditions. 30 has a
11 smaller match; of course, that's one of the poorer
12 communities. So I think we should vote these through
13 and fund these projects.

14 CHAIRMAN BADDOUR: Further discussion?

15 MR. HOLLAN: Mr. Chairman, the only problem
16 is that they haven't -- they show a big match, but
17 500,000 is from Rural, so we're talking about the
18 state. Okay, we are the state; and, between us and
19 Rural, we're paying \$30,000 a residence to replace
20 septic tanks, and we set a threshold of 18,000 -- or
21 eighteen-five or whatever. At some point it's too
22 much.

23 And, when there's very little local value --
24 and surely those people could pay something to get
25 their septic tanks fixed. If I had a failing septic

1 tank, I'd have to pay something to get it fixed. I
2 mean, if the car breaks down, they've got to pay to
3 get it fixed. And for the state to pay everything,
4 and numbers that are just off the scale in terms of
5 what's reasonable, I don't understand why we want to
6 do that. I know that we can't fix every failing
7 septic tank in this state, and we ought to try to fix
8 the ones that can be done at a reasonable price.

9 CHAIRMAN BADDOUR: Ms. Cragolin?

10 MS. CRAGNOLIN: You know, one of the
11 questions I have is: You know, septic tanks fail,
12 sewer lines fail; and, if you are a community that has
13 not been able to fix it and it's gotten to the state
14 that it's in, we come in and we spend \$30,000 per
15 residence to fix it, we'd better be prepared to go do
16 that again, because they apparently don't have the
17 money to keep it repaired.

18 And, just as a way of comparison, we have
19 turned down projects in acquisitions that are \$3,000
20 an acre as being too much money. And you would buy
21 that piece of property forever. You're buying a
22 septic tank system or a sewer line or a pump, it's got
23 a limited lifetime. So, by way of comparison, bang
24 for the buck for the State of North Carolina, I have
25 to agree that this is excessive.

1 CHAIRMAN BADDOUR: Further discussion?

2 THE BOARD: (No response.)

3 CHAIRMAN BADDOUR: So many as favor the
4 adoption of the committee recommendation with regard
5 to the funding of the projects that were numbered 16,
6 26, and 30, signify by raising your hand.

7 THE BOARD: (The Board complies.)

8 CHAIRMAN BADDOUR: So many as oppose the
9 motion?

10 THE BOARD: (The Board complies.)

11 CHAIRMAN BADDOUR: Okay, the motion carries.
12 The committee recommendation is adopted.
13 Mr. Crumpler?

14 MR. CRUMPLER: Additionally, the committee
15 voted -- let me get my sheet; sorry -- to defer three
16 projects until the meeting in November. I'll read
17 those into the record. Project Number 2008-534, Town
18 of St. Pauls, that's recommended to be deferred until
19 November; 2008-536, Tuckaseegee Water and Sewer
20 Authority; and 2008-525, Town of Manteo.

21 MR. RASCOE: Mr. Chairman?

22 CHAIRMAN BADDOUR: Mr. Rascoe?

23 MR. RASCOE: You know, if I could just
24 comment on 2008-525, the intent for the deferral was
25 to allow that applicant time to submit a voluntary

1 withdrawal prior to the next meeting.

2 CHAIRMAN BADDOUR: Further discussion?

3 THE BOARD: (No response.)

4 CHAIRMAN BADDOUR: You've heard the
5 committee recommendation. So many as favor the
6 adoption of the committee recommendation, signify by
7 saying "Aye."

8 THE BOARD: Aye.

9 CHAIRMAN BADDOUR: Opposed, "No."

10 THE BOARD: (No response.)

11 CHAIRMAN BADDOUR: The ayes have it.

12 Mr. Crumpler?

13 MR. CRUMPLER: Two more sets. We're almost
14 there. There were an additional group of projects
15 that were not recommended for funding, and I'll read
16 those into the record. 2008-605, Town of Red Oak;
17 2008-501, Town of Ayden; 2008-517, Town of Grifton;
18 2008-601, Hoke County; 2008-513, Town of Dublin;
19 2008-827, Town of Weldon; 2008-521, City of Kinston;
20 2008-516, Town of Fremont; and 2008-540, Town of
21 Wilkesboro.

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

24 MR. CRUMPLER: Oh, I'm sorry. Can I just
25 add two more that are in --

1 CHAIRMAN BADDOUR: Go ahead. Just read
2 them.

3 MR. CRUMPLER: Two more: 2008-603, Town of
4 Nags Head; and 2008-506, Town of Broadway.

5 CHAIRMAN BADDOUR: Discussion on the
6 committee recommendation?

7 THE BOARD: (No response.)

8 CHAIRMAN BADDOUR: Hearing none, so many as
9 favor the adoption of the committee recommendation,
10 say "Aye."

11 THE BOARD: Aye.

12 CHAIRMAN BADDOUR: Opposed, "No."

13 THE BOARD: (No response.)

14 CHAIRMAN BADDOUR: The ayes have it.
15 Mr. Crumpler?

16 MR. CRUMPLER: And the last block are the
17 projects that were withdrawn. The committee
18 recommends that they be withdrawn: 2008-515,
19 Environmental Defense, swine waste processing
20 facility; 2008-822, Environmental Defense, a swine
21 waste management system and technical assistance
22 planning; and 2008-535, Stumpy Point Water and Sewer
23 District.

