

Transcript of the Testimony of
CWMTF Meeting

June 1, 2017

Claen Water Management Trust Fund Meeting



Phone: 919-676-1502
Fax: 919-676-2277
Email: office@grsnc.com
www.garrettreportingservices.com

STATE OF NORTH CAROLINA

IN RE:)
)
CLEAN WATER MANAGEMENT TRUST)
)
FUND BOARD OF TRUSTEES MEETING)
_____ /

BOARD OF TRUSTEE MEMBERS

TROY KICKLER, Ph.D, Chairman
FREDERICK BEAUJEAU-DuFOUR (via telephone)
FRANK BRAGG
GREER CAWOOD
RENEE KUMOR
WILLIAM TOOLE
CHARLES VINES

STAFF MEMBERS

WALTER CLARK
HANK FORDHAM, Legal Counsel
NANCY GUTHRIE
DAMON HEARNE
SYDNEY McDANIEL
JUSTIN MERCER
TERRI MURRAY
WILL SUMNER

HAMPTON INN
Mount Airy, North Carolina
June 1st, 2017 at 1:00 p.m.

Reported in Stenotype by Judy F. Reins, RMR, CRR

1 MR. KICKLER: I'd like to welcome everyone
2 to the Clean Water Management Trust Fund Board of
3 Trustees meeting, June 1st, 2017. It's a little
4 after 1:00 p.m. We are at the Hampton Inn in
5 Mount Airy, North Carolina.

6 Before we proceed any further, let me take
7 the roll. Please indicate your presence, either
8 by phone or in person. Let the record show that
9 Troy Kickler, the Chair, is present. Frank
10 Bragg.

11 MR. BRAGG: Present.

12 MR. KICKLER: Greer Cawood.

13 MS. CAWOOD: Present.

14 MR. KICKLER: Fred DuFour.

15 MR. DuFOUR (via telephone): Present.

16 MR. KICKLER: Thank you. Present by phone.
17 Robin Hackney.

18 (NO RESPONSE)

19 MR. KICKLER: Renee Kumor.

20 MS. KUMOR: Present.

21 MR. KICKLER: Johnny Martin.

22 (NO RESPONSE)

23 MR. KICKLER: Bill Toole.

24 (MR. TOOLE WAS NOT PRESENT AT ROLL CALL BUT
25 ARRIVED AFTER MS. CAWOOD DISCUSSED ADMINISTRATIVE

1 COMMITTEE RECOMMENDATIONS UNDER OLD BUSINESS.)

2 MR. KICKLER: Charles Vines.

3 MR. VINES: Here, sir.

4 MR. KICKLER: We have a quorum. We have six
5 present, five in person, one via phone. Before
6 we proceed further, with the commencement and
7 items on the agenda, I'd like to recognize
8 Barbara Jones, City Manager of Mount Airy, and
9 she would like to say a few words to the board.

10 MS. JONES: First, welcome, welcome. How is
11 everybody? We are very pleased to have you here
12 in Mount Airy today, so we hope that you feel
13 very much at home, and after the meeting, then go
14 out and do some fun stuff, like we'll meet you on
15 the Greenway later. How does that sound? I'm in
16 meetings all day, too, so I know how that works.

17 As you said, I'm Barbara Jones. I'm the
18 City Manager for the City of Mount Airy. I want
19 to extend a welcome on behalf of the Board of
20 Commissioners, city staff, and myself. I would
21 ask that Jeff Bowles, who is our public works
22 director, please stand and be recognized; Catrina
23 Alexander, who is the parks and recreation
24 director, she also does the public relations for
25 the City as well.

1 Just want you to know that we are so
2 grateful for the many things that you've done for
3 our community in looking at statistics. You have
4 funded over \$23 million for Surry County;
5 five-and-a-half million dollars for the City of
6 Mount Airy for the restoration of the Ararat
7 River, which has made a huge impact and huge
8 difference for Mount Airy. So thank you for
9 that.

10 We have -- we're like everyone. We have
11 weathered the storm as far as the textile
12 industry leaving, and with your help, we've been
13 able to increase tourism. We've been able to
14 make a difference in the environment. We've been
15 able to do stream restoration, which has helped
16 with tourism. It has helped with economic
17 development and recreation opportunities. So
18 give yourselves a hand for that. I appreciate
19 that.

20 (APPLAUSE)

21 MS. JONES: But please know you have made a
22 difference in the City of Mount Airy. You're a
23 great partner. Also I would like to recognize
24 Mr. Charles Anderson and Squeak Smith, Resource
25 Institute. They have been wonderful partners as

1 well, as you know. So we want to continue those
2 partnerships. We want to continue to work with
3 you.

4 Please know that I want to extend not only a
5 thank you in gratitude for what you've done. If
6 there's anything that we as a city can help you
7 with, we want to be that partner in return as
8 well. It has made a tremendous difference.

9 We were just talking; Mr. Clark and I were
10 just talking. He made the comment that in the
11 '70s, you would not go to some of these waters,
12 and today on the Ararat with the restoration
13 projects, we have swimming. We have kayaking.
14 We have safe river banks. We have tourism. We
15 have fishing. We have families enjoying.

16 So it is just tremendous, not only for the
17 environment, but for the economy. Thank you very
18 much for that, and please know that you are the
19 ones that have helped make the difference with
20 that. Without you, the City could not have
21 funded those things, so thank you again.

22 And with that said, do you have any
23 questions about Mount Airy? We're a small
24 community. We're known as the friendly city. We
25 have the world's largest open-faced granite

1 quarry, so if you don't have time today, I do
2 welcome you back so we can give you a tour of the
3 City.

4 And we're known as Mayberry. How many of
5 you have seen the Andy Griffith show? Well, I
6 figured as much, so I had to mention that, and we
7 are a small community that has a lot to offer. I
8 think as you go downtown this evening for your
9 reception, you'll see that for a small community,
10 we have a thriving downtown.

11 We do have very friendly people. We have
12 people that come together to make good things
13 happen, and that, too, fits you in very well with
14 the partnerships and everything that we try to do
15 in the community, and that is to make a
16 difference for the future and make the future
17 better. So you're doing that, and please
18 continue to do that and help us along.

19 We're hopeful that we'll be able to extend
20 the restoration project north, be able to do the
21 connectivity. And, again, that is going to
22 make -- right now we're just shy of 7 miles of
23 Greenway in the City of Mount Airy, and for a
24 community this size, that's remarkable. And then
25 with the restoration, with the improvement in the

1 stream banks, you have made that difference.

2 So thank you. Welcome to Mount Airy. Come
3 and visit my office and visit me any time. I
4 would love to show you around. Jeff, Catrina,
5 Charles, and Squeak, they also have just been
6 wonderful. Any time we'll take you around. I
7 look forward to changing out of my heels and
8 putting my tennis shoes on and meeting you guys
9 at 4:00. Okay. Thank you very much.

10 (APPLAUSE)

11 MR. KICKLER: Thank you very much. We'll
12 continue on with the agenda item, which is asking
13 trustees if there's a conflict of interest or a
14 potential for a conflict of interest. General
15 statute 138A-15 mandates that the Chair inquire
16 as to whether any trustees know of any conflict
17 of interest or the appearance of a conflict of
18 interest with respect to matters on the agenda.
19 If any trustee knows of a conflict of interest or
20 the appearance of one, please state so at this
21 time.

22 MS. KUMOR: Mr. Chairman, I'd just like to
23 advise you that as of May 1st, I was no longer a
24 member of the Riverlink board, but I think it's
25 appropriate that I advise you of that.

1 MR. KICKLER: Thank you, Trustee Kumor.
2 Thank you for showing an abundance of caution in
3 that regard. It's appreciated. Is there any
4 other conflict of interest or the appearance of
5 one?

6 If not, as we proceed further, if you're
7 reminded of one or the appearance of one, you can
8 let the Chair know and it will be recorded. And
9 just please do so before we start discussing that
10 particular agenda item. Just double check, any
11 other conflict of interest or appearance of one.

12 All right. Friendly reminder, please put
13 your cell phones on off or mute and your email
14 notifications, and then our next item is 1(e),
15 and that's provisions, additions, and adoption of
16 the agenda. Are there any revisions or additions
17 to the agenda? If there are none, is there a
18 motion to adopt the agenda?

19 MR. BRAGG: So do.

20 MS. CAWOOD: Second.

21 MR. KICKLER: Trustee Bragg has made a
22 motion. Trustee Cawood has seconded it. If
23 there's no discussion, all those in favor, please
24 say aye.

25 BOARD OF TRUSTEE MEMBERS: (AYE).

1 MR. DuFOUR (via telephone): Aye.

2 MR. KICKLER: All those opposed?

3 (NO RESPONSE)

4 MR. KICKLER: The agenda has been adopted.

5 We'll move on to the Consent Agenda item, which

6 involves the minutes of the March 2017 meeting,

7 the request to extend the date and existing

8 construction contract and request to transfer

9 2014-411 and 2015-409 from NCFS to Resource

10 Institute Incorporated. Trustee Kumor.

11 MS. KUMOR: Because of my recent

12 affiliation, because of my recent affiliation

13 with the Riverlink board, I would like to recuse

14 myself from voting of this item.

15 MR. KICKLER: Let the record show that

16 Trustee Kumor has asked to be recused from voting

17 on the consent of the agenda. As a reminder, if

18 there's any item on the consent agenda that a

19 trustee wants to be upheld from that to be

20 discussed in particular, they can do so at this

21 time.

22 If no trustee wants to uphold an item from

23 the consent agenda and discuss it, is there a

24 motion to adopt the consent agenda?

25 MR. VINES: I make a motion.

1 MR. KICKLER: Trustee Vines has made a
2 motion. Is there a second?

3 MR. BRAGG: Second.

4 MR. KICKLER: Trustee Bragg has made a
5 second. If there's no discussion on the consent
6 agenda, all those in favor, please say aye.

7 BOARD OF TRUSTEE MEMBERS: (AYE).

8 MR. DuFOUR (via telephone): Aye.

9 MR. KICKLER: All those opposed?

10 (NO RESPONSE)

11 MR. KICKLER: The consent agenda has been
12 adopted. And just as a reminder, let the record
13 show that Trustee Kumor recused herself from
14 voting on the entire consent agenda.

15 The next item is the Legal Update, and I'll
16 turn the time over to Clean Water Legal Counsel,
17 Hank Fordham.

18 MR. FORDHAM: I'm sorry to disappoint you,
19 but I don't have an update today, so go ahead.

20 MR. KICKLER: Our next item is the Executive
21 Director's Update. It's my pleasure to welcome
22 Walter Clark as the new executive director of the
23 Clean Water Management Trust Fund. You've been
24 on board for approximately?

25 MR. CLARK: A month.

1 MR. KICKLER: A month. We talked, and I've
2 been bothering him several times already calling
3 him about this meeting, and we've discussing
4 clean water matters in general. And it's been a
5 pleasure working with him in this short time, so
6 I won't take up any more of your time. I'll turn
7 it over to you.

8 MR. CLARK: Thank you, Troy. It's a real
9 pleasure to be here and be part of the
10 organization whose mission I've admired for many,
11 many years. You won't find a better staff than
12 most of these trustees are in clean water
13 management, dedicated, hard-working group of
14 people, and, like I said, I'm honored to work
15 with them.

16 In my past, I was director of Blue Ridge
17 Conservancy for almost ten years, so I actually
18 met a lot of the Clean Water staff as a client,
19 and I can say that it's a very client friendly
20 staff and provides a service to this community.
21 I'm also looking forward to meeting all the
22 trustees.

23 I had a really nice opportunity to visit
24 with Troy and Greer, and Frank Bragg and I have
25 known each other for years. Frank has a

1 conservation easement on his mountain property,
2 and Blue Ridge Conservancy where I used to work
3 holds that conversation easement. I've been on
4 one or two stewardship visits to visit Frank's
5 property and be sure he's behaving. He's doing a
6 great job.

7 You know, it's a bit serendipitous for me to
8 be from Mount Airy because this is my hometown,
9 so when I found out that our first board meeting,
10 my first trustees' meeting was going to be here,
11 it was like, oh, it's a sign. And as Barbara
12 mentioned, you know, I grew up here, first 18
13 years of my life in Mount Airy, and I do remember
14 well the Ararat River and Lovills Creek, what
15 horrible condition those bodies of water were in.

16 As kids we wouldn't go there. Our parents
17 would tell us not to go there. It was unsafe.
18 It was just -- and not unsafe because of danger
19 of criminal activity necessarily. It was just
20 unsafe because of deep river banks and it just
21 wasn't a place to spend time.

22 So over the years I've watched that
23 transformation of the Ararat River and Lovills
24 Creek, both places that are now very well clean,
25 and I assume are pretty vibrant part of the

1 town's economy.

2 MS. JONES: Absolutely. We've seen a huge
3 impact bringing tourism in, bringing folks coming
4 in to fish, bringing families in, and as that
5 happens, of course, they stay the night, they
6 spend money, so it's been a huge impact on the
7 economy.

8 MR. CLARK: And I'm really honored that
9 you're here, Barbara. I mean, I think it's
10 really good for all of us to hear that message
11 about the impact of what Clean Water does, and I
12 really appreciate that. Thank you.

13 MS. JONES: Thank you all because it has
14 made a difference. It has helped us transition
15 from the textile community, making the changes
16 that we all have seen with that, and then be able
17 to rebrand ourselves, if you will. So that has
18 made a huge difference on the economy, on just a
19 total impact of the quality of life that we have
20 here. So the thanks is to you all very much.

21 MR. CLARK: It is a pleasure to be here.
22 Reid Wilson, who is deputy secretary at North
23 Carolina Department of Natural Resources and
24 Cultural Resources wanted to be here, but he is
25 in Raleigh dealing with our state budget, so I

1 thought I'd give you an update on what's going on
2 with that.

3 Most of you probably know that the governor
4 issued his budget. It's been over a month ago.
5 It's fairly generous with Clean Water. It had a
6 one time \$10 million increase in funding and a
7 \$3.1 million recurring increase of our budget.
8 The House -- well, the Senate had their crack at
9 the budget. They came out with their
10 recommendation two or three weeks ago. It was
11 less than the governor's but still had an
12 increase with Clean Water. That budget proposed
13 an \$850,000 recurring increase in Clean Water and
14 about a \$10.7 million one-time increase in our
15 budget.

