

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

Minutes of Meeting

Wednesday, March 2, 2016

**217 W. Jones Street
Bodie Island Conference Room (Room 5212)
Raleigh, North Carolina 27603**

10:02 A.M.



Post Office Box 98475, Raleigh, North Carolina 27624-8475
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APPEARANCE OF CWMTF BOARD OF TRUSTEES

Dr. Troy Kickler, Chairman
Johnny D. Martin
Frank Bragg (via telephone)
E. Greer Cawood (via telephone)
Frederick Beaujeu-Dufour (via telephone)
Robin S. Hackney (via telephone)
Renee Kumor (via telephone)
William Toole (via telephone)
Charles Vines (via telephone)

APPEARANCE OF STAFF

Will Summer
Nancy Guthrie
Larry Horton
Gwyn McCullough
Hailey Medlin

ALSO PRESENT:

Mary Lucasse, Esq.
Bill Holman (via telephone)
Dr. Kevin Cherry
Bryan Gossage, Executive Director (via telephone)

AGENDA**Clean Water Management Trust Fund Board of Trustees Meeting****March 2, 2016 - 10:00 a.m.****Bodie Island Conference Room (Rm. # 5212)****Raleigh, North Carolina 27603****Wednesday, March 2, 2016****COMMENCEMENT**

- 1) **Call to Order** (Chairman Kickler)
 - a) Welcome
 - b) Roll Call
 - c) Compliance with General Statue 138A-15
General Statute § 138A-15 mandates that the Chair inquire as to whether any Trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda. If any Trustee knows of a conflict of interest or the appearance of a conflict of interest, please so state at this time.
- 2) **Consent Agenda (Chairman Kickler)**
 - a) Minutes of the November 2015 Board Meeting
 - b) Request to extend the date to enter into a construction contract for existing Infrastructure Grants
- 3) **Legal Update -- Mary Lucasse**
- 4) **Executive Director's Update -- Bryan Gossage**

OLD BUSINESS

- 1) 2015-010 Catawba Lands Conservancy, Holly Tract
Catawba Lands Conservancy received a grant in November 2015 and have asked for a revised Scope of Work.
- 2) 2014-018 City of Creedmoor, Lake Rogers Tr., Ledge Creek
City of Creedmoor received a grant award in 2014 and have asked for a revised Scope of Work.

NEW BUSINESS**No new business.**

PUBLIC COMMENTS

The public is invited to make comments to the Board -- Chairman Kickler
(Three minutes per person)

ADJOURNMENT

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P R O C E E D I N G S

CHAIRMAN KICKLER: I'll call the meeting to order. I want to welcome everybody to the Clean Water Management Trust Fund Board of Trustees meeting on March the 2nd. The meeting is being physically held at the Bodie Island Conference Room in the Green Square Building in Raleigh. Many of our trustees are calling in via conference call, but this our full -- our first full Board meeting of 2016.

I'll now take -- Well, before I take the roll call, Deputy Secretary Kevin Cherry is in the room here with us today, and I'll let him say a few words.

DR. CHERRY: Thank you. I am Kevin Cherry. I'm the deputy secretary of the Department of Natural and Cultural Resources. And we are delighted to have the Division of Land and Water Stewardship to be with our department now. As I was walking over here, I try to walk through one of our museums instead of on the sidewalks as much as possible. So as I was walking through, I heard off in the distance this little boy say, "Oh, my gosh. How" -- (coughing on phone.) I bet a lot of other cabinet level departments got that kind of praise this morning.

1 So -- But we get that kind of praise
2 because of the people that we work with. And I know
3 that the Trustees know this, but I want to remind
4 everybody what a great job all of our employees do
5 that work for the Natural Heritage Program, and the
6 Clean Water Management Trust Fund Program. They do
7 extraordinary work, and it's the kind of work that
8 will last for generations, and we all appreciate it.

9 I can tell you that every time our
10 department has sent over a request lately for
11 information -- and we try not to bother them too much
12 with those kind of requests, but we get asked to
13 share information, so we have to get it from the
14 people who know. So we ask the staff, and it's a
15 turnaround almost immediately. And that is very
16 appreciative, and I appreciate it greatly.

17 So I just want to thank the staff publicly,
18 remind the Trustees of the important work that they
19 do, and assure that we really do value their work,
20 and we are happy to have them in our department.

21 CHAIRMAN KICKLER: Thank you, Dr. Cherry.
22 I'll now take the roll call. Whether you're in
23 person or you're calling in via phone, please
24 indicate your presence when I call your name. Troy
25 Kickler is present, Chair. Frank Bragg?

1 MR. BRAGG: Present.

2 CHAIRMAN KICKLER: Thank you, sir. Greer
3 Cawood?

4 MS. CAWOOD: Present.

5 CHAIRMAN KICKLER: Frederick Beaujeu-
6 Dufour?

7 MR. BEAUJEU-DUFOUR: Present.

8 CHAIRMAN KICKLER: Robin Hackney?
9 (No response.)

10 CHAIRMAN KICKLER: Renee Kumor?

11 MS. KUMOR: Present.

12 CHAIRMAN KICKLER: Johnny Martin?

13 MR. MARTIN: Present.

14 CHAIRMAN KICKLER: William Toole?

15 MR. TOOLE: Present.

16 CHAIRMAN KICKLER: Thank you. Charles
17 Vines?

18 MR. VINES: Present.

19 CHAIRMAN KICKLER: Okay. As a reminder,
20 as we go along through the agenda, please state your
21 name for us so the minutes can be properly noted.
22 State your name, and then state what your thoughts
23 are regarding each agenda item.

