

NORTH CAROLINA LAND AND WATER FUND  
BOARD OF TRUSTEES MEETING

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Held at the Trinity Center  
Pine Knoll Shores, North Carolina

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Monday, May 12, 2025  
2:02 P.M.

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Volume 1  
Pages 1 through 134

**A P P E A R A N C E S**

Board of Trustees:

John Wilson, Chairman  
Jason Walser, Vice-Chairman  
Ann Browning, Chairman Restoration, Innovative  
Stormwater and Planning Committee, and Chairman  
Flood Risk Reduction Committee  
Amy Grissom, Acquisition Committee Chairman  
Jimmy Broughton  
Clement Riddle  
Mike Rusher  
David Womack

(via Teams)

Darrel Williams

Staff:

Will Summer, Executive Director  
Zoe Hanson Burnet, DNCR Assistant General Counsel  
Steve Bevington, Restoration Program Manager  
Marissa Hartzler, Acquisition Program Manager  
Marie Meckman, Acquisition Project Manager  
Christina Benton, Acquisition Project Manager  
Justin Mercer, Stewardship Manager  
Terri Murray, Executive Assistant  
Damon Hearne, Western Field Representative  
Chelsea Blount, Central Field Representative  
Jill Fusco, Eastern Field Representative  
Will Price, Restoration Program Assistant  
Nicolle Montero

Also present:

Pamela Cashwell, Secretary of N.C. Department of  
Natural and Cultural Resources  
Jeff Michael, Deputy Secretary of N.C. Department  
of Natural and Cultural Resources  
Will Robinson

P R O C E E D I N G S

2:02 P.M.

1  
2 Chairman Wilson: I'd like to  
3 call this meeting of the North Carolina Land and Water  
4 Fund Board of Trustees to order. I am John Wilson, the  
5 Board Chair, and I'm now demonstrating speaking up at  
6 the request of our beloved court reporter, Dona, who is  
7 way over there in this great big room, and we're all  
8 going to speak up to the best of our ability for her,  
9 please. Welcome to everyone who is with us in person  
10 or otherwise; I'd like to start out by thanking our  
11 staff for planning what I'm sure will be a great couple  
12 of days here in and around Salter Path with our board  
13 meeting today and our site visits tomorrow. So how do  
14 you end a drought in North Carolina? By convening the  
15 Board of Trustees for the North Carolina Land and Water  
16 Fund and renting a bus that you're going to put them in  
17 and drive around, so way to go, everybody. We need the  
18 rain. Let's love the rain. And with that, I will  
19 entertain a motion that we adjourn immediately and make  
20 s'mores and go to the beach and throw the football  
21 while it's not raining, and then as soon as it starts  
22 to rain, come back in here. Okay, all right, so all  
23 silliness aside, this is sadly the final board meeting  
24 for two of our dear trustees, for Amy and for Jason.  
25 They both came to us with decades of experience in land

1 conservation. They're both in the central part of the  
2 state. They have been incredibly valuable and  
3 dedicated trustees who have chaired the Acquisitions  
4 Committee, both of them, and served on the Executive  
5 Committee and the Flood Risk Reduction Committee. They  
6 are irreplaceable. Amy, as you all knew -- as you all  
7 know, grew up on her family farm in the Uwharries. She  
8 served on the board of the Land Trust for Central North  
9 Carolina, now Three Rivers Land Trust. And as most of  
10 you know, Amy and her sister Ruth Ann were recently  
11 named the North Carolina Wildlife Federation  
12 Conservationists of the Year for their work acquiring,  
13 restoring, and managing thousands of acres in the  
14 Uwharries for water and wildlife. If you have not had  
15 a chance to see the video of them receiving that award,  
16 it is wonderful, and I encourage you to. We will make  
17 it available to you. Most of us had the pleasure of  
18 visiting Amy's amazing place a year ago. And, Amy, we  
19 want to thank you for your service and encourage you to  
20 hang on to that Acquisition Committee gavel until the  
21 very end. Jason is from Statesville and has now lived  
22 in Salisbury for --

23 Vice-Chair Walser: 25 years.

24 Chairman Wilson: 25 years,

25 former Executive Director of Land Trust for Central

1 North Carolina, now Three Rivers, for almost 15 years.  
2 He also served on the Natural Heritage Advisory  
3 Committee, and as you all may know, he's been the  
4 Executive Director of the Blanche & Julian Robertson  
5 Family Foundation in Salisbury for the past eight and  
6 through that work has -- and in his own time, has been  
7 incredibly engaged in public policy and environmental  
8 issues and just has been a great trustee, both of them;  
9 thank you, both. To both of you, I'll say please keep  
10 the phones close so that we can stay in touch with you  
11 when we need your opinions and experience, and most of  
12 all, thanks for being amazing champions for  
13 conservation, wonderful friends, amazing outdoor  
14 enthusiasts and just great folks to hang out with. And  
15 I'm glad that -- I'm sad that this is our last meeting,  
16 but I'm glad it's at a retreat like this so we can get  
17 the best of it; so thank you. Okay, I'll now call the  
18 roll of our eight trustees; Ann Browning?

19 Restoration Chair Browning: Here.

20 Chairman Wilson: Amy Grissom?

21 Acquisition Chair Grissom: Here.

22 Chairman Wilson: Clement Riddle?

23 Mr. Riddle: Here.

24 Chairman Wilson: Mike Rusher?

25 Mr. Rusher: Here.

1 Chairman Wilson: Jason Walser?

2 Vice-Chair Walser: Here.

3 Chairman Wilson: Darrel

4 Williams?

5 Mr. Williams: I'm here

6 remotely. I'm here, but I'm remote.

7 Chairman Wilson: Thanks, Darrel;

8 David's here, and I'm here, John Wilson. General

9 Statute §138A.15 mandates that the chair inquire as to

10 whether any trustee knows of any conflict of interest

11 or the appearance of a conflict with respect to matters

12 on the agenda. If any trustee knows of a conflict or

13 the appearance of one, please state so at this time.

14 Vice-Chair Walser: I have a

15 conflict of interest with the City of Salisbury

16 relating to the project.

17 Chairman Wilson: All right;

18 thanks, Jason; any other conflicts or appearances?

19 Executive Director Summer: All right, Mr.

20 Chair, if I could just note for the record, Jimmy

21 Broughton is also here.

22 Chairman Wilson: Sorry, Jimmy;

23 oops, I copied an old -- I'm sorry, Jimmy, but you were

24 not here last May, which is -- what was the template

25 that I used for --

1 Mr. Broughton: I understand.

2 Chairman Wilson: Well, welcome,  
3 Jimmy, so now let me ask everyone to please make sure  
4 that your phones and computers and watches won't make  
5 any noise unless you're recognized to speak. And I'll  
6 now ask the trustees if there are any revisions or  
7 additions to today's agenda.

8 Restoration Chair Browning: I move approval  
9 of the agenda.

10 Chairman Wilson: Thank you, Ann;  
11 a second?

12 Mr. Womack: I second.

13 Chairman Wilson: A second from  
14 David; all right, any discussion; all in favor of  
15 adopting our agenda, please indicate so.

16 (Board Members say aye.)

17 Chairman Wilson: Anyone opposed;  
18 all right, we've adopted our agenda. And now we'll  
19 move on to approval of our February 27th board meeting  
20 minutes. Is there any discussion regarding the minutes  
21 from February 27th? Okay, I'll entertain a motion to  
22 adopt the minutes.

23 Mr. Broughton: So move.

24 Chairman Wilson: From Jimmy?

25 Vice-Chair Walser: Second.

1 Chairman Wilson: Who was that?

2 Vice-Chair Walser: Jason.

3 Chairman Wilson: Jason, any  
4 discussion; all right, all in favor of adopting the  
5 minutes, please say aye?

6 (Board Members say aye.)

7 Chairman Wilson: Anyone opposed;  
8 all right, we've adopted our February 27th meeting  
9 minutes.

10 Executive Director Summer: Mr. Chair,  
11 Deputy Secretary Michael was delayed getting out of  
12 Raleigh, so if we can move her report to later in the  
13 agenda.

14 Chairman Wilson: Okay, we'll do  
15 that. And then we'll move on to your executive  
16 director's update.

17 Executive Director Summer: Thank you, Mr.  
18 Chair, and good afternoon committee members, staff, and  
19 guests, since we last met we have received our 2025  
20 applications. We have 138 applications totaling over  
21 132 million in requests, which is 29 million more than  
22 last year. Staff is busy reviewing them now, and we're  
23 looking forward to a robust discussion of them at the  
24 funding meeting this fall. We know that we will have  
25 more demand than we have funds, but just how much more

1 will depend on what happens in the budget. Without any  
2 new budget action, our current recurring appropriation  
3 of 28 million and anticipated license revenue of nearly  
4 6 million will lead to about 34 million. We're only  
5 about halfway through the budget process, so we don't  
6 know where that will come out, but here's where things  
7 stand today. The Governor recommended a two million  
8 dollar increase in non-recurring funds. The Senate  
9 budget did not recommend any additional funds, but did  
10 have language that would require about a dozen grant  
11 agencies, including the North Carolina Land and Water  
12 Fund, to prioritize funding for applicants from the 16  
13 most impacted and distressed counties from Hurricane  
14 Helene. While we have over 44 million dollars in grant  
15 requests from those counties, the language specifies  
16 that the prioritization be for repair, replacement, or  
17 construction of equipment, buildings, or natural  
18 features. So that limits the universe of impact for us  
19 to around 6.2 million from our the restoration program.  
20 I think the biggest factor would be whether the term  
21 prioritize in that language is absolute or simply  
22 implies some deference in consideration. That said,  
23 that's only a proposal. We still don't have a House  
24 budget, which is expected next week. So while it's  
25 useful to know what each body's priorities are, we

1 won't begin to take any action until the House and  
2 Senate agree on a budget that either the Governor will  
3 support or alternatively that there will be enough  
4 Democrats to override the veto. I will watch this  
5 closely and let you know as things evolve. There are  
6 two other wildcards that may affect our funding. The  
7 first is if there are any more stand-alone Helene  
8 relief bills that have been scaled up yet. That's not  
9 out of the question. Second is whether we are offered  
10 any DEQ Blueprint funds similar to what we did last  
11 year. Steve is in discussions with our counterparts in  
12 that agency, and they are reviewing our current  
13 applications to see if any mesh with their priorities,  
14 and we'll bring you more information as we know it. So  
15 there's still a lot of pieces in play that will  
16 determine how much you all have to award this fall.  
17 Normally, I would wait till the end of my report to  
18 take questions, but perhaps it would be a good time now  
19 to pause and just take questions about the budget and  
20 any other thoughts in the air; any questions?

21 Restoration Chair Browning: Can you repeat  
22 the part about the prioritization?

23 Will Summer: Yes, so the Senate  
24 budget had language that specifically listed us and  
25 other grant agencies and said you grant agencies

1 will prioritize your grant -- competitive grant making  
2 to the most distressed counties. That's a technical  
3 term that comes out of the commerce report. So it's a  
4 known entity, 16 counties which have been identified.  
5 And specifically those projects that deal with, I'll  
6 shorten it, construction or restoration of natural  
7 features. That's the part that pertains to us. So as  
8 I read it, it basically says that the 6.2 million that  
9 we had that are restoration type projects in those 16  
10 counties are what they would have us prioritize. And  
11 what I meant by whether or not that term is absolute is  
12 to say if we take that to mean, we fund those first  
13 above all others no matter what, then that 6.2 million  
14 right off the top goes straight to those. If we take  
15 that to mean, that's -- by we, I meant the trustees, so  
16 everybody here. We take it to mean that you will give  
17 them priority consideration, but you may not fund those  
18 before everything else, which I would advocate for us  
19 being reasonable from my prospective, but then that  
20 would give us more flexibility. And you know, as we  
21 get into the details on those, some may be very  
22 appropriate and have a strong nexus for the lean and --  
23 for our funds anyway, and some may just happen to have  
24 been in that county. And Damon and field staff are  
25 actually collecting information about the lean nexus

1 already, which that's information that you'll have,  
2 regardless of whether that issue passes as it sits.

3 Mr. Womack: Will?

4 Executive Director Summer: Yes, sir.

5 Mr. Womack: The answer is  
6 probably not -- probably staff, but at some point I'd  
7 like to know of the request for the restoration  
8 committee from those counties, how much of them are due  
9 to the impact of Helene and how many dollars was just  
10 in proportion of natural occurrence of what's going on.

11 Executive Director Summer: I think, Damon,  
12 and don't let me speak for you, but you have that  
13 information or are gathering that information for those  
14 projects, is that correct?

15 Mr. Hearne: Yeah, we  
16 working -- we are assessing that when we are in the  
17 field. And we'll have that -- we'll be able to break  
18 that number out for you. I don't have the rough number  
19 in front of me right now. I could have it here  
20 momentarily. But what -- because we're still in the  
21 site visit realm, there could be things that come along  
22 that we haven't seen yet that get added to that. So  
23 here and a little bit later in May, we'll have a very  
24 good idea of what that looks like.

25 Mr. Womack: Okay.

1 Executive Director Summer: Excellent  
2 question, we're looking forward to having that  
3 information.

4 Mr. Womack: Well, I'll  
5 bring it up now; in the sense that 6.2 versus the  
6 overall needs of what went on out there. I mean 732  
7 bridges, over 200 culverts, I mean it was -- I'm just  
8 wondering and thinking ahead, not for a decision now,  
9 but just thinking ahead about how much of this can be  
10 impactful for the overall impact of it. How much  
11 should be impactful for -- without turning our backs on  
12 what the General Assembly is requesting of us.

13 Executive Director Summer: And I would not  
14 advocate that you turn it back on the General Assembly,  
15 not with the uncertainty there. I think it is on me to  
16 go and work with our partners and advocates and learn a  
17 little bit more about that language. When they say  
18 prioritize, what did they mean?

19 Mr. Womack: Yeah.

20 Executive Director Summer: Did they mean,  
21 first dollar, gospel 6.2 million, and then you start  
22 considering other things, or do they intend to have  
23 flexibility with a strong prioritization on support?  
24 So that's the -- maybe that's the big question.

25 Mr. Womack: Right, and can

1 I throw it out for -- just throw it out. I'm not  
2 asking for any solution at the moment, but just for  
3 purposes of thought process going forward.

4 Executive Director Summer: I think it will  
5 be would be one of the big questions, whether that  
6 language passes or not, that I think this board will  
7 wrestle with.