16 There was a hitch in that particular budget
17 in the sense that most of that one-time increase
18 was actually earmarked for one particular
19 project, which has raised some concern, but, you
20 know, nothing is done with a budget until it's
21 actually completed.

22 So last week the House had their chance to
23 weigh in, and their recommendation is, again, an
24 \$850,000 increase to our recurring budget and a
25 \$3 million increase on a one-time basis to the

1 budget. There was also an earmark in that
2 budget. They removed the Senate's earmark, but
3 they put the wrong (inaudible) in, which it was
4 earmarked for a project in Emerald Isle of about,
5 I think 400 some thousand dollars.

6 Is that right, Nancy? So, of course, next
7 week -- I think the House will finish up their
8 budget discussions today. That's why Reid Wilson
9 isn't here. And next week there will be a
10 conference between the Senate and the House, and
11 then hopefully the goal is by June 15th to have a
12 final budget out.

13 I think, though, one thing that I've
14 witnessed over the years of being involved with
15 Clean Water is that the trend is in the right
16 direction. And I say this often because I
17 remember the days when Clean Water had a hundred
18 million dollars and I remember the days when it
19 had a little over \$7 million. And I've watched
20 the conservation community talk, including Edgar
21 Miller and people who represent the community
22 talk to the legislature over the years and work
23 with the legislature.

24 So they see and understand the importance of
25 what we do, like the towns like Mount Airy and

1 the conservancies who are adding to our state
2 parks, so I think with that education, we've seen
3 our budget increase more and more every year,
4 and, again, that trend is in the right direction.
5 That's a bit of a budget update.

6 On a different note, Will has asked me to
7 let you know that our great field reps have just
8 about finished their reviews of our 2017
9 projects. Staff will be meeting in July to
10 consider those projects and to rank them. You
11 know, we will be meeting in September,
12 September 12th and 13th, most of you know, but a
13 month before then, all of you will receive a list
14 of the projects and all the associated
15 information that goes along with them.

16 And if anybody desires to have that
17 information earlier, I'm sure we will do our best
18 to get that to you. There are 91 acquisition
19 projects -- is that right Nancy -- and 27
20 restoration projects, I believe, so we've got our
21 work cut out for us. I think it's a total of \$64
22 million in assets this year, I believe.

23 MR. BEVINGTON: Also a small amount of
24 innovative stormwater and planning.

25 MR. CLARK: So, we've got a busy summer

1 ahead. I believe the trustees and the staff came
2 to an agreement that the September meeting will
3 be structured a little bit differently in that on
4 September 12th, the acquisition committee will
5 meet all day and consider those projects; on
6 September 13th, I believe Will, the restoration
7 committee, will meet in the morning; and that
8 afternoon the full board will come together, and
9 hopefully that structure may alleviate some of
10 the long-day pressure those staff and you as
11 trustees fill in trying to work through those
12 important decisions.

13 So as of right now, that's the current
14 proposal for how that meeting will be handled.
15 There is a November 8th meeting scheduled if the
16 board feels and the trustees feel a need to meet
17 later in the season.

18 So in closing, I just want to say something
19 that sort of circles back again to Mount Airy a
20 little bit. One of the things that I feel is
21 real important, and as executive director for
22 Clean Water, I want to try to do is really
23 showcase our work, you know, in communities that
24 we serve, like Mount Airy and the other
25 communities that we help.

1 So I'm hoping that we can do more meetings
2 where we have this interaction between our
3 clients in such a way that's not a conflict of
4 interest, but enables our clients to hear what we
5 do and for us as an organization to hear how we
6 benefited these communities. So you may -- I'm
7 hoping we have a bit of a change, maybe have more
8 field trips in the future. I don't know how the
9 trustees feel about that. It involves a change
10 of clothes before you go out in the afternoon,
11 but I think it would be a good thing, and I hope
12 that you all are supportive of that idea.

13 MS. CAWOOD: Frank and I are just going to
14 go casual.

15 MR. BRAGG: It's Mount Airy. You're not
16 supposed to be dressed.

17 MR. CLARK: I never dressed up growing up
18 here. I think the rule should be any time
19 there's a field trip, ties and coats are just --
20 we'll just forget it.

21 MR. TOOLE: I thought that's what all
22 gentlemen did as they strolled through the woods.

23 MR. CLARK: Well, you know, there's a
24 wonderful clothing store in Mount Airy. It's
25 called Rees. It's pretty well known for its

1 upper-end dress and men's clothing in particular.

2 MS. JONES: Great, great quality.

3 MR. CLARK: You'll meet this evening at the
4 reception, one of the attendees will be Gene
5 Rees, who has led the effort in Mount Airy to
6 restore the downtown, and his father actually
7 started that clothing store. So you'll meet a
8 little bit of the history of the town and get to
9 know some of the folks that really made things
10 happen here, and I think you'll be pleased.

11 MS. JONES: If I may say one more thing. I
12 promise I'll be quiet and I'll leave and let you
13 all have your meeting, but as Mr. Clark said, it
14 is hard to get across to you in a few minutes, to
15 let you know the impact that you do make in our
16 community, and I'm sure other communities as well
17 because when you look at our downtown, you look
18 at the effort that all individuals are putting
19 in, what you're doing for the quality of the
20 water, the stream restoration.

21 It is adding, like I said, a quality of life
22 and a huge economic impact to the City of Mount
23 Airy, and that has helped us so much in the
24 transition of what we're doing as a community.
25 And as I look at the future, it is helping our

1 children and our grandchildren be able to go to
2 safe waters as a family.

3 I take my grandson out on the Greenway, and
4 he is only two-and-a-half, but he's enjoying
5 trying to skip rocks on the water and watching
6 the folks swim and bike together. It is a
7 quality of life as well as a huge money impact
8 for us, so it's hard to say in a few words, but I
9 hope you can see that we're genuine in thanking
10 you and the gratitude I want to get across to you
11 today, and I think you'll see the excitement as
12 we walk the trail together that it's a great
13 thing with the restoration of the banks. I'll
14 try to be quiet, but thank you very much.

15 MR. CLARK: And I'll be quiet, too. I just
16 want to say, again, it's a pleasure to be here.
17 I look forward to serving the trustees and
18 enhancing and taking the vision of Clean Water
19 higher and further. Thank you.

20 MS. JONES: Please excuse us from your
21 meeting. Thank you for having us and welcome
22 again.

23 MR. KICKLER: Thank you. Before we proceed
24 further, I want to reiterate that I think that
25 workshops following the board meetings are good

1 for the trustees as well because they would see
2 projects that we funded and see how they have
3 progressed in accordance with the requirements of
4 the grant award, and then also it's a learning
5 experience as well.

6 We're going to see a variety of sites, state
7 parks, greenways, including stream restorations,
8 historic site tomorrow. Those are just some of
9 the things Clean Water helps support, and some of
10 us have strengths in certain areas, not
11 weaknesses in others, just we can always learn,
12 but some of us have strengths in certain areas.
13 We're going to touch on some of the -- a little
14 bit on some of the things that Clean Water
15 supports and we can learn about the various
16 projects.

17 Let's proceed onward. Now we go to the
18 public comment section. Little different. Let
19 me say the public is invited to make comments to
20 the board. You have three minutes to make
21 comments to the board. If anyone would like to
22 make a comment, please step up to the podium, and
23 for the record state your name and if you're
24 affiliated with any organizations or
25 municipality.

1 MR. ANDECK: I just have a quick handout.
2 Hi everyone. My name is Greg Andeck. I'm the
3 policy director for Audubon North Carolina, which
4 is the state office of the National Audubon
5 Society, and we've been working to protect birds
6 in the state since 1902. We like to say we're as
7 old as Coca-Cola here in the state. We've been
8 around a while, and I really wanted to come here
9 on behalf of our organization to thank Clean
10 Water trustees and staff for all of your
11 important work over the years to protect some of
12 the most important bird areas in the state.

13 If you don't know, Audubon's important bird
14 areas are really the most important places with
15 the highest quality habitat that have the highest
16 concentrations of rare and important birds in
17 North Carolina, and these are the places that
18 Audubon has really focused on protecting with our
19 conservation partners.

20 By our count, from 1997 to 2016, there's
21 been 177 Clean Water projects within North
22 Carolina's important bird areas, and that equates
23 to 184 million in state funds for habitat
24 protection that have leveraged an additional \$221
25 million in federal and private funds. So from

1 our perspective, that's a heck of a good deal for
2 conservation and for our state. So, again, thank
3 you so much on behalf of Audubon, on behalf of
4 North Carolina's 1.5 million birders, and the
5 billion dollar tourism and wildlife viewing
6 industry that depends on birds and waterfowl in
7 North Carolina.

8 One of the real success stories this past
9 year was protecting Warwick Mill Bay in
10 Lumberton, which provides habitat to a rare
11 colony of Wood Storks and is one of the few
12 undisturbed Carolina bays left in the state. We
13 couldn't have protected Warwick Mill Bay without
14 the Clean Water Management Trust Fund and also
15 our partners, the Conservation Fund and NC State
16 Parks. So great success story and thanks to
17 Clean Water.

18 One other thing I wanted to just mention,
19 Walter give an update on the budget process
20 happening right now, the legislature, and Edgar
21 Miller is here with the Conservation Trust.
22 Edgar and our other partners in the Land for
23 Tomorrow coalition have been working very hard
24 this year to try to, like Walter said, slowly,
25 continually increase funding for Clean Water.

1 We're hopeful that we can boost those
2 numbers even further than what was in the House,
3 in the Senate budget bills. You may remember the
4 last time that this happened when the bills went
5 to conference. There was about an extra \$8
6 million that was achieved in the conference bill.
7 So really we're hopeful that we can bump things
8 up in this last round of the budget process, and
9 we'll be continuing to work on that.

10 We'd appreciate anything the trustees can do
11 to engage the budget chairs, continue to educate
12 them on important work that you're doing, and why
13 there's such a need for conservation funding in
14 this state. So, again, thank you all for your
15 hard work, and we look forward to our partnership
16 together in the future.

17 MR. KICKLER: Thank you.

18 MR. MILLER: May I?

19 MR. KICKLER: Yes.

20 MR. MILLER: Edgar Miller with the
21 Conservation Trust for North Carolina. I just
22 wanted to make you all aware of two legislative
23 issues. You may have heard this week that there
24 was an effort in the House Finance Committee to
25 restore the dedicated revenue streams for the

1 trust funds, and it got very complicated very
2 quickly.

3 And eventually the House Appropriation
4 Committee Chairman, Nelson Dollar, came out in
5 opposition to basically rededicating the revenue
6 from the deed stamp tax, the state's share of the
7 deed stamp tax, which some of you may recall, I
8 know, funded the Natural Heritage Trust Fund,
9 which is now part of this effort, and also the
10 Park and Rec Trust Fund, typically on a
11 75 percent, 25 percent basis. And at one time,
12 that was about \$100 million total split between
13 those two trust funds.

14 So this sort of took us a little bit by
15 surprise, but it was being pushed by a group that
16 is seeking funding for coastal storm damage
17 mitigation, Greg; is that right? And related to
18 Hurricane Matthew, there's already a special
19 provision in the Senate bill, and the proposal
20 was to take the projected \$65 million a year in
21 revenue coming into the state's share of the deed
22 stamp tax and divide that 30 percent Clean Water,
23 30 percent Park and Rec Trust Fund, 30 percent
24 Storm Mitigation Fund, and 10 percent Agricul-
25 tural Development and Farmland Preservation Trust

1 Fund.

2 So that would essentially equate to Clean
3 Water getting about 19.5 to 20 million a year
4 from that fund, which, of course, vacillates with
5 the real estate market, and that is the risk of
6 associating or tying our funding to that source
7 of money.

8 So I just wanted you all to be aware of it.
9 We think it's a good thing, but Representative
10 Dollar has indicated he may not support recurring
11 appropriations if we get the dedicated revenue
12 stream back, so that is not where we want to go.
13 So the optimal outcome would be having that
14 revenue, that recurring stream, and then the
15 revenue from the deed stamp tax on some
16 percentage basis on top of that.

17 And, of course, someone who -- I'm on the Ag
18 Trust Fund Advisory Committee, and that funding
19 is much needed now to meet what is really a
20 perfect storm of federal dollars that we're
21 getting for farmland preservation. So it could
22 help us on that front, too, because that was only
23 increased by \$1 million for one year, the
24 ongoing, you know, efforts to try to get
25 legislative support for that fund. So I wanted

1 you to be aware of that.

2 The second thing, very quickly, is that we
3 have been struggling with this legislation which
4 would change the name of the trust fund. I know
5 many of you have been talked to about that and we
6 have been unable to reach consensus, even though
7 I think we came close at the North Carolina Land
8 Trust Assembly with a couple of different
9 options, so I'm not sure what to say.

10 I'm not sure where that bill is going to end
11 up, and I apologize for not having more of a
12 definitive position on that, but I do think we're
13 all struggling with that as I know the board
14 struggled with it when you all came down for a
15 name change. We'll keep working on that and see
16 if that bill moves in the Senate, but do
17 appreciate y'all's work and thanks for the
18 opportunity to speak with you.

19 And I do hope to go out on the trail, so if
20 you have questions about this, I'll be happy to
21 answer that.

22 MR. KICKLER: Thank you. Is there any other
23 comments? All right. We'll move forward to the
24 next item on the agenda, which is old business,
25 1, which is Administrative Committee

1 Recommendations. I'll turn it over to Trustee
2 Cawood, who's the Chair of the committee.

3 MS. CAWOOD: Start with our first agenda
4 item is looking at the allocation for the 2017
5 acquisition stream restoration innovative
6 stormwater projects that we will be looking at in
7 September. And just for background for everyone,
8 it's in your information, but the past three
9 years, the Board allocated 75 percent of the
10 funds to acquisition application, 20 percent to
11 stream restoration, and up to 5 percent
12 innovative stormwater applications for those
13 grant cycles.