24 Okay. Is there anyone who -- No one from
25 the public in person that's present, but if those who

1 are listening via cell phone, if they could state
2 their name and their affiliation, please?

3 MR. SUMMER: Bill, are you still out
4 there?

5 CHAIRMAN KICKLER: Okay. I'll try again.
6 Anyone listening via cell phone, could you please
7 identify yourself and your affiliation?

8 MR. HOLMAN: This is Bill Holman, state
9 director for the Conservation Fund.

10 CHAIRMAN KICKLER: Okay. Thank you, sir.
11 Thank you, sir. Now we will proceed. I'm required
12 to read Statute 138A-15 verbatim and ask Trustees for
13 their answers. General Statute 138A-15 mandates that
14 the Chair inquire as to whether any Trustee knows of
15 any conflict of interest or the appearance of a
16 conflict of interest with respect to matters on the
17 agenda. If any Trustee knows of a conflict of
18 interest or the appearance of a conflict of interest,
19 please state so at this time.

20 I, for one, will recuse myself during the
21 consent agenda because there is an item that deals
22 with NC State, when the award was given during a time
23 that I taught there. So to avoid any perception of a
24 conflict of interest, and to be consistent in my
25 actions since I joined the Board, I will recuse

1 myself during that time and hand the gavel over to
2 another Trustee. Is there anyone else who must
3 recuse themselves from an item?

4 (No response.)

5 CHAIRMAN KICKLER: Okay. Hearing none, I
6 guess I'm the only one who will recuse myself during
7 this meeting. But, of course, if you think of -- if
8 you're reminded that you must recuse yourself from an
9 item, please do so before -- you can do so at any
10 time, but say so before we actually get to the item.
11 I remind people to turn their cell phones off, or if
12 you're using your computer, turn online notifications
13 on mute as we proceed.

14 Once our agenda had been set, I believe
15 Trustees received this potential addition to the
16 agenda. But once the agenda had been sent out to
17 Trustees, I think quite literally the same day or the
18 next day, a request came in for our consideration.
19 And if it was to be considered, it was deemed best to
20 be considered at this meeting instead of postponing
21 it to a subsequent meeting. Unless there are any
22 objections, I will entertain a motion to add Warwick
23 Mill Tract to the agenda. Is there a motion?

24 MR. BRAGG: So moved. This is Bragg.

25 CHAIRMAN KICKLER: Thank you. Is there --

1 MR. VINES: Charles Vines. Charles
2 Vines second.

3 CHAIRMAN KICKLER: Okay. Thank you. We
4 have a motion and a second. Is there any discussion
5 regarding the motion to add the Warwick Mill Tract to
6 the old business?

7 (No response.)

8 CHAIRMAN KICKLER: Okay. Hearing none,
9 all those in favor of adding the Warwick Mill Tract
10 to the agenda, please say, "Aye."

11 BOARD MEMBERS: Aye.

12 CHAIRMAN KICKLER: All those opposed, say,
13 "Nay."

14 (No response.)

15 CHAIRMAN KICKLER: Okay. The motion has
16 passed. Now, is there is a motion to accept the
17 agenda as amended?

18 MR. BRAGG: Frank Bragg. So moved.

19 CHAIRMAN KICKLER: Thank you, sir.

20 MS. CAWOOD: Second. Cawood.

21 CHAIRMAN KICKLER: Was that Greer Cawood?

22 MS. CAWOOD: Yeah.

23 CHAIRMAN KICKLER: Okay. Greer Cawood,
24 second. Any discussion on the amended agenda?

25 (No response.)

1 CHAIRMAN KICKLER: Okay. Hearing none,
2 all those in favor of adopting the amended agenda,
3 say, "Aye."

4 BOARD MEMBERS: Aye.

5 CHAIRMAN KICKLER: Thank you. All those
6 opposed?

7 (No response.)

8 CHAIRMAN KICKLER: Okay. Thank you. The
9 motion has carried unanimously. The agenda has been
10 adopted. Now we move on to the consent agenda. And
11 it's at this time for commencement number 2 business
12 that I hand the gavel figuratively over to the vice
13 chair, Greer Cawood.

14 MS. CAWOOD: Thank you, Troy. And as we
15 move to the consent agenda, first we have the minutes
16 from our November 2015 Board meeting. Do I have a
17 motion to approve those?

18 MS. KUMOR: So moved. This is Renee
19 Kumor.

20 MR. BRAGG: Second. This is Frank
21 Bragg.

22 MS. CAWOOD: Thank you both. Great. And
23 moving on for agenda item 2B, which is the request
24 extending the date to enter into a construction
25 contract for existing infrastructure grant. And,

1 Larry, are you there to lead this, or is someone else
2 going to?

3 MR. HORTON: I am here.

4 MS. CAWOOD: Okay. Great. If you could,
5 walk us through this, Larry?

6 MR. HORTON: So there's four projects
7 that have requested to have their date for -- the
8 date to enter into a construction contract award
9 extended. And this is a requirement that's actually
10 a statute. That's why it comes to the Board.
11 It's -- The Board has to make the decision on this
12 particular time extension. So that's why these come
13 to the Board. The first one is --

14 MS. LUCASSE: Excuse me for interrupting,
15 Larry and Greer. I just point this out as a
16 procedural point. But these are issues on our
17 consent agenda. And, Greer, it would be acceptable
18 if you chose to proceed this way to entertain a
19 motion to adopt the consent agreement if you chose to
20 proceed in that fashion.