8 Mr. Womack: Because they've  
9 spent 800 million so far, and they'll spend at least  
10 that again by October.

11 Executive Director Summer: I suspect you  
12 are absolutely correct. Are there any other questions  
13 on that part of the budget? Thank you; great questions  
14 and stay tuned for more; another item of legislative  
15 interest is the conservation tax credit. The program  
16 was reinstated last year for two years with a five  
17 million dollar annual cap. There was a last-minute  
18 change that inadvertently limited the program to fee  
19 donation only, excluding the more common donation of  
20 conservation easement interest. I am pleased to say  
21 that a technical correction bill addressing that issue  
22 is, I believe, one vote away from approval, and maybe  
23 moving -- not one individual's vote, but one more,  
24 maybe a third, away from approval, and maybe moving as  
25 soon as later this week. That's likely going to

1 increase demand for the donation mini-grant program,  
2 which is a good thing, and it will probably increase  
3 incentive for borrowed sale match for landowners  
4 working with us through our great cycle grant. So  
5 really great news that conservation tax credit is back,  
6 and really great news that they are close to getting  
7 that pretty substantial limitation fixed. Moving on,  
8 those of you that belong to our Mailchimp email list  
9 may have noticed quite a lot of recruiting activity in  
10 recent months. We have hired a stewardship data  
11 manager that will begin next month. We have  
12 interviewed, but not yet offered for a stewardship  
13 specialist position, and hope to interview for a  
14 business officer position in the coming weeks. These  
15 are all positions I've mentioned to you before in  
16 previous meetings, but we have finally been able to get  
17 them created and moving forward, and I'm excited about  
18 that. There are also positions that support our work  
19 outside of our organization. There's some news there  
20 as well. DNCR has received applications for an  
21 additional legal position that should add capacity to  
22 that shop, particularly as it pertains to assisting our  
23 division. And finally, one of the other outside  
24 positions is we are partnering with the state property  
25 office for a real property agent that will primarily be

1 responsible for reviewing our appraisals.  
2 Unfortunately, the first posting did not result in any  
3 qualified candidates, so I'm working with them now to  
4 reconfigure that position and try again soon. I hope  
5 to have more to report when we next meet. On to  
6 today's agenda, first, we have some business coming to  
7 us from committees. I'll just say that sometimes  
8 committee reports are just summarized by the chair  
9 before a vote, but today's are either short enough or  
10 alternatively complex enough that for the sake of  
11 consistency, I've asked staff just to prepare for a  
12 brief presentation on all items. After that, we'll get  
13 the annual stewardship reports and action items, and  
14 finally we'll reaffirm our guidelines and practices and  
15 do a little bit of work in that area. The last item on  
16 my report is in reference to our annual appointments,  
17 and we can expect one from each appointing body this  
18 year. As a reminder, you all may serve no more than  
19 two complete consecutive terms and a maximum of 10  
20 years. As Jimmy was appointed to serve the last year  
21 of Greer's term, he is both eligible and in my  
22 understanding interested in serving another term for  
23 the House appointment, for which I'm grateful. For the  
24 Senate and Gubernatorial appointments, I do not yet  
25 know who is in serious consideration, but do know who

1 we are losing. After serving since 2018 and 2019  
2 respectively, Jason and Amy had reached the end of two  
3 consecutive full terms. To echo what John said, we're  
4 losing a lot of experience on that committee very soon.  
5 Both have been in the trenches in land conservation for  
6 decades, Jason as a former AD and Amy as a conservation  
7 landowner, both in the Piedmont region. I really have  
8 two purposes for sharing this. One is to thank Amy and  
9 Jason for their many, many months of service between  
10 the two, and the second is to put everyone on notice  
11 that we're going to have to step up our game because we  
12 have some big shoes to fill, but I know that you all  
13 will. So again, I just want to echo John in saying  
14 thank you both for your service to the Acquisition  
15 Committee. It is going to have a big hole very soon.  
16 Thank you, both, and, Mr. Chair, that concludes my  
17 report.

18 Chairman Wilson: All right,  
19 thank you; any last questions for Will?

20 Vice-Chair Walser: I'll make a  
21 comment, and Jimmy can do this as well as I. But I saw  
22 Greer just serendipitously about a month ago, and she  
23 sends her regards. She misses us, and she's doing  
24 well. I'm sure Jimmy can go into more detail, but she  
25 looked great. She is active. I was happy and

1 surprised at how good she looks.

2 Chairman Wilson: All right,  
3 before I open the floor for public comments, I just  
4 want to remind our guests that the Land and Water Fund  
5 Guidelines and Practices Manual states that comments  
6 should be limited to subjects of business following  
7 within the jurisdiction of the Land and Water Fund. We  
8 welcome public comments on general issues, but comments  
9 will not be allowed on individual projects before the  
10 Land and Water Fund for funding during the regular  
11 meeting. Comments will be limited to three minutes per  
12 person. With that, are there any public comments?  
13 Hearing none, we will now move on. Okay, we will move  
14 to the first item on our business agenda which is  
15 consideration of the acquisition committee  
16 recommendations, and we'll hand it over Chair Amy  
17 Grissom.

18 Acquisition Chair Grissom: Thank you, and  
19 let me just start by quickly thanking you, John and  
20 Will, for your kind words for me and Jason. It's been  
21 absolutely an honor and a privilege to serve and get to  
22 know this wonderful board. I really do feel like it's  
23 a fantastic group of people doing great work across the  
24 state. And everyone's replaceable, so I'm sure you'll  
25 have somebody else, you know, bringing a great

1 perspective and lots of good qualifications next time  
2 you meet. And similarly, working with staff, it's just  
3 been an absolute pleasure. You are all fantastic  
4 stand-up people doing, you know, a heavy lift every  
5 single day, you know, so my thanks to all of you. With  
6 that we had our Acquisition Committee, just one brief  
7 meeting, brief-ish, on May 1st. Marissa gave a bit of  
8 an update. Staff is hard at work continuing to get  
9 projects closed, and I'm sure it's music to her ears to  
10 hear that we might get some more legal work and  
11 appraisal work coming down the pike. Okay, two items  
12 on the agenda; first, an amendment request, Town of  
13 Wake Forest for a greenway project, and I'm going to  
14 welcome and turn it over to Nicolle.

15 Ms. Montero: All right,  
16 thank you; good afternoon, everyone; I will be covering  
17 agenda item number 1A. This is Land and Water Fund  
18 Project 2000A-016, Town of Wake Forest, Smith Creek  
19 Greenway. I want to start off giving you a little bit  
20 of background of the conservation easement. Back in  
21 2000 the Land and Water Fund awarded just over 1.1  
22 million dollars to the Town of Wake Forest for the  
23 acquisition of several conservation easements along  
24 Smith Creek, Tom's Creek, and the Neuse River. And  
25 then in 2003, a conservation easement was acquired on a

1 3.98 acre parcel along East Wait Street in Wake Forest.  
2 And then in 2025, the Town of Wake Forest is requesting  
3 an amendment to facilitate the construction of a paved  
4 greenway, and the map to the right gives you a little  
5 bit of spatial context of where the easement is  
6 located. It's about half an hour northeast of Raleigh  
7 in the Town of Wake Forest. The Town of Wake Forest is  
8 requesting the amendment of a conservation easement to  
9 facilitate the construction of a paved greenway through  
10 the easement area. The greenway trail would run  
11 parallel to Hatters Branch, which is the water resource  
12 on the property, extending from the north end of the  
13 easement to the south end of the easement, and this  
14 would create a riparian greenway. The length of the  
15 proposed greenway trail is about 1,100 feet with a  
16 width of 10 feet, and it will be an asphalt greenway.  
17 Looking at the map to the right, the red outlines the  
18 conservation easement, and the pink shows the proposed  
19 greenway trail. This would be about 0.26 acres of  
20 impervious surface, which is about 6.53 percent of the  
21 total easement area. And then as with most  
22 construction projects, impact will occur outside of the  
23 end product. And the extent of this impact is outlined  
24 with the yellow patches on the map. Though this area  
25 may be disturbed during construction, the Town of Wake

1 Forest has shared their intention to follow best  
2 management and restoration practices that are -- that  
3 follow the DEQ standards. And they do plan on  
4 replanting with native revegetation in this area as  
5 well post-construction. To give you a little bit more  
6 context of the project, it is part of the Dunn Creek  
7 Greenway Phase 3. So both the northern and southern  
8 bordering tracks also have future planned greenways  
9 that would connect to the one within the easement area.  
10 The yellow greenish track you see on the map is  
11 currently owned by the Town of Wake Forest and managed  
12 as open space. And the pinkish-purplish track to the  
13 south is privately owned, but will have the greenway  
14 connecting to it and managed as open space by the Town  
15 of Wake Forest. And as you guys are familiar, part of  
16 the purpose and mission of the Land and Water Fund is  
17 to fund projects that contribute to riparian greenway  
18 projects and networks. These greenways provide  
19 benefits for environmental, educational, and  
20 recreational uses, and this section of the Dunn Creek  
21 Greenway allows for connectivity to an established and  
22 growing greenway system throughout Wake Forest. And  
23 this section of the greenway will be placed along an  
24 existing sewer line right-of-way, limiting the  
25 footprint and avoiding clearing more trees than needed.

1 Moving on to the Guidelines and Practices Manual, we  
2 are considering this greenway project as a public works  
3 project under the amendment guidelines. And since this  
4 project did not meet the criteria for a minor  
5 amendment, we have classified the need for a major  
6 amendment. Therefore, the project must be considered  
7 by the board where a two-thirds vote is required for  
8 approval. And the picture to the left is the current  
9 preparation of the area within the conservation  
10 easement. And the picture on the right is just an  
11 example of a Town of Wake Forest Greenway in the area.  
12 The conservation benefit analysis was completed to  
13 examine the current resources provided by the easement  
14 and the effect that the amendment would have on those  
15 resources. As the easement stands right now, the  
16 riparian buffer resource score is 33 points. And we  
17 have found with the amendment that the riparian buffer  
18 resource score remains the same. Therefore, there is a  
19 neutral change. As the easement stands right now, we  
20 have calculated that the current riparian greenway  
21 resource is 48 points. This takes into account the  
22 impervious surface cap that's currently in the easement  
23 of 5 percent. But as you can see, the score does drop  
24 down to 45 points with the amendment. This is because  
25 it would allow for a greater impervious surface

1 coverage. This gives us a score differential of  
2 negative three points. However, it can be argued that  
3 the riparian greenway score under the current easement  
4 could be zero right now because we established that  
5 with current design standards and measurements. They  
6 wouldn't really be able to construct a greenway with  
7 the 5 percent cap. So really, this amendment could  
8 allow for -- it could allow for a 45 point increase.  
9 And currently, there are no known historic and cultural  
10 resources as well as no natural heritage resources on  
11 the property. So now in regards to offset of  
12 conservation impacts in the guidelines and practices  
13 manual, it states that the North Carolina Land and  
14 Water Fund must be made whole from any loss of monetary  
15 or conservation value resulting from an amendment.  
16 Proposals for offset should be discussed with Land and  
17 Water Fund staff and submitted along with any amendment  
18 request. And staff has established that the riparian  
19 greenway resource originally supported by this project  
20 cannot be realized with the current percentage cap  
21 outlined in the easement. Therefore, staff is  
22 recommending that the requirement for an offset in the  
23 event of an amendment approval be waived. The  
24 committee recommendation is to authorize an amendment  
25 to the conservation easement to eliminate the reference

1 of a cap on the percentage of total cleared non-  
2 revegetated pervious and impervious surface areas  
3 associated with improvements with the understanding  
4 that Land and Water Fund staff approval will be  
5 required prior to exercising any rights for allowed  
6 improvements. And the board action needed is to  
7 approve, amend, or deny the committee recommendation.

8 Acquisition Chair Grissom: Thank you,  
9 Nicolle, and I just wanted to say that we were down one  
10 committee member at our meeting, but this passed  
11 unanimously, and back to you, Chair.

12 Chairman Wilson: So this is  
13 coming to us from the Acquisition Committee; any  
14 discussion of this before we vote on it?

15 Mr. Broughton: Can I just ask  
16 one question about -- I'm familiar with the greenway  
17 along Crabtree Creek and all that, and I guess that's  
18 paved, but are most of these greenways in Wake County  
19 paved. In Forsyth, it's not. It's a mix. Are they all  
20 paved?

21 Ms. Montero: They're  
22 mostly --

23 Mr. Broughton: Yeah.

24 Ms. Montero: They are mostly  
25 paved. Yeah, they're usually asphalt or some concrete

1 or it's boardwalks and bridges. This specific section  
2 is just going to be asphalt.

3 Chairman Wilson: So Nicolle read  
4 the recommendation from the committee, and it is on the  
5 screen, so I won't read it again, but I don't want to  
6 short circuit any more discussion; anything else from  
7 anybody; good to vote now? Okay, all in favor, please  
8 say aye?

9 (Board Members vote aye.)

10 Chairman Wilson: Is anyone  
11 opposed? I'm an aye also. Anyone opposed; okay, that  
12 carries; thank you, great; back to you, Amy.

13 Acquisition Chair Grissom: Okay, great, so  
14 our second item of business was the City of Salisbury  
15 Water Intake Request, NCWRC lands. This one was the  
16 complicated one, so it's time to sit up straight, maybe  
17 lean forward, and I'll also just say that in addition  
18 to being down one committee member. Jason recused.

19 Ms. Montero: I was just  
20 going to note for the minutes that Jason has just  
21 stepped out.

22 Acquisition Chair Grissom: Oh, thank you.

23 Ms. Montero: Yeah.

24 Acquisition Chair Grissom: I apologize.

25 So we have three of our five committee members voting.

1 This did pass unanimously. I guess I would just say I  
2 still churn on this a bit, but I will turn this over to  
3 Justin to do the presentation, and we'll have the  
4 discussion afterwards.

5 Mr. Mercer: It seems to  
6 be a little bit of lag with the screen here, so I will  
7 try to take a couple of breaths and let that catch up  
8 from time to time. But next we have agenda item 1B,  
9 2017-033, North Carolina Wildlife Resources Commission,  
10 Alcoa High Rock, City of Salisbury Water Intake  
11 Request. Before I dive into this, I just want to give  
12 one caveat here that the parcel in question was not  
13 originally included in the scope of work for the grant  
14 contract for this project. But records do indicate  
15 that the Wildlife Resources Commission did acquire it  
16 as part of the same transaction. WRC recognizes that  
17 as a funding partner in the greater Alcoa purchase, it  
18 is appropriate to seek our input on this request.  
19 Though there is no conservation agreement in place  
20 currently, we are using the conservation agreement  
21 amendment guidelines as a framework to review and  
22 evaluate this request. So this presentation will look  
23 very similar to the one that Nicolle just gave, but  
24 just a reminder that there is not a recorded  
25 conservation agreement in place on this property at

1 this time. But with that out of the way, we'll dive in  
2 here. Just a little bit of history, in 2017 a grant in  
3 the amount of 1.2 million dollars was awarded to --  
4 sorry, awarded by the North Carolina Land and Water  
5 Fund for acquisition of approximately 2,400 acres along  
6 the Yadkin River and South Yadkin River. In 2019, the  
7 Wildlife Resources Commission acquired approximately 22  
8 parcels totaling roughly 2,400 acres as part of a FERC  
9 free licensing agreement. In 2024, the City of  
10 Salisbury approached WRC with a request to acquire land  
11 to facilitate replacement of an existing drinking water  
12 intake. And here in 2025, in fact later this week,  
13 eligible portions of the acquired property associated  
14 with grant 2017-033 are to be dedicated under the State  
15 Nature Preserves Act. So just to be clear, this  
16 particular parcel is not on that list to be dedicated,  
17 but other eligible parcels associated with that grant  
18 contract will actually be discussed later this week and  
19 continue moving through that process. So just to  
20 orient us a little bit here, this is a very much zoomed  
21 out picture of the area. We have Salisbury on the  
22 southern side of this map here, Spencer close by. All  
23 the areas in red that you can see on this map are  
24 projects that were acquired associated with grant  
25 contract 2017-033. The other purple areas are other