14 And basically the committee is recommending
15 that again this year. It seems like it worked
16 well. Something that the committee has been very
17 pleased is having that dedicated amount to
18 innovative stormwater. We're getting more
19 projects. It has the impact that we were
20 supposed to have three years ago that people
21 would start applying more and they would be
22 attractive to them.

23 So that's information. I'll answer any
24 questions for the committee, and thank Paul
25 (inaudible) for being on that committee with me,

1 Johnny Martin. So are there any questions or
2 information before I put forth our proposed
3 recommendation?

4 MR. KICKLER: Let me interject for the
5 record that Trustee Toole is present, and that
6 brings our number up to seven. I just want to
7 make sure that's on the record.

8 Are there any questions for the
9 Administrative Committee Chair?

10 MS. CAWOOD: Great. Well, I will bring
11 forth to the committee the 2017 recommendation
12 that the 2017 grant cycle, 75 percent of the
13 funds be allocated to acquisition projects,
14 20 percent of the funds be allocated to stream
15 restoration projects, and up to 5 percent of the
16 funds be allocated to innovative stormwater
17 projects.

18 And any planning applications would be
19 reviewed and funded from the project allocation
20 of the project type that the plan would develop.
21 The committee further recommends that innovative
22 stormwater projects do not warrant 5 percent of
23 the funds; that any funds -- that really sounds
24 funny. Sorry. That if there are leftover funds,
25 that the funds be allocated, two-thirds of the

1 funds, to acquisition projects and one-third of
2 the funds to stream restoration projects.

3 MR. KICKLER: Thank you. The administrative
4 Committee has made the recommendation as
5 delineated on Old Business 1. There's a motion
6 and a second. Is there any discussion regarding
7 the Administrative Committee's recommendation
8 regarding allocation of funding? Let's just
9 continue the same practice as we did before. If
10 there's no discussion, all those in favor, say
11 aye.

12 BOARD OF TRUSTEE MEMBERS: (AYE).

13 MR. DuFOUR (via telephone): Aye.

14 MR. KICKLER: All those opposed.

15 (NO RESPONSE)

16 MR. KICKLER: Thank you. Old Business 1,
17 the Administrative Committee's recommendation has
18 been adopted. We'll move on to the next item,
19 which is Old Business 1b), which is also an
20 Administrative Committee recommendation.

21 MS. CAWOOD: Yes, thank you, Mr. Chairman.
22 First, I want to thank Trustee Toole for even
23 putting this issue on our radar at a previous
24 board meeting. Looking at what is the current
25 signage on projects that we have funded,

1 especially the high traffic areas of very popular
2 trails and whatnot wherein a lot of times, an
3 enormous amount of Clean Water and State monies
4 have gone into the projects.

5 I just wanted to also recognize Justin did a
6 great job in bringing us an expert from the state
7 to come in and explain what they do, where the
8 importance of it is, and just a lot of really,
9 really good legwork in seeing what is currently
10 out on site.

11 Some are good-looking recognition. Most are
12 either non-existent or signs that we would prefer
13 not to have up that have our names on it. And so
14 1 thing that the committee asked the field reps
15 to do is while they were looking at the 2017
16 grant applications and going to visit those
17 sites, to also, while they're in that area, look
18 at previously funded high traffic areas to see
19 what signage is up and what could be done.

20 So Justin, I'd like to just turn it over to
21 you to talk about kind of what you saw and what
22 we think we should do before going forward.

23 MR. MERCER: Sure. Do we want to look at
24 some pictures or just --

25 MR. TOOLE: Pictures tell 10,000 things.

1 MR. MERCER: Terri, if you wouldn't mind.
2 So as Trustee Cawood mentioned, Damon and I spent
3 a little bit of extra time in looking at our 2017
4 projects to go back to some previously funded
5 sites to assess the need for signage on both what
6 we've already funded and what we're looking at
7 going forward.

8 So we'll start out with some of the projects
9 that did have signage and kind of go through what
10 kind of signs they had. This is a project at
11 Emerald Isle, Emerald Isle Woods, I believe, was
12 1 of our fairly early projects here. It has
13 their own signage as well as fairly obvious Clean
14 Water signs right at the entrance on the road.

15 Another example here at DuPont State Forest
16 where they created their own kiosk with their own
17 signage and maps. It looks great, and they took
18 the time to put 1 of our signs up here in the
19 corner as well.

20 We even have some of our innovative
21 stormwater projects that have signs on them.
22 This is a great opportunity for interpretation on
23 these projects, and we can see down in the corner
24 it has both our logo and name.

25 Valle Crucis Community Park, a restoration

1 project, nice attractive kiosk here with the
2 Clean Water logo present and accounted for.
3 Hoop Pole Creek in Atlantic Beach. I was
4 told this was 1 of, if not the first project that
5 Clean Water funds were actually spent on. They
6 did a great job here at recognizing the Fund,
7 though their signage is a little bit dated here
8 and worn. The logo can be seen amongst other
9 contributors. And then on the opposite side of
10 the trail from here, they have 1 of our Clean
11 Water signs and then, again, mentioned us in text
12 and logo below.

13 Kure Beach stormwater project, again, they
14 have a sign here that recognizes multiple funders
15 as the Clean Water Management Trust Fund, as well
16 the Natural Heritage Trust Fund represented in
17 logos.

18 North River Farms in Carteret County, again,
19 like some of the other projects, they have
20 mentioned in text on an alternative sign but then
21 also have 1 of our dedicated signs on site. This
22 1 is a little bit difficult to see. I was not
23 able to get over to Sugarloaf Island to check
24 that out a little better, but you can see barely
25 there is a sign here on the island, perhaps not

1 the best location for viewing unless you happen
2 to be on a boat here, but this brings an
3 opportunity for us to have a little bit more
4 impact on location of signage.

5 There is a public dock here with a kiosk.
6 That probably would have been a little bit more
7 appropriate area. I couldn't verify whether
8 there was or was not a sign there, but something
9 to think about going forward.

10 So we also have some other signs on our
11 projects. Damon and I visited several sites
12 that, unfortunately, we didn't see Clean Water
13 signage in place. A lot of our game land, which
14 we'll talk about a little bit later, this was at
15 the North River Game Lands. They have at the
16 gate some signs recognizing the site as a game
17 land, as a bear sanctuary, but did not include
18 any recognition of the Fund.

19 The Yadkin River Greenway, there's a nice
20 trail head access sign here, so somebody has gone
21 through the effort to identify the site as having
22 public access but was not able to or did not
23 include any recognition of the Fund. Same
24 greenway here. There's plenty of opportunity to
25 put some sort of sign up. That opportunity has

1 just not been taken advantage of.

2 Airlie Gardens in Wilmington, there are
3 plenty of signs recognizing this as a place that
4 is open to the public. They do mention the Fund
5 on their timeline in the visitor center, but
6 there is not any other signage on site obviously
7 recognizing the Fund as contributing.

8 Another 1 down in that area, Brunswick
9 Nature Park, on top of this sign being dated and
10 faded, there is no indication of Clean Water's
11 involvement. You have a parking lot here with
12 what appears to be a frequently traveled area,
13 but a, perhaps, wasted opportunity to recognize
14 the Fund as contributing.

15 Glencoe Mill in Alamance County, nice new
16 access area with signage with maps. Great sign,
17 but no recognition of the Fund. Along the same
18 lines here at Nags Head Woods on the Outer Banks.

19 Then we come back to our game land. Our
20 state partners are perhaps in some of the biggest
21 need for some sort of signage. We worked a lot
22 with state partners, state parks, and Wildlife
23 Resource Commission, and there are very few of
24 those sites that have any recognition of the
25 Fund. So every game land access that I've ever

1 been to has 1 of these kiosks, so there's lots of
2 opportunity if we can figure out a way to take
3 advantage of that.

4 Same thing here at Lake James State Park.

5 There is ample opportunity for us to in some way
6 include some recognition. Here in Surry County,
7 Pilot Mountain State Park, we've got a nice kiosk
8 here with maps, but no recognition of the Fund.

9 Same situation at New River. What this picture
10 does do is it shows that there is at least some
11 potential to utilize the edges of these kiosks.

12 Maybe if we're not included in the text or
13 somewhere on there, their graphics here, we could
14 potentially utilize that side space for some
15 signage.

16 Another example here, White Oak Game Lands,
17 they've got some other funders recognized on that
18 sign, but no mention of the Fund. Same situation
19 for Roanoke Valley Greenway and Visitor Center.

20 And then this was 1 of Damon's particular
21 favorites here. He's got a picture of a sign
22 with some information about snot otters, or
23 eastern hellbenders, if you'd rather.

24 So that did bring up our idea of potentially
25 not only taking advantage of this, the surface

1 here, but the side surface where we could
2 potentially put a sign that would not altogether
3 look out of place.

4 So in evaluating our 2017 signage needs for
5 current or for upcoming projects, total number of
6 projects, including planning grants, is 127. Of
7 those 127, about 75 of them, or almost
8 60 percent, were appropriate for some kind of
9 signage, with an estimated percentage of those
10 projects that would get funded, 80 percent of our
11 funded projects would be appropriate for some
12 kind of signage recognizing the Fund.

13 And that would be an estimated annual
14 signage need of 35 signs. That's not including
15 the potential to add signs to previously funded
16 projects.

17 So Damon did a little bit of a mockup here.
18 This is not intended to be a final sign design,
19 just an example of something we could potentially
20 put together. Our options are to create roughly
21 an 8-inch-by-4-inch sign that would be basically
22 designed to go on the edges of those kiosks, or
23 on a standalone post if needed, and additionally
24 create a little bit larger 8-by-12 sign that
25 would be more appropriate for areas to have

1 unused kiosk space or a situation that is
2 appropriate for a little bit larger sign.

3 So estimated cost here, working through Voss
4 signs, a \$60 setup design fee plus small fee for
5 changing sizes, doing both the 9-by-12s and the
6 4-by-8s, for an estimated initial cost somewhere
7 around 1,000 to \$1,200. And at that rate, staff
8 feels like we can work through administrative
9 funds rather than having to tap into potential
10 grant funds to fill that need.

11 So lastly here, we have a proposed contract
12 language that, of course, we need to be approved
13 by DNCR legal staff. A grant recipient agrees to
14 post signs satisfactory to the Fund at sites that
15 were determined appropriate for public access
16 and/or public education by the Board. Signs will
17 be posted in areas such as trail heads, parking
18 areas, kiosks or boat ramps. Signs may be
19 provided by the Trust Fund or created by the
20 grant recipient.

21 If created by the grant recipient, the sign
22 must acknowledge the Trust Fund as a funding
23 partner and be approved by the Fund. Signage
24 requirements will be available on CWMTF website.

25 So I guess to sum things up, we feel that we

1 can take care of this issue utilizing those
2 administrative funds and help to get signs on
3 future projects as well as some of our previously
4 funded projects.

5 MS. CAWOOD: Thank you. Any questions?

6 MR. KICKLER: Would there be any problems
7 or, like -- not problems -- like working with
8 other state agencies. There are certain
9 requirements for signs. Would we run into any of
10 that? Is there, like, a standardized sign or is
11 it, like, 1880's when we worried about the gauge
12 of the railroads, you know. Companies had
13 different -- it didn't work.

14 MR. MERCER: Not that we are aware of.
15 That's something we have discussed a little bit
16 looking into when we're working with other state
17 agencies. 1 thing that did come up is to make
18 sure that we don't create anything that resembles
19 a DOT road sign or anything along those lines,
20 but there's nothing else that we are aware of at
21 this time.

22 MR. KICKLER: Then I was wondering what the
23 signs -- I was wondering if -- and I don't know
24 to what extent our partners and our customers
25 have broadened the definition of signs. What I'm

1 saying here is, like, virtual signs online or
2 ancillary materials. Will there be brochures?
3 Do they currently put clean water -- I would
4 imagine not, some do, some don't, clean water
5 logo on the website, on any ancillary materials,
6 like a brochure, greenway brochure or a link?

7 MR. MERCER: Damon may have seen it a little
8 bit different, but I've not seen our logo on any
9 of those places, but I have seen both brochures
10 and web information that lists us as a partner on
11 the project.

12 MR. BRAGG: Mr. Chair, I just had a comment.
13 I think this is great work, Jason, the signs.
14 There were venues that basically say: Funded by
15 Clean Water Management Trust Fund, which is a
16 stretch because we're just partners. So if you
17 did interject a word, very much I like
18 partnership, and you could simply change what you
19 say in using that.

20 Instead of saying, Funded by Clean Water
21 Management Trust Fund, which is kind of a
22 stretch, you could say, Funded in part or funded
23 in partnership. And you could -- and then you
24 could accomplish that. If you say funded in
25 part, you're exactly correct. That's the key

1 word. I mean, I brought that up at the last
2 meeting.

3 I think the less words possible on the sign,
4 the more they're going to see, so if it says,
5 Funded in part by Clean Water Management Trust
6 Fund and whatever logo we have, you've got it
7 done. More words you got, I rarely ever read
8 past the first paragraph. That's my statement.

9 MR. TOOLE: Thank you very much. QR code is
10 a great idea or something along those lines. If
11 we can go to the language proposed in the
12 agreement, right there. If you would say, Grant
13 recipient agrees to post and maintain signs,
14 because this will be an ongoing need because
15 these things are going to wear out or whatever.
16 Other than that, I think this is fabulous, and I
17 want to thank you all and Greer for taking the
18 initiative to get this done. People need to know
19 where their money goes, and this is an example.

20 MR. BRAGG: Mr. Chairman, I hate to raise
21 another question. I may be wrong, but the logo
22 that we have with the drop of water with the
23 circles reminds me of 1 that the natural gas
24 industry, which I think -- am I wrong? I mean,
25 have you ever seen that symbol? But I think we

1 need to check that out because it does remind me
2 of some I've seen, and I think it's the natural
3 gas industry.

4 MR. MERCER: Yes, our intent is to hold off
5 on any design or language on the sign pending
6 current proposed legislation to change the Fund's
7 name, so anything that we would do design-wise
8 would take any of those decisions into account.

9 MS. CAWOOD: 1 thing that Justin did mention
10 but was part of both discussions we had on the
11 signage is we wanted to make sure it was going to
12 be paid for through administrative funds, and
13 putting our name out there and signs out there
14 wouldn't take away from funding any of the great
15 projects that we fund. So I just wanted to make
16 sure everybody knew that was part of both
17 discussions that the committee had, the
18 importance of that.