21 MS. CAWOOD: We can do that, and then
22 have discussion following the motion. So do we have
23 a motion to approve these, and then we'll be able to
24 have discussion after that?

25 MR. MARTIN: So moved. Johnny Martin.

1 MS. CAWOOD: Thank you, Johnny. Okay.

2 And --

3 MS. KUMOR: Second. Renee Kumor.

4 MS. LUCASSE: And the second, for the
5 court reporter, was Renee Kumor; is that correct?

6 MS. KUMOR: Yes.

7 MS. CAWOOD: Great. And, Larry, if you
8 can lead us in the discussion about the motion?

9 MR. HORTON: Okay. So there's four
10 projects that have asked for time extension. And
11 there's -- they gave their reasons and the
12 information that was attached to the agenda in the
13 supplemental information. I will entertain any
14 questions regarding those projects rather than
15 have -- and take y'all through all the details of
16 these. If there's one that are -- two or whatever
17 that y'all would like to have questions on, I'll be
18 glad to -- I'll be glad to proceed with that.

19 MR. VINES: Charles Vines. Go ahead and
20 call for the vote, please.

21 MS. CAWOOD: No questions for Larry? If
22 so, I'll give everybody a moment more to state a
23 question.

24 (No response.)

25 MS. CAWOOD: Okay. Charles has called

1 for the vote. All in favor, "Aye."

2 BOARD MEMBERS: Aye.

3 MS. CAWOOD: And any opposed?

4 (No response.)

5 MS. CAWOOD: All righty. Motion passes.

6 And I will pass the gavel back to our chairperson.

7 CHAIRMAN KICKLER: Thank you, Greer.

8 Thank you, Greer. Now we move on to the next item on
9 the agenda, which is the legal update. As you know,
10 Clean Water Management Trust Fund has been
11 transferred from what was formally known as DENR,
12 what is now known as DEQ, to the newly named
13 Department of Natural and Cultural Resources. So for
14 the legal update, I turn the time over to Mary
15 Lucasse.

16 MS. LUCASSE: Thank you, Mr. Chairman. I
17 wanted to take this opportunity to inform the Board
18 Trustees, as I've already told the Chairman and
19 staff, that the Department of Justice, of whom -- of
20 which I'm an employee, does not have a contract to
21 provide legal services to the Department of Natural
22 and Cultural Resources. So at this point, with the
23 transfer of Clean Water Management Trust Fund to that
24 department, Sean and I, and, in fact, the entire
25 Department of Justice will not be representing Clean

1 Water Management Trust Fund following this meeting.

2 Now, there are -- there are ways that the
3 Department of Cultural and Natural Resources can
4 contract with the Department of Justice to get legal
5 services for the Clean Water Management Trust Fund.
6 And I've already provided the name of our deputy --
7 the chief deputy at the Attorney General's Office,
8 Grayson Kelley, to staff and Kevin Howell, the
9 general counsel at the Department of Natural and
10 Cultural Resources. So this is just one of those
11 things that happens when there are the changes in
12 where Clean Water is positioned.

13 And at this point I just wanted to ask if
14 you had any questions about that, and also to express
15 mine and Sean's appreciation for the opportunity to
16 have worked with Clean Water Management Trust Fund
17 over the years. We've really appreciated the work
18 that's been done by the Board members, and we have
19 enjoyed all the different tasks that we've gotten
20 pulled into as staff, and always learned something
21 from staff. And I really appreciated the work
22 everybody has done.

23 Now, just in closing, I will say I do have
24 permission from my supervisors to complete the Coffey
25 case. We're still working very hard to get opposing

1 counsel to finish up the settlement agreement and the
2 dismissal with prejudice in Caldwell County. And at
3 the last administrative calendar our case was called,
4 and the judge was given an update on why it was
5 taking so long, and was asked to dismiss the case as
6 I understand it. And the judge in his infinite
7 wisdom allowed the plaintiff's attorney 45 more days
8 from that point to finish up the work he needed to
9 do.

10 And that 45 days will be over March 4, at
11 which point if the settlement has not been signed,
12 and the dismissal has not been filed, the defendants
13 will move forward with a motion to compel settlement.
14 So Sean and I will be in a position to finish that up
15 for you. And we've gotten permission from our
16 supervisors to do that, because it's -- it should be
17 done. It's almost done. It will be done. And I
18 just don't want to pass it off in that -- in that
19 format.

20 I also have a little project I'm working on
21 with Larry. If you recall at our last meeting, the
22 Board had approved the County of Brunswick and the
23 City of Northwest transfer of part of the sewage
24 system, and we are putting together an MOU. We've
25 gotten that in draft form, and are just waiting to

1 get that finalized.

2 So aside from those two little things,
3 which I'll finish up, and Sean and I will finish up,
4 this will be our last meeting working with you until
5 such time as a contract for legal services is
6 negotiated, which is something that can happen.

7 That's my report, Mr. Chairman.

8 CHAIRMAN KICKLER: Okay. Thank you.
9 Thank you, Mary. We'll move on to the next item on
10 the agenda, which is the executive director's update.
11 I'd like to recognize Executive Director Bryan
12 Gossage, who is joining us via conference call right
13 now. So, Bryan, I turn the time over to you.