24 CHAIRMAN BADDOUR: Okay, per the committee
25 recommendation, is there any discussion?

1 THE BOARD: (No response.)

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

5 THE BOARD: Aye.

6 CHAIRMAN BADDOUR: Opposed, "No."

7 THE BOARD: (No response.)

8 CHAIRMAN BADDOUR: The ayes have it.

9 Okay, just one second. John, I think our
10 executive director wanted to make a comment.

11 MR. ROGERS: With regards to wastewater, we
12 appreciate the discussion and your interest in the
13 process. Again, we've taken notes, and we will
14 continually kind of refine these issues and make sure
15 we bring them to you in full at our February meeting.
16 I think it'll be an interesting discussion; we're
17 looking forward to engaging you.

18 And again, if you have other comments that
19 you need to talk to me on -- Larry, myself or Beth or
20 Nancy -- please do so, so that we can make sure we
21 present to y'all what you want to see when we get in
22 the wastewater discussion in February.

23 Thank you.

24 MR. VAUGHAN: Mr. Chairman?

25 CHAIRMAN BADDOUR: Yes, sir. Mr. Vaughan?

1 MR. VAUGHAN: I would like to say that I
2 appreciate the committee's indulgence in letting us
3 talk about some of these issues individually. I sat
4 through most of the committee meeting yesterday, and I
5 was very appreciative of the discussion had within the
6 committee. But that committee meeting is not on the
7 record. What we've said today is on the record, and I
8 think that's important, for people in the public to
9 know how seriously we take all this and how deep our
10 discussion is before we make decisions. And I thought
11 it was very important to get those two issues on the
12 record.

13 CHAIRMAN BADDOUR: Well, I appreciate it
14 too. And just to comment: You know, I know y'all are
15 all on a few boards that I call report boards, where
16 you go in and you listen and somebody comes in and
17 reports about what great things they've done for the
18 past month, and everybody says, "Amen." Well, this
19 ain't no report board, and I'm glad it's not, and I'm
20 glad that we can have a free and open discussion and
21 disagree among ourselves. I think the process is
22 working the way it's supposed to work. So anyway, I
23 too look forward to the February retreat, when we have
24 more time to kind of chew on some of these issues.
25 So -- all right.

1 MR. HOLLAN: Mr. Chairman, excuse me.

2 CHAIRMAN BADDOUR: Yes, sir. Mr. Hollan?

3 MR. HOLLAN: One issue we have, several of
4 the projects that we've considered this time had to do
5 with reuse, where they take treated effluent and they
6 pump it to be used as irrigation, away from the
7 treatment plant -- one of them was going eight and a
8 half miles to a commercial nursery, and others we're
9 pumping long distances. It looks like we're starting
10 to get more and more of those. We didn't get many of
11 those early on.

12 We tended to look at those as an opportunity
13 to get discharges out of streams, and we -- I know in
14 some cases we required the applicants to either give
15 up their sewer treatment permits, their discharge
16 permits, or to reduce the amount of allowable effluent
17 that could be discharged based on the amount of
18 effluent that we're taking out of the stream and
19 reusing. And in none of the cases that we approved
20 today did we do that. So what we're really doing is
21 freeing up capacity for other use.

22 In the past we looked at that as growth, as
23 fostering the potential for growth. I don't
24 necessarily agree that that's what it does, but we
25 did -- without much discussion, I think we had a

1 slight change in course with respect to these
2 projects. And, because we're going to get more of
3 them, I hope we'll at least talk about the extent to
4 which reuse projects, because they are expensive -- to
5 the extent to which they're really beneficial if we
6 don't reduce the discharge into the streams.

7 CHAIRMAN BADDOUR: Right. We'll be sure to
8 add that to our list. I see Richard shaking his head,
9 so -- all right.

10 Mr. Crumpler?

11 MR. CRUMPLER: Just a few more items.
12 Here's a request by the Town of Elizabeth City that
13 the committee voted to accept, and I would like Larry
14 to briefly give us a sense of what -- of that request.

15 MR. HORTON: Thank you.

16 Yes, the Town of Elizabeth City has taken
17 bids on a project that we funded previously. And,
18 when the bids came in, they came in lower than what
19 they had expected. A large portion of that was due to
20 the efforts of the town's engineer. He made an effort
21 to take the line work out of the road right-of-way and
22 actually negotiated with the railroad to be able to
23 put it in their right-of-way, which I can tell you
24 from past experience is an extremely difficult
25 process. But he did accomplish that and managed to

1 save over \$300,000 on that portion alone.

2 And so, having some extra money as a result
3 of that, they wanted to use our funds that we've
4 already funded -- and they're not asking for an
5 increase -- to also fund a pump station and sewer line
6 that -- the work that we had funded and is in the
7 project now is the upstream portion. The portion that
8 they want to add is the downstream of it and between
9 the sewer lines that we funded and the treatment
10 plant. So it is an integral part of the overall
11 project, and they're just asking that this new work be
12 included as part of the scope of the project.

13 And also, one of the issues that we had with
14 the original project was the size of the line and that
15 some of it wasn't necessary for the existing flow, and
16 that has been factored into this new request and the
17 scope of -- this addition to the scope. And we will
18 not be funding the oversizing of the pump station and
19 the line to get to the treatment plant.