1 North Carolina Land and Water Fund protected lands, and  
2 then we have the subject parcel not incredibly visible  
3 on this map. We'll show a little more detail in a  
4 minute here, but in this sort of teal color, and then  
5 our proposed swap parcel in orange right next door. A  
6 little bit of a closer look here, the same color  
7 schemes apply here, but we can see a little bit better  
8 our subject parcel in this teal and our proposed swap  
9 parcel again immediately across Hannah Ferry Road in  
10 orange, both protecting Deals Creek which flows through  
11 both properties and then the subject tract having  
12 frontage along the Yadkin River. The other thing that  
13 I will point out here is this little green parcel right  
14 at the point where you have the confluence of the  
15 Yadkin River and South Yadkin River, that is the  
16 location of the existing drinking water intake. So we  
17 are talking about potentially facilitating here a move  
18 of that drinking water intake. I think the number was  
19 roughly 1,400 linear feet downstream, so not a huge  
20 move here, but one that the City of Salisbury believes  
21 is necessary. Wildlife Resource Commission and the  
22 City of Salisbury are seeking the Land and Water Fund's  
23 support for an exchange of land to facilitate the  
24 replacement of Salisbury's drinking water intake.  
25 Again, we can see from the map here. It may be a

1 little bit difficult from your seats, but we've got the  
2 existing drinking water intake right here on the Yadkin  
3 River side of the point with additional infrastructure  
4 right here on the South Yadkin River adjacent to this  
5 orange parcel which is what they are proposing as swap  
6 land, so to speak. The proposed exchange would  
7 facilitate the transfer of 15.83 acres to the City of  
8 Salisbury. I will note there that's a slight  
9 correction from the figure that appeared in the agenda.  
10 I believe we may have had 16.04 acres or something  
11 along those lines. That discrepancy is a result of a  
12 DOT project that occurred in recent years. So we are  
13 talking about 15.83 acres here. It would also  
14 facilitate the construction of a new drinking water  
15 intake and associated infrastructure and a total impact  
16 of 1.9 acres to the subject parcel. So of that 15.83  
17 acres, the proposed construction, access roads,  
18 permanent infrastructure, all of that will impact  
19 approximately 1.9 acres. The other thing that's worth  
20 mentioning here is that the City of Salisbury  
21 originally requested only to purchase about 10 acres of  
22 this property. But in talking through with the  
23 Wildlife Resources Commission, it was determined that  
24 that would create a management hardship for our sister  
25 state agency, and they really weren't interested in

1 divesting of only a portion of it and being left with  
2 six acres to manage all on its own. So that's where  
3 when we get into talking about avoidance and  
4 minimization, that's why we're looking at nearly 16  
5 acres here and not some smaller figure. Just a quick  
6 snapshot of some early construction drawings for this  
7 site; I will point out this kind of brownish orange  
8 parcel here is a neighboring parcel. It has nothing to  
9 do with any North Carolina Land and Water Fund grant  
10 contracts or with the Wildlife Resources Commission  
11 land. But you can see the bulk of the permanent  
12 infrastructure is intended to be on that parcel.  
13 Within the subject parcel that we're discussing here  
14 today, the primary impacts are a temporary construction  
15 access road along Deals Creek coming out to the Yadkin  
16 River where it widens out and allows equipment to  
17 access that floodplain area and build both a permanent  
18 bridge and drinking water infrastructure adjacent to  
19 the parcel. This is a 3D rendering provided by the  
20 engineer. Again, I will point out that this big cut  
21 area for this permanent road is not on the WRC parcel  
22 that's on an adjoining property that the City is  
23 currently negotiating with that landowner for the final  
24 outcome. This red line running along the floodplain  
25 here, that is the property boundary for the property

1 currently owned by the North Carolina Wildlife  
2 Resources Commission. So you can see this permanent  
3 bridge being the bulk of what is traversing the WRC  
4 property with some of those vents actually being in the  
5 ground and the very edge of this drinking water intake  
6 infrastructure being on the banks of the Yadkin River  
7 there as well. So in evaluating this, again, we are  
8 using our amendment guidelines and practices as a  
9 framework for reviewing this project, and I always like  
10 to start these out by talking about offsets to  
11 conservation. In fact, it's a little bit difficult to  
12 evaluate the proposal without knowing what they're  
13 proposing to give in return. Our guidelines state that  
14 in the case of an amendment required in lieu of the  
15 state's or municipality's power to take private  
16 property for public use, the North Carolina Land and  
17 Water Fund may elect to be reimbursed at minimum the  
18 current fair market value as determined by appraisal  
19 tax value and/or land and water fund staff or a  
20 prorated amount of the investment at the time of the  
21 grant contract, whichever is greater. So typically for  
22 these projects, we will accept just a one-to-one  
23 reimbursement, whether it be a DOT project or a sewer  
24 project or whatever else it may be. This being as  
25 large as it is warranted a little bit more discussion

1 and in talking with both the City of Salisbury and the  
2 Wildlife Resources Commission, they agreed that in  
3 deference to the Land and Water Fund's established  
4 preference for an exchange of land, the City of  
5 Salisbury has offered two parcels immediately upstream  
6 on Deals Creek totaling approximately 19.64 acres. So  
7 while in many cases we might consider a cash  
8 reimbursement for this type of scenario, both WRC, Land  
9 and Water Fund, and City of Salisbury all agreed that a  
10 land swap might be a more attractive proposal here. As  
11 this is a public works project, minimum requests to  
12 accommodate these types of projects not covered  
13 elsewhere in the document may be approved by the Land  
14 and Water Fund Board. And for a smaller project we  
15 might leave it at that and turn it over for discussion.  
16 But again, given the size of this request, given the  
17 scope of the project, it felt like it warranted  
18 additional review and additional discussion. So we  
19 will take you through some of the other criteria that  
20 we consider for other major amendment requests, but  
21 just a quick side-by-side, a couple of pictures of the  
22 existing WRC site. The photo on the left shows the  
23 existing drinking water intake just upstream. The  
24 photo on the right shows a floodplain pool further  
25 along the property. So again, going through the six

1 criteria that we look at to evaluate most major  
2 amendment requests. I'll take you through each of  
3 these. The text you'll see in orange on the screen,  
4 and I'll talk you through, is just my interpretation of  
5 how this specific request does or does not fit in with  
6 our established guidelines. The first being that it  
7 must clearly serve the public interest and provide a  
8 public or community benefit. For a drinking water  
9 intake, it's a relatively easy case to make on that  
10 front. The proposed replacement drinking water intake  
11 would provide improved ability for the City to conduct  
12 maintenance and ensure uninterrupted service to  
13 drinking water customers. Part of the problem here is  
14 that the existing public road that leads to the  
15 drinking water intake structure as it currently sits is  
16 subject to relatively frequent flooding. When that  
17 road floods, sometimes it can stay underwater for five  
18 days or more, which makes it difficult and nearly  
19 impossible for city personnel to reach that  
20 infrastructure and make necessary repairs. Five days  
21 is a long time to be without clean drinking water.  
22 Number two has a net positive benefit on the  
23 conservation values as determined by a conservation  
24 benefit analysis. I will show you my review sheet here  
25 in just a minute, but will start by just saying that

1 the proposed infrastructure will obviously have a  
2 negative impact on conservation values. There's really  
3 no way to get around that. However, the proposed 19.64  
4 acre offset will result in a net increase of comparable  
5 conservation land. Looking at the two parcels side by  
6 side here with our conservation benefit analysis, and  
7 again, this is based off of our current acquisition  
8 program application rating system, specifically the  
9 resource value portion of that. So we put each parcel,  
10 both the current WRC parcel and the proposed swap land  
11 through that system, and we came out with identical  
12 scores. So there are some differences worth noting.  
13 Both of them have the exact same water body  
14 classifications associated with them. There is  
15 certainly more river frontage on the Yadkin River with  
16 the existing WRC site. There is comparatively a  
17 shorter length of buffer on the proposed Salisbury swap  
18 site, but neither of those things are taken into  
19 consideration with our current scoring system because  
20 they both get adjacency for being next to other  
21 conservation parcels. So at the end of the day, both  
22 parcels come out even, and so that only gets us part of  
23 the way there. We want to make sure we have a positive  
24 conservation benefit, not a neutral conservation  
25 benefit. And so when you take into account the fact

1 that the City is offering nearly four acres greater  
2 than what they are asking to receive, that does push it  
3 over the edge and demonstrate that at the very least we  
4 do have a positive conservation benefit associated with  
5 this project. It's also worth noting that the Natural  
6 Heritage Program was interested in both of these sites.  
7 I did have Natural Heritage staff go out and view both  
8 of them. They found some things of interest, but  
9 nothing that really rose to the level of being  
10 represented in our current application rating system.  
11 So there are resources worth protecting, but nothing  
12 that qualifies as an element occurrence or a natural  
13 area at this point. So again, just a quick comparison,  
14 two relatively representative photos of the sites. On  
15 the left, we have the existing WRC parcel. We've got  
16 this interesting water body you can see in the back of  
17 the parcel. Beyond that when you get to the slope,  
18 that is off property. That is a neighboring parcel.  
19 Everything in the foreground is part of that WRC  
20 parcel, and that water body actually does not currently  
21 connect out to the Yadkin River. So it's this cool  
22 little slough almost that runs through there. On the  
23 right side, we do have a relatively expansive semi-  
24 permanent impoundment, which is just a fancy way of  
25 saying beaver pond, that WRC staff was particularly

1 interested in. One of the reasons that the Wildlife  
2 Commission staff is interested in this exchange is that  
3 they believe that the proposed swap parcel gives them a  
4 greater opportunity for public access and enjoyment of  
5 that site; whereas, the existing parcel is not  
6 something that they restrict the public from, but it's  
7 not something that they advertise as being publicly  
8 available for hunting or other recreation as well.  
9 Number three does not result in impermissible private  
10 benefit other than the benefit inherent to the  
11 conservation agreement. We've looked through this and  
12 have determined that there's no impermissible private  
13 benefit associated with this proposal. Number four is  
14 consistent with the conservation purposes and  
15 documented intent of the conservation agreement. Again  
16 there's no conservation agreement in place here, so  
17 this has been one that can be a little bit challenging  
18 to evaluate. But we look back at the grant contract,  
19 and the grant contract does cite protection of riparian  
20 buffers as a primary purpose. Based on the Fund's  
21 history and the water body classifications referenced  
22 in the application rating system, it's reasonable to  
23 infer that protection of drinking water is a primary  
24 purpose or was a primary purpose of grant number  
25 2017-033. And so based on that inference, this project

1 is consistent with the purposes of the thought. This  
2 is something that Will and I discussed a good bit  
3 leading up to kind of reaching a final opinion on this  
4 project, that if we claim to care about protecting  
5 drinking water, it's a little difficult to say you  
6 can't actually go and drink it. Number five to the  
7 extent verifiable is consistent with the documented  
8 intent of the donors, other grantors, and any direct  
9 funding source. If this ends up being supported by the  
10 North Carolina Land and Water Fund, it will still be on  
11 the Wildlife Resources Commission to seek approval or  
12 support from their own commission, the U.S. Fish and  
13 Wildlife Service, and other stakeholders. So we've got  
14 a little bit of a cart and horse situation here where  
15 it is on another agency to seek those approvals from  
16 those other interested parties. So we are being asked  
17 to be the first ones to weigh in here, so to speak.  
18 Lastly number six, demonstrate that no practicable  
19 alternatives exist and that the impacts have been  
20 minimized. And this is something that I know the City  
21 of Salisbury put some effort to, and we've asked them a  
22 lot of questions about this. They explored several  
23 other alternatives, including retrofits to the existing  
24 intake, but due to a lack of other suitable  
25 unencumbered land and the need to be located close to

1 existing infrastructure, it was determined that this is  
2 the only potentially viable site. I can provide a  
3 little bit more detail on other alternatives explored  
4 if anybody would like, but I will leave that to you.  
5 That does bring us to the committee recommendation.  
6 The Acquisition Committee recommends supporting the  
7 request for exchange of parcels and recommends that the  
8 NCWRC have qualifying portions of the proposed exchange  
9 parcels restricted by articles of dedication under the  
10 State Nature Preserves Act. With that, I will turn it  
11 back to the Chair for any further discussion or  
12 questions.

13 Acquisition Chair Grissom: I guess I'm  
14 turning it over to John for that discussion.

15 Chairman Wilson: All right, this  
16 came to us from the Acquisition Committee. What would  
17 you all like to discuss?

18 Mr. Riddle: I thought the  
19 presentation was really good. You've answered a lot of  
20 my questions specifically about why it's a much larger  
21 site than just the intake site. Are there any  
22 restrictions on that additional six acres along the  
23 Yadkin River that have been offered, so they could do  
24 anything with it?

25 Mr. Mercer: There are no

1 additional restrictions proposed.

2 Mr. Riddle: Does that fall  
3 -- that match fall in the 100 year flood plain? Is it  
4 forested as well? Do you know?

5 Mr. Mercer: It is forested.  
6 It's a little bit of a mix. It's particularly all  
7 forest. There are some invasives there, as is to be  
8 expected, but it is still suitable conservation.

9 Mr. Riddle: Okay.

10 Restoration Chair Browning: I want to make  
11 sure that I understand. So the original grant was kind  
12 of an umbrella grant that was -- then parcels were  
13 identified for this plan, but we are considering it  
14 part of that umbrella?

15 Mr. Mercer: Sure, so this  
16 was a little bit of an interesting situation and with  
17 -- the nature of the FERC free license agreement had  
18 things kind of shifting quite a bit, and so it was part  
19 of the same purchase. It all happened in one  
20 transaction with the Wildlife Resources Commission, and  
21 so they did acquire it as part of that process, but it  
22 was not -- this particular parcel was not specifically  
23 listed in the grant contract for our part of it.

24 Restoration Chair Browning: I'm just  
25 curious to know. Did that weigh in strongly or what?

1                   Acquistion Chair Grissom:           Somewhat, and I  
2           guess that's why my understanding is that's why WRC  
3           wanted input from this board because it was -- it  
4           didn't come in a single transaction. I guess there  
5           were just some moving pieces between when the board  
6           approved the 1.2 million dollars for that 25-ish acres.  
7           You know, this one wasn't identified as that, but it  
8           came as part of this historic Alcoa land, and then  
9           acres were really tough to kind of exactly nail down,  
10          you know, with surveys and high water marks and older  
11          surveys. I mean it's just -- it's complicated. You  
12          know, theoretically, this parcel perhaps should have  
13          gone through the process, our typical process, and  
14          would it have had instructions -- am I explaining this  
15          correctly, Justin? Please jump in.

16                   Mr. Mercer:                                 Sure; no, that  
17          all sounds right. Had this parcel been included in the  
18          grant contract, it would have been included in the  
19          dedication process, just like all of third projects.

20                   Mr. Wommack:                                 If it's a  
21          technicality that there's a third conservation easement  
22          on the property and the judge says that there is a  
23          technicality that we don't have the authority to grant  
24          or not grant.

25                   Mr. Mercer:                                 I'll defer to

1 Will on that.

2 Executive Director Summer: I think that's  
3 a good question, David. Yeah, technically, I think if  
4 we were to take it to court, we probably wouldn't have  
5 that. However, WRC has been the single most successful  
6 advocate to us, and I think out of deference to us and  
7 future grants, I think they are reaching out to us to  
8 seek our input on that. But yes, I think to your  
9 point, we don't have a technical docketing to demand,  
10 though.

11 Mr. Wommack: So shouldn't  
12 this just be some kind of -- I don't know how to put  
13 it, some kind of agreement with this board that this is  
14 an appropriate action as opposed to an actual change in  
15 the structure of the conservation easement because --

16 Executive Director Summer: Exactly right,  
17 I think that's the way we've structured it, is that  
18 we're not -- we are recommending to WRC that they take  
19 this action. We're not -- and I think it's just that  
20 we're using the same structure as if it were encumbered  
21 because they're deferring to us to do so. But we -- at  
22 the end of the day, this board is recommending to WRC  
23 that they take a certain action, and we have every  
24 reason to believe that they will because it's probably  
25 -- as said should have been, would have been, and I

1 think they want to do right by this board.