14 MR. GOSSAGE: Good morning. Thank you,
15 Mr. Chairman. I have a laundry list of items. First
16 I did want to note to the rest of the Trustees --
17 Chairman Kickler is aware of this already -- but I
18 have been ordered into active duty, and so I will be
19 out of office for many weeks to come. But I am
20 calling in today from -- Montgomery, Alabama is where
21 I am this morning.

22 I want to thank the Trustees for spending a
23 little bit of their time out of their normal busy
24 lives to be with us this morning. I also want to
25 thank Mary and Sean for the great work that they have

1 done. The Coffey case is a great example of their
2 patience and dedication and hard work. So thank you
3 very much.

4 I also want to thank Tom Massie. He's not
5 on the call this morning, but his last day with the
6 Trust Fund after 18 years of service is now retired.
7 And that was effective February 29th. So he is no
8 longer with the Trust Fund. And Will Summer is
9 working -- he and Nancy are working on interviews for
10 two new field reps. So you'll be -- probably
11 introduced to two new field reps at the June 7th
12 meeting.

13 The June 7th meeting, I'll just segue right
14 into that. We are looking at holding that outside of
15 Raleigh, and we're looking at Charlotte, North
16 Carolina for the location for that meeting. So for
17 those of you, the Trustees with connections to
18 Charlotte, you might be hearing from Hailey, who is
19 working on the logistics of finding a good meeting
20 location, and you'll be hearing from her. And the
21 rest of the Trustees will be hearing from her in the
22 weeks ahead about where exactly that meeting will
23 take place.

24 As a reminder to all the Trustees about
25 your State Economics Interest. And I believe that's

1 an annual form that you have to fill out. And that
2 is due on April the 15th. And I believe -- Oh, and
3 later in this call Will Summer will be presenting
4 some remarks on the contracts that were -- the grants
5 that were allocated at your November funding meeting.

6 Mr. Chairman, that concludes my remarks.

7 CHAIRMAN KICKLER: Okay. Thank you,
8 Bryan. Now we'll move on to old business. And old
9 business 1 is 2015-010, Catawba Lands Conservancy,
10 the Holly Tract. Essentially, we've asked for a
11 revised scope of work. And I'll turn the time over
12 to Nancy to provide a brief summary at their request.

13 MS. GUTHRIE: Okay. Thank you, Mr.
14 Chairman. All three of the old business items today
15 concern a change in scope for the project. And I
16 want to give you just a little context to why you are
17 seeing these on the agenda today. Clean Water does
18 have a policy that helps us determine at which level
19 decisions are made, if it's a staff level, Chairman
20 level, or a Board level. And the considerations
21 include a reduction in the number of acres in a
22 project. An increase in the cost per acre is another
23 consideration. And if the reduction in acres or the
24 increase in cost per acre is greater than 25 percent,
25 then it is a Board decision. And so that's why

1 you're seeing these three today.

2 You have not seen these before, I don't
3 believe. And I think that that might be a reflection
4 that the market is getting a little bit stronger,
5 that between award or between application and
6 contract, folks are going back and having appraisals
7 updated, realizing that land prices are increasing a
8 little bit out there. And so the owners are feeling
9 maybe a little bit more confident to ask for a higher
10 price per acre, or they may at this point want to
11 hold onto a portion of their property for other uses
12 in the future.

13 So I do want to just remind everyone too
14 that Clean Water has another policy that if the --
15 Well, and this concerns the projects today, because a
16 number of them haven't increased in the cost per
17 acre, that Clean Water does have a policy that
18 requires all land acquisition projects be -- there be
19 an appraisal, at least one appraisal, and two
20 appraisals if the cost is greater than \$500,000.
21 Those appraisals must be approved by State Property
22 Office so that Clean Water is never paying above the
23 market. And so we do rely very heavily on State
24 Property Office to keep Clean Water well within the
25 market range of a price so that Clean Water is not

1 driving conservation values in the market.

2 So with that little introduction to all
3 three of these projects, I'll go specifically into
4 the first one with the Catawba Lands Conservancy. I
5 think the easiest way to approach this is if you will
6 look at the map in your Board packet. That's 2015-
7 010 with "Original Project" written on the top. All
8 of the project outlined in red and shaded blue or
9 yellow was part of the project. And Catawba Lands
10 Conservancy was to purchase that area and record
11 restrictive covenants on the property. Restrictive
12 covenants are our usual instrument for properties
13 that are going to be part of the Carolina Thread
14 Trail. And the Carolina Thread Trail is a large
15 effort in the Charlotte-Mecklenburg area, and the
16 surrounding counties for a greenway.

17 And so at this point that project, that
18 overall initiative, they're buying pieces of
19 property, trying to get corridors put together so
20 that trails can be built. So that was the original
21 proposal for this project.

22 Then if you'll look at the next map, which
23 is the proposed revision for this project, the gray
24 areas are now proposed to be excluded from the
25 project. Those areas would be retained by the owner,

1 which is the U.S. Whitewater Center, which operates
2 in some active recreation just south of this entire
3 area. But they would like to retain that area that
4 is in gray, just remove that from the project. The
5 yellow area would be donated to -- Excuse me. The
6 yellow area would be a donated easement held and
7 monitored by Carolina Lands Conservancy.