19 MS. KUMOR: Does that mean that we will
20 provide the signs --

21 MS. CAWOOD: Uh-huh.

22 MS. KUMOR: -- for all these projects?

23 MS. CAWOOD: Great. Well, then, the
24 committee recommendation is to request staff to
25 move forward on the purchase of signs as needed,

1 determined by staff, and to post at current and
2 past projects, and to pay for the purchase out of
3 administrative funds.

4 MR. KICKLER: The committee has made the
5 recommendation, so that means there's a motion
6 and a second. I personally am wondering if there
7 can be an addition to the recommendation, and
8 that is like a motion to encourage grant
9 recipients to include the Clean Water logo on
10 their respective website and ancillary media and,
11 if possible, to provide a link to the Clean Water
12 Management Trust Fund. Would anyone entertain
13 that addition to it?

14 MS. CAWOOD: Yes.

15 MR. KICKLER: There is a motion by Trustee
16 Cawood to add to the committee's recommendation
17 that we encourage grant recipients to include the
18 Clean Water Management Trust Fund logo on their
19 respective website and ancillary media and that
20 they provide, when possible, a link to the Clean
21 Water Management Trust Fund. Is there a second?

22 MR. VINES: I'll second that, Mr. Chairman.
23 I would like to make a quick comment. Any time
24 we fund projects, usually it's upwards of
25 millions of dollars what we do. I just feel like

1 the recipient of the million dollars and what
2 they're doing, they ought to be able to pay for a
3 sign every so often when we need it. That's just
4 a comment, sir.

5 MR. KICKLER: Thank you. Trustee Cawood has
6 made a motion and Trustee Vines made the
7 second -- who made the second?

8 MR. VINES: I did.

9 MR. KICKLER: I thought so. Second. Is
10 there any discussion regarding the amendment to
11 the committee's recommendation? If there's no
12 discussion, all in favor of the amendment to
13 encourage grant recipients to include the Clean
14 Water logo on the respective websites and
15 ancillary media and, when possible, provide a
16 link to the Clean Water Management Trust Fund
17 website, please say aye.

18 MR. DuFOUR (via telephone): Aye.

19 MR. KICKLER: All those opposed.

20 (NO RESPONSE)

21 MR. KICKLER: Thank you. The amendment to
22 the Administrative Committee's recommendation has
23 been passed. Now we'll go to the discussion of
24 the committee's recommendation as amended --
25 rather, I meant to say, is there any discussion

1 regarding the Administrative Committee's
2 recommendation as amended? If there's not, all
3 those in favor of adopting the Administrative
4 Committee's recommendation and Old Business 1b)
5 as amended, please say aye.

6 BOARD OF TRUSTEE MEMBERS: (AYE).

7 MR. DuFOUR (via telephone): Aye.

8 MR. KICKLER: All those opposed?

9 (NO RESPONSE)

10 MR. KICKLER: The motion -- I mean, Old
11 Business 1b), Administrative Committee's
12 recommendation as amended has been adopted.
13 Thank you. Moving on. We will turn our
14 attention to Old Business 2, which is stewardship
15 Endowment Report & Annual Deposit and Withdrawal
16 Request. And will someone tell us a little about
17 this?

18 MR. SUMMER: Thank you, Mr. Chairman.
19 Before I get into this, I'll give you a real
20 quick refresher of what the stewardship endowment
21 is for. So when we protect a piece of property
22 if it goes to the state, we use the dedication of
23 the Major Preserves Act. If it is owned by a
24 private landowner or land trust conservancy, we
25 put a state-held easement on it and set aside

1 some money in our endowment to generate interest
2 to monitor that each year or, more accurately, to
3 pay for our land stewards, our land trust
4 partners to monitor that each year.

5 So whenever you look at a budget for an
6 acquisition project, there may be 10 to \$20,000
7 set aside for stewardship endowment, and that
8 doesn't go to the applicant at the end of the
9 project. We put it into our endowment, enter the
10 principal, and it generates interest each year,
11 which we then use to pay for the monitoring in
12 perpetuity.

13 We also pay for other stewardship program
14 expenses out of that. There is a stewardship;
15 it's sort of a like a mini grant, but it's a
16 management award. This is an award of up to
17 \$2500 for projects that we already have an
18 easement on to do things that enhance the
19 conservation value, such as if a property is
20 having trespassing issues, we would help them put
21 up a gate.

22 If it has invasives that are going in and
23 affecting the native plant community, we would
24 help them treat those invasives. Sometimes it's
25 a riparian planning effort; generally things of

1 those nature that are small amounts of money but
2 go a long way in enhancing the conservation
3 benefit of the projects we've already protected.

4 So each year once a year, I brief you all on
5 how the endowment is doing and then make a
6 request of you to approve the expenses that I'm
7 going to incur each year in the stewardship
8 program as well as authorize the chairman to sign
9 the deposit agreement with the treasurer's
10 office, as is the requirement.

11 So with that said, on the second page of
12 your agenda, what's up on the green screen here,
13 I want to talk about a few of the key numbers.
14 I'll skip over most of them so you won't get
15 bored, but the first thing I'd like to note is
16 the top three boxes here essentially represent
17 the activity in each of our three investment
18 funds.

19 So we have a bond investment fund; we have a
20 short-term investment fund, which is essentially
21 a cash fund; and then we have our equity
22 investment fund. And you can see how much we
23 have dedicated to principal in each of those and
24 how much we have in interest. Scroll down just a
25 little bit for me. Right here on line 21, this

1 is how much interest this fund has earned this
2 fiscal year to date, and on line 22 -- which is
3 \$453,000 -- and line 22, this is how much
4 available interest we have, which is the current
5 value of the Fund minus the principal, the
6 principal being the sum total of all the deposits
7 we've made on behalf of all of our projects in
8 the endowment fund.

9 So anything that is above our non-wasted
10 endowment principal is, quote, unquote, useable
11 interest in the Fund. So it's almost
12 1.2 million. Needless to say, that's more than
13 our annual expenses, which I'll talk about in a
14 moment.

15 Terri, if you'll scroll down a little bit.
16 That's perfect. So lines 22 through 25 show the
17 current fund balance between each of our three
18 funds, and in the second column, there's the
19 asset allocation target. This was decided on by
20 the Fund in previous years, and basically it
21 states that 8 percent of our investment roughly
22 will be in the bond investment fund; 22 percent
23 will be in the short-term investment fund; and
24 70 percent will be in equities.

25 And as these funds earn at different rates

1 over given years, this will slowly get out of
2 balance. And where it is right now is the equity
3 fund has had a stronger growth and is a little
4 over 4 percent higher than the target, and the
5 other two, because they have not grown as strong,
6 have a difference of 2 percent.

7 So one of the questions I'll be asking the
8 Board is: Should I in my annual investment go
9 ahead and rebalance these funds back to the
10 target allocation that the Board decided on in
11 previous years.

12 Next I'd like to talk about the actual needs
13 of the stewardship program for this year, so
14 starting here on line 26, we have a little over
15 \$40,000 cash left over in unspent previous year's
16 contracts and funds. All the stewardship
17 contracts that I have just sent out for this year
18 will total just over 119,000, and the management
19 fund requests that we have, end of this year,
20 total 15,000.

21 So the maximum need of the stewardship
22 program this year is \$94,558.23. So that's the
23 amount I would request the Board to withdraw from
24 the stewardship endowment interest, the needs for
25 the next year.

1 Going down to line 30, we have closed 17
2 projects, which had a state-held easement and,
3 therefore, an endowment amount associated with
4 them, and the total of those 17 project
5 endowments is \$262,225. So I will ask the Board
6 to approve the deposit from our 2002 grant fund
7 into the endowment fund also at the same time.

8 The important points of this are that we've
9 had net positive returns for this year and that
10 there is plenty available in interest to meet the
11 needs of the program. There is an opportunity to
12 readjust funds and the amounts that we'll need to
13 deposit and withdraw from the endowment, which
14 have also been explained.

15 We'll go on up here to the previous page.
16 So there are basically three Board actions I'm
17 requesting. The first is to allocate up to
18 15,000 for the stewardship management awards; the
19 second will be to approve the deposit of \$262,225
20 to the principal and withdraw \$94,559 from the
21 interest; and, finally, approve or not approve
22 the recommendation to reallocate money between
23 the funds to give them back their money.

24 With that brief explanation, I will be happy
25 to take any further questions if you want to get

1 into the numbers more.

2 MR. KICKLER: Are there any questions for
3 Will? Trustee Bragg.

4 MR. BRAGG: Will the stewardship requirement
5 in line item 27, is generally that a fixed amount
6 or do the land trusts ask for more as inflation
7 occurs?

8 MR. SUMMER: Well, we have not adjusted our
9 awards for inflation yet, although there have
10 been a few instances where land trusts have
11 been -- have discussed that. What I do do each
12 year is, for instance, this year we posed 17 new
13 projects. If a land trust has two new projects
14 going on the roll, I'll add, of course, that
15 amount to the contract amount. So it goes up
16 each year at the moment only according to the new
17 projects.

18 We have not adjusted the reimbursement rate
19 for them, and it's currently capped at \$50, the
20 maximum reimbursement rate for hourly work for
21 the land trust, and for most, that seems to be
22 adequate.

23 MR. BRAGG: Well, that's the way I
24 remembered it was set up. And the reason I bring
25 up the question, most of the land trusts have

1 their own endowments for stewardship of the
2 properties, and those endowments, like this
3 endowment, most of them have had appreciation,
4 and they generally pay to themselves 5 percent of
5 the value of the endowment. I don't know how you
6 do yours, Walt. That is in general --

7 MR. CLARK: Generally.

8 MR. BRAGG: -- the way most of them run. So
9 they're used to expanding the scope of their work
10 in the stewardship area, and we are still having
11 some influence. And I raise that question
12 because I was surprised the land trust hadn't
13 come to us and say, We need more money to get
14 this job done. That's where I'm going. And
15 that's one of the reasons we have such a surplus,
16 because we've not really given them a raise, so
17 to speak.

18 MR. SUMMER: This is true.

19 MR. BRAGG: I don't necessarily want to do
20 that, but I think we need to think about that.

21 MR. SUMMER: I can say that -- and I can
22 only think of 1 land trust at the moment. What
23 I've had them do is when they spend more -- and I
24 guess they're capped in two ways. 1 is the
25 hourly rate, and the other is a function of the

1 amount that they had a split endowment on their
2 behalf to begin with.

3 So, for instance, it was, for the sake of
4 having a nice number, a \$25,000 endowment.
5 They're eligible for up to \$1,000, four percent
6 of that each year for interest, so they can reach
7 that cap in kind of one of two ways. 1, they can
8 say that their staff cost more than \$50 an hour,
9 and that's 1 issue; and the other 1 is they can
10 say that they need more over all funds to cover
11 the expenses.

12 Now, most land trusts have been conservative
13 enough in their estimation that they don't often
14 run into the total cap on any given property,
15 which is part of where that \$40,000 in line 26
16 comes from. I make the contracts for the full
17 amount, and based on the amount of hours they
18 spend on the site, I -- there's money left over
19 each year.

20 But I am tracking it, and I guess I've not
21 heard from 1 so far, but it's not on occasion,
22 certain properties not meeting the need, which is
23 something I'm happy to look into. I'm sure they
24 would be thrilled to hear it was brought up.

25 MR. BRAGG: So our procedure is just to wait

1 and see what happens and make adjustments that
2 might occur?

3 (MR. SUMMER NODS HEAD UP AND DOWN)

4 MR. KICKLER: Any other questions or
5 comments?

6 MR. TOOLE: Has there been much need, well,
7 not for evaluation but for actually repair, or
8 we'll call it mainland restoration?

9 MR. SUMMER: To some degree we've handled
10 that primarily three ways. 1 is through the
11 stewardship management awards that helps with
12 things that are less than a hundred dollars. A
13 good example, this year, Party Rock and some of
14 the other fires you guys are familiar with out in
15 the western part of the state, some of the
16 wildfires burned on those areas. There were
17 dozer lines installed in the emergency situation
18 that needed rehabilitation.

19 And what I do on those is I left myself
20 flexibility in the contract such that if a land
21 trust contacts me and says, Our total contract
22 for our properties is \$10,000 this year. We
23 expect to have a thousand left over, and I would
24 like to spend more time doing some rehab on Party
25 Rock. Then I'll approve that and we will pay

1 them for leftover funds in that contract.

2 And a third is if it's something really big,
3 there was an issue I brought before the Board, I
4 want to say two-and-a-half years ago, where I can
5 request that the Board allow me to use a big
6 chunk for some sort of a major issue. But the
7 existing policy allows for up to \$5,000 of unused
8 monies from the previous year to be used at the
9 discretion of staff and executive director for
10 those sorts of unexpected issues that come up.

11 MR. TOOLE: So do we expect the surplus to
12 keep growing exponentially? Well, I mean, it's
13 an important question because --

14 MR. SUMMER: I don't know.

15 MR. TOOLE: -- a surplus is nice to have if
16 you have a purpose for it, but just to have it
17 around, it's not serving a purpose. Right? Do
18 you agree with this, Mr. Bragg?

19 MR. BRAGG: Not exactly. An endowment has a
20 very long horizon that we --

21 MR. TOOLE: But I'm talking about the
22 surplus of interest as opposed to -- not
23 principal. You don't want to touch the
24 principal, but we're very conservative in
25 using --

1 MR. BRAGG: We could have a 30 percent drop
2 in the stock market at any time. I mean, 10
3 percent is very realistic. So the fact that we
4 are ahead a little bit, I mean, we shouldn't
5 think that we've got all this extra money, so
6 let's spend it. I only bring up the issue about
7 endowments with land trusts because reality at
8 some point, they should ask for more money, I
9 think, don't you?

10 So the fact that we have a pretty good stock
11 market has got us in a surplus position, but it's
12 a good position to be in, and I certainly don't
13 want to spend the money because we'll need it in
14 the future.

15 MR. KICKLER: Any other questions? If there
16 are none, because of the nature of the agenda
17 item, bear with me. I'm going to read it line
18 item by line item, if you will, the actions that
19 are needed. 1 last time, are there any other
20 questions or comments?