20 CHAIRMAN BADDOUR: Okay, you've heard the
21 committee recommendation to approve the request to
22 amend the application of Elizabeth City. Is there any
23 discussion? Stan?

24 MR. VAUGHAN: Unfortunately, I was not in
25 the committee meeting yesterday for this discussion.

1 I think this is a dangerous precedence. We expect
2 participants to do the best job they can, to spend our
3 money wisely and, if they can save money, to save it.
4 And they should be commended for doing that. But this
5 is, to me, like a new application, and it should go
6 through the process and not just be: "Because you did
7 a good job, you get to use the money somewhere else."
8 I don't think that's the way our process has been
9 built.

10 CHAIRMAN BADDOUR: I'd like for somebody to
11 comment on Stan's comment because I think that came
12 up, actually, yesterday a little bit, about whether
13 this is actually a -- well, whether it should be a new
14 application or whether it was part of the same project
15 or whatever. Do you want to comment on that, Larry?

16 MR. HORTON: Yes. Okay, this is the project
17 that was in the original scope here (indicating). And
18 the project that we have funded and the scope that we
19 funded is this part, which is basically to take a lot
20 of the pressure off these sewers here (indicating).
21 And, to get from this point to the treatment plant,
22 you have to have this pump station and this force
23 main, which was not included in the scope of our
24 project.

25 But, as you can see, it is an integral part

1 of the overall project. And it was actually discussed
2 in the original application; they just -- it just did
3 not get into the scope of the project that we funded
4 at that time. So now what they want to do is, since
5 the bids came in lower than what they had expected and
6 there is some additional money, they want to add that
7 pump station and this portion on the end to the scope
8 of the project.

9 CHAIRMAN BADDOUR: Okay, is there further
10 discussion?

11 MR. WRIGHT: Mr. Chairman, I'd like to make
12 a comment, if you don't mind.

13 CHAIRMAN BADDOUR: Mr. Wright? Sure.

14 MR. WRIGHT: This lower line is an old line.
15 If you notice, from where it turns down here
16 (indicating) to go up to the plant, it's on the river,
17 and they've had four major spills there in the last
18 ten years into the Pasquotank River because of the age
19 of that line and the amount of pressure they're
20 putting on it in terms of flood. And what they're
21 trying to do is, they've reduced that flow, I think,
22 more than half in that line, and they're going to put
23 it through the new line and then back down to the
24 plant, which is where it originally went, through new
25 line and also with a route that's much less

1 environmentally assisted next to the river than the
2 old line.

3 And they just feel like that they've got to
4 get it -- not just the green portion, but they've got
5 to get it down to the plant to make that connection.
6 And so they feel like that it's part of that project
7 to do that and reduce that flow.

8 DR. CAMP: I have a question.

9 CHAIRMAN BADDOUR: Further discussion?

10 Dr. Camp?

11 DR. CAMP: Do you recall that the elevation
12 of Elizabeth City is two feet below sea level? When I
13 was at the university down there, that was always a
14 figure put before us. And also, know that the whole
15 area tends to flood with heavy rains, so this is in
16 jeopardy of continuing ruptures into the Pasquotank.
17 It's a beautiful river.

18 MR. WRIGHT: Well, it's not just from rains,
19 Dr. Camp. When we have wind tides, the wind blows the
20 water up into this section of the river (indicating)
21 where it narrows, and the tide can -- and they have a
22 big stormwater pump system right in there near that
23 line, and so it's all in very much jeopardy because of
24 its location. And that's the move to get as much of
25 it away from the river as they can through this

1 process.

2 DR. CAMP: In the old days, every freshman
3 that came to Elizabeth City State had to bring
4 galoshes and a raincoat.

5 CHAIRMAN BADDOUR: Okay. Mr. Rascoe?

6 MR. RASCOE: One further comment,
7 Mr. Chairman. The main -- the red dot on there with
8 the main pumping station -- I mean, excuse me -- the
9 treatment plant -- excuse me -- is where there was a
10 huge discharge spill several years ago which prompted
11 the project itself. And some of us did individually
12 reassure ourselves that, as Jerry said, the yellow
13 line and the Knobbs Creek pumping station, which they
14 wanted to fund that, were on -- or mentioned in the
15 original application at that time. I think Larry
16 commented on that.

17 CHAIRMAN BADDOUR: Further discussion?

18 THE BOARD: (No response.)

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

22 THE BOARD: (Some members) Aye.

23 CHAIRMAN BADDOUR: Opposed, "No."

24 THE BOARD: (One member) No.

25 CHAIRMAN BADDOUR: The ayes have it. Okay,

1 we've been at it about an hour and a half. We
2 still -- let's take about -- John, if you don't mind,
3 we're going to take a -- interrupt your committee
4 report, and we'll take about a ten-minute break, and
5 we'll stand in recess for ten minutes.

6 (A short recess was taken.)

7 CHAIRMAN BADDOUR: We'll come back to order.
8 Okay, if you could take your seats, we're going to go
9 ahead and proceed with the remainder of the report
10 from the wastewater committee.

11 MR. CRUMPLER: Are you ready?

12 CHAIRMAN BADDOUR: Yes, we're ready.

13 MR. CRUMPLER: So the committee had an
14 extensive discussion about a request by the City of
15 Southport to amend or to change this -- a change-in-
16 scope request from the City of Southport to send their
17 discharge to Brunswick County and not the Southeast
18 Brunswick Sanitary District.