2 Acquisition Chair Grissom: So you guys are  
3 quickly zeroing in on some of the discussions we had at  
4 the committee level.

5 Mr. Womack: I apologize for  
6 taking this point. I'm the mysterious member that  
7 wasn't at that meeting. I wanted to ask that question  
8 at the committee meeting, and I apologize for taking  
9 the board's time with this. But I mean, I'm all for  
10 it. I think that there's certainly a lot of support  
11 here.

12 Chairman Wilson: And I think the  
13 key word on that top line is right in the middle. It's  
14 supporting. We are not approving. We are supporting.  
15 We're not sure. It's not like we feel like we do not  
16 have the authority to approve or deny, and the  
17 committee voted. The committee is recommending to the  
18 full board supporting this request rather than --

19 Acquisition Chair Grissom: I guess I'll  
20 just weigh in at this point, because I've stated  
21 before, I just continue to churn on this. But you look  
22 at specific WRC and City of Salisbury parcels that  
23 would be involved in the swap. I can -- I can be okay  
24 with that and support that because I think Salisbury  
25 and Rowan County, you know, safe, reliable drinking

1 water. The swap is comparable and reasonable and even  
2 to some extent more desirable to WRC because it's  
3 adjacent to this other land. I guess the rub for me a  
4 little bit is when I saw the rendering with the size  
5 and scale of this new intake and pump station. It's  
6 not just on the bank, but jutting out into the Yadkin  
7 River and to some extent even more so, the bridge  
8 access in some of the technical data that I found in  
9 the engineering report. That bridge crossed a topo  
10 level of 652 or 653 elevation. The top of that steep  
11 bluff level is more like 730-ish feet. So I had asked  
12 about the size and scale of what will be built in the  
13 river on that bank, as well as the size and scale of  
14 that deep, deep cut that will connect the road into the  
15 existing road system, because if that deep cut really  
16 is like 70 feet, that's just a huge environmental  
17 impact. It might throw the whole project. But then  
18 again, you know, adding on that adjacent parcel and not  
19 specifically on the personal thing -- does that make  
20 sense?

21 Mr. Mercer: And I will add  
22 that the folks from the City were on the call when we  
23 brought that up. I'll admit they sent me an answer to  
24 that, and I don't recall what it was off the top of my  
25 head. I can either look for that or they do have a

1 representative on the call if you should care to  
2 engage.

3 Acquisition Chair Grissom: Well, I just  
4 wanted to raise that as -- and, you know, the existing  
5 intake and pump station are two different sites. Also,  
6 in proximity to that it's a WRC boat launch where you  
7 can go in. So it's really going to change the  
8 experience of that protected portal. When you look at  
9 that initial map that Justin showed, so it's just a  
10 huge infrastructure impact in an area where there's  
11 just been decades of conservation work. And in looking  
12 at alternatives, the map shows that those were also  
13 going to be on conservation areas. I just feel the --  
14 kind feel the needs. But that's the big picture versus  
15 the half that we're at now to just look at the  
16 diversity that the plans call for a little more detail  
17 -- a little more than once.

18 Mr. Rusher: A quick  
19 question, maybe for Will, maybe for acquisition  
20 committee members; how often does something like this  
21 come across both in a gray area and another body asking  
22 for our opinion?

23 Executive Director Summer: So the gray  
24 area part of this is a little unique. As Justin said,  
25 if you look at our grant application and our grant

1 contract, the ends are clearly enumerated. We have a  
2 map. We have no confusion about the properties we  
3 thought of at first. The FERC free agreement was  
4 complicated enough that there was another parcel that  
5 came with it that WRC wasn't aware of. We weren't  
6 aware of it. It wasn't until this issue came up that  
7 Salisbury reached out to WRC and WRC even realized that  
8 came with the deal and it was their property. So the  
9 part about this uncertainty, I think this is the first  
10 time we've been in this situation. Had it been  
11 unequivocally one of the parcels that you all fund,  
12 that was in our contract -- I mean that's the process  
13 that usually just -- the more reasons that we record it  
14 the more often that you're going to see Justin with  
15 those sorts of things. The last one we saw last year,  
16 we decided on the greenway. So we see a more typical  
17 lease agreement a couple of times a year. Does that  
18 answer your question?

19 Mr. Rusher: Yeah, and then  
20 just a slight follow-up and a pivot based on Amy's  
21 comments; number six, six criteria, practical  
22 alternatives, any more color on that; you mentioned  
23 there were some alternatives perhaps when you said also  
24 created equal disturbance, is that -- I remember I  
25 heard a lot about that on that parcel.

1                   Mr. Mercer:

                                  Sure, and I did

2                   skim over that a little bit this time, but I'm happy to  
3                   give what detail I have in my notes here. The City did  
4                   identify six potential alternatives that they explored  
5                   throughout this process. Two of those were dismissed  
6                   due to concerns over ongoing intake sedimentation  
7                   issues. So a couple of those were just to look at how  
8                   they might be able to retrofit the existing  
9                   infrastructure, and evidently beyond just the flooding  
10                  issue, there are other issues associated with that.  
11                  And so it was deemed infeasible to continue pursuing  
12                  that. Two others were determined to be infeasible due  
13                  to an existing infrastructure. So you've got a power  
14                  substation right near the site that's needed to power  
15                  the facility. You've got existing force mains that are  
16                  needed to transport that clean drinking water. And so  
17                  to relocate everything a significant distance away from  
18                  its current location was just determined to be  
19                  infeasible for all those other infrastructure needs.  
20                  Not that we necessarily take into account the financial  
21                  hardship that might could free, that's not really  
22                  that's neither here nor there for us. But when you  
23                  think about the additional impacts that the other new  
24                  infrastructures would require, that would be a fairly  
25                  significant environmental footprint in and of itself.

1           Then the two remaining actions were what's been  
2           proposed here or no action, and so it's either come  
3           down to what they've asked of us here or to do nothing  
4           and just try to make the best out of the bad situation  
5           that we are in right now.

6                       Mr. Rusher:                       Thank you.

7                       Chairman Wilson:                     And would this  
8           new intake provide a lot more water other than the  
9           access and sedimentation issues with the existing one?  
10          Is this a bigger, better, more powerful --

11                      Mr. Mercer:                       That is not an  
12          answer that I have. I did not get into discussion with  
13          the Town over increases in capacity or anything like  
14          that. Again, they're on the call if that's an answer  
15          or a question you would like answered. But as I  
16          understand it, the primary purpose here is to replace  
17          existing capacity.

18                      Chairman Wilson:                     Okay, and can  
19          you pop up a slide, whichever one you think is best,  
20          that shows the location of the existing force mains and  
21          how this new intake would connect with those?

22                      Mr. Mercer:                       Absolutely; so  
23          what we've got here, I don't know if you can see it if  
24          my cursor will cooperate. We've got Hannah Ferry Road  
25          running. It's this road that runs right between the

1 orange and teal parcels. So the existing force main  
2 comes from the existing intake infrastructure up here  
3 right near the northern tip of that orange parcel and  
4 the adjacent purple piece runs along Hannah Ferry Road,  
5 and so they would connect in basically right here.  
6 Actually, excuse me, not on the current WRC parcel, a  
7 little bit further down, closer to where that big power  
8 line goes through, and my cursor's disappeared. You  
9 see the power line right-of-way here. They connect  
10 along Hannah Ferry Road. There's also that power  
11 substation right there that would be able to connect  
12 right in very close to the proposed new intake  
13 infrastructure.

14 Chairman Wilson: And can we see  
15 that on the 3D looking slide?

16 Mr. Mercer: Sure; so you  
17 have -- you've got the bridge here and that permanent  
18 access road coming through in the background. You can  
19 see Hannah Ferry Road kind of running across here, that  
20 power substation right here on the left side. So it  
21 would all connect in right along that public road  
22 frontage.

23 Chairman Wilson: And that's the  
24 big bluff that Amy was referring to, correct, the  
25 bridge and the cut?

1                   Acquisition Chair Grissom:       The bridge, I  
2                   think, is around a 100 feet change.

3                   Chairman Wilson:                   Any more  
4                   questions?

5                   Mr. Riddle:                        I'm starting to  
6                   support this a little bit more, because when I realized  
7                   that the amount of watershed protection area increases  
8                   270 percent from about 24 miles to 66 miles, that's a  
9                   huge amount of water supply and watershed protection,  
10                  restricted buffers and very strict requirements --  
11                  stormwater requirements that don't exist in that part  
12                  much. I think that's a good win for it. But I think  
13                  the location of that will certainly make it easier to  
14                  have a larger water intake plane because they'll be  
15                  taking less percentage off of those two rivers. That's  
16                  an important question to know.

17                  Chairman Wilson:                   They'll be taking  
18                  less?

19                  Mr. Riddle:                        No, they'll be  
20                  taking less percentage from those two rivers. So it's  
21                  highly likely that there will be an increase in water  
22                  there. Maybe not in the near future, but it definitely  
23                  puts them in position to get that increase further down  
24                  the road, because when they do need an increase, it may  
25                  be tougher to get where it's located. But I think

1 overall, it's a good spot, this amount of protection.

2 Mr. Rusher: I'll follow up  
3 on myself here, probably play the other side of your  
4 earlier comments. But I think the -- I asked the  
5 practical alternatives question primarily. I think if  
6 you've read the news over the last few years, the need  
7 to relocate this facility is definitely there. And I  
8 think the question is whether we've recommended or  
9 shown enough or that there's no other alternative here.  
10 But the current site that we showed earlier is subject  
11 to flooding over the last several years, a couple of  
12 times. I think the proposal said they've had to shut  
13 down multiple times. We've got folks waiting in  
14 Salisbury. The need, I think, is definitely there for  
15 them to provide reliable water. I just wanted to make  
16 that comment. I think I'm pretty comfortable.

17 Chairman Wilson: Any more  
18 discussion before we vote; ready to vote? Okay, we  
19 have the committee recommendation to support the  
20 request for exchange of parcels and recommend that the  
21 Wildlife Resources Commission have qualifying portions  
22 of the proposed exchange parcels restricted by articles  
23 of dedication under the State Nature Preserves Act.  
24 All in favor, please say aye?

25 (All Board Members except Amy Grisson vote

1 Aye.)

2 Chairman Wilson: Anyone opposed;  
3 anyone abstaining?

4 Acquisition Chair Grissom: I abstain.

5 Chairman Wilson: Amy is  
6 abstained. Okay, so that carries by a vote of seven to  
7 one abstension; okay, thank you; thank you, Justin.

8 Acquisition Chair Grissom: Thank you,  
9 everyone, involved in the conversation; I appreciate  
10 that.

11 Chairman Wilson: Okay, anything  
12 else from the Acquisition Committee?

13 Acquisition Chair Grissom: That's all.

14 Chairman Wilson: Did we go over  
15 everything?

16 Acquisition Chair Grissom: We did.

17 Chairman Wilson: Okay, we are  
18 now going to move to item two on our business agenda.  
19 Consideration of Restoration Innovative Storm Water and  
20 Planning Committee recommendations, and I'll hand it  
21 over to Chair Ann Browning.

22 Restoration Chair Browning: Thank you; the  
23 committee met on May the 2nd. We had a good update  
24 from Steve about the progress being made on outstanding  
25 grants. So very good progress is being made there. We

1 had a good discussion about restoration related Helene,  
2 a discussion there. And then we took up this one  
3 contract extension item. Will Price will continue with  
4 that.

5 Mr. Price: Sure, good  
6 afternoon, members of the board; today we just have one  
7 request for a construction contract deadline extension.  
8 A quick reminder, our enabling legislation requires  
9 that projects with a construction component sign a  
10 construction contract within one year of the date they  
11 signed their contract with us, and also that that date  
12 can be extended by the fourth or fifth clause shown.  
13 Our request today is from Foothills Conservancy of  
14 North Carolina for Project 2023-409 - Canoe Creek  
15 Restoration. This project was delayed primarily due to  
16 the effects of Hurricane Helene on their design firm,  
17 Wildlands Engineering. This project wasn't affected  
18 directly, but Wildlands has projects all throughout the  
19 mountain region. A lot of other projects were affected  
20 which put them back on this project. And in addition,  
21 they are getting some funding through Burke County, so  
22 they have to do a formal construction up-to-date  
23 process. Foothills has requested an extension to May  
24 of next year, 2026. The picture of the creek that  
25 needs some work; this is a good project. It scored

1 really, really well, and they're making good progress.  
2 They're just running out a little short on that  
3 deadline. The Restoration Committee unanimously  
4 recommended approving this request. Today we've asked  
5 the full board to approve, amend, or deny this request.  
6 I'm happy to answer any questions.

7 Restoration Chair Browning: We viewed this  
8 as fully straightforward.

9 Chairman Wilson: Okay, this is  
10 coming to us from the committee to us from the  
11 committee. Is there any discussion; ready to vote?  
12 Okay, all in favor of approving Foothills Conservancy's  
13 request to extend the construction contract deadline  
14 for Project 2023-409 until May 31st, 2026, please say  
15 aye?

16 (Board Members vote Aye.)

17 Chairman Wilson: Any opposed;  
18 okay, that carries; Ann, anything else?

19 Restoration Chair Browning: No.

20 Chairman Wilson: Okay, that's it  
21 for the Restoration Committee today. We'll move on to  
22 Item 3, the Stewardship Report from Justin.