21 Is there a motion to approve the staff
22 recommendation to allocate up to \$15,000 for the
23 stewardship management awards?

24 MS. KUMOR: So moved.

25 MR. KICKLER: Trustee Kumor has made a

1 motion. Is there a second?

2 MR. BRAGG: Second.

3 MR. KICKLER: Trustee Bragg has made a
4 second. If there's no discussion, all those in
5 favor, please say aye.

6 BOARD OF TRUSTEE MEMBERS: (AYE).

7 MR. DuFOUR (via telephone): Aye.

8 MR. KICKLER: All those opposed?

9 (NO RESPONSE)

10 MR. KICKLER: The motion has carried. Trust
11 Fund, or the Board, has approved the staff
12 recommendation to allocate 15,000 for the
13 stewardship management awards.

14 Is there a motion to approve the staff
15 recommendation to deposit \$262,225 to the
16 endowment principal and withdrawal of \$94,559 in
17 interest to fund the program expenses?

18 MR. BRAGG: So moved.

19 MR. KICKLER: Trustee Bragg has made a
20 motion. Is there a second?

21 MS. KUMOR: Second.

22 MR. KICKLER: Trustee Kumor has made a
23 second. If there's no discussion of questions
24 all those in favor, please say aye.

25 BOARD OF TRUSTEE MEMBERS: (AYE).

1 MR. DuFOUR (via telephone): Aye.

2 MR. KICKLER: All those opposed?

3 (NO RESPONSE)

4 MR. KICKLER: The motion has been adopted.

5 Moving on to board action 3. Is there a
6 motion to approve the staff recommendation to
7 reallocate money between the funds in order to
8 reset the balance to the targets previously set
9 by the Board; is there a motion?

10 MR. VINES: Motion here.

11 MR. KICKLER: Trustee Vines has made a
12 motion. Is there a second?

13 MS. CAWOOD: Second.

14 MR. KICKLER: Trustee Cawood has made a
15 second. If there's no discussion, all those in
16 favor, please say aye.

17 BOARD OF TRUSTEE MEMBERS: (AYE).

18 MR. DuFOUR (via telephone): Aye.

19 MR. KICKLER: All those opposed.

20 (NO RESPONSE)

21 MR. KICKLER: The motion has carried. Let
22 the record show that the trustees have adopted
23 all the Board actions items and Old Business 2.

24 Before we move on to new business 1
25 through 6, 1 through 5 in particular, I think

1 it's appropriate for us to take a five-minute
2 break right now. So let's be back around 2:30.

3 (RECESS TAKEN)

4 MR. KICKLER: If we could reconvene, first
5 item listed is Request to Amend Conservation
6 Easement, Donahue Creek, Caldwell County,
7 2004A-002. And for a further explanation of
8 this, I turn it over to Mr. Summer.

9 MR. SUMMER: Thank you, Mr. Chairman. All
10 right. I'd like to give you a little bit of
11 background on the property before I discuss the
12 request. This is a 2004 project. Caldwell
13 County was awarded a grant to protect 180 acres
14 of riparian buffer out of a 400-acre tract for a
15 future drinking water reservoir that they were
16 planning.

17 MR. KICKLER: Excuse me. Trustee DuFour,
18 are you on the phone?

19 MR. DuFOUR (via telephone): Yes.

20 MR. KICKLER: Okay, thank you. Let the
21 record show that all seven of the trustees are
22 present. Let the record show we've reconvened,
23 and six trustees are present in person and 1 has
24 called in. There are seven trustees total.

25 Sorry to interrupt.

1 MR. SUMMER: No problem at all. So in 2012,
2 the county decided against their plans for the
3 reservoir and sold the property in two parcels to
4 two different landowners. 1 was Mr. Tony Jones
5 who made this request. That property contains
6 approximately 17 acres of our easement on a small
7 unnamed trib to the Yadkin River. I will note
8 that the easement was recorded when he purchased
9 the property, and he was aware of the easement
10 and its restrictions.

11 In 2015 Mr. Jones requested that the
12 easement be amended to reduce the buffer from
13 300 feet down to 25 feet and that the remaining
14 15 acres of the 17-acre easement be converted to
15 a working land easement. In exchange for that,
16 he was suggesting that an additional 26 acres of
17 his farm be placed under a working lands
18 easement. That easement had approximately
19 250 feet of stream included.

20 The Board considered that request but did
21 not approve it. So the current request,
22 Mr. Jones has proposed that the easement be
23 amended to reduce the buffer to 300 feet down to
24 not less than 100 feet, a little more in some
25 places, and that the remaining area of the

1 existing easement be converted to a working land
2 easement. That's approximately 10 acres of that
3 easement.

4 In exchange for that Mr. Jones has proposed
5 that he could record an easement on an additional
6 11 acres he owns in an adjacent county, Wilkes
7 County. It's about 6 to 7 miles away directly.
8 That would have a 300-foot buffer on Pumpkin
9 Creek, which is a tributary of the Kerr-Scott
10 Reservoir. It's class B, trout water and WS4
11 rating. In this transaction, stewardship costs
12 would be paid by Mr. Jones.

13 Let me go to a map and just show you what
14 this looks like here. So on the left image, the
15 entirety of the shape outline in blue is the
16 current existing easement. And what Mr. Jones is
17 proposing is that the outer area here kind of
18 shown, the blue hash mark, be converted to a
19 working land easement where he could do timber,
20 standing timber, perhaps turn it into pasture.

21 I'm not sure what his ultimate intentions
22 are, but it would be a standard easement that
23 would allow him to do either of those two, any
24 basic working land activities. And that area
25 affected by the amendment would be approximately

1 10 acres, as I mentioned.

2 On the right-hand panel is the easement that
3 he is pre-posing on a stream called Pumpkin
4 Creek. That easement is just under 11 acres, and
5 that would be the standard -- standard clean
6 water easement.

7 Next I'll go through each 1. This is a shot
8 of the existing easement, the unnamed trib to the
9 Yadkin River. This is another photo of that
10 easement looking down the hill towards the
11 stream. This is the area on Pumpkin Creek that
12 he's proposing. The waterfall itself is not in
13 the -- the property line actually goes, probably
14 right at the base of that, based on the best that
15 I can tell, right at that area.

16 This is another shot of Pumpkin Creek, and
17 finally, as you're all aware, and it was included
18 in the fourth packet, we have an easement
19 amendment policy that outlines several
20 circumstances under which an easement would be
21 amended. The first two speak more to public
22 utilities, and we'll talk about those when we get
23 to the next two requests that pertain to DOT
24 roads. And the third is this other circumstance.

25 And these are the six points that the Board

1 has put in that policy, and these are largely
2 borrowed from the Land Trust Alliance document to
3 put in there, and I'll read them out just so we
4 can contemplate them. I believe these are kind
5 of -- this is the pertinent part of the policy
6 for discussion the Board may have.

7 First 1 is that the amendment must clearly
8 serve public interest and provide a public or
9 community benefit.

10 The second is that it have a net beneficial
11 effect on the relevant conservation values
12 protected by the easement.

13 Third is not result in private benefit other
14 than the benefit inherent to the conservation
15 agreement.

16 Must be consistent with the conservation
17 purposes and intent of the easement.

18 Must be consistent with the documented
19 intent of the donors, other grantors, and any
20 direct funding source.

21 And demonstrate that no practicable
22 alternatives exist and the impacts have been
23 minimized.

24 With that, I will turn it over to the Board
25 for discussion or further questions they may have

1 about this.

2 MR. KICKLER: Are there any questions for
3 Will? I'll start off with 1. So we have -- at
4 this time we don't know what the land will be
5 used for?

6 MR. SUMMER: We don't --

7 MR. KICKLER: Working land.

8 MR. SUMMER: We kind of have to assume that
9 if we wrote a standard working act, he could any
10 number of -- anything other than put a structure
11 in there. So it could be pasture. It could be
12 timber to pasture. It could be timber to be
13 planted to trees. I suppose it could be road
14 crop, although looking at the topography,
15 probably it would be pasture.

16 MR. KICKLER: Trustee Toole?

17 MR. TOOLE: So if we reduced from 300 to a
18 hundred foot buffer, what's your best guess --
19 and he went to pasture, say. What's your best
20 guess about the impact upon that tributary now
21 protected with a buffer?

22 MR. SUMMER: I've walked that, and the line
23 that he is proposing is more or less on the
24 shoulder of the slope, so where the steep
25 property breaks to less steep property. I don't

1 think it would be catastrophic.

2 MR. TOOLE: Catastrophic is a big word.

3 Let's go to something smaller. Is it good, bad,
4 or indifferent?

5 MR. SUMMER: I would say it's a modest
6 impact. The most important part of the buffer is
7 the part closest to the street, given the size of
8 what's there.

9 MR. TOOLE: And you've walked Pumpkin Creek.
10 Can you get excited about Pumpkin Creek or do you
11 not care about it?

12 MR. SUMMER: There's nothing wrong with
13 Pumpkin Creek.

14 MR. TOOLE: He doesn't care about it.

15 MR. SUMMER: It's by itself.

16 MS. CAWOOD: That was going to be my
17 question. It doesn't have any other protected
18 land?

19 MR. SUMMER: Not at the moment. It's a fine
20 creek and it has a good water quality rating, but
21 it's a disjunct parcel.

22 MR. TOOLE: So recognizing that we make the
23 final decision, what's your thought about, is
24 this good for the Trust? Not is it indifferent
25 or neutral. Is it good for it?

1 MS. CAWOOD: Will, can I help you on one
2 point?

3 MR. SUMMER: Sure.

4 MS. CAWOOD: Does it meet our easement
5 amendment policy in any way?

6 MR. SUMMER: I think that I -- the
7 conservation benefit is not the biggest concern
8 on this particular 1, but there is to some degree
9 a precedent that would be set by this, and there
10 are many landowners who you might hear from in
11 future meetings, not to mention the conservation
12 community has expressed that the amendment of
13 easements is meant to be a rare thing, and only
14 whether there's a clear unavoidable need for
15 public benefit.

16 MR. TOOLE: I withdraw my question.

17 MR. CLARK: May I ask, Mr. Chairman, I would
18 say I would agree with Will. The conservation
19 community -- I was part of the community for
20 years -- rarely grants easements, particularly in
21 this situation. There was an easement on the
22 property when it was bought, so the gentleman
23 requesting this easement was aware of it. And,
24 again, easements, as Will articulated, should
25 only be amended in those rare, rare

1 circumstances.

2 Because of the precedent, you will have
3 people who will come along later and say, We did
4 it for somebody, and you might need it from me.

5 MS. CAWOOD: Mr. Chairman, I'll move that we
6 deny this request.

7 MR. TOOLE: Second.

8 MR. KICKLER: Trustee Cawood has made a
9 motion that we deny a request as described in New
10 Business 1. Trustee Toole made a second. Is
11 there any other discussion or are there any more
12 questions regarding this request?

13 MR. BRAGG: I just have a comment. I'm
14 opposed to amending this, but I was opposed to
15 even creating a language to let this happen. I
16 didn't want the land trust to say, What is
17 possible to amend this thing? So I just want to
18 be on record as saying that, I don't even like
19 this. It's already done. I lost that battle.
20 So move on.

21 MR. TOOLE: I would like to say that the
22 reason for me why I think this needs to be denied
23 and why I seconded the motion, among other
24 things, among the six factors, there's no net
25 beneficial effect on the relevant conservation

1 values, and, therefore, it's not even a
2 conversation to have. It might be a conversation
3 if there was some colossal value being gained.

4 MR. KICKLER: Thank you. This is a robust
5 policy put in place for those very rare
6 exceptions when there is a colossal improvement
7 for that, but we have a motion and a second to
8 deny the request as described in New Business 1.

9 If there are no more comments or questions,
10 all those in favor of the motion to deny a
11 request as described in New Business 1, please
12 say aye.

13 BOARD OF TRUSTEE MEMBERS: (AYE).

14 MR. DuFOUR (via telephone): Aye.

15 MR. KICKLER: All those opposed.

16 (NO RESPONSE)

17 MR. KICKLER: The motion is carried, and
18 we'll deny the request as described in New
19 Business 1.

20 THE COURT REPORTER: Mr. Chairman, I'm
21 sorry, that noise outside, I can't hear when you
22 folks are that far away from me with that noise
23 outside (referring to lawn work being performed).

24 MR. KICKLER: Is there a way for you to come
25 closer?

1 (DISCUSSION OFF THE RECORD)

2 (RECESS TAKEN)

3 MR. KICKLER: Okay. We will move on to New
4 Business 2, which is a request -- which is
5 another request to amend the conservation
6 easement. This one is Mills River, Henderson
7 County, 1998B-303. And, again, I'll turn it over
8 to you.

9 MR. SUMMER: Thank you, Mr. Chairman. So
10 this request and the next are both similar in
11 that they're both DOT requests to increase the
12 right-of-way associated with ridge improvement
13 and replacement projects. The easement amendment
14 policy for public utilities projects actually
15 allows this type of project if it's small enough
16 to be decided at staff level with consent of the
17 executive director. Each of these is just over
18 that threshold, or over that threshold, so it is
19 being brought to the Board. Were they smaller,
20 you may not see them.

21 This first one, I'll give a little bit of
22 background. In '98, we awarded a grant to the
23 Asheville Regional Water Authority to do several
24 things, some stream bank stabilization to
25 relocate a pesticide mixing tank and protect

1 certain riparian areas of the Mills River under
2 conservation easements.

3 This easement was recorded in '04 and was
4 just under four acres. So the Department of
5 Transportation is planning to replace the bridge
6 on State Road 1353, Hooper Lane, in Henderson
7 County. That's currently a single-lane bridge
8 and is going to be replaced with a two-lane
9 bridge.

10 The new bridge will encroach on our easement
11 by .417 acres, which is 10 percent of the
12 easement area, which is over the threshold of
13 5 percent, so this request is coming before the
14 Board for a decision. I'll go to the next slide
15 and briefly walk you through the plan.