19 And the committee voted that Project
20 Number 2006A-529 be amended as requested and that it
21 be conditioned upon the City of Southport
22 contractually agreeing to reimburse the Clean Water
23 Management Trust Fund for 2005B-513, which is \$1.686
24 million, within 365 days of signing the contract; and
25 that no engineering fees will be paid as a result of

1 the scope change.

2 CHAIRMAN BADDOUR: Okay, you've heard the
3 committee recommendation. Is there any discussion?
4 Mr. Howard, did you want to comment on this at all?

5 MR. HOWARD: The only thing, Mr. Chairman,
6 that I would add is the same as I did yesterday, that
7 the desired result of taking the effluent out of the
8 Intracoastal Waterway and Cottage Creek remains
9 intact. And this is a minor change in terms of this
10 change in end users.

11 CHAIRMAN BADDOUR: Okay, is there further
12 discussion?

13 THE BOARD: (No response.)

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

17 THE BOARD: Aye.

18 CHAIRMAN BADDOUR: Opposed, "No."

19 THE BOARD: (No response.)

20 CHAIRMAN BADDOUR: The ayes have it.

21 Mr. Crumpler?

22 MR. CRUMPLER: And I think our final item
23 was a discussion about the Southeast Brunswick
24 Sanitary District, in which the Project 2007-539 is
25 effectively -- I guess we don't need that anymore; is

1 that correct? Is that how we --

2 MR. ROGERS: Yeah, the committee made a
3 motion to defer that issue until the November meeting.

4 MR. CRUMPLER: Until November. I was just
5 trying to give a little background. Yes, we did vote
6 to defer it. Thank you.

7 CHAIRMAN BADDOUR: Okay, committee
8 recommendation to defer consideration of the request
9 by Southeast Brunswick Sanitary District until
10 November. Any discussion?

11 THE BOARD: (No response.)

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

15 THE BOARD: Aye.

16 CHAIRMAN BADDOUR: Opposed, "No."

17 THE BOARD: (No response.)

18 CHAIRMAN BADDOUR: The ayes have it.

19 MR. CRUMPLER: That concludes our committee
20 report.

21 CHAIRMAN BADDOUR: Okay. With that, we will
22 go to the report of the program committee. And,
23 Mr. Hollan, I believe you will be reporting for that
24 committee.

25 MR. HOLLAN: Yes, sir, I will. Thank you,

1 Mr. Chairman.

2 The program committee met yesterday
3 afternoon. We had a lively and lengthy discussion.
4 We had hoped to be able to come to you with some
5 action items in today's meeting. But, given some of
6 the discussion, we need to go back and do a little
7 additional work. We expect that we will definitely
8 come in in November, and we do need to take action in
9 November.

10 In the package that was sent out to each of
11 the Board members were two agenda items -- were two
12 attachments, one agenda item G-B and the other G-C.
13 The committee reviewed both of those yesterday. With
14 respect to G-B, a number of items gained consensus,
15 and they'll be in the final report. I'll just talk
16 about those for a minute.

17 Number one, the committee did determine that
18 regional trails -- that we ought to be explicitly
19 clear in our definition of greenways, that they would
20 include regional trail projects such as the North
21 Carolina Thread Trail and the Mountains to Sea Trail
22 and some others as qualifying to be -- portions of
23 which to be funded if they have to be riparian. We
24 agreed on the three bullet points.

25 One was that -- we did insert a little

1 different language, but the bullet points on G-B that
2 greenways are identified as part of a greenway system
3 or a trail plan that's been adopted by a local
4 government or organization that is responsible for
5 implementing and maintaining the greenway or trail.

6 Number two, that they are identified in a
7 greenway or a trail plan that has a corridor length of
8 at least one mile; and projects that do not have a
9 mile length can still come in under an acquisition
10 vote, but they would not meet our definition of
11 projects that would qualify to be considered under our
12 greenway criteria.

13 Thirdly, that greenways, in order to be
14 eligible under our greenway criteria, fee simple or
15 the conservation easement purchases should be at least
16 30 feet wide from the top of the stream bank or part
17 of a corridor that has an average width of no less
18 than 50 feet. And again, projects that don't meet
19 these could come in separately under acquisition and
20 be considered under different criteria.

21 Finally, that, consistent with our normal
22 practice on buffers, the funds may be used for
23 acquisition of fee simple or conservation easements up
24 to 300 feet in width from the top of the stream bank,
25 and that any acquisition, any properties in excess of

1 300 feet from the top of the stream bank; and that any
2 acquisition -- any properties in excess of 300 feet
3 from the top of the stream bank could be considered as
4 a match should they be offered -- should they be
5 purchased by the applicant.

6 As to the potential greenway criteria, I
7 think the committee has recognized that there is an
8 inherent conflict between the desire to protect water
9 quality and the desire to get as many people as
10 possible as close to the streams as possible. And so
11 we've attempted to develop criteria that recognize
12 those two elements. The staff recommendation to the
13 committee took into account -- gave equal weight to
14 the water quality factors and the "greenwayness"
15 factors.

16 I think, after the discussion yesterday,
17 there was some sense that, greenways being a
18 separately designated kind of project under our
19 legislation, perhaps ought to -- or our criteria,
20 ought to lean toward the "greenwayness" aspects and
21 maybe a little bit less toward the water quality
22 factors. And so we're going to revisit the question
23 of whether half the points are the water quality and
24 half should go for the greenway components.