23 Mr. Mercer: I promise not  
24 to be offended if you just start listening to rain and  
25 decide to drift off in the next little bit. Agenda

1 Item 3, Stewardship Program Report, just as a reminder,  
2 this is a presentation that I give each May just to  
3 bring you up to date on where things stand with the  
4 stewardship program and what we have done both from a  
5 financial standpoint and from a monitoring and  
6 enforcement standpoint since last May; actually, since  
7 I guess last July 1st, since this is based on the  
8 fiscal year. So what we'll look at here is a  
9 combination of where things stand year to date today,  
10 where we project things to be at the end of the fiscal  
11 year, a month and a half from now. And we'll sprinkle  
12 in just a little bit of catch up from the end of last  
13 fiscal year to update you on where we ended up there.  
14 So again, big caveat particularly with what you see on  
15 the screen here, a lot of these are projections. We've  
16 still got a month and a half left that we are  
17 continuing working on all of this. But as of right  
18 now, we are projecting to spend roughly \$175,000.00 on  
19 monitoring contracts this fiscal year. I do want to  
20 distinguish that that figure does not include anything  
21 that we are doing in-house. Those are only projects  
22 that -- where we have monitoring contracts with our  
23 conservation partners and are paying outside of our own  
24 staff. Management, we have listed at \$10,000.00.  
25 Again, those are projects that were included in grant

1 contracts. Every April, I send out a request for  
2 proposals to our conservation partners to bring  
3 requests to us for projects that can either enhance the  
4 conservation values of one of our easements or enhance  
5 the integrity or the State's ability to enforce those  
6 easements. So we're really looking at benefits to  
7 conservation resources or other benefits to the State  
8 out of that bunch. If you'll recall, we did discuss, I  
9 believe it was back in December, sort of the decrease  
10 that we've seen in requests for those management costs.  
11 And so that \$10,000.00 represented a little bit of a  
12 low point in terms of what requests we received last  
13 year. I'll touch on that a little bit more later.  
14 We've got this other line item here, emergency  
15 management funds. That is not a concept that is new.  
16 That's something that we have done as long as I've been  
17 aware. There are projects that come up throughout the  
18 year that typically have some time sensitivity to them,  
19 and it's not suitable to wait for the next round of  
20 contracts to get those projects done. In many cases,  
21 those are instances where there's maybe a planned  
22 timber harvest on a property next door. And it is to  
23 our benefit to have those easement boundaries well  
24 marked before somebody comes in and harvests timber, to  
25 make sure that there's no encroachment. They can be

1 situations where we have found a potential encroachment  
2 violation, but boundary markings are not significant  
3 enough for us to be able to tell for sure. And so  
4 before we can take enforcement action on that, we need  
5 to have a survey done. This year things were a little  
6 bit different. We did have some money in our  
7 stewardship operating account that was intended to go  
8 towards other expenses, those sorts of things to  
9 support our own monitoring efforts. But we did have  
10 Helene come through at the end of September, and the  
11 result was some projects that really could benefit from  
12 the use of some of those funds. So I'll touch on that  
13 a little bit more here in a few minutes. That asterisk  
14 there is to -- just to represent that we have not yet  
15 spent \$75,000.00. That's the amount that we felt  
16 comfortable sort of setting aside as if we could use it  
17 for those funds if there was the demand, but we are  
18 still working on some of those efforts. But all of  
19 that gives us a total projected expenditures of roughly  
20 \$260,000.00 for fiscal year '24-'25. As a reminder,  
21 our approved cap that the board set in May of last year  
22 was roughly \$328,000.00. So we are still expecting to  
23 come in under that cap somewhere between \$60,000.00 and  
24 \$70,000.00 by the time everything is settled for fiscal  
25 year '24-'25. I do want to back up here just a minute

1 to the previous fiscal year. When I talked to you last  
2 year and went through the numbers for monitoring  
3 breakdown, we were looking at 866 easements that the  
4 Land and Water Fund was directly responsible for. We  
5 anticipated that 496 of those would be monitored by our  
6 partner organizations, and at that point in early May  
7 2024, our own staff had monitored 22 easements. That  
8 was the number that I was able to get out to on  
9 whatever time I could find, as well as some additional  
10 easements that Nancy Guthrie was able to monitor for  
11 us. But something cool happened in early May of last  
12 year. We were able to bring Nicolle on board with us,  
13 and she hit the ground running. In the last month and  
14 a half of the fiscal year, Nicolle monitored an  
15 additional 69 easements. Now I want to make it clear,  
16 as fantastic as that is, that is not sustainable. So  
17 please temper your expectations. I don't expect that  
18 we're going to see that again this year. And not in  
19 any way to discount that work, but Nicolle was able to  
20 go out and see a lot of greenway easements, so small  
21 easements that needed to be monitored that were really  
22 close to one another. And so she was really able to  
23 get an incredible amount accomplished in a small amount  
24 of time, and so we ended last year having monitored 95  
25 easements ourselves. So all of that comes out to a

1 total of 591 easements monitored last year, which is  
2 about 68 percent. Now that is a far cry from the 100  
3 percent that we would like to see, but this is a  
4 process that we are working on. We knew it would take  
5 time to sort of get to the point that we can monitor  
6 everything every year. But just for perspective, that  
7 percentage was 60 percent the previous year. So just  
8 in one year, we saw an 8 percent increase in the number  
9 of easements that we were able to get monitored.  
10 Moving forward to the current fiscal year, we are now  
11 up to 879 easements that we are responsible for, which  
12 encompasses roughly 168,000 acres. 480 of those  
13 easements are expected to be monitored by partners by  
14 the end of the fiscal year. One important thing to  
15 note here, that number is lower than what we have  
16 listed for the previous year, which is not usual. One  
17 of our or our initial strategy for getting some of  
18 those older easements monitored was to engage our  
19 conservation partners and see if they would take on  
20 some additional monitoring efforts for us. And we did  
21 have one land trust partner in particular take us up on  
22 that in fiscal year '23-'24, took on an additional 30  
23 easements, which was an incredible number. But they  
24 realized very quickly that they just did not have the  
25 capacity and that was not sustainable for them to do.

1 So unfortunately, they returned responsibility for  
2 those easements back to us. So we did have to add  
3 those 30 back onto our plates in addition to new  
4 projects that closed. So that's where we get the 480  
5 number from. So year-to-date, we have monitored 115  
6 easements in-house so far this year. For perspective  
7 on that, Land Trust Alliance recommends about 75  
8 easements per year per staff person. So 115 is still a  
9 pretty significant accomplishment, not to mention that  
10 we've got a month and a half left in the year that we  
11 will continue monitoring. So that number will tick up  
12 a little bit by the time we get to the end of the  
13 fiscal year. Again, please don't expect another 69  
14 easements to be monitored between now and then, but we  
15 do plan on that number increasing. So as it stands  
16 right now, we are projecting -- assuming we don't  
17 monitor anything else from this date forward, we're  
18 projecting 595 easements monitored in fiscal year '24-  
19 '25, which matches that 68 percent from last year. In  
20 all likelihood, I do expect those numbers to increase  
21 before they're final. And so I'm hoping that we are at  
22 least a little bit closer to 70 percent by the time we  
23 get to the end of June. A couple other things that I  
24 want to mention about this; one is that what's on the  
25 screen here doesn't tell the whole story. Those 879

1 easements are the direct conservation agreements that  
2 we are responsible for. But that does not include all  
3 the projects that we have funded for other state  
4 agencies that are protected by articles of dedication  
5 that we still have some sort of responsibility for,  
6 whether it's evaluating amendment requests or whatever  
7 else. That figure acreage-wise is closer to -- and  
8 I've lost it here. I apologize. That figure is closer  
9 to 518,000 acres. So while we're directly responsible  
10 for 168,000, we do have some sort of involvement in  
11 518,000 acres across North Carolina. The other thing  
12 that we can't see here is that because this is based  
13 off of fiscal year projections, it doesn't capture what  
14 we plan to do the rest of this calendar year. And I'm  
15 pleased to say that if everything goes to plan, by the  
16 end of December this year, we should have monitored all  
17 of our easements at least one time. So if you recall,  
18 three years ago at this meeting, we talked about the  
19 number of easements that were not being regularly  
20 monitored. That was somewhere upwards of 400  
21 easements. So at this point, by the end of December,  
22 we expect that all those will be seen on the ground by  
23 Landmark on staff or our conservation partners at least  
24 once. So while there's still a lot of work to do,  
25 that's a pretty significant milestone, and that will

1 allow us to start reprioritizing and figuring out what  
2 needs to be monitored every year, what's suitable to be  
3 monitored on a three-year rotation, and what we might  
4 be able to monitor remotely. So I do feel like we are  
5 making good progress there despite some shifts in  
6 strategy along the way. So moving on or rather moving  
7 back to those contracted management funds that I  
8 mentioned, we included \$10,000.00 in monitoring  
9 contracts this year specifically for management  
10 projects. Again, four projects for \$10,000.00 was a  
11 little bit of a low point there, but those projects  
12 were to prevent trespass encroachment through survey  
13 and boundary marking. I believe we funded some  
14 boundary marking work here in Carteret County this  
15 year, as well as some control of invasive species and  
16 restoration of native communities in other parts of the  
17 state. I do want to take a few minutes and talk about  
18 that \$75,000.00 that I mentioned that we made available  
19 to our partners for Helene related problems. I do want  
20 to make it clear that while we are pleased that we were  
21 able to contribute some amount of funding to  
22 communities that were very much in need, every one of  
23 these projects' primary focus was either the  
24 conservation resources that are protected by our  
25 easement or the Land and Water Fund's interest in

1 access and integrity of those easements, so kind of a  
2 double benefit here, but our primary focus was on our  
3 interest in the land. So we have committed to six  
4 management projects throughout this effort that  
5 included removal of storm debris, repair improvement,  
6 and replacement of stream crossings, assessment and  
7 stabilization of landslides, and stabilization of  
8 severe erosion and repair of access. So we do have a  
9 photo on the screen here. You may recall -- I'll try  
10 to speak over the rain here. You may recall seeing  
11 that photo back in December. That is a site, I  
12 believe, in Avery County where there was a significant  
13 landslide that resulted in a bunch of roll completely  
14 clogging up a natural waterway and blocking that flow  
15 of water. So we did assist with a limited amount of  
16 funding to help restore that natural flow. Moving on  
17 here a project in McDowell County, this is Catawba  
18 River headwaters. On the left, you can see a photo  
19 where an access road was washed out, leaving behind  
20 those incised bare banks. The photo on the right is  
21 the culvert that was at that location. It's actually  
22 an old cast iron boiler that somebody had cut the ends  
23 off of and decided would make a good culvert, washed a  
24 significant ways upstream. And very likely for this  
25 site, it was probably an undersized culvert which

1 contributed to the washout to begin with. So we were  
2 able to assist in a couple of locations on this  
3 property where we could stabilize those banks and help  
4 reinstall more appropriate conservation minded stream  
5 crossings at those locations. Moving on here, and I  
6 believe this is Buncombe County, the landslide on a  
7 property. You can see on the left the scars and the  
8 bare soil left behind, on the right, the rubble pile at  
9 the foot of the slope. But a lot of our conservation  
10 partners are really at a loss for how to approach these  
11 situations, to figure out what needs to be done to  
12 stabilize and restore the conservation values to these  
13 sites. And so this was a project where we helped our  
14 grant partner with funding to hire a consultant to  
15 really give some insight on what the appropriate path  
16 forward is for stabilizing and restoring these sites.  
17 The last photos I have here, the photo on the left is  
18 Caldwell County. And I admit this is not the best  
19 picture of this site. It's not the best  
20 representation, but it's the best photo that I could  
21 find. There's a significant amount of both natural and  
22 manmade debris on this site that Duke Energy actually  
23 committed \$50,000.00 to help clean up. We matched that  
24 with \$5,000.00 of our own. I do want to make clear  
25 that I know there's been a lot of concern over folks

1 going in and going a little bit overboard with cleanup  
2 of streams and cleaning out debris and cleaning along  
3 stream banks. That's not what this is. This is much  
4 more targeted clearing out debris in the floodplain or  
5 other areas where it's really unnatural, unsafe amounts  
6 that are contributing to fuel loads for wildfires and  
7 things like that. So this is not the situations that  
8 we've all heard about in western North Carolina. And  
9 they really -- what we've participated in really is  
10 more targeted. The photo on the left, I believe, is  
11 Henderson County. Another project associated with some  
12 access roads, but just severe gullies washed out from  
13 these areas that we've been able to contribute some  
14 funding towards stabilizing those areas and ensuring  
15 that we are reducing risk of further erosion and  
16 sedimentation. So again, every one of these ties back  
17 to the resources that we are charged with protecting.  
18 Moving on here to violations, first, I will say that  
19 currently we have 74 potential and confirmed violations  
20 active in fiscal year '24-'25. Before panic starts to  
21 set in, I will acknowledge that is twice the number  
22 that I presented to you last year. But I don't think  
23 we should interpret that as an increase in the  
24 instances that folks are going out and violating our  
25 easements. We knew to expect this when we started

1 going and seeing some of those older easements. So  
2 unfortunately, that number has increased fairly  
3 rapidly. It's not unexpected. And we will probably  
4 continue to see those kinds of numbers for another year  
5 or two until we've been to everything at least once and  
6 are able to start more actively addressing some of  
7 those issues. Of those 74, 51 violations did carry  
8 over from previous years. As I've pointed out in the  
9 past, violations unfortunately take a lot more time to  
10 fix than they did to occur. And so these are projects  
11 that take time to address, whether it's negotiations  
12 with the landowner, whether it's conducting legal  
13 research or seeking out surveys or additional  
14 certainty. Unfortunately, they just take time. So 51  
15 of those have carried over, and 23 are new reports of  
16 potential violations. So those are the ones that have  
17 either been identified by our partners or by our own  
18 staff currently this fiscal year that we are actively  
19 working to try and address. Of those active  
20 violations, we did resolve six of them completely in  
21 fiscal year '24-'25, which doesn't sound like a large  
22 number based off of the 74 currently active. But that  
23 is consistent with what's been done in years past. So  
24 we do have six that we are able to completely take off  
25 the list of being solved that we don't have to worry

1 about anymore. We have 56 that are currently in  
2 progress. Those are the ones that we are actively  
3 working to address, and we'll continue making progress  
4 on that throughout the year and into next year or  
5 however long it takes to see them to completion. And  
6 then we do have 12 of those that remain in the research  
7 stage. Those are the projects or the potential  
8 violations where we just need more research before we  
9 can definitively determine if they are indeed  
10 violations. That could be situations that were  
11 identified through purview of aerial imagery and are in  
12 need of a site visit to confirm. More likely, those  
13 are situations that we've run across where we believe  
14 there's likely an encroachment, but we really need to  
15 hire a surveyor to get there and locate those  
16 boundaries before we can make a definitive  
17 determination. So those are also projects that I'm  
18 hoping with our increased capacity, we will be able to  
19 better address in the coming year. So just to  
20 highlight the graphic here a little bit, the largest  
21 single chunk of our violations remains third-party  
22 violations. So those are issues where somebody other  
23 than the landowner has come in and taken some action  
24 that impacts our conservation values. Unfortunately,  
25 those tend to be among the most difficult to address

1 because we don't always know who's causing the problem.  
2 But still something worth doing, and really the big  
3 reason why prevention is such an important part of what  
4 we do, making sure that we have accurate surveys and  
5 well-marked boundaries will continue to help preventing  
6 those in the future. The one thing I do want to  
7 mention is that our biggest increase this year is  
8 improvements. I think we've seen more of that this  
9 year; again, not necessarily more people actively going  
10 out improving on our -- making improvements on the land  
11 protected by our easements; just identification of some  
12 of those older ones that we didn't previously know  
13 about. These could be situations where new driveways  
14 have been built, or a local municipality has installed  
15 some recreation equipment that wasn't permitted by the  
16 easement; could be a neighborhood kid has been in and  
17 built some sort of treehouse that needs to be  
18 addressed. So that's, I think, the explanation for the  
19 increase there. It's not that folks are doing that  
20 more frequently. It's just now we know about it.  
21 Vegetation remains similar as previous years. Those  
22 are situations where actions have been taken by the  
23 landowners themselves. In many cases, that's our  
24 municipal partners mowing a little bit too much along  
25 greenways and things like that; things that are

1 relatively easily correctable as long as we can get in  
2 touch with the right folks and get that behavior  
3 changed. Now the last thing I'll mention on this  
4 slide, I will combine legal, procedural, and  
5 subdivision, that 13 percent there. I don't want in  
6 any way to suggest that those are insignificant, but I  
7 do at least take a little bit of solace in the fact  
8 that those types of violations are not actively  
9 impacting our conservation values. So definitely  
10 things that we want to get worked out, definitely  
11 things that we discussed with our partners and  
12 landowners. But at least those are the things that are  
13 not necessarily harming the values that we seek to  
14 protect. The last piece of this is conservation  
15 agreement amendments. We added this to this  
16 presentation a few years ago just to update the board  
17 both on a reminder of what you have seen in a given  
18 fiscal year, but also to bring you up to speed on any  
19 minor amendment requests that might have been approved  
20 at the staff level this year. And as of the  
21 Acquisition Committee report, these numbers are a  
22 little bit out of date. Previously we had four major  
23 amendments approved by the board this year. With the  
24 two today, we're now up to six. So six major  
25 amendments to conservation agreements were approved by

1 the Land and Water Fund Board in fiscal year '24-'25.  
2 Oddly enough, we've not processed any minor amendment  
3 requests this year. Every request that has been  
4 appropriate this year has come through the Land and  
5 Water Fund Board. So you know everything that I know  
6 aside from the ones that we've been able to  
7 successfully deter, and two -- sorry; three additional  
8 requests that are currently in the works that may be  
9 coming our way later this year. Two additional major  
10 amendment requests are pending that I do anticipate  
11 somebody will be hearing about in the near future, and  
12 then we do have one minor amendment request that is  
13 pending. Actually, I believe the Natural Heritage  
14 Advisory Committee may be discussing this week. And we  
15 will follow their lead on how to approach that request.  
16 It's a DOT Helene related project at Elk Shoals. But  
17 of those requests, we have -- 45 percent of those are  
18 DOT requests. 33 percent are utilities, and then the  
19 remaining 22 are equally split between recreation  
20 projects like we saw with the Wake Forest Greenway  
21 earlier. And 11 percent are other sort of non-Public  
22 Works infrastructure requests. That does conclude  
23 everything I had planned to share as part of the  
24 Stewardship Program Report, but happy to turn it back  
25 to the Chair for any questions or discussion.