16 So the existing bridge is right here,
17 outlined in the kind of the mustard yellow, and
18 our easement is on the south, or the bottom
19 right, of this area. So the new bridge is going
20 to be a two-lane bridge. They're building it
21 directly adjacent to the single-lane bridge.

22 I asked the DOT folks why they wouldn't
23 replace it in place, and it came down to a few
24 reasons, but one is because it's a single-lane
25 bridge, so they can't -- in order to replace it

1 in place, they'd have to close it completely, and
2 this would require a lot of traffic, including
3 farm equipment, to get on the major highway to
4 get around, and it would be a detour of four
5 miles and there was a safety and access issue.

6 So this easement, everything highlighted in
7 yellow here is that .4 acres that is encroaching
8 on our easement. So DOT is requesting that we
9 release .4 acres of the conservation easement to
10 them so they can replace this bridge and also
11 authorize the state property office to allow a
12 right of entry agreement for a temporary
13 construction easement on .054 acres.

14 And a temporary construction easement is
15 just that. It's an area that they will need to
16 access on during the construction, but after that
17 time, they will not be permanently encroaching on
18 it and they can go back and be replanted and
19 revegetated.

20 So that is the request.

21 MR. KICKLER: Okay. Thank you. Can you
22 tell us again why this particular request is
23 coming up to the Board level?

24 MR. SUMMER: Certainly. Because it's a
25 small easement, the whole easement is only four

1 acres, and though the impact is relatively small,
2 four tenths of an acre, it exceeds the threshold
3 of 5 percent, which was set by the Board in
4 policy.

5 So if the riparian tract had been larger, it
6 would be a smaller impact to the Board. Because
7 it's less than an acre, then the Board would
8 decide between -- at the staff level.

9 MR. KICKLER: Are there any questions?

10 MR. TOOLE: I can't help myself. Are they
11 going to compensate us for our taking?

12 MR. SUMMER: They will.

13 MR. TOOLE: How much?

14 MR. SUMMER: I believe the figure on this
15 was 20,000 an acre times, four tenths of an acre,
16 so 8,000.

17 MR. TOOLE: How much did we spend on it; do
18 you recall?

19 MR. SUMMER: I do not, but given that it was
20 1998 in Henderson County, I suspect it was less
21 than that, and our policy generally says that its
22 current value, or what we have invested in it,
23 whichever is greater. In this case I think it's
24 safe to say we don't need an appraisal to check
25 that, but I will look in the records.

1 MR. TOOLE: And am I correct the DOT could
2 take it anyway through a taking, condemnation?

3 MR. SUMMER: DOT says they could -- let me
4 rephrase that. I'll be as brief as I can, and
5 Hank will find this amusing, I'm sure.

6 According to the folks at the Department of
7 Justice on behalf of DOT, they can. According to
8 the folks at the Department of Justice on behalf
9 of the State Property Office, they cannot. I've
10 been working with our legal counsel on getting a
11 decision on that because it does have
12 implications on us for this and other reasons,
13 but in all my time here, it depends on who you
14 ask, so maybe.

15 MR. FORDHAM: That's the same lawyer, given
16 the fee.

17 (LAUGHTER)

18 MR. TOOLE: That sounds like the advice I've
19 given on many occasions.

20 MS. KUMOR: That's why you take the money
21 and run.

22 MR. TOOLE: Let me ask because if this
23 hadn't come to us, if it had been below the
24 threshold, what do you think your decision might
25 have been at staff level?

1 MR. SUMMER: I think for this and many
2 similar, we would have approved it. I mean, it's
3 a public safety and public benefit issue.

4 MR. TOOLE: And we're getting compensated.

5 MR. SUMMER: We're getting compensated, and
6 the Board has been somewhat deferential to these
7 types of bridge improvement projects in the past.

8 MR. BRAGG: Will, I have a question. Does
9 the state still not have to condemn the land in
10 order for it to happen? I mean, I've been
11 involved with some of these issues, like sewer
12 lines, and the land trust can't relinquish or
13 give them that right-of-way. They have to go
14 through condemnation.

15 MR. SUMMER: Many land trusts, either by
16 policy or choice, choose to require condemnation.
17 Sometimes it's --

18 MR. BRAGG: You can write it so it's not,
19 yeah, but most of them have been written so they
20 have to go through condemnation.

21 MR. SUMMER: Ours are not subject to that,
22 and we're not sure that DOT can actually condemn
23 on us anyway. This is one of the other soft
24 issues that gives me a little, I guess,
25 uncertainty.

1 MR. FORDHAM: There's a statute that
2 requires -- if you make the assumption that they
3 could condemn, there's a statute that requires
4 DOT to do an analysis. It applies to the private
5 order, if they can do it on a state easement,
6 before they even get to the question of --

7 MR. BRAGG: If there's any other choice.

8 MR. FORDHAM: If there's a feasible
9 alternative. And this is not in some of the
10 other broader maybe federal or state
11 environmental regulations. It's a specific
12 condemnation statute put in, and so Will and I
13 have been talking about an issue related to this
14 in another context, and it's sort of a balance.

15 We want the State to honor that process to
16 go through that analysis. That's one way they
17 condemn the private owners of a land trust
18 property, do not condemn the state's interest,
19 and that's sort of the context within which the
20 advice came out, so we haven't sorted through
21 that entirely.

22 MR. KICKLER: For the sake of time, we'll
23 move on. Are there any other questions or
24 comments for Will? If there aren't --

25 MR. TOOLE: Agree to the request to amend

1 the conservation easement, subject to the
2 compensation that's been discussed.

3 MR. KICKLER: Trustee Toole has made a
4 motion to approve the request as stated and New
5 Business 2 subject to the compensation amounts
6 that have been discussed. Is there a second?

7 MR. VINES: Second.

8 MR. BRAGG: I have a question.

9 MR. KICKLER: Trustee Vines has seconded.
10 There's a question.

11 MR. BRAGG: With regard to what Hank said
12 and the condemnation thing, I mean, I'm a little
13 bit confused because, Edgar, you remember about
14 eight years ago, we did get the legislature to
15 come up with some rules that would protect some
16 of the conservation easement from condemnation,
17 and the exemptions were sewer lines. And on
18 roads, as I remember, they have to show there's
19 no other alternative. Is that not right, Edgar?

20 I mean, that would apply here. I'm fine to
21 amend this one because it's small, but at the
22 same time, I don't want to lose some precedent
23 within that law. Make them jump through that
24 hoop, if necessary, to at least say that we've
25 explored and there's no other way to get over

1 this creek except right here or whatever. I
2 mean, is that important to us or not? Should we
3 pursue that?

4 MR. MILLER: Mr. Chairman, may I respond?

5 MR. KICKLER: Yes, but briefly.

6 MR. MILLER: I think Hank already alluded to
7 looking at that statute. I think that was
8 probably the statute you were looking at that was
9 passed in 2008, and my understanding was we have
10 carved out DOT from that statute in allowing them
11 to go through their typical environmental impact
12 statement process, which I assume is not being
13 done on this project?

14 MR. SUMMER: I think they still have to go
15 through an environmental impact statement for the
16 project, but I've not seen that, no.

17 MR. MILLER: To look at alternatives, so I
18 think that was our basis for carving them out,
19 saying they already have to go through a process.
20 Now, I know some rules have been changed on when
21 the state has to do an environmental impact
22 statement based on the dollar amount invested,
23 but I think it's worth trying to resolve that
24 issue because it is a very important concern.

25 MR. BRAGG: We don't want to lose it --

1 MR. MILLER: Exactly.

2 MR. BRAGG: -- if it's impactful for us in
3 the future.

4 MR. TOOLE: I don't think we waive any
5 future rights with regard to insisting upon
6 following an alternatives analysis or going
7 through the evaluation process on other projects
8 if we approve this one. In fact, I'm confident
9 we do not waive that ability to insist.

10 So if it's expedient to approve this one
11 under these circumstances, that's fine. If we
12 don't like the project or the proposal, then we
13 should not approve it, but I don't think that we
14 are jeopardizing our ability to insist upon the
15 law, whatever that might turn out to be, for
16 future projects.

17 MR. BRAGG: I trust you.

18 MR. TOOLE: That's a mistake.

19 (LAUGHTER)

20 MR. KICKLER: We have a motion by Trustee
21 Toole and a second by trustee Vines to approve
22 the Board action needed as described in New
23 Business 2 subject to the compensation that was
24 previously discussed. If there's no other
25 questions, all those in favor, please say aye.

1 BOARD OF TRUSTEE MEMBERS: (AYE).

2 MR. DuFOUR (via telephone): Aye.

3 MR. KICKLER: All those opposed.

4 (NO RESPONSE)

5 MR. KICKLER: The motion has been carried
6 and a recommendation has been approved. Moving
7 on to New Business 3, another request to amend a
8 conservation easement. This one is Beaver Creek
9 in Wake County. And, again, Will Summer will
10 tell us a little bit about it.

11 MR. SUMMER: Thank you, Mr. Chairman. In
12 2004 the Town of Apex was awarded a grant to fund
13 acquisition of a property on Beaver Creek for a
14 future nature park, which has now been developed.
15 The easement in question covered a little over
16 44 acres of a larger 60-acre tract. DOT is
17 planning to widen the bridge on State Road 1162
18 which is Apex Barbeque Road, in Wake County.

19 The planned bridge will encroach
20 approximately 1.2 acres into our easement. In
21 this one they are replacing the bridge in place.
22 In fact, I'll go ahead and show you the map.
23 They're replacing the bridge in place, but
24 because they're widening the bridge, they will
25 encroach, I believe it's 30 feet on either side.

1 Our easement is on both sides of this road into
2 our easement.

3 So without making the bridge narrower, I
4 don't think there's an alternative to encroaching
5 our easement in any way on this one. I will note
6 that a few days after I put this on the agenda --
7 or actually, a few days before I put this on the
8 agenda, somebody died at this turn. It's a
9 narrow bridge and it kind of makes the news
10 occasionally for wrecks because it is a narrow
11 bridge. Someone jumped the rail and ended up in
12 at the creek and passed.

13 So this was a pretty clearcut safety issue.
14 There's been a lot of talk about widening this
15 bridge for a long time, and this one was a last-
16 minute addition to the agenda because I didn't
17 want to wait until September to put this in front
18 of you so that we wouldn't be part of holding up
19 this process if it's something that the board
20 chose approve.

21 So in this image here, the existing
22 right-of-way is this area right here, and what
23 I've highlighted in yellow is the area where they
24 will encroach onto our easement with the new
25 bridge widening project.

1 Because this is approximately 1.2 acres of
2 encroachment, it's over the threshold, and, once
3 again, this one comes to the Board where, if it
4 were a smaller impact, it may not.

5 So with that said, I will take any questions
6 about this project.

7 MR. KICKLER: Are there any questions?

8 MS. KUMOR: Mr. Chairman, I move that we
9 approve the amendment to this easement.

10 MS. CAWOOD: Second.

11 MR. KICKLER: There's a motion to approve
12 the board action needed as described in New
13 Business 3. It's a motion by Trustee Kumor.
14 There's been a second by Trustee Cawood. Is
15 there any discussion regarding the amendment -- I
16 mean the motion? All those in favor of this
17 motion, please say aye.

18 BOARD OF TRUSTEE MEMBERS: (AYE).

19 MR. DuFOUR (via telephone): Aye.

20 MR. KICKLER: All those opposed.

21 (NO RESPONSE)

22 MR. KICKLER: The motion has carried.

23 Moving on to New Business 4, which is a request
24 for approval of Needmore Gamelands Dedication
25 Exception. And Will Summer, we turn the time

1 over to you, once again.

2 MR. SUMMER: Thank you, again, Mr. Chairman.

3 So a little background on this. In 2012 the land
4 trust for Little Tennessee, now known as the
5 Mainstream Conservation Trust, was awarded a
6 grant to assist with a purchase of a little over
7 39 acres in two tracts adjacent to the Little
8 Tennessee River. They subsequently transferred
9 that contract to the Wildlife Resources
10 Commission so that the Wildlife Resources
11 Commission could close on it directly and add it
12 to the Needmore Gamelands.

13 As is the normal process, whenever we
14 protect land for a state agency, instead of using
15 a conservation easement, we use dedication under
16 the Nature Preserves Act and we send our partners
17 in the Natural Heritage Program off to inventory
18 the property and to delineate and protect the
19 areas of interest to us.

20 The standard on wildlife resources land for
21 us is for them to, by default, regardless of what
22 resources are wrong, the terrestrial resources
23 are there to protect a hundred-foot buffer on any
24 streams and waterways, with the exception that
25 where there are federally listed species, it

1 bumps it up a 300-foot buffer, which there are in
2 the Little Tennessee River. That's the normal
3 arrangement.

4 On the Needmore Gamelands, in the past there
5 has been an exception to that easement, or
6 exception to that requirement on dedication, that
7 has only required a hundred-foot buffer on those
8 additions to the Needmore Gameland.

9 In addition, the Board heard and approved a
10 request, a similar request on the Raby tract -- I
11 believe that was in 2014, many members of this
12 Board were present -- to allow further exception
13 where there was some hayfield, existing hayfield
14 that had an existing lease with the landowner, I
15 think both for landowner and community relations
16 and in the mountains, some of the flat areas in
17 the flood plain nearest the stream, to allow an
18 exception to that for the duration of that
19 relationship with the landowner.

20 So what they requested this time is an
21 exception to the normal dedication agreement.
22 Again, no dedication has been recorded. This is
23 just in the field survey part of that dedication
24 process, and WRC has made this request.

25 So the Natural Heritage Advisory Committee

1 met last month. It is their role to approve
2 recommendations. They have made recommendations
3 that we dedicate the area of the three-acre
4 hayfield within the buffer zone, the primary
5 special management area, and allow the mowing to
6 continue for a specified window of time, and also
7 recommend parameters on the hayfield management
8 in accordance with best practices to maintain or
9 improve water quality.

10 I've talked with the Natural Heritage staff.
11 I looked at what this Board did in 2014 and read
12 those minutes, and I think if we adjust that a
13 little bit, we can be consistent with ourselves
14 in our previous action, as well as, I think,
15 getting to the intent of what the Natural
16 Heritage Advisory Committee wanted as well. And
17 I think Natural Heritage program staff have
18 supported me on that.