25 But, within the water quality factors, the

1 staff determined four different criteria that had
2 impact on water quality.

3 One had to do with the percent of impervious
4 coverage within the project, and the assigned points
5 are really based on those percentages. They were --
6 we looked at an 8-foot wide greenway in the -- paved
7 greenway in the minimum 50-foot-average width, and
8 that would give you 16 percent impervious coverage,
9 and so that's kind of the base. And anything above
10 that would get extra points. 11 to 15 percent
11 impervious coverage would get five points under the
12 proposal, and anything that was less than 10 percent
13 impervious would get 10 points. And so that would
14 protect the water quality by decreasing the runoff
15 from these paved areas.

16 The maximum trail width allowed, we had
17 talked about 8 feet, but we found that the Department
18 of Transportation funds trails in widths of 10 feet,
19 and so we determined that the 10 feet should be the --
20 we should not restrict the ability of applicants to
21 get funding from the Department of Transportation, so
22 our maximum trail width should be 10 feet.

23 We consider all trail surfaces impervious;
24 so that, if they put down cinders or bark chips or
25 something like that, that's still impervious. There

1 have been some arguments in the past that those
2 possibly ought not be considered impervious; but, for
3 our definition purposes, the width of the trail -- the
4 entire width of the improved trail should be
5 considered impervious. And, if this is a prospective
6 trail and it's unclear for scoring purposes, we're
7 going to assume that it's the maximum 10 feet in
8 width.

9 The next criterion that would impact water
10 quality is the number of feet which the trail is set
11 back from the top of the stream bank; in other words,
12 the width of the buffer between the trail itself and
13 the stream. I think this was the area where we had
14 the most discussion yesterday because, clearly, from
15 the point of view of the users of the stream, getting
16 as close to the stream as possible is desirable. From
17 a water quality point of view, keeping them as far
18 away from the stream as possible is desirable. But it
19 may be that, in the revisiting of this in November,
20 fewer points will be assigned to this criterion.

21 But what we had -- you can see them on your
22 handout. But, if the trail, on average, is more than
23 50 feet from the top of the bank, we are awarding
24 maximum points; and, if it was less than 15 feet
25 average from the top of the bank to the trail, they

1 got zero points. We're not -- one thing that came out
2 yesterday, we are not saying that we will not fund
3 projects that are closer than 15 feet from the stream.
4 But what the staff had recommended and what the
5 committee, I think, will recommend is that we ought to
6 assign some points from a water quality point of view
7 to projects which are -- which do respect the buffer
8 of the stream and do result in a larger setback.

9 The third criterion would be the easement
10 restrictions within the trail setback, and this is
11 going to be a kind of a qualitative decision that will
12 have to be made by our staff. And they would -- in
13 each cycle, I think, would attempt to rate the
14 projects before them in terms of whether they best
15 protect water quality with forested buffers,
16 vegetative buffers, possibly stormwater management
17 devices that would capture some of the stormwater or
18 at least into which they limit the possibility of
19 stream bank disturbance. Again, these are
20 restrictions that run contrary to the desire of people
21 to get close to the water, so that they are competing.

22 And finally, the linear feet of the stream
23 protected; that would be the longer the segment of
24 stream protected, the better for the water quality
25 point of view, so we would give points to projects

1 that were greater in length.

2 Are there any questions or comments, first,
3 about the water quality implications, as to whether
4 we're on the right track, whether we're giving too
5 much weight or too little weight to various of these
6 criteria?

7 CHAIRMAN BADDOUR: Any questions? Okay,
8 Stan?

9 MR. VAUGHAN: This is a comment that I'm
10 passing along at Ron Beane's request, but it is
11 something Karen mentioned yesterday that he thought
12 was real important. It's the consideration of giving
13 some points for being handicapped-friendly; that
14 sooner or later another agency of government may come
15 at us and force that. But I think we ought to be
16 ahead of the curve on that.

17 CHAIRMAN BADDOUR: Any other comments?
18 Bill?

19 MR. HOLLAN: Okay. Then the other set of
20 criteria that we had had to do with the greenways
21 themselves and did -- and we'll attempt to take into
22 account such factors as access, handicapped access,
23 and other elements making the greenways user-friendly
24 and attractive to the users.

25 And the first had to do with access points.

1 These are how many points of access there are from off
2 the greenways -- so from parking areas, from
3 sidewalks, from other points. And the thought was
4 that, the more points of access that a greenway has,
5 the more likely it is to be used and so the more
6 points it ought to get on a relative basis.

7 The second criterion had to do with the
8 number of potential users. Again, this is -- it's
9 going to be hard to say, and basically this is going
10 to be an opinion by the staff. A project that's in
11 the middle of Charlotte will be likely to have more
12 potential users than a project anywhere in Northampton
13 County. A project that's in Raleigh will likely have
14 more users than a project in Lumberton. So -- but we
15 thought that, all things being equal, the more people
16 who were -- had the potential to use and enjoy the
17 greenway, the higher it ought to rank in our scoring
18 criteria, and so we propose to assign points based on
19 the number of potential users.