1 Chairman Wilson: Thank you,  
2 Justin; how many amendment requests were denied? Do  
3 you know?

4 Mr. Mercer: That is not  
5 something that I actively keep track of. I think one  
6 of the ones -- one of the major requests still pending  
7 is one that we discussed, I think back in the early  
8 fall, told them they weren't ready. It didn't meet our  
9 requirements, and there are some whispers that they  
10 might still be working on that. I will say I'm aware  
11 of at least two requests that came in that were Helene  
12 related. They were DOT requests. And in looking at  
13 the easement, we were able to see that we could find  
14 ways to interpret the easement that would allow for the  
15 needed work, but not require amendment. And so we  
16 found ways to work around those requests where it was  
17 appropriate to do so, but I don't recall many others  
18 that we actively turned our way this year.

19 Chairman Wilson: Any questions  
20 for Justin?

21 Mr. Womack: Justin, is  
22 there any science to the prioritization or the  
23 hierarchy of the inspections you all do? Is it just  
24 sort of in-house art that you kind of blend it with to  
25 determine how you -- the order in which you go and look

1 at these studies?

2 Mr. Mercer: Sure; so I will  
3 say that the -- there are a handful that I end up  
4 prioritizing every year, mostly because I've become  
5 aware of some potential issue on a site. And so if  
6 we're aware of an issue, we absolutely prioritize that  
7 as one we want to get to. There are others that we  
8 have visited before that we are reprioritizing  
9 revisits, because when we visited them before, there  
10 were issues that need further follow-up on. So that's  
11 one of the challenges with trying to get all this done  
12 is we can't approach it as if everything is  
13 automatically going to be on a three-year rotation. If  
14 we see something significant, we want to make sure that  
15 we're maintaining that contact and following up year  
16 after year, rather than letting three years pass before  
17 we talk to them again. But beyond that, I don't  
18 necessarily want to say that it's random what we've  
19 gotten to. But it's selected based on, you know, what  
20 we -- what else we might have prioritized in an area.  
21 If we are going off to western North Carolina, whether  
22 something is a priority for us or not, we want to try  
23 to hit as much in that area as we can while we're  
24 there. So a lot of it has been based on proximity.  
25 And then at this point this year, it was really just

1 everything that's left. Whatever is left on our list,  
2 we want to try to get to this year.

3 Mr. Womack: Okay.

4 Vice-Chair Walser: I don't know  
5 what I'm going to ask. I'm just going to start  
6 talking. It's easy for me to give you a lot of work as  
7 I get ready to leave. We've talked in the past about  
8 technology, and I don't know, satellite images, Google  
9 Earth, whatever, drones. Are there ways that if you  
10 had more money, you could do this job more efficiently  
11 or easier? I mean, it just sounds so cumbersome as I  
12 listen to you talk about getting in cars and having  
13 your staff and driving, and I know that we are  
14 centralized. But even -- I think about extension  
15 services in every county, soil and water conservation  
16 districts in every county, partnerships. I don't know  
17 what I'm asking, but it just seems like a committee to  
18 work on this and find a way to make your life easier,  
19 because I mean, you have a lot. I mean, that -- that  
20 is a lot. That's a compliment, but it seems like we  
21 should all be working as a board to try to help find  
22 ways to make this easier for you.

23 Mr. Mercer: I appreciate that.

24 I will say, I think there's light at the end of the  
25 tunnel. Will did mention getting some additional

1 staff. One that we are really looking forward to is  
2 our new stewardship data manager, and I think that's  
3 one thing that I would like that person to take on is  
4 to kind of dive into the remote monitoring aerial  
5 imagery sort of thing. I know there are subscription  
6 services that can make recent aerial imagery available  
7 to us. So that's definitely something that I'm  
8 interested in looking into in the very near future.  
9 I've also had discussions with Nicolle recently, just  
10 from a fieldwork standpoint, of what can we do to make  
11 the monitoring and the reporting process more  
12 efficient. So I think there are some technological  
13 options there. We do continue to kind of have as our  
14 preferred strategy to work with our conservation  
15 partners who are more localized to monitor these  
16 easements. Unfortunately, our traditional land trust  
17 partners have the same capacity issues that we do, and  
18 so it's not been as viable a strategy as we had all  
19 hoped it was. I think it's still a strategy we can  
20 continue pursuing. I have had at least one partner  
21 that said, you know, I might be willing to do this, but  
22 not knowing what I'm getting into. If you all want to  
23 go do it once first, we might be willing to take on  
24 that. So I think there are some follow-up  
25 conversations to be had. But yes, I agree. It's a big

1 chunk of time taken driving all over the state, and we  
2 don't necessarily want to miss out on the fun parts of  
3 it. But I do think there are efficiencies to be found.  
4 That's something that I hope within the next year we  
5 can actively work towards.

6 Chairman Wilson: Thank you,  
7 Justin; how is everybody doing? Does anybody want to  
8 take a five minute break, or do you want to plow  
9 through it?

10 Board Member: Plow.

11 Chairman Wilson: Plow, okay, we  
12 are back to you, Justin, for the endowment report.

13 Mr. Mercer: All right,  
14 thank you; I will move on to agenda item four, our  
15 annual endowment report. Just again, another  
16 refresher, this is the time of year I go through and  
17 let you know how our money situation is with the  
18 stewardship endowment and will sort of culminate this  
19 presentation with sort of a snapshot of what our annual  
20 transaction for deposit, withdrawal, reallocation might  
21 look like and will need some board action items at the  
22 end of this. So what we have on the screen here is our  
23 monthly total value graph from April 2024 through March  
24 2025, so the last year. We stop at March 2025 because  
25 that is the most recent statement that I have.

1           Probably later this week, I'll have updated numbers,  
2           but this is what we've got to go on today. So looking  
3           back to April of last year, our total endowment value  
4           was right around 13.3 million dollars. We've had some  
5           significant increases throughout the year as well as  
6           some recent -- more recent fluctuation, most notably  
7           here in the last couple of months have had some drops.  
8           I will admit at least part of that is due to the recent  
9           withdrawal consistent with board action taken last May.  
10          So that last little dip there cannot totally be  
11          attributed to market changes, nor can it be totally  
12          attributed to our withdrawal. But overall, we are up  
13          just over one million dollars as of -- this year as of  
14          March 2025. And of our total roughly 14.3 million  
15          dollar stewardship endowment, 4.5 million of that is  
16          investment income. One thing that I've added this year  
17          is just a label here of the linear equation for that  
18          trend line, which basically just shows us that on  
19          average throughout the last 12 months, our endowment  
20          has increased approximately \$124,000 per month over  
21          that time. So looking a little bit further back here  
22          and starting to think about what our budget for fiscal  
23          year '25-'26 might look at, our guidelines and  
24          practices require us to set that spending cap based on  
25          a 36 month average of the total easement (sic) value.

1 So looking back to April 2022, our total endowment  
2 value was just shy of 6.5 million dollars, and we are  
3 ending here in March 2025 at roughly 14.3 million. A  
4 couple of big things to point out here, if you recall,  
5 over the last three years, the board contributed a  
6 total of 5.2 million dollars in additional funding to  
7 our stewardship endowment principal. So the trend line  
8 is a bit skewed here based on that. But as you can  
9 see, roughly in September of '22 and then again in  
10 January of '24, we have those big jumps. Those were  
11 those two separate major contributions to our  
12 stewardship endowment principal. But overall, we still  
13 have a positive trend line here. And with those skewed  
14 numbers, we are looking at an average increase of  
15 \$280,000.00 per month over the last three years.  
16 Currently, that gives us an average total value of 10.7  
17 million dollars, which is the figure that we use to  
18 determine what our spending cap could be for the  
19 upcoming fiscal year. We have that recommended 4  
20 percent cap at \$427,999.00. That 4 percent is not  
21 necessarily a guarantee every year, but that is the cap  
22 that our guidelines and practices place on annual  
23 spending. We'll get into a little bit more detail on  
24 the specific breakdown a little bit later, but just  
25 over half of that money would be spent on monitoring

1 contracts, roughly \$230,000.00. We have an increase  
2 this year in management requests up to \$55,000.00, and  
3 then the remaining funding would be proposed for other  
4 stewardship operating costs to support our own internal  
5 finance. These two figures are new this year and a  
6 direct response to requests from the board in recent  
7 years to talk a little bit about how the different  
8 investment funds have performed over time. I will try  
9 to keep this relatively basic and let you all interpret  
10 some as well. But the figure on the left breaks down  
11 our bond funds in blue, our short-term investment fund  
12 in orange, our equity investment fund in gray, and our  
13 total value in yellow. I will point out once again,  
14 those trend lines are skewed based on those two very  
15 large contributions in 2022 and 2024. But we can see  
16 our bond investment fund is relatively flat,  
17 representing an average of about an \$11,000.00 increase  
18 per month over the past five years. Our short-term  
19 investment fund shows a little bit more moderate  
20 growth, again, some ups and downs based on  
21 contributions -- initial large contributions to the  
22 short-term investment fund, which we sort of used as a  
23 holding account until we reallocated to our other  
24 investment funds. So we see some ups and downs there,  
25 but an average increase of \$52,000.00 per month. Our

1 equity investment fund is definitely our most  
2 consistent earner with an average increase of  
3 \$107,000.00 per month over the last past five years  
4 with a total value average increase of \$171,000.00 per  
5 month. Again, these are skewed based on those two big  
6 contributions, but if we compare that number back to  
7 our 12-month trend line, I think that was around  
8 \$130,000.00 a year, so a difference of -- sorry,  
9 \$130,000.00 per month in growth, so about a \$40,000.00  
10 to \$45,000.00 difference in the past year versus the  
11 past five years. The figure on the right is specific  
12 to the equity investment fund. That is a snapshot from  
13 the quarterly report that's provided to us by  
14 BlackRock, who manages that fund on the State's behalf.  
15 Unfortunately, during the first quarter there have been  
16 some losses, but we compare that to the benchmark  
17 return, and we are still -- our equity fund is still  
18 performing better than the benchmarks really on every  
19 time frame evaluated here. We can see the one-year,  
20 three-year, five-year, 10-year, and entire life of the  
21 fund values here are consistently outperforming  
22 benchmark returns. So moving back to discussing  
23 proposed expenses for the upcoming year, again, I'll  
24 give the caveat that this is all subject to change  
25 based on the actual expenses over the next few months.

1 Many of our partners do sort of wait until late in the  
2 fiscal year to submit invoices, so it will likely be  
3 sometime in August before we know exactly what these  
4 numbers look like. But I am anticipating we have about  
5 \$60,000.00 in cash reserve. Those are funds that we  
6 have in our operating account that I expect will not be  
7 spent on expenses -- stewardship expenses this fiscal  
8 year. That money is not additive. Whatever that  
9 figure ends up being at the end of the fiscal year, we  
10 will adjust our proposed withdrawal by that amount so  
11 that we are never exceeding the cap that the board  
12 approves. Monitoring expenses, we do anticipate for  
13 next year being at just over \$229,000.00. Management  
14 requests at this point are at \$55,000.00. I think that  
15 is a direct response to one, needs in western North  
16 Carolina, but two, the board's approval to increase the  
17 amount that our partners could request for those  
18 management funds in December. So rather than being  
19 limited to \$2,500.00 for most requests or \$5,000 for  
20 boundary marking related requests, we did increase what  
21 we advertised to our partners this year and doubled  
22 those numbers. So for most projects our partners can  
23 request up to \$5,000.00 per easement per year from us.  
24 For anything related to boundary marking, we have  
25 increased that figure to \$10,000.00. So we do have a

1 little bit of a mixture of those requests in the mix  
2 this year. That does leave just over \$143,000.00  
3 between those expenses and the 4 percent cap. That  
4 money is specifically not earmarked. There are not  
5 specific expenses that we say we are going to spend  
6 that money on. It's sort of an up to thing. We  
7 certainly have ideas that we would like to have as  
8 priorities this year. As I mentioned before, the bulk  
9 of that is intended to support our own internal  
10 monitoring costs, whether that be through supporting  
11 additional staff or more likely supporting boundary  
12 surveys and boundary marking expenses, but that also  
13 allows us to build in some flexibility for unexpected  
14 expenses. I mentioned earlier that every year we get  
15 those emergency management requests from our partners,  
16 whether they are boundary marking related or violation  
17 related. The intent is to have some flexibility to  
18 reprioritize what those funds are spent on based on  
19 what happens throughout the year. That's also what  
20 allowed us to reprioritize some funding for Helene  
21 response this year. I don't mean to suggest that we  
22 would set aside some of this money specifically for  
23 response to major events, but it would build in enough  
24 flexibility that if we were faced with that type of  
25 scenario, we could reevaluate at the time and determine

1           whether or not there were funds that could be  
2           reprioritized. That all comes out to a withdrawal need  
3           of \$367,990.00. Again, that would be an up to amount.  
4           In all likelihood, our cash reserves are going to be  
5           greater than \$60,000.00 this year. We would not  
6           withdraw that \$368,000.00 on top of our cash reserves.  
7           That is taking into account the cash reserves to reach  
8           a specific set budget amount for the year. The other  
9           piece of this is \$285,406.00 that will be contributed  
10          to the principal of the endowment specifically for  
11          projects that have either closed within the past fiscal  
12          year or will be closing very soon within the next few  
13          months and will need monitoring support in the coming  
14          year. I won't read every single one of these projects,  
15          but we have 17 projects that we expect to close with  
16          state held easements added to the stewardship program  
17          this year, totaling 22 additional easements. So that  
18          brings us up to over 900 state held easements that the  
19          stewardship program will be responsible for in the  
20          coming year, again, totaling over 168,000 acres. That  
21          does bring us to our proposed transaction here. A huge  
22          caveat with this, as soon as I put these numbers on the  
23          screen, they were outdated. They will get further  
24          outdated by the time we get to our target transaction  
25          date in September or October of this year. So these