8 MR. BRAGG: Catawba?

9 MS. GUTHRIE: Catawba, thank you. That
10 was Frank. The dark green area would be purchased by
11 Catawba Lands Conservancy with restrictive covenants
12 recorded on it. And the light green area would be
13 covered by conservation easements purchased and held
14 by Catawba Lands Conservancy. It's possible that a
15 smaller area of the light green would be purchased
16 and be simple. But the most recent agreement and
17 request is for the light green area to be a
18 conservation easement purchase, again held and
19 monitored by Catawba Lands Conservancy. And I will
20 stop and make sure people understand the project and
21 the changes at this point.

22 CHAIRMAN KICKLER: Are there any questions
23 for Nancy?

24 (No response.)

25 CHAIRMAN KICKLER: First of all, I want to

1 say thank you, Nancy, for clarifying it. The State
2 Property Office, SPO, will also be appraising the
3 property as well, because that was one of the
4 questions that I had. Because appraisers oftentimes
5 come to a different conclusion. Any questions for
6 Nancy?

7 (No response.)

8 CHAIRMAN KICKLER: Okay. Is there a
9 motion to approve the revised scope of work requested
10 by Catawba Lands Conservancy in old business 1, 2015-
11 010?

12 MR. BRAGG: Trustee Bragg. So moved.

13 CHAIRMAN KICKLER: Thank you.

14 MR. VINES: Charles Vines. Second.

15 CHAIRMAN KICKLER: Okay. I believe Fred
16 Dufour seconded the motion; is that correct?

17 MR. BEAUJEU-DUFOUR: No, I did not.

18 CHAIRMAN KICKLER: You did not? Who did?

19 MR. VINES: Charles Vines.

20 CHAIRMAN KICKLER: Charles?

21 MR. VINES: Charles Vines did.

22 CHAIRMAN KICKLER: Thank you. Is there
23 any discussion regarding the motion?

24 (No response.)

25 CHAIRMAN KICKLER: Hearing none, all those

1 in favor, please say, "Aye."

2 BOARD MEMBERS: Aye.

3 CHAIRMAN KICKLER: All those opposed?

4 (No response.)

5 CHAIRMAN KICKLER: The motion has carried.

6 Now we move on to old business 2, which is 2014-018,
7 the City of Creedmoor, Lake Rogers Tract, Ledge
8 Creek. And so for this, I will also turn the time
9 over to Nancy for a brief summary.

10 MS. GUTHRIE: Thank you. On this project,
11 if you compare the two maps that were included in a
12 Board packet, you'll see that in the original
13 project, more of the uplands were to be purchased by
14 the city, and they were considering public space use
15 with that area. The plans had not been finalized,
16 but in general they were looking for some passive
17 recreation, possibly even an amphitheater gathering
18 area.

19 But in working with the landowner since
20 this project was awarded, the owner would now like to
21 retain a lot or a good portion of the uplands without
22 any restrictions. And the city would be able to
23 purchase the lake shore and the riparian buffers
24 along the streams that are on the property. And the
25 city would be able to use some of that area for a

1 construction of a greenway. So there would have --
2 there would still be some public access and use of
3 the property through the greenway, but it would be
4 less than originally proposed when you all saw this
5 project presented to you.

6 And I have included in the Board packet
7 some of the details of the cost, and then the numbers
8 of acres. And again, I will just stop and see if you
9 have any questions at this point.

10 CHAIRMAN KICKLER: Any questions for
11 Nancy?

12 MR. MARTIN: Yeah. This is Trustee
13 Martin. I was just -- So you said that they are
14 still -- there's still the possibility of a greenway
15 route. Would that really be the only public access
16 that we would be able to sort of guarantee for this
17 property, or is there -- I guess I'm a little
18 concerned about just, you know, ultimately what kind
19 of access the public is going to have to this -- to
20 this area.

21 MS. GUTHRIE: At this point, there is a
22 greenway route, proposed route shown on the map. And
23 that would be the only public use of the property. I
24 think the lakeshore, which is protecting the water
25 there -- I have not been on the property, but I

1 expect that that would be too low -- too many streams
2 there to really have any kind of organized
3 recreational activities for the public.

4 MR. MARTIN: Thank you.

5 CHAIRMAN KICKLER: Are there any other
6 questions for Nancy?

7 (No response.)

8 CHAIRMAN KICKLER: Okay.

9 MR. BRAGG: This is Trustee Bragg. As I
10 understand Lake Rogers, it's one of the drinking
11 sources for the Town of Creedmoor. And the other,
12 though, it's a very fine fishing lake that's
13 restricted to electric motors as I recall. So it's
14 used by the public is my point.

15 CHAIRMAN KICKLER: Okay.

16 MS. GUTHRIE: Okay. It has -- This is
17 Nancy again. I know it has been used in the past as
18 drinking supply. I believe some infrastructure is
19 still there as a potential emergency in the future.
20 So yes, it is -- it is a high quality as far as I
21 know.

22 MR. SUMMER: And this is Will Summer.
23 I'll just add that there is a park with lake access
24 just across the lake from this. So you're correct,
25 Trustee Bragg. They do -- This lake is used for

1 public recreation, and that folks might have access
2 via boat or canoe.

3 CHAIRMAN KICKLER: Any other questions?

4 (No response.)

5 CHAIRMAN KICKLER: Okay. Hearing no other
6 questions, is there a motion to approve the revised
7 scope of work requested by the City of Creedmoor for
8 old business 2, 2014-018, the Lake Rogers Tract,
9 Ledge Creek?