19 So to that end, I have made a recommendation
20 that's a slight adjustment on theirs. One is to
21 allow the existing hayfields within a hundred
22 feet to be managed until the arrangement with the
23 current landowner ends, and then allow the areas
24 outside of the hundred-foot buffer to be managed
25 for hay with best management practices for water

1 quality protection as part of the management for
2 the dedication. Let me show you a map on that.

3 MR. KICKLER: Before we proceed any further,
4 Walter has an update regarding our -- today's
5 schedule and tomorrow's schedule.

6 MR. CLARK: Just so that we don't feel
7 rushed, we were supposed to leave the hotel five
8 minutes ago for our field trip. We're going to
9 go directly to Mount Airy Greenway at 4 and maybe
10 reschedule or look at rescheduling the Fisher
11 River Park stop.

12 MR. KICKLER: Thank you. I just wanted to
13 let everyone know that so no one feels rushed.
14 If they have a question, they can ask a question.
15 There will be time for discussion if need be. I
16 apologize, again, to interrupt, but I thought
17 that was necessary.

18 MR. SUMMER: Not a problem at all. Thank
19 you.

20 So this is the property. On the right here
21 is the Little Tennessee River, and this is the
22 hayfield in question. Most of this hayfield is
23 further than 100 feet from the stream. This
24 stream line denotes a hundred-foot buffer.
25 There's a little bit of a hayfield that gets us

1 as close as 60 feet to the stream, but it's not a
2 terribly large portion of the hayfield.

3 This is the area we're talking about. This
4 area right here will continue to be hay as long
5 as they have the current arrangement with the
6 adjacent landowner, who does all of the hay
7 management here.

8 And then this area, once that arrangement
9 ends, then everything outside of a hundred feet,
10 which is most of this area here, will continue to
11 be managed for hay into the future as part of the
12 WRC management of that gameland, again, with
13 special consideration for best practices to
14 protect water quality written in the description
15 of the dedication.

16 So with that said, I have constructed an,
17 unfortunately, unwieldy recommendation, but I've
18 had Natural Heritage and Clean Water staff review
19 it, and they cannot trim it without leaving out
20 something that was important. I apologize for
21 that, but this is what the recommendation is.

22 MR. KICKLER: Are there any questions for
23 Will?

24 MR. BRAGG: Will, I mean, it's not
25 specifically written in there, but I'd hate for

1 the guy growing the hay to say he needs to
2 re-seed the field and plow the darn thing up, you
3 know? I mean, is that understood or was that
4 part of the plan?

5 MR. SUMMER: I think -- I don't know if it's
6 understood. I've not had any conversations
7 directly with him, but I do remember from reading
8 the minutes of the 2014 meeting that tillage was
9 something that was of specific interest to you.

10 MR. BRAGG: Yeah, it was.

11 MR. SUMMER: I think we could certainly work
12 with the Natural Heritage program staff to make
13 sure if they need to do any of that, that that
14 would follow any best management practices, but I
15 don't anticipate tillage being a regular activity
16 on this.

17 MR. TOOLE: I don't know what it means, the
18 arrangement with the current landowner. Could
19 you describe that again, please?

20 MR. SUMMER: I don't believe they have a
21 written lease that has a deadline expired that I
22 could refer to when the current lease term ends,
23 but the current landowner, who has been haying
24 this property for years, they would like him to
25 continue to do that.

1 MR. TOOLE: But he's an adjacent landowner?

2 MR. SUMMER: He is the adjacent landowner,
3 but he continues to manage that field.

4 MR. TOOLE: Can we name him by name?

5 MR. SUMMER: I can't today, but we can --

6 MR. TOOLE: When the time comes.

7 MR. SUMMER: -- in the specification, so
8 that it's not an unknown adjacent landowner. I
9 think that would be a great addition.

10 MR. TOOLE: Thank you.

11 MR. KICKLER: Any other questions? If there
12 are no other questions or comments, is there a
13 motion to approve the request to allow an
14 exception to the standard dedication on the
15 Duvall tracts, the Needmore Gameland, as
16 described in New Business 4, including the
17 recommendation of the Natural Heritage Advisory
18 Committee.

19 MS. KUMOR: I make a motion.

20 MR. KICKLER: Trustee Kumar has made a
21 motion. Is there a second?

22 MS. CAWOOD: Second.

23 MR. KICKLER: Trustee Cawood has made a
24 second. Is there any further discussion or
25 comments or questions? Yes, ma'am.

1 MS. KUMOR: I wanted to understand clearly.
2 What we're saying, we're not undoing something
3 that we've done. We're helping with the
4 negotiation to set up some parameters within an
5 area that we are participating in. Is that how I
6 understand this?

7 MR. SUMMER: That is correct. The land has
8 not been dedicated now. They've done the
9 inventory -- Natural Heritage Staff has done the
10 inventory, and Wildlife Resources made this
11 request that when they publish that dedication,
12 when they get that approved, that it would have
13 this exception so they can continue to manage the
14 hayfield.

15 MS. KUMOR: All right. I just wanted to
16 make that clear.

17 MR. KICKLER: Thank you for that
18 clarification. There's a motion and a second to
19 approve the Board action needed as listed in New
20 Business 4, including the recommendation of the
21 Natural Heritage Advisory Committee. Are there
22 any other questions, comments? Hearing none, all
23 those in favor, please say aye.

24 BOARD OF TRUSTEE MEMBERS: (AYE).

25 MR. DuFOUR (via telephone): Aye.

1 MR. KICKLER: All those opposed.

2 (NO RESPONSE)

3 MR. KICKLER: The motion has carried and is
4 adopted. Moving on to the next item, which is a
5 request to amend the scope of work. This one
6 involves Catawba Land Conservancy, and in
7 particular, work on the Holly tract, 2015-10.

8 And this time, turn it over to Nancy
9 Guthrie.

10 MS. GUTHRIE: Thank you, Mr. Chairman. This
11 is a project that was approved in November of
12 2015, and the scope of work, very basically at
13 that time, was to purchase in fee simple
14 260 acres. This is some land owned by the
15 Whitewater Center near Charlotte.

16 In March 2016, there was a revision to that
17 scope of work presented to you that would
18 purchase only 41 acres in fee simple and purchase
19 a conservation easement on up to or at least
20 132 acres of the property.

21 The Board did approve that amendment to the
22 scope of work, and then in the last year and as
23 Catawba Land Conservancy has continued to work
24 with the Whitewater Center, that option, that
25 revised scope of work is now no longer workable

1 for them. Part of that reason is because that
2 41 acres that was to be purchased was from
3 another neighboring landowner, who has now
4 decided not to go forward with that transaction.

5 So that left Catawba Land Conservancy and
6 the Whitewater Center going back to the drawing
7 board on what the project can be. And so the
8 revised amendment in front of you now is going to
9 be to purchase an easement on up to 189 acres
10 total. The budget remains the same with a
11 million-dollars for acquisition and \$19,000 for
12 transactional costs, and there is still a
13 50 percent match in the project.

14 To give you a summary of the changes of this
15 project, the first line is the original award
16 where the expectation was 260 acres in fee
17 simple. There was no easement, additional
18 easement acres at that time. And I'm going to go
19 ahead and skip to the bottom line there. What
20 was amended in March 2016 is no longer a viable
21 option.

22 So now they're asking if the fund would
23 approve only purchasing easement on the property
24 with no fee purchase. The total acres would be
25 up to 189 acres under an easement, and I will

1 explain that a little bit later.

2 Again, just looking at the summary of
3 changes, the cost now of the conservation
4 easement per acre is estimated at \$10,582. That
5 is based on some appraisals that have been
6 ordered and reviewed by State Property Office.
7 The proposal, however, is to use the million
8 dollars from Clean Water and match that with a
9 million dollars in donated value to purchase an
10 easement on \$2 million worth of acres.

11 And so the exact acres are not set, and that
12 is a departure from your typical model of
13 projects that are approved by the Fund. The
14 ownership would remain with the National
15 Whitewater Center. The easement would be held by
16 Catawba Land Conservancy.

17 This has been an interesting project to
18 score and to keep up with the score as the
19 changes in the scope have occurred, and the score
20 does not change. And the reasons for that is
21 even though there's a reduction in the number of
22 acres from the original award, the number of
23 acres is not considered in the score. The
24 percent of match is a consideration in the score,
25 but they are continuing to commit to their

1 50 percent match.

2 So the match does not change; the public
3 access does not change on this part of the tract
4 that could be used for the Carolina Thread Trail;
5 and the resource protection does not change.

6 Here is a map to -- I'm going to give this
7 as a visual. On the right is the original award
8 in 2015. All of the yellow area was part of the
9 project. Colors are not distinguishing really
10 well, but this is Long Creek, and there is a
11 Natural Heritage area buffering that creek.

12 In June -- or at this time the proposal is
13 here on the left, and you can see a lot of this
14 acre here would not be encumbered in any way that
15 would be retained by the Whitewater Center, free
16 of any restrictions. So the resources that are
17 important to Clean Water, Long Creek, the
18 300-foot buffer would still be protected.

19 The Long Creek Bluff natural area would be
20 protected under the easement. This would provide
21 a corridor for the Thread Trail, though we do not
22 know how many of the upland acres would be under
23 easement. And the Whitewater Park would like to
24 use those upland acres for mountain biking trails
25 that would be accessed for people who park at

1 their facility and cross over their land to use
2 those trails.

3 It's possible in the future as a spur from
4 the Thread Trail that the public could get to
5 those additional mountain biking trails, but that
6 is unknown because it's just too far out in the
7 planning to know if the public access is any more
8 than the Thread Trail.

9 So I will stop there and see if you have
10 questions.

11 MR. KICKLER: Any questions for Nancy?

12 MS. KUMOR: Again, we haven't -- nothing has
13 been purchased yet?

14 MS. GUTHRIE: Correct.

15 MS. KUMOR: No money has been spent?

16 MS. GUTHRIE: Right. We are still trying to
17 determine exactly what the scope of work is and
18 what the project looks like.

19 MS. KUMOR: How many requests would we
20 entertain before we would tell them, We're taking
21 our money and go away.

22 MS. GUTHRIE: This is the first time I've
23 brought the second request to our Board, so I
24 don't know where your line is yet.

25 MR. KICKLER: Trustee Bragg?

1 MR. BRAGG: It seems to me that the problem
2 is, we don't really know what the final acreage
3 will be, and being it is Mecklenburg County,
4 where we're running out of land, and it is an
5 important area to protect, whether it's 160 acres
6 or 189. I think we need to protect it.

7 However, as a trustee, I think that we need
8 to go back to them and say, You get specific
9 about the acreage. In other words, have your
10 appraisals done so we'll know what our million
11 dollars is going to fund, and then we can make a
12 decision. I don't think personally that I can
13 make a good decision not knowing what the million
14 dollars is going to buy.

15 MS. CAWOOD: And Nancy, that kind of goes,
16 when I was looking at it thinking, Okay. If we
17 don't have -- they took out the fee purchase of
18 the 41, 42 acres. I don't know. The numbers are
19 just so --

20 MR. BRAGG: Well, we just don't know the
21 acres.

22 MS. CAWOOD: Right, so how do we still get a
23 million dollars, we're paying a million dollars,
24 but it's now in, like, a conservation easement.
25 It just doesn't add up.

1 MR. TOOLE: It's annoying.

2 MR. KICKLER: Succinctly put.

3 MS. GUTHRIE: And I have actually discussed
4 those concerns with Catawba Land Conservancy,
5 that this is not the model we usually follow.

6 There is some financial concerns on their part of
7 how -- of donating greater than 50 percent of the
8 property.

9 So I think, if instructed, I can go back and
10 say, We need those numbers. You know, another
11 option, if I may put this out, is to approve the
12 request, but say the 189 acres will be under
13 easement, and if that is a greater donation on
14 their part than a million dollars, that gives
15 them something very definite to consider, or if
16 they at that time want to come back with more
17 precise numbers of the acres.

18 MS. CAWOOD: One other thing.

19 MR. KICKLER: Yes, ma'am.

20 MS. CAWOOD: The other thing, normally when
21 we have projects come to us, they've been
22 appraised, and so we know the scope of what we're
23 being asked to purchase.

24 MS. GUTHRIE: There are a number of ways
25 that people at the time of application estimate

1 the cost. There often is an appraisal.
2 Sometimes it is a few years old, so I would say
3 all of -- maybe there's few exceptions, but the
4 acquisition projects always have an updated
5 appraisal before the property is purchased.

6 In this case, the estimate of 10,000 an acre
7 for an easement is based off of appraisals in
8 recent years, though they would want to update
9 that.

10 MR. KICKLER: So if we ask Catawba Land
11 Conservancy to revise their request, what kind of
12 specifics would we be looking for?

13 MR. TOOLE: Well, I'd like to know what
14 they're getting and what they're going to do on
15 it. I mean, I'm unclear on the 189 acres. Did
16 you say there was going to be mountain biking on
17 there or not or we don't know?

18 MS. GUTHRIE: Mountain biking is a request.

19 MR. TOOLE: Well, we're not opposed to it.
20 We've already established that.

21 MS. GUTHRIE: Right.

22 MR. TOOLE: But it seems to me that -- and I
23 get they want to do an amendment because they've
24 got money set aside as opposed to doing a new
25 application, which puts them in the queue with

1 everybody else, but this is a -- this is striking
2 me as a different application from what we
3 approved in 2015, so different that I'm having a
4 hard time understanding why it's -- we would
5 consider it an amendment, unlike the other
6 projects that were essentially the same.

7 MR. KICKLER: Trustee Bragg.

8 MR. BRAGG: I think the problem is having an
9 understanding of how difficult it is for a land
10 trust to put these deals together. I've worked
11 in this area for over 20 years, and everything --
12 Walter will tell you -- how complicated they can
13 be with these moving parts, and this one has been
14 extremely complicated.

15 Here we are the third time around, but it is
16 a fabulous piece of property that needs to be
17 preserved, and it's too easy for us to say,
18 You're confusing us. We don't quite understand
19 it. We don't know what we're doing. So let's be
20 definitive and tell them what they need to do.