20 Number 7 has to do with links to prior or
21 continuing trail efforts. We had a lively discussion
22 about this. The thought behind this is that we want
23 to encourage greenway projects that will be
24 constructed. Some of them that have come in are
25 speculative. We want to -- we have a greenway

1 corridor identified. We need to start acquiring
2 properties. We don't know how long it's going to take
3 before we get enough critical mass to cause us to want
4 to construct a greenway, or we don't have the funding
5 available. And so we want to give priority to
6 projects that, as somebody said, are ready now.

7 And those are likely to be projects that are
8 extensions of existing greenways or reasonable trail
9 corridors, where they already have a trail in place
10 that they can add on to it within some reasonable
11 period of time -- we talked about three years. Or,
12 second -- and those would get maximum points --
13 proposed projects that are contiguous to existing
14 parcels that have already been purchased for a
15 greenway or regional trail, but where it may take
16 longer than three years, would get fewer points. And
17 then, parcels that are simply identified as a greenway
18 plan but disconnected from other parcels would not get
19 any extra points.

20 DR. CAMP: Could I inject something right
21 there?

22 MR. HOLLAN: Yes, sir.

23 DR. CAMP: In some cases greenways are
24 connected by sidewalk corridors, and we ought to not
25 ever take funding for those. I don't know how you're

1 going to put this into the language here, but surely
2 one day some guy is going to come in and make that
3 request, to improve sidewalks connecting greenways.
4 We've got a few in Raleigh that are connected by
5 sidewalks, and we ought to prohibit that category
6 of --

7 MR. HOLLAN: I agree with you, and I hope
8 that, if we don't prohibit things, that our Board will
9 have the wisdom to say no to some of these things.

10 DR. CAMP: Yeah, our staff will.

11 MR. HOLLAN: But we did have some discussion
12 here about how -- does this penalize somebody who's
13 trying to get started with a greenway? And so I think
14 it certainly penalizes them on points. I think it's
15 fair to say they ought not to rank as high. But
16 that's -- I think the Board, in its discretion, can
17 deal with efforts by communities to start greenways,
18 and we'll need to do that. This point system is not
19 designed to be perfect; and I hope, again, that the
20 committees and the Boards that follow us will exercise
21 good judgment in applying and in considering
22 applications.

23 It was in this Area 8, additional uses and
24 benefits, where we thought that the handicapped
25 accessibility may be given additional points. But

1 we're looking at recreational, educational activities,
2 the possibility of having boardwalk pop-outs or decks
3 that lead out, access to the water itself -- viewing
4 platforms, other kinds of -- possibly bathroom
5 facilities and other things that would make the
6 greenways themselves more attractive and more usable.
7 And again, the staff would rate the projects that they
8 have before us in any cycle and try to assign points
9 in a manner that's fair and equitable.

10 It could also get some additional points for
11 some environmental protections that are greater than
12 normal. All in all, I think the consensus yesterday
13 was that we might want to increase the relative weight
14 of the community and trail factors and increase the
15 relative weight of the water quality factors but keep
16 all of these factors in place.

17 Finally -- I'm sorry -- we also wanted to
18 consider the cost per unit. And the thought is that
19 we ought to rank the projects; and the ones that are
20 the least costly in terms of acquisition price, either
21 both on per linear foot of stream buffer or a per-acre
22 basis, ought to get additional points so that we
23 give -- get the most bang for our buck -- or at least
24 reward projects that do give us the most bang for the
25 buck.

1 And finally, as we've done in all of our
2 other projects, we want to look at matching resources.
3 We've got a table down here. I would suggest that you
4 may want to look at that. We'll talk about it at the
5 November meeting. But, in effect, we're giving
6 greater weight to cash, bargain sale, or value of a
7 donation.

8 It's a little less -- we're giving less
9 match if all they're getting is money -- as proposed
10 here, if all they're getting is money from another
11 North Carolina governmental agency. But there was
12 some discussion yesterday that we ought not discourage
13 applicants from applying for prior funds or other
14 state funds that would be available to construct these
15 trails. It doesn't do any good to acquire a greenway
16 corridor if they don't have the funding to do it. So
17 I think the committee wants to take another look at
18 that and make sure that we're not providing
19 disincentives for efforts to put in trails,
20 particularly in areas where the applicant may be
21 unable itself to fund these trail improvements and
22 where DOT funds may be available.

23 Are there any questions about these
24 criteria?

25 CHAIRMAN BADDOUR: Okay, any questions?

1 THE BOARD: (No response.)

2 CHAIRMAN BADDOUR: Let me make a couple
3 comments. One, I want to thank Nancy Guthrie for the
4 work that she did on this. It's just a tremendous,
5 tremendous amount of work. I failed to do that
6 yesterday, and I apologize for that. But it's just --
7 the whole concept had to be thought through in some
8 detail, and she brings a lot to the table in terms of
9 experience, and we're grateful for that.

10 And, Bill, as usual, your thorough job is
11 much appreciated.

12 We have got to make a decision about this in
13 November because the grant applications will be going
14 out. That doesn't mean that we can't, at our retreat
15 and as we get more experience, refine what we've done;
16 but we do have to make some kind of final decision.

17 Bill, the only other thing that I think was
18 discussed you might want to comment on, at least to
19 get people thinking, was the whole business of
20 condemnation. You want to kind of talk about that a
21 little bit, what the discussion was yesterday?