10 MR. BRAGG: Trustee Bragg. So moved
11 that we adopt.

12 CHAIRMAN KICKLER: Thank you for the
13 motion. Is there a second?

14 MS. HACKNEY: Robin Hackney. Second.

15 CHAIRMAN KICKLER: Thank you, Trustee
16 Hackney. Is there any discussion on the motion?

17 (No response.)

18 CHAIRMAN KICKLER: All those in favor,
19 please said, "Aye."

20 BOARD MEMBERS: Aye.

21 CHAIRMAN KICKLER: All those opposed?

22 (No response.)

23 CHAIRMAN KICKLER: The motion is carried.

24 Now let's move on.

25 MS. LUCASSE: And I was just going to

1 interrupt, Mr. Chairman, to let the record reflect
2 that Trustee Hackney has joined Clean Water
3 Management Trust Fund. When we did the roll call at
4 the beginning, she was not noted.

5 CHAIRMAN KICKLER: All right. Thank you.
6 Thank you for making sure that that's included in the
7 records. Now we'll move on to old business 3, which
8 was added to the agenda earlier in our meeting. That
9 agenda item, old business 3 is a Division of Parks &
10 Recreation request for Warwick Mill Bay. And so
11 again, I turn the time over to Nancy for a brief
12 summary.

13 MS. GUTHRIE: Okay. Thank you, Mr.
14 Chairman. There is just one map included for this
15 project. And again, I think it's easiest to talk
16 from the maps so that you can follow the changes
17 there. The original proposal was to purchase the
18 976.5-acre area as well as the 350-acre area for just
19 over 1,300 acres total in the project.

20 The landowner would now like to retain the
21 350 acres in the southern part of the project, and
22 also to be able to build two small ponds that are in
23 that 350-acre area. He would like to fill those
24 ponds from September to January, which is duck
25 season, using water from the bay. And that would be

1 the restriction of using that, any water or changing
2 the level of the Mill Pond. No irrigation throughout
3 any of the year. No other changes in the water level
4 in the bay.

5 The Department of Parks & Recreation does
6 think this is still a viable project, and a resource
7 to be brought into the State Park System as a state
8 natural area. The plans did not include opening this
9 area to the public in an active way because of the
10 sensitivity of the wading and nesting birds that are
11 in this particular mill -- excuse me, in this
12 particular bay.

13 Also on the map there's a shaded area that
14 is the -- labeled as the "Bird Area." Audubon North
15 Carolina has looked at this. This is a unique area
16 for North Carolina. The Audubon of North Carolina
17 does not think that the changes and having the owner
18 retain a portion of the tract including just that
19 bottom corner of the colony would impact the colony
20 negatively. So all parties do feel that this is
21 still a significant resource to bring into the State
22 Park System.

23 So again, there are details that there are
24 fewer acres being purchased. Clean Water's
25 contribution would also decrease. And State Parks

1 would like to go ahead and move to closing on this if
2 you all approve the changes this morning, again
3 because of the landowner timing.

4 CHAIRMAN KICKLER: Thank you, Nancy. Are
5 there any questions regarding this agenda item?

6 MR. MARTIN: This is Trustee Martin. I
7 just have one question. Since the 350 acres included
8 uplands, and the 975, I mean, this looks like a
9 Carolina bay, I'm assuming that it's probably mostly
10 wet.

11 MS. GUTHRIE: Yes.

12 MR. MARTIN: Does this reduction in funds
13 sort of account for the difference in potential value
14 per acre? I mean, is this something else that will
15 go through state appraisal before we figure out the
16 total amount, or --

17 MS. GUTHRIE: It will --

18 MR. MARTIN: Okay.

19 MS. GUTHRIE: -- go through appraisal.

20 And in this situation, State Parks has their own
21 agent in State Property Office that will work with
22 the value.

23 CHAIRMAN KICKLER: Thank you. Are there
24 any other questions for Nancy?

25 (No response.)

1 CHAIRMAN KICKLER: Okay. If there are
2 none, then is there a motion to approve the revised
3 scope of work requested by the Division of Parks &
4 Recreation for the Warwick Mill Bay Tract?

5 MR. BRAGG: This is Trustee Frank Bragg.
6 I move that we adopt.

7 CHAIRMAN KICKLER: Thank you. Is there a
8 second?

9 MS. KUMOR: Second. This is Renee
10 Kumor.

11 CHAIRMAN KICKLER: Okay. Thank you,
12 Trustee Kumor. Now there's been a motion and a
13 second. Is there any discussion regarding the
14 motion?

15 (No response.)

16 CHAIRMAN KICKLER: Hearing no request for
17 discussion, all those in favor for the motion to
18 approve the revised scope of work requested by
19 Division of Parks & Recreation for the Warwick Mill
20 Bay Tract, please say, "Aye."

21 BOARD MEMBERS: Aye.

22 CHAIRMAN KICKLER: All those opposed?

23 (No response.)

24 CHAIRMAN KICKLER: The motion has carried.
25 Now there's no new business, so we'll move on to the

1 public comments. If you are -- We have one -- Well,
2 if you are interested in making a public comment,
3 whether in person or by phone, make sure you state
4 your name and your affiliation before making your
5 public comment. Each person is allowed three
6 minutes. At the end of three minutes, I will
7 politely remind the speaker that the allotted time
8 has passed. If you're calling -- If you're listening
9 by cell phone and you're calling in, that may be a
10 little bit more complicated to let you know when you
11 have one minute left. But I will try some attempt to
12 let you know that you have one minute left. And for
13 those in person, I will just let you know by holding
14 up my forefinger.