1 figures are intended sort of show you a concept of what  
2 the transaction will look like. Those numbers will be  
3 adjusted based on whatever the current values are at  
4 the time we initiate that transaction. Our previous  
5 professional guidance and guidelines and practices have  
6 set our investment allocations at 70 percent equities,  
7 22 percent short-term, and 8 percent bond. In recent  
8 years we've had enough money to move around those  
9 principal contributions that we've really been able to  
10 target those pretty much to the penny. This year we're  
11 sort of looking at a return to normalcy. And as part  
12 of that, I would like to re-normalize the idea that  
13 while we do want to target those specific allocations,  
14 we want to have the freedom to adjust them slightly to  
15 prioritize a simplified transaction, and so still shoot  
16 as close as we can get those, that 70, 22, 8 percent  
17 allocation, but if it's off a fraction of the  
18 percentage, not necessarily have to stress over getting  
19 that to the penny on a number. With that in mind, a  
20 potential strategy here could look like what we have on  
21 the screen here, where our current total value for our  
22 bonds investment fund is at 1.1 million dollars. We  
23 would withdraw roughly \$21,000.00 from that account,  
24 leaving \$1.1 million. Our short-term investment fund  
25 is currently just shy of \$3.4 million. We'd be looking

1 at a withdrawal of \$146,000.00 for a final value of  
2 \$3.2 million. And our equity investment fund would  
3 continue to be the most complicated transaction of  
4 them, with a current value of \$9.9 million, a deposit  
5 to principal of \$285,000.00, subsequent withdrawal of  
6 just shy of \$201,000.00 for a final total equity  
7 investment fund value of just over ten million dollars.  
8 That would bring our principal value up to \$10.2  
9 million dollars and our total endowment value at \$14.3  
10 million. Again, this is just a representation of what  
11 it could look like. Those numbers will change between  
12 now and September when we initiate that transaction,  
13 but all with the intent of meeting as close as possible  
14 to that 70, 22, and 8 breakdown that the board has  
15 supported in the past. With that, I am sure there are  
16 questions and discussion to be had, but I will leave  
17 you with the three actions needed from the board today.  
18 The first is to approve, amend, or deny the staff  
19 recommendation to authorize fiscal year '25-'26  
20 stewardship spending up to \$427,999.00 for monitoring  
21 contracts, management awards, and other stewardship  
22 operating costs, approve, amend, or deny the staff  
23 recommendation to deposit up to \$285,406.00 into the  
24 endowment principal and withdraw up to \$367,999.00 from  
25 investment income to fund program expenses, and three,

1 to approve, amend, or deny the staff recommendation to  
2 structure the annual transaction between the fund's  
3 three investments to meet the targets set based on  
4 prior professional advice, based on the most current  
5 available data when the transaction is made. That  
6 concludes my endowment report, and I will turn it back  
7 to the Chair for any questions or discussion.

8 Chairman Wilson: Thank you,  
9 Justin; questions for Justin; comments?

10 Acquisition Chair Grissom: Justin, I'm  
11 glad you -- so I'm glad that there is now a chart  
12 showing this information of what this actually  
13 represents in terms of showing the split of the 70/22/8  
14 overall and having a conception --

15 Mr. Mercer: Sure.

16 Acquisition Chair Grissom: -- or is this  
17 some other kind of performance report --

18 Mr. Mercer: Right.

19 Acquisition Chair Grissom: -- that's not  
20 to our allocations?

21 Mr. Mercer: Correct, so the  
22 figure on the right is just sort of the big overarching  
23 report from the -- from BlackRock, and I believe those  
24 numbers are specific to the equity investment fund as a  
25 whole, not necessarily our portion of it.

1 Acquisition Chair Grissom: So this is just  
2 equity?

3 Mr. Mercer: Correct, that  
4 is just equity.

5 Acquisition Chair Grissom: Okay, so that's  
6 not necessarily showing us the performance of the three  
7 that we will eventually have coming out?

8 Mr. Mercer: Correct, and  
9 they go into much more detail in the equity report than  
10 they do either of the others. There are some figures  
11 included in, I believe, the bond report, but not really  
12 anything relevant to our discussion here. I'd be happy  
13 to pull that up and get that to you if that's helpful.  
14 But the equity report had the most relevant data to be  
15 able to share, and then short-term is actually managed  
16 by our department. That's essentially our cash holding  
17 account that the DNCR Controller's Office manages.

18 Acquisition Chair Grissom: Any thoughts  
19 or points that you might have just on the premise of  
20 those --

21 Mr. Mercer: Sure, right,  
22 the closest I have here is the last 12 months data. I  
23 only included the total value here and didn't break it  
24 down. I can have that for you relatively shortly if  
25 that's something that you would like, but as of right

1 now, I only have the total value for the cash holdings.

2 Acquisition Chair Grissom: These are just  
3 parting comments that we really get at budget meetings.

4 Mr. Mercer: And I actually  
5 thought about that last night and didn't make the time  
6 to make new drafts.

7 Acquisition Chair Grissom: Okay.

8 Chairman Wilson: Justin, the  
9 three action items, number one, asking for  
10 authorization to spend up to \$427,000.00; you're  
11 starting out with a cash reserve of 60 and then  
12 potentially spending 427, which is monitoring, plus  
13 management funds, plus the additional storage shelter.  
14 So we are authorizing spending, but we're not  
15 authorizing a withdrawal of \$427,000 because you've got  
16 \$60,000 in cash on hand?

17 Mr. Mercer: Correct; in all  
18 likelihood that withdrawal will be even smaller than  
19 what we're proposing here. My estimate of a \$60,000.00  
20 cash reserve is a pretty conservative estimate. And so  
21 the corresponding withdrawal for that would be just shy  
22 of \$368,000. If our cash reserve ends up being  
23 \$100,000 instead, we'd only withdraw 328. Whatever the  
24 cash reserve ends up being, we adjust that withdrawal  
25 downward to reflect what we have. So at no point will

1 our available funds to spend for fiscal year '25-'26  
2 exceed the \$427,999.

3 Chairman Wilson: Is it more  
4 helpful for you and more appropriate for us as a board  
5 to authorize spending figures or to authorize  
6 withdrawal amounts?

7 Mr. Mercer: I think in the  
8 past, and Will can correct me if I'm wrong, I think our  
9 guidelines require you to do both.

10 Executive Director Summer: I think -- I  
11 mean, so the 427 is the 4 percent?

12 Mr. Mercer: Yes.

13 Executive Director Summer: That's the  
14 maximum, and what Justin is saying, we'd like the  
15 permission of the board to spend up to the maximum or  
16 have the potential, but not necessarily in all  
17 likelihood to spend less than that.

18 Chairman Wilson: Okay, and  
19 that's what these three expense figures add up to?

20 Executive Director Summer: Correct.

21 Chairman Wilson: Okay, well, do  
22 you want us to just approve the spending then and not  
23 give you a specific authorization to withdraw a certain  
24 amount?

25 Executive Director Summer: I think the

1           latter is also required by the endowment agreement  
2           whereby in addition to telling Justin as a member of  
3           staff, you can spend up to 427, and you have to as the  
4           board directs specifically what went to the remaining  
5           endowment itself.

6                       Mr. Mercer:                       We cannot  
7           withdraw without your --

8                       Executive Director Summer:       Yeah.

9                       Mr. Mercer:                       -- permission.

10                      Chairman Wilson:                    Okay, is there  
11           any chance you're going to get caught short in terms of  
12           your cash reserve?

13                      Mr. Mercer:                       Very unlikely.

14                      Chairman Wilson:                    Okay, so do you  
15           want to add to part one spending up to 427 and a  
16           withdrawal authorization of 367?

17                      Mr. Mercer:                       We can. That  
18           is covered in number two.

19                      Chairman Wilson:                    Oh, I'm sorry.

20                      Mr. Mercer:                       You also need  
21           to approve the deposit to the principal there.

22                      Chairman Wilson:                    Okay, and the  
23           285 is from the 17 projects, and that goes into the  
24           endowment? That goes into the principal?

25                      Mr. Mercer:                       Correct.

1 Chairman Wilson: And then you do  
2 not want to split out which funds we withdraw the 367  
3 from because you're going to use that to tweak the  
4 asset allocations to make them --

5 Mr. Mercer: Correct.

6 Chairman Wilson: -- so you want  
7 discretion and flexibility on that.

8 Mr. Mercer: Correct.

9 Chairman Wilson: Okay, got it.

10 Acquisition Chair Grissom: And I guess  
11 technically you sort of want us to re-approve the  
12 70/22/8, right? That's the main decision, which we  
13 typically do.

14 Chairman Wilson: Okay.

15 Restoration Chair Browning: Do you want to  
16 take these all together or --

17 Chairman Wilson: No, let's do  
18 them one at a time. Let's look at number one. Are  
19 there any questions that anybody has, any questions or  
20 comments that anybody has about any of this? Are we  
21 ready to vote on number one? Can we get a motion  
22 regarding number one.

23 Vice-Chair Walser: I'll move that  
24 we approve staff recommendation to authorize the use  
25 stewardship funds up to \$427,999.00 for monitoring,

1 contracting, management awards, and other stewardship  
2 operating costs.

3 Chairman Wilson: All right.

4 Mr. Womack: Second.

5 Chairman Wilson: All right,  
6 thanks, Jason and David; any discussion regarding  
7 number one before we vote; all right, all in favor of  
8 number one, say aye?

9 (Board Members vote Aye.)

10 Chairman Wilson: Any opposed;  
11 okay, number two, does anyone want to make a motion?  
12 It means you have to read it. Jason, do you want to do  
13 it again?

14 Vice-Chair Walser: Yeah, I'd like  
15 to move that we approve staff recommendation to deposit  
16 up to \$285,406.00 into the endowment principal and to  
17 withdraw to \$367,999.00 from investment income to fund  
18 program expenses.

19 Chairman Wilson: All right, do I  
20 have a second on that?

21 Restoration Chair Browning: Second.

22 Chairman Wilson: A second from  
23 Ann; any discussion on number two before we vote; okay,  
24 all in favor, please say aye?

25 (Board Members vote Aye.)

1 Chairman Wilson: Number two  
2 carries; any discussion on number three? Does anyone  
3 want to make a motion?

4 Vice-Chair Walser: I'd like to  
5 make a motion that we approve staff recommendation to  
6 structure the annual transaction between the fund's  
7 three investments to meet the target set based on prior  
8 professional advice based on the most current available  
9 data from the transactions.

10 Chairman Wilson: Thank you,  
11 Jason; is there a second.

12 Mr. Riddle: Second.

13 Chairman Wilson: A second from  
14 Clemment; any discussion on number three; all right,  
15 all in favor, please say aye?

16 (Board Members vote Aye.)

17 Chairman Wilson: Any opposed;  
18 okay, all three of those carry. Thank you, Justin; now  
19 we will be moving to Zoe.

20 Ms. Hansen Burnett: Yes, sir.

21 Chairman Wilson: All right, and  
22 this is for our board guidelines and practices.

23 Ms. Hansen Burnett: Good afternoon;  
24 as you all know, the board guidelines and practices are  
25 a compilation of procedures, standards, and

1 expectations that the board uses and that assist the  
2 board in implementing its duties. They help to direct  
3 staff in execution of administrative procedures as  
4 well. The board updates these guidelines individually  
5 as needed, and we ask that you reaffirm them at least  
6 annually. So that is what we are here to do.

7 Chairman Wilson: So we are  
8 talking about reaffirmation of our guidelines and  
9 practices. We've all read in detail. We've memorized  
10 them. Any discussion; does anyone make a motion that  
11 we reaffirm our guidelines and practices?

12 Mr. Womack: So move, Mr.  
13 Chair.

14 Chairman Wilson: David, thank  
15 you.

16 Restoration Chair Browning: Second.

17 Chairman Wilson: A second from  
18 Ann; any discussion before we vote; okay, all in favor  
19 of reaffirming our guidelines and practices, please say  
20 aye?

21 (Board Members vote Aye.)

22 Chairman Wilson: Anyone opposed;  
23 okay, that carries also; thank you, Zoe. And Will will  
24 now lead us in a discussion of updates and possible  
25 edits to guidelines and practices.

1 Executive Director Summer: Thank you; all  
2 right, so now that we're caught up on 2025; thank you,  
3 Zoe; it's my intention that we do the annual  
4 reaffirmation in December going forward. With that  
5 said, and with this fresh on your mind, and as John  
6 just noted having memorized and read and committed to  
7 memory, I thought this would be a good time to talk  
8 about guidelines and practices and share with you a few  
9 things that staff have identified as places where we  
10 might can spend some time between now and December,  
11 making some adjustments, working within committees to  
12 update them, as well as get the feedback from you on  
13 the ones that I'm about to share, or as someone said,  
14 it's all in your mind, recalling spontaneously areas  
15 that you thought also might be worthy of. So this last  
16 item of the day, consider it open, kind of a casual  
17 retreat kind of discussion. I'll share a few things on  
18 the screen here. I'll bookmark that staff has  
19 identified.

20 Mr. Hearne: Will, can you  
21 talk a little louder? With the rain it just dies  
22 really quickly.

23 Executive Director Summer: I'm not used to  
24 being in a so quiet. So it's my intention that I'll  
25 share with you some items that staff has identified,

1 kind of get the temperature of the board for some  
2 things that we and staff may work in the committee to  
3 bring back in December, make some improvements. That  
4 said, let me just get started on this list. First  
5 thing -- so the first thing that I think has come up  
6 and staff has been interested in, I think the trustees  
7 would be as well, is our conflict of interest section  
8 for conflicts. You will recognize this well. This is  
9 what the chair read out in the beginning of every  
10 meeting, and it says exactly what it does. It requires  
11 if there will be a conflict or the appearance of a  
12 conflict. What we don't really have is a -- any clear  
13 guidance past this on what necessitates conflict. Does  
14 John living within the watershed of a planning grant  
15 necessitate a conflict? Does Jason being a water  
16 customer within City of Salisbury necessitate a  
17 conflict? Obviously, there are some pretty clear  
18 bright lines on financial interest, organizations of  
19 which you are an active member, but I feel like every  
20 time we come across this, we've got to wonder should we  
21 -- is this conflict; is it not? And I think it would  
22 be useful -- I think in the past, we have all erred  
23 very conservatively, which is great. I appreciate  
24 that, but I hate to think that we've never been so  
25 conservative that we might take a trustee out of the

1 room that has good information that we want and that  
2 it's completely appropriate to consider. So we kind of  
3 need to narrow that in both sides. This is something I  
4 think we can flesh out. Of course, there's a lot of  
5 templates out there, and what a lot of the land trust  
6 partners or the land trust alliance recommends, it  
7 talks about not only what sorts of conflicts you might  
8 have, but what's the phrase you identified that I  
9 thought was so useful in something. We've got  
10 interested parties. Maybe it wasn't interested  
11 parties.

12 Ms. Hartzler: Identifying  
13 insiders.

14 Executive Director Summer: Insiders; thank  
15 you; so the notion of insiders, I think it is useful  
16 and is something we really haven't thought about, but  
17 there's a lot of material out there that we might use.  
18 And I think it would be useful from our perspective to  
19 be able to offer you broader guidance when you bring  
20 this to us and set your own standards. Of course, this  
21 applies to us internally, but it's a good place to  
22 broadcast what you, the board, think is an appropriate  
23 bar for conflict of interest as well. Do trustees have  
24 thoughts, interests? Yes, this is something I'm always  
25 wondered about. No, I like it vague less determinate.

1 Thoughts, discussion, and to be clear, we're not trying  
2 to solve this today. This will be something we all  
3 work on with committee, but I'd love to know where your  
4 thoughts are at the moment.