22 MR. HOLLAN: Yes, sir. We had -- in fact,
23 we had another agenda item hand-out, G-C, and we
24 talked about eminent domain quite a bit. It's been a
25 question that has come before this Board for

1 consideration on numerous occasions in the past.

2 And I think our policy, beginning in July
3 2003, as written here, has been that Clean Water
4 Management Trust Fund grant funds may not be used for
5 any eminent domain litigation or any action or
6 expenditure related to eminent domain unless approved
7 by the Board of Trustees of the Clean Water Management
8 Trust Fund in writing prior to the action. The Board
9 of Trustees shall review requests to use funds for
10 eminent domain action on a case-by-case basis.
11 Requests shall be provided in writing by the grant
12 recipient.

13 And the committee discussed that yesterday
14 and, I think, concluded that that policy is an
15 appropriate one and is one that we should continue to
16 have in effect. We don't -- we believe that, while
17 eminent domain should be a last resort, in some cases,
18 if a greenway is going to be constructed, it may be
19 necessary and that we ought not rule it out. I will
20 try by November to get some additional information as
21 to how this policy has been implemented and some
22 things that relate to it.

23 We've attempted to come up with more
24 flexible appraisal standards for greenway
25 acquisitions, in particular the use of ad valorem

1 valuations rather than having to get individual
2 appraisals where there's assemblies of a lot of small
3 facts that went in.

4 In order to facilitate acquisitions without
5 having to resort to eminent domain, we've in the past
6 approved a policy that would allow us -- allow the
7 applicant to expend up to \$5,000 in excess of the
8 appraised value, however determined, to acquire a
9 piece of property for a greenway. And again, in many
10 cases we're talking about appraised values of \$1500
11 and the applicant is simply not willing to allow a
12 greenway to be placed for that kind of money. So
13 we've given -- tried to give the applicant the ability
14 to pay some more to avoid having to go through costly
15 litigation.

16 In the past, on at least one occasion, we
17 had approved funds paid to cover the legal costs of an
18 eminent domain proceeding. However, yesterday I think
19 the consensus of the Board was that we ought not do
20 that in the future; and that, if the community wishes
21 to proceed with an eminent domain action, that it
22 should be willing to expend its own funds as a general
23 policy. I think we should also be flexible and be
24 willing to, you know, revisit these on a case-by-case
25 basis, as has been outlined in our policy.

1 Finally, we had some discussion about: What
2 is the appraised value for a piece of property? What
3 should we be willing to reimburse if there is an
4 appraisal in place? Should that be the number, or
5 should a community undertake a condemnation and there
6 be an award of a higher number? Should we look at
7 that as being the fair market value?

8 I think the consensus of the discussion
9 yesterday is that we ought to stick with the appraised
10 value and not get involved in the uncertainty of the
11 results of litigation. That may be so. Again, we
12 want to revisit, on a case-by-case basis. But our
13 general consensus yesterday was that we ought to use
14 the appraised value and not what some jury might
15 decide in some particular case. We also talked a
16 little -- are there any questions about that issue?
17 Because it's an important one, that we've talked a lot
18 about.

19 MR. McGRADY: Mr. Chairman, I didn't comment
20 on an earlier issue. I'd like to jump in, if I could.

21 CHAIRMAN BADDOUR: Please.

22 MR. McGRADY: I am not a member of the
23 committee, and I think Chairman Hollan fairly
24 summarized, though, the committee's discussion
25 yesterday that I attended. I guess I'm not as

1 comfortable, though, with the -- understanding that
2 there is a potential conflict between doing greenways
3 and protecting water quality, I am not real
4 comfortable with the idea, though, that we're going to
5 be funding greenways which aren't consistent with our
6 water quality functions.

7 We're the Clean Water Management Trust Fund;
8 and, even if we come up with a criterion that bends
9 towards building greenways, then this Trustee is going
10 to not pay a lot of attention to that criterion
11 because I think the clean water piece is critical.
12 And so, as we put together the criteria here and how
13 we're going to figure out points when we come back at
14 our next meeting, I'm not sure I come down on the side
15 of reducing the value given to clean water in the
16 context of building greenways.

17 CHAIRMAN BADDOUR: Further comments or
18 discussion?

19 THE BOARD: (No response.)

20 CHAIRMAN BADDOUR: Bill, anything else?

21 MR. HOLLAN: Yes, sir. But first,
22 Mr. McGrady did attend our meeting yesterday. He was
23 not a member of the committee, but he did, in fact,
24 volunteer that he had been involved in some greenway
25 types of activities, had attended some, I guess,

1 seminars or discussions about greenways. And I have
2 not talked to him about this, Mr. Chairman, but I
3 would at this time ask that he be appointed to the
4 greenway committee, he being the only person on our
5 committee, other than our good staff, with that kind
6 of background and experience.

7 MR. McGRADY: That's what I get for jumping
8 in. I'd be willing, Mr. Chairman, to serve. I've
9 done a lot of greenway work in the past, and I also
10 think the discussion -- you know, we talked, really,
11 beyond the normal sort of greenways. We actually
12 talked about sort of a larger sort of set of trail
13 systems that some might not see as greenways. And
14 that's another area where the water quality
15 implications, what we're doing, I think, need to be
16 recognized; and I'm willing to take on another
17 committee. But I'll make sure I don't comment on
18 something else I don't want to do.