15 So are there -- Does anyone like to make a
16 public comment?

17 MR. HOLMAN: Mr. Chairman, this is Bill
18 Holman. Just a brief comment, if I can.

19 CHAIRMAN KICKLER: Yes, sir.

20 MR. HOLMAN: I just want to say just
21 scanning the applications y'all received in February,
22 it's a very impressive group of projects. You've got
23 your work cut out for you. And I know that the
24 conservation community looks forward to working with
25 you on going through the process and making some wise

1 investments and Clean Water Natural Heritage projects
2 later this year. Thank you very much.

3 CHAIRMAN KICKLER: Okay. Thank you.
4 Anybody else?

5 (No response.)

6 CHAIRMAN KICKLER: Okay. Before we
7 adjourn, Will is going to give us a brief update on
8 the status of the awards, where -- at what stage they
9 are at, a cursory look at that. So, Will, I'll turn
10 the time over to you.

11 MR. SUMMER: Thank you, Mr. Chairman.
12 Good morning, Trustees. As Dr. Cherry said
13 yesterday, once the -- once the Board has made a
14 decision, the work is really just getting started.
15 And with that, I'd love to update you guys on where
16 we -- where the staff has been with the 2015
17 applications. And I will start with acquisition.

18 Of the 35 projects that have been awarded,
19 all but three contracts have been drafted and sent
20 out. And I know Nancy would like me to point out
21 that of those three, one is the one -- one of the
22 ones you have decided on today, so it was waiting on
23 decision. And the other two have been very recently
24 provisionally funded, which means the funds just came
25 in, and she's just getting that process started. So

1 everything else has been drafted and sent out to our
2 applicants. And of that, 16 have already been
3 signed, returned, and executed, and encumbered for a
4 total of 7.7 million already encumbered.

5 To recap, just over 16 million has been
6 awarded to date in acquisition projects. And since
7 the November meeting, 1.7 million has been awarded to
8 three additional projects from the provisional list.
9 After that, we have already a little over 740,000
10 accumulated to go towards the next project on the
11 list, which is the Conservation Fund Smith Creek
12 Project, which will still lack about 460,000 before
13 it is completely funded. But there are still several
14 more months of revenue to come back in.

15 On restoration, 15 out of 15 contracts have
16 been drafted and sent out. None have been executed
17 to date. And this totals about 4.1 million that has
18 been awarded to date. In the restoration program, no
19 additional contracts have been awarded since
20 September -- I mean, since November. And we're very
21 close to completing the funds for the next project.
22 We have a little over 207,000 accumulated towards the
23 Lake Waccamaw hydrilla project, which will then only
24 lack about 12,000 from being funded. And we expect
25 that to happen when the next month's license revenue

1 comes in.

2 Innovative stormwater, as you may recall
3 from the meeting, four of four have been funded, and
4 contracts are drafted and sent out. Because we
5 funded all of the applications we had, there are none
6 that will be added as provisional funds come back in.
7 So that 5 percent worth of provisional funds will be
8 divided up amongst acquisition and restoration
9 projects.

10 So in summary for the 2015s, 54
11 applications have been funded for a total of \$20.9
12 million awarded to date. An addition 948,000 is
13 ready to be awarded towards the next provisional
14 projects as more revenue comes in. And since
15 November 20th, 2.4 million in additional revenue and
16 unencumbered grants has come in. So since your last
17 meeting, we've moved quite a ways down the list, and
18 have a few more months to continue to do more.

19 I would -- If I could take a moment just to
20 give you a real brief update on the 2016s?

21 CHAIRMAN KICKLER: Yeah.

22 MR. SUMMER: Absolutely. Thank you. So
23 we have 128 applications that we just received for
24 our 2016 grant cycle, which -- 81.4 million in total
25 requests. This is 90 acquisition projects for 64.9

1 million; 26 restoration projects for 14.2 million;
2 eight innovative stormwater projects for just over 2
3 million; and four planning applications for 193,000.
4 And we've got applications from 43 counties and 64
5 unique applicants. So as Mr. Holman said, we've got
6 our work cut out for us for this cycle, but we look
7 forward to getting into it.

8 And with that, that will conclude my
9 report. Thank you, Mr. Chairman.

10 CHAIRMAN KICKLER: All right. Do the
11 Trustees have any questions for Will regarding this
12 report?

13 (No response.)

14 CHAIRMAN KICKLER: Okay. Thank you, Will.
15 We thought it would be a good idea to give the
16 Trustees a brief update on the status of the awards.
17 Before we adjourn, I want to ask the Trustees if they
18 have any comments at this time.

19 MR. BRAGG: Yes, sir, Mr. Chairman.
20 This is Frank Bragg. I have two quick comments. And
21 number one, I wish to say how much I appreciate Mary
22 Lucasse's keeping us legal and ethical and squeaky
23 clean in both areas. And I appreciate that, Mary.

24 MS. LUCASSE: Thank you.

25 MR. BRAGG: Number two, Tom Massie with

1 18 years of service has been a wonderful thing for
2 the state and for Clean Water. Tom has always been
3 extremely professional, and he makes his
4 presentations really fun. So he's going to be
5 missed. And I hope today he's either wading in a
6 trout stream or tying some trap flies and getting
7 ready to go fishing. Thank you.