21 And personally I think they need to come
22 back with the acreage and the map and we can get
23 comfortable with it since we already approved the
24 money, and the match is there and the scores
25 work. But the manner of going and doing these

1 projects is unbelievable. Think about it.
2 They're not playing games with us, guys. They're
3 working their rear end off to make a great land
4 conservation project.

5 MR. TOOLE: I agree with that, but what I
6 find intriguing is -- maybe it's our fault, but
7 apparently they didn't have the original 60 acres
8 under contract, right, so the guy backed out.

9 MS. GUTHRIE: The contract expired.

10 MR. TOOLE: Or whatever the number is. I'd
11 like to see -- I think it's appropriate to say
12 with the Whitewater Center, What's the number
13 that you're going to put into the mix? Get it on
14 the back of a napkin that somebody signed. At
15 least, you know, you've got something more
16 definitive than, Well, we're kind of thinking
17 roughly around.

18 It's hard for us to make a decision when
19 it's so ambiguous. And that's my frustration is,
20 yes, these are difficult deals, but that's part
21 of the problem, is that the nebulosity is -- we
22 can help them go back to Whitewater Center and
23 say, Look, money is there. We are inclined to be
24 helpful, but we need to know what we're being
25 helpful with specifically.

1 MS. KUMOR: Is that a better option than the
2 option that Nancy put forward of just saying,
3 This is the number, that we want an easement of
4 189, and our million dollar thing, when you've
5 got it, come back to us? Which is a better way
6 to do it or more productive for us?

7 MR. TOOLE: Well, we're holding -- if we say
8 it's 189 or bust and they can't make 189.

9 MS. CAWOOD: It might be bust.

10 MR. TOOLE: It might be bust, and I think by
11 saying, Be specific, come back, and if it's only
12 169, I think we would then adjust the number,
13 would be my presumption.

14 MR. BRAGG: I'd rather not do 189. Suppose
15 it's 188.

16 MR. TOOLE: That's the point, yes.

17 MR. BRAGG: So I would think that we need to
18 go back and say, Be specific and give us what you
19 can deliver, and if it still scores, then we'll
20 work the deal.

21 MS. KUMOR: And we're clearly sending a
22 signal that we're holding that money because we
23 think we're encouraging them to go ahead and
24 deliver something.

25 MR. BRAGG: Right.

1 MR. KICKLER: What I'm hearing is that the
2 sentiment is, take no action and ask Catawba Land
3 Conservancy to revise their request to come back
4 with some specifics regarding acreage and other
5 pertinent matters.

6 MR. TOOLE: Chairman Kickler, I move we
7 table this motion pending the receipt of more
8 specific plans from the applicant with regard to
9 what they -- the acreage that they wish to place
10 under conservation easement. Not more specific,
11 absolutely specific.

12 MR. KICKLER: Absolutely specific.

13 MS. CAWOOD: And Mr. Chairman, can I amend
14 that to also include what the public access will
15 be on the land?

16 MR. TOOLE: Acreage and uses. Good, I'll
17 amend my motion. I yield to you.

18 MR. KICKLER: So if I'm hearing this
19 correctly, there's a motion to table this request
20 pending receipt of absolutely specific plans from
21 the applicant regarding the acreage they plan to
22 use and the uses on that acreage.

23 MR. TOOLE: Yes.

24 MR. KICKLER: There's a motion. Is there a
25 second?

1 MS. CAWOOD: Second.

2 MR. KICKLER: Trustee Toole has made the
3 motion. Trustee Cawood has made the second. Any
4 further discussion? Hearing none, all those in
5 favor of this motion, please say aye.

6 BOARD OF TRUSTEE MEMBERS: (AYE).

7 MR. DuFOUR (via telephone): Aye.

8 MR. KICKLER: All those opposed?

9 (NO RESPONSE)

10 MR. KICKLER: The motion has passed. The
11 Board is tabling this particular request pending
12 receipt of absolutely specific plans from the
13 applicant regarding the acreage they plan to use
14 and the uses on that acreage.

15 All right. Moving on to our next new
16 business item. Thank you for that thoughtful
17 discussion, trustees. Our next item is what
18 we're going to do in the next few minutes and
19 tomorrow.

20 MR. BEVINGTON: Thank you. And greetings
21 all to the few of you I just met today and
22 haven't met. I'm happy to join you all. Since
23 we are already past our departure time, I really
24 won't take any time to talk about the background
25 of these projects except take the opportunity

1 while we're in the field to do that.

2 I did want to point out that the wonderful
3 welcome we got this afternoon from Mount Airy is
4 also extended from these other communities we'll
5 be visiting over the next couple days. I'm not
6 sure we'll get out to Dobson this afternoon. I
7 have some pictures of that in a few minutes or we
8 could look at them tomorrow on a laptop.

9 It's really at your pleasure, but basically
10 we paired together for a tour, sort of before/
11 after restoration picture are the first two you
12 have here in Surry County, and then a little
13 farther south in Surry County tomorrow, we
14 planned a tour that really looks at the other
15 natural cultural benefits that come along with
16 these projects, whether they be acquisition or
17 restoration. I think they're all fantastic
18 examples.

19 I'm just going to take a minute or two to
20 show you the Ararat River where we are going.
21 We're going to meet the mayor and other town
22 officials, including Barbara Jones again. And we
23 have missed the county commissioner, who is going
24 to meet us at the Fisher River, but that will be
25 rescheduled.

1 So just very quickly, I'll skip these
2 slides. We can talk about our contacts and
3 things today. I'm going to hit the lights if you
4 don't mind for just a second to say this is the
5 Ararat River where we're going today. You won't
6 see any of this because of two reasons: One,
7 being it's grown up with well-planted vegetation
8 and protected; and secondly, it's been restored,
9 as you've heard from many people today who have
10 lived in the community. Just quickly, the town
11 has many before-and- after pictures that they
12 will show us, but this is where we're headed in
13 just a minute. We'll be there at 4:00.

14 I had the adventure to be out here about two
15 weeks ago, meeting some folks and scouting out
16 some of this tour, and I was here during quite a
17 high-flow day, and I just wanted to show you this
18 today because we're going to see very much slower
19 flow conditions. I think you've seen a lot of
20 diagrams over the years of different structures.
21 These are them doing their job at a near-flow
22 event completely under water.

23 And Ararat River here is flowing at about
24 16 cubic feet per second past you. That's the
25 weight of a fully-loaded, semi-18-wheeler every

1 second coming past you. So it's more gentle than
2 that. It's going a lot slower, but it's a huge
3 amount of momentum, and if you imagine that
4 momentum coming from the right side of the screen
5 at quite a clip and exiting that turn without
6 eroding the banks, which is what's happening
7 today, it's a really wonderful effect, and we'll
8 see the structures that are actually there in
9 place. It's just them doing their job.

10 Here's a closeup of another one we'll see
11 today. And I think there's just two quick things
12 I'll point out in the slide, and we can get ready
13 to go on the field trip. If you look in this
14 area here right along the bank, if you notice
15 even with all this velocity, there's essentially
16 no water movement here. This is not stagnant
17 water, but there's no velocity, no shear stress
18 protecting those banks.

19 And you can actually see water in this area
20 here where there is some coming away from the
21 bank over this mini waterfall coming over a rock
22 vane. It's actually flowing away from the bank
23 toward the center of the river, a convergence
24 that canoers like to find when they look for the
25 water, but really a wonderful exhibition and

1 example of how huge amounts of energy can be
2 moving through a river and yet have stable banks,
3 as we'll see in just a few minutes.

4 So with that I just want to do say hello.
5 I've got plenty of other points to make, but
6 mostly the contacts we've met in the room that
7 were introduced to us today will be here over the
8 next couple of days to talk to you if you have
9 questions. Our field reps, of course, know these
10 areas well, and I just think it's really our best
11 chance in the community. This is literally on
12 this side of the river.

13 MR. BRAGG: What is the origin of the name
14 Ararat?

15 MR. BEVINGTON: You've got me. Field reps,
16 help.

17 MR. CLARK: It's Biblical, of course.

18 MR. BRAGG: Is it?

19 MR. CLARK: Yeah, Mount Ararat. I've always
20 assumed that's where it came from.

21 MS. KUMOR: I thought that was where the ark
22 landed.

23 MR. KICKLER: It's where the ark landed.

24 MR. BEVINGTON: And to be fair to the Fisher
25 River project, which we will not see today, these

1 stream banks are very similar to what we would
2 have stood on the edge today, shear -- as a
3 matter of fact, they're steeper actually at
4 Fisher. There are trees are toppling it. I've
5 got some pictures of those I'll show you
6 tomorrow.

7 With that, we have a 15-seater van, so we're
8 actually going to drive you across town if you
9 don't mind traveling with us; continue
10 conversations, whether they be about outdoor
11 projects or paperwork we've seen today; and we're
12 going to meet town officials there, including the
13 mayor.

14 Here's some of the Fisher River. The scale
15 is a little tricky there. Those roots that are
16 sticking out are from a mature tree. Again, the
17 scale is a bit of an issue, but you can see the
18 slumping banks and trees beginning to tip.

19 There's a tree at the bottom of the river that
20 has tipped in. That's probably six feet above
21 the water; the grass and low water, it's more
22 like eight or nine feet.

23 Justin has been up there. I think Damon,
24 you may have been as well; I'm not sure. But
25 this project was presented to you in the past and

1 perceived favorably by you and awarded last year.
2 So they're going to be addressing this, and we're
3 hoping you'll get a chance to see it in the field
4 before they construct it and maybe come back in
5 ten years when it's as beautiful as Ararat.

6 Will, the van is a parked out back. Is that
7 correct?

8 MR. SUMMER: It's right through that door.

9 MR. BEVINGTON: I am just going to take off
10 my tie and go with my shoes. The Greenway,
11 whether you choose to walk it or not -- I mean my
12 dress shoes. The Greenway is quite walkable.
13 You may want more comfortable shoes. It's really
14 up to you in what attire you want to take. And
15 there is a limited number of rides in a gulf
16 cart, essentially, so if people want to travel on
17 the Greenway that way.

18 I think the mayor is going that way, and we
19 may or may not have time. We can decide. It's
20 really your pleasure whether you want to meet at
21 the top of the Greenway or do the mile walk at
22 the bottom and meet us at the back. Either way,
23 I invite you to loosen a tie or whatever attire
24 you want to loosen and come join us.

25 MR. BRAGG: Can we leave everything here?

1 MR. KICKLER: I don't know. Are you going
2 to say we can leave?

3 MR. CLARK: I just want to be sure we could.
4 What's the --

5 MS. McDANIEL: Everybody's room -- this
6 room?

7 MR. BEVINGTON: Yes.

8 MS. McDANIEL: Somebody is going to be in
9 here at 5:30, so we have to have everything out.

10 MR. KICKLER: Before we all get up and
11 leave, there is a matter of business we have to
12 take care of. And that is, is there a motion to
13 adjourn?

14 MS. CAWOOD: Mr. Chairman, I have one other
15 item --

16 MR. KICKLER: Okay.

17 MS. CAWOOD: -- I forgot. And I think,
18 Sydney, you have something for us to present to
19 you in your great service as Chairman. As
20 Vice-Chair, I happily present these pictures for
21 everyone of Bentonville Battlefield. And this
22 might be a premature handing to you, but, as we
23 know, we're hoping this is not a farewell, but we
24 don't have a crystal ball and we have no idea
25 what the General Assembly does regarding

1 nominations, but we wanted to make sure we had
2 the opportunity to thank you for your great
3 service.

4 As all of us know, you came in as Chair when
5 we were combining Clean Water Management Trust
6 Fund and Natural Heritage Trust Fund, which was
7 not an easy task; and to oversee us, not always
8 an easy task. But we appreciate your great
9 service and your leadership, and hopefully this
10 is not a farewell. Hopefully we'll be seeing
11 you, but just in case, we wanted to make sure you
12 got appropriate honor for your service.

13 MR. KICKLER: Well, I hope it isn't. Thank
14 you very much. I hope it is not an omen. If it
15 is, you have my email address. I have enjoyed
16 and am enjoying serving on the Clean Water
17 Management Trust Fund, and that is one part --
18 one involvement of my interest in conservation of
19 the State of North Carolina.

20 It's been a pleasure for me to make new
21 friends, to meet new colleagues, and then also
22 work together in my little way, hopefully trying
23 to get people to recognize that intersection
24 between the cultural aspects of North Carolina
25 and the historical and natural aspects of North

1 Carolina.

2 They're not mutually exclusive, they
3 dovetail, and if I have helped start a
4 conversation, then I am happy about that as well.

5 So thank you. And it is fitting that the
6 pictures are of reenactments of the Battle of
7 Bentonville. I have a particular interest.

8 MR. TOOLE: Did we win?

9 MR. KICKLER: Who's "we"?

10 MS. CAWOOD: So I think a round of applause
11 is in order.

12 (APPLAUSE)

13 MR. KICKLER: Thank you very much. And now
14 is there a motion to adjourn?

15 MS. KUMOR: So moved.

16 MR. KICKLER: Trustee Kumor has made a
17 motion to adjourn. Is there a second?

18 MR. BRAGG: Second.

19 MR. KICKLER: Trustee Bragg has made a
20 second. I don't think there's any discussion, so
21 all those in favor, say aye.

22 BOARD OF TRUSTEE MEMBERS: (AYE).

23 MR. DuFOUR (via telephone): Aye.

24 MR. KICKLER: Opposed?

25 (NO RESPONSE; HEARING ADJOURNED 3:41 P.M.)

1 STATE OF NORTH CAROLINA
2 COUNTY OF FORSYTH

3 REPORTER'S CERTIFICATE

4 I, JUDY F. REINS, a Notary Public in and for
5 the State of North Carolina, do hereby certify that
6 the hearing in the above-entitled matter was reported
7 in stenotype and reduced to typewriting under my
8 direction; that the foregoing is a true and correct
9 transcript of the said proceeding to the best of my
10 ability and understanding.

11 I further certify that I am neither attorney
12 or counsel for, nor related to or employed by, any
13 attorney or counsel employed by the parties hereto or
14 financially interested in the action.

15 IN WITNESS WHEREOF, I have hereto set my
16 hand, this the 14th day of June, 2017.

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JUDY F. REINS, RMR, CRR
Notary Public, 20031970024