19 CHAIRMAN BADDOUR: Okay. So anything else,
20 Bill?

21 MR. HOLLAN: Yes, sir, one final thing. We
22 had some discussion -- again, this is based on
23 history -- of whether we would pay for easements or
24 for fee acquisition of properties that are already
25 owned by municipalities or other applicants for the

1 purpose of greenways. And in the past, particularly
2 in the case of some economically distressed areas, the
3 Board determined that it would pay for the value of an
4 easement from a municipality. The funds from that
5 payment enabled the municipality to be able to
6 construct the greenway.

7 I think the discussion yesterday was that
8 that ought not to be our general practice; that, if we
9 do that at all, it ought to be only in very special
10 cases, where there is a demonstrated reason why; and
11 that we should not, as a rule, pay for the acquisition
12 of easements or rights-of-way along properties that
13 are already owned by the applicant or municipality.

14 And then, finally, we talked some about the
15 fact that a lot of these greenway corridors are going
16 to potentially include multiple uses for the
17 community. The areas where the greenways run are also
18 likely to be areas where gravity sewer lines would be
19 most appropriate along the streams. And so we need to
20 have some flexibility in allowing both the -- in our
21 easements in allowing those kinds of activities. And
22 we also need to be careful that we not use greenway
23 funds to pay for the acquisition of sewer corridors --
24 or at least if they're jointly used. The cost ought
25 to be shared between the municipality and us; we ought

1 to pay only for a relative portion of the rights that
2 is properly attributable to the greenway.

3 And I -- Mr. Chairman, there were two
4 other -- we had a -- we'll also be talking about, I
5 think, at the retreat in February, how the greenway
6 projects ought to be administered, whether that we
7 ought to have a separate committee, whether there
8 ought to be a subcommittee of one of the other
9 committees. And so we will leave those matters until
10 a later date.

11 That concludes the report of the program
12 committee.

13 DR. CAMP: Let me make one comment.

14 CHAIRMAN BADDOUR: Dr. Camp?

15 DR. CAMP: We forgot to -- water quality.
16 We consider greenways as the outer boundaries of
17 preparing buffers. That goes along with these, to
18 significantly protect the water quality along those
19 streams. So we can consider that as a kind of barrier
20 that actually protects these riparian buffers. I just
21 wanted to get that into the record.

22 MR. HOLLAN: I agree with you. I think
23 where some of the conflicts come in is that the
24 typical greenway, many of them are in areas that have
25 already been degraded significantly with sewer lines

1 or whatever. But there's a conflict between the
2 desire to mow the grass, keep it short back on both
3 sides of the greenways, and our -- overall, we would
4 like to see kind of an undisturbed vegetation grow up.
5 But you've got snakes and mice and other critters that
6 are somewhat incompatible with the enjoyment of the
7 greenway by the public. And so we've got -- you know,
8 we have to be flexible in that.

9 But, to the extent that the greenway does
10 take into account the water quality issues, it seems
11 to me, anyway -- I'm not speaking as the committee
12 chairman; let me just speak as a member -- that we
13 ought to give recommendation to efforts to protect the
14 water quality because that's -- ultimately, they'll
15 benefit from having clean water in that particular
16 community, and the state will benefit as well.

17 Thank you, Mr. Chairman.

18 CHAIRMAN BADDOUR: Further comments on this
19 particular subject? Okay, Richard?

20 MR. ROGERS: Yes. I'd like to thank
21 Mr. Hollan and also Mr. Markham that worked with the
22 staff closely developing this draft criteria list.

23 One other thing that the committee
24 recommended, and I think was a great recommendation,
25 is that staff circulate these draft criteria to some

1 of the constituencies out there that are developing
2 greenways that know a lot about greenways, to make
3 sure that they are in the right vein and going down
4 the right path -- pardon the pun -- that it will be
5 useful for them when they apply and that it will be
6 doable for them when they apply and review.

7 And our intention is to get the draft
8 comments, as they were presented to the criteria
9 committee, with some comments from the committee so
10 that they can do that. Our intention is to get that
11 turned around -- their comments back in very quickly
12 so that we can have that information for our November
13 meeting as well.

14 CHAIRMAN BADDOUR: All right. Any further
15 discussion?

16 MR. HENDERSON: Mr. Chairman? Is this --

17 CHAIRMAN BADDOUR: Well, we'll move on to
18 the next item, which is Board discussion.
19 Mr. Henderson?

20 MR. HENDERSON: Okay. In yesterday's issue
21 of The Charlotte Observer, there was an excellent
22 article about the work of the Catawba Lands
23 Conservancy. And, as a part of that article, they
24 talked about the application that is before us, the
25 acquisition committee, having to do with the mountain

1 stream project. And Penny has made some copies of
2 that article, and I've asked her to distribute those
3 articles to Members of the Board.

4 CHAIRMAN BADDOUR: Thank you very much.
5 Is there anything else to come before the
6 Board?

7 THE BOARD: (No response.)

8 CHAIRMAN BADDOUR: If not, do I hear a
9 motion that we adjourn?

10 DR. CAMP: So moved.

11 CHAIRMAN BADDOUR: All in favor, signify by
12 saying "Aye."

13 THE BOARD: Aye.

14 CHAIRMAN BADDOUR: Opposed, "No."

15 THE BOARD: (No response.)

16 (Meeting Adjourned at 10:55 a.m.)