8 CHAIRMAN KICKLER: Thanks, Trustee Bragg.
9 Any other Trustee have a comment?

10 MS. KUMOR: Mr. Chairman, this is Renee
11 Kumor.

12 CHAIRMAN KICKLER: Yes, ma'am.

13 MS. KUMOR: I just had a question about
14 our June meeting. Will that be in conflict with the
15 second primary if we have to have one?

16 CHAIRMAN KICKLER: That is a question I am
17 unable to answer right now. Does anyone know the
18 answer to that question?

19 MR. GOSSAGE: I am -- This is Bryan
20 Gossage. I am unaware of the date of the second
21 primary.

22 MS. KUMOR: Okay. I just -- I just
23 wanted to caution us in case that was the case.

24 CHAIRMAN KICKLER: Okay. Thank you. Any
25 other comments?

1 MR. MARTIN: This is Trustee Martin. You
2 know, we've had these things coming before us today.
3 And, you know, I understand that there's -- always
4 things change after, you know, we award these
5 contracts. But, you know, I guess one of the things
6 that's kind of -- that Nancy alluded to, that, you
7 know, we're seeing some, you know, uptick of land
8 prices and things of that nature. Maybe people are
9 reconsidering. I think it would probably behoove us
10 to kind of go back and -- from the -- possibly from
11 the Administrative Committee look at some of these
12 criteria that we set as far as when things bump up
13 and whatnot.

14 Maybe we should just re-look at this and
15 see if we need to go back and revisit that. I mean,
16 I guess what I'm -- I'm beginning to think, you
17 know -- And again, without having thought about it
18 for a long time, you know, when would we -- when
19 would we state that a project is so different from
20 our original objective that it's -- that maybe we
21 would not have funded it? And so I think we just
22 need to kind of go back and see this trend that's
23 developing. Maybe we need to go back and look at
24 that. So I would just -- I would just offer that as
25 some thoughts I've had.

1 MS. CAWOOD: Mr. Chairman, if you'd like
2 for the Administrative -- This is Greer Cawood. If
3 you'd like for the Administrative Committee to take
4 that on, we would be happy to.

5 CHAIRMAN KICKLER: Okay. Thank you. In
6 my capacity as Chair, I will refer to the
7 Administrative Committee to revisit this, when should
8 it be bumped up and to investigate, to explore the
9 pricing of land or the re-pricing of land, and to re-
10 examine that criteria. So I'll refer that to the
11 Administrative Committee. I know there are some
12 other things in the queue for the Administrative
13 Committee. Would that be possible to have an update
14 or a report for the June meeting?

15 MS. CAWOOD: I was thinking that we -- We
16 will try our best, Mr. Chairman. I know that we will
17 meet between now and the June meeting, so we'll make
18 our best efforts towards that.

19 CHAIRMAN KICKLER: Okay. Thank you. I've
20 just been reminded that the -- the -- I forgot the
21 U.S. representative primary is June 7th. And that's
22 due to redistricting, correct? I think.

23 MR. SUMMER: I believe so, yes.

24 MS. KUMOR: Yeah.

25 CHAIRMAN KICKLER: We believe so. So at

1 this point, I mean, the meeting shouldn't take a long
2 time for June. And it won't take the entire time the
3 polls are open. But that's something we could
4 revisit in subsequent days, or I and the executive
5 director can think about in subsequent days.

6 Any other comments from the Trustees?

7 (No response.)

8 CHAIRMAN KICKLER: Well, I also want to
9 plant a seed in the Trustees' head maybe. I would
10 like for us to start discussing at our next meeting
11 whether we should have an additional meeting, an
12 awards meeting, and maybe one committee -- We can --
13 Again, we can start -- start the discussion. But I
14 was wondering whether we needed some more in-depth
15 discussion and time for questions during our award
16 meetings for stream restoration, innovative
17 stormwater, and maybe a separate meeting for the
18 acquisition projects. Again, I'd just like to start
19 the discussion on June 7th. But I just wanted to
20 plant the seed, so to speak, so people can be mulling
21 over that.

22 Are there any other comments from the
23 Trustees?

24 (No response.)

25 CHAIRMAN KICKLER: All right. Is there a

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motion to adjourn?

MR. VINES: Charles Vines. So moved.

CHAIRMAN KICKLER: Thank you, sir.

MS. CAWOOD: Second. Greer Cawood.

CHAIRMAN KICKLER: Second by Greer Cawood.

If there is no discussion regarding this motion to adjourn, all those in favor, please say, "Aye."

BOARD MEMBERS: Aye.

CHAIRMAN KICKLER: Opposed?

(No response.)

CHAIRMAN KICKLER: Thank you. The motion is carried. We are adjourned.

(Meeting adjourned at 10:51 a.m.)

CERTIFICATE OF NOTARY - COURT REPORTER

STATE OF NORTH CAROLINA)
COUNTY OF WAKE)

I, Jennifer D. Critcher, Court Reporter, Notary Public in and for the above county and state, do hereby certify that the foregoing is a true and accurate transcription, to the best of my skill and ability, of the meeting of the Board of Trustees of the Clean Water Management Trust Fund held in Raleigh, North Carolina on Wednesday, March 2nd, 2016.

Jennifer D. Critcher, Court Reporter
Notary Public, Wake County,
North Carolina
Notary Number: 200625800155