5 Vice-Chair Walser: Just because  
6 it's fresh; you know, the City of Salisbury, my  
7 pecuniary interest is that is that I'm a water  
8 customer, and the intake being out would be a problem  
9 for me, but that's it. And I probably knew more about  
10 that land and how it got to be to any other person  
11 other than the director of the utility department. But  
12 I talked to Zoe, and I talked to Will, and I mean, I am  
13 a paying customer of Salisbury-Rowan Utilities. But I  
14 wouldn't offer and I didn't think it was appropriate.  
15 We didn't think it was appropriate to be available to  
16 answer any questions as to how we got here. So I'm all  
17 for trying to find a way. I'm not going to be on this  
18 board, but I think having the opportunity to question  
19 staff or board members or have staff or board members  
20 question board members whether they vote or not would  
21 be a healthy thing for dialogue, I think. There's the  
22 direct pecuniary interest. Obviously, I don't feel  
23 that, but they're indirect very.

24 Mr. Broughton: I was curious  
25 about your conflict?

1 Vice-Chair Walser: I'm a paying  
2 customer of Salisbury Utilities.

3 Mr. Broughton: But I get it.  
4 I mean, I get all that.

5 Vice-Chair Walser: It's -- part of  
6 it as a paying customer and part of it is as a  
7 resident.

8 Mr. Broughton: Yeah.

9 Vice-Chair Walser: You know, we  
10 have a real vulnerability in our water intake, and so I  
11 don't want to be without water. So I mean, it is more  
12 than just paying \$80.00 a month. There's a legitimate  
13 -- I wanted to see something happen, and I knew that.  
14 How unbiased could I have been? But I would have loved  
15 to have been able to talk about the land itself. I  
16 don't think it was necessary because you all have done  
17 a great job, a very good job, but there are times I  
18 could imagine a knowledgeable part, the knowledge of  
19 this board without compromising the discussion.

20 Mr. Womack: The other side  
21 of the point is that, Jason, had you made that  
22 distinction as to, well, I might be able to participate  
23 and generate some thought, but at the same time, it is  
24 somewhat uncomfortable. My position would have been  
25 very, very conservative. If you -- if in doubt, recuse

1           yourself or whatever. But I'll just say if have you  
2           ever been on a committee or commission that has had a  
3           discussion in all conferences or really a job where it  
4           is something about finances or personnel matters, you  
5           know, my thought it was always been, if you have to  
6           make the conscious consideration, is this a conflict or  
7           not? It is, and it should be extremely conservative.  
8           And I think you have to depend on the collective wisdom  
9           of the board or commission as a whole as opposed to,  
10          you know, taking a chance and singling somebody to say,  
11          I can participate, but it's really a conflict at the  
12          end of the day. That's just my personal opinion.

13                   Executive Director Summer:       And maybe to  
14          your point, it may be that the committee and the board  
15          specify this and take it very conservatively, and I  
16          think that would be absolutely fine. My interest is  
17          maybe just putting more than we have on paper here so  
18          that, you know, if it's a conservative line, then  
19          that's -- you know, it's more enumerated. And I --  
20          because I have to talk to all of you and all the you  
21          guys beforehand and all I can say is how it feels and  
22          Zoe tells me it is, but I can't tell you -- I can't  
23          tell you which way to make it.

24                   Restoration Chair Browning:    Yeah.

25                   Executive Director Summer:    We have been

1 conservative which we could continue to do, but what do  
2 we want?

3 Restoration Chair Browning: I think it  
4 would be helpful to have something drafted, but still  
5 actual language that say these instances are clear and  
6 are the other areas clear.

7 Chairman Wilson: So there's  
8 trusting knowing of a conflict and then there's the  
9 appearance of conflict. And there's a difference  
10 between those obviously, and I think that's where a lot  
11 of us have sort of tried to err on the side of caution  
12 and avoid a potential appearance of a conflict. Will,  
13 my question to you is, did you say or if you didn't say  
14 it, do you know -- does further clarifying language  
15 exist in the State of North Carolina government  
16 somewhere? Has somebody else already done the heavy  
17 lifting here that we could learn from or excerpt from  
18 or plagiarize from?

19 Ms. Hansen-Burnet: Maybe I can  
20 speak up now. The Ethics Act is not. It very  
21 creatively goes around defining. So there is very  
22 little context for you that looks at, which is supposed  
23 to be the main job for us. You know, what they would  
24 like you to turn to in situations where we are on the  
25 line and the trustees have to make those hard decisions

1 is the ethics commissions, and they'll be taking from  
2 you informal or political advice regarding conflicts.  
3 And when we have the time to do so, that's certainly  
4 something that trustees should do. So no, there's not  
5 a clear obvious thing that we can pull from. And of  
6 course, we're going to be subject to that anyways.  
7 Examples might be helpful. Time on the front side  
8 might be more helpful. Other than that, it's really up  
9 to you guys and how you want to define your  
10 interactions in between each other. If that's helpful,  
11 I know it's not as helpful as you wanted it to be.

12 Executive Director Summer: And even  
13 another question, when a conflict is identified, this  
14 doesn't specify. In recent years, it's been practiced  
15 to have simply go in and face the -- and go off teams.  
16 We haven't always done that. And it's -- it might be  
17 helpful to have even that. Once a conflict is  
18 identified, here's how we'll handle it. Even that  
19 could be just go ahead and be spelled out.

20 Chairman Wilson: We've been  
21 doing that pretty regularly for the past year plus,  
22 like literally getting up and that certainly feels  
23 better and more appropriate. It's kind of weird  
24 staring at somebody who just recused themselves.

25 Executive Director Summer: I think this is

1 helpful to hear where you folks are; anything else on  
2 this. And again, just having staff work on the  
3 background and bring it to the committee does not mean  
4 we have to change what we have. But I think we need to  
5 bring something before you or a committee and consider  
6 it. Unless someone thinks, no, it's fine, don't mess  
7 with it, but I wanted for everybody to think about it.

8 Mr. Rusher: Absolutely.

9 Executive Director Summer: Another  
10 interesting thing that is -- that has come up in recent  
11 years and continues to come up, I think as many of you  
12 know we are prohibited by statute from participating in  
13 compensatory mitigation for streams and wetlands. The  
14 notion behind that is anything that is required,  
15 someone's already identified that's going to pay for  
16 it, presumably the impactor, the person who's impacting  
17 some other environmental resource, we should pay for  
18 their -- you know, we're trying to go above and beyond  
19 regulation, above and beyond whatever is required. And  
20 we take that -- we have taken that as well. That's  
21 statutory. That's very specific statutory language.  
22 And in our contracts, our easements for many, many  
23 years, we've kind of expanded that to this notion of  
24 open space for development and other types of  
25 mitigation credits, such that if you're a developer and



1 we're leaning on precedent and what's going to be in  
2 the contract that they would sign if you awarded it and  
3 so hey, no point going further down the tracks when you  
4 get to the contract and then the easement, this  
5 language is going to prohibit you from doing this.

6 Chairman Wilson: Is it also in  
7 their program guidelines?

8 Executive Director Summer: Our program  
9 guidelines?

10 Chairman Wilson: Our program  
11 guidelines for their particular project.

12 Executive Director Summer: I believe that  
13 it is or it's not, I guess. It exists a lot of places  
14 except here.

15 Chairman Wilson: But you've  
16 already got good language from elsewhere?

17 Executive Director Summer: We do.

18 Chairman Wilson: Then I would  
19 say definitely put it in front of us and see if we  
20 think it should be in here.

21 Executive Director Summer: Marissa, I know  
22 you've worked a lot on this one. Is there anything I'm  
23 missing in this kind of broader -- my discussion of  
24 this?

25 Ms. Hartzler: I don't think

1 so.

2 Executive Director Summer: Steve, for the  
3 restoration part, yours is kind of clear-cut, the  
4 statutory part?

5 Mr. Bevington: It's very clear  
6 cut. There is a nexus where we have restoration  
7 proposed on existing conservation. Since we have --  
8 it's the same kind of issue that we've already  
9 protected it, but now it needs some help. How do we  
10 give credit to going, again above and beyond what's  
11 required already for our own part to do this? So aside  
12 from that complication, it's very well-cut. We had  
13 talked with staff about potentially blending this  
14 acquisition program specific language to include all  
15 programs. If it increases clarity, it might come back  
16 and say all program response as opposed to just  
17 acquisition, but not all of it would fit under  
18 restoration.

19 Executive Director Summer: That's a good  
20 point, and that could be part of it. As we work on  
21 this if it becomes broader and more appropriately  
22 applicable across the board without running into  
23 differences between the program, we look at that.

24 Mr. Rusher: I think that  
25 would be better to tighten that up. It seems like

1 anything that's vague in the regulatory world or this,  
2 that someone can continue to push it and come back and  
3 try to find a loophole in it. So it's better. If that  
4 is an opportunity to tighten that up, I think that's a  
5 great idea.

6 Executive Director Summer: Then that is  
7 supported; thank you. Moving on; this one is  
8 interesting. We have criteria in our guidelines and  
9 practices. Let me see how to explain this. It was  
10 determined a couple of years ago by previous counsel  
11 that our statute directed you all to establish  
12 criteria, and in doing so, it was meant to be criteria  
13 that was a threshold. You must -- your grant must meet  
14 this threshold in order to qualify for Land and Water  
15 Fund funds. And we had until that point kind of been  
16 using the word criteria to refer to what we now call  
17 the application rating system, which creates a grade  
18 from great to bad, specific scoring. We were told  
19 that's not what was intended. You're free to do that,  
20 to have that application rating system as we do which  
21 must also have criteria. So we did that to check that  
22 box, and we have criteria that very much mimics the  
23 language in the statutes. And the statutes have since  
24 changed. They've added a couple of items, and we just  
25 need to update this to match that. And then we'll go

1 back to putting it aside and using the application  
2 rating system to do the heavy lifting that you all are  
3 very familiar with. This is fairly straightforward.  
4 We'll do it. We'll be in compliance, and we'll check  
5 the box, and we'll continue on down the line.

6 Chairman Wilson: But to be  
7 clear, the criteria is the minimum threshold that a  
8 project must check all boxes to even be considered by  
9 the staff and the board and the rating system, et  
10 cetera.

11 Executive Director Summer: In very loose  
12 terms, it does one of the things that we say we  
13 protect, and this is the -- kind of the very specific  
14 way of getting at that, but that's exactly right.

15 Acquisition Chair Grissom: Has staff ever  
16 found one that wasn't viable? And I guess I'm just  
17 thinking back to the year that we had the extra  
18 appropriation involved during COVID, and we really did  
19 fund all the way to the bottom of the list. But do you  
20 ever not or do you sometimes work with applicants? I  
21 guess, I'm thinking about the thing that we had at the  
22 Northern Coast a year or two ago with a couple of new  
23 non-profits that we were working with.

24 Executive Director Summer: I think we had  
25 a donated mini grant, if I'm not mistaken, Marissa,

1 that was not a good fit. We do get them from time to  
2 time. Normally, they're weeded out early in the  
3 process. Field reps are advising folks that doesn't  
4 fit what we do. I do not advise spending time putting  
5 that together. Very few have made it to this board  
6 that would be eligible.

7 Chairman Wilson: But you get  
8 building removal applications where you say we're not  
9 -- we don't do that, and we don't have any money in the  
10 flood risk reduction program currently, so not a good  
11 fit for any of our programs.

12 Executive Director Summer: Yeah, or  
13 construction of a breezeway, we don't fund that.

14 Chairman Wilson: Right.

15 Executive Director Summer: All right,  
16 moving on down, this is a pretty simple thing. Justin  
17 has suggested that natural surface trails really are  
18 kind of a stewardship issue more than an acquisition  
19 issue and he suggested that we just relocate this in  
20 the stewardship section of the policy and maybe make  
21 some very modest updates at that time, nothing proposed  
22 at the moment; thoughts, questions, concerns? I'll  
23 move one. This is an interesting one. We have updated  
24 this policy a couple of years ago, and it really  
25 addresses what staff is directed to do when a project

1 moving through its due diligence, they're working in  
2 good faith. They acquire very real costs that you have  
3 to acquire to get to the point where a project would  
4 close and we reimburse you, but for a various number of  
5 reasons the project fails to close. And our department  
6 that's been working in good faith is out tens of  
7 thousands or more, and how of much of that burden do we  
8 bear in trying to help them out because they're  
9 essentially doing it for us. They're doing these  
10 things on our behalf. And I think we've come to the  
11 policy that we will pay half the costs of a few very  
12 specific transaction costs. And I think after living  
13 with this for some time and seeing how it impacts from  
14 the ground, acquisition staff feels that it can be  
15 revisited and there could be, if I'm not mistaken,  
16 Marissa, some things added that you feel are  
17 appropriate costs that wouldn't now make the last.

18 Ms. Hartzler: Absolutely.

19 Executive Director Summer: So if folks  
20 want to ask any more questions, I'll let Marissa take  
21 that.

22 Mr. Womack: Is the value  
23 still half of those? We're just increasing the  
24 criteria that we can pay, but it'll still be half of  
25 those costs.

1 Executive Director Summer: I think so.  
2 Marissa, would you like to give some examples?

3 Ms. Hartzler: Sure; I mean,  
4 that could absolutely be part of the conversation, but  
5 I think the one thing I would mention here. You know  
6 surveys are so costly and need to be started so early  
7 in the process and really don't end up benefiting the  
8 land owner if they don't sell the conservation  
9 easement. I think that is a big one that is holding  
10 some of our partners back, you know. Right now it's  
11 appraisals and phase one environmental site assessment.  
12 But you could spend a considerable amount of time and  
13 legal fees in doing a title search to even understand  
14 if the project can move forward. So I think there are  
15 some very legitimate expenses that are incurred early  
16 on, and a project can fail. So discussing reimbursing  
17 up to 50 percent of, you know, a broader list or  
18 discussing reimbursing a larger amount of few slight  
19 items. I think all of those could be up for  
20 discussion, but I think there are some other expenses  
21 that would be completely appropriate to consider some  
22 percentage of.

23 Mr. Womack: Yeah, I would  
24 agree with certainly surveys and legal fees. Why were  
25 they left out two years ago?

1 Ms. Hartzler: I was not in  
2 this position for that discussion, so I'll turn it back  
3 to Will.

4 Executive Director Summer: I think if I  
5 recall, David, and this isn't positive, I think there  
6 was a notion that -- I think we were stabbing into this  
7 new policy, and we were being kind of conservative in  
8 what we were putting on our plate for that. And at  
9 that time, I think the notion that the survey was  
10 something that benefited the landowner as a requirement  
11 for other tax incentives on their part. And I think  
12 what Marissa has found has that that's not actually the  
13 case, and I don't think it's inappropriate for us to  
14 share in more of that burden. That may be one of the  
15 heaviest costs. I think it was damaging to have to go  
16 out on your own. And I won't get ahead of staff, but  
17 there may be ways to kind of ensure that people aren't  
18 being reckless with this by inserting milestones or  
19 steps like, if you do this, and then go on to the next  
20 step, you know, like if you have it under a microscope,  
21 if you have it under contract and do this thing then,  
22 or if you have the appraisal reviewed and approved and  
23 then take the next step. There's ways that we can make  
24 sure people aren't going, hey, we're already through,  
25 having to pay a lot of half of anything is a lot, by

1 the way. I don't think people are going to be  
2 reckless. I don't think there's moral hazard in that.  
3 But I think there are ways that we can incentivize good  
4 faith actions without holding our partners really at  
5 harms way for being aggressive and trying to close  
6 these things down on our behalf. That's going to be an  
7 interesting one and good discussion.

8 Acquisition Chair Grissom: I would just  
9 put on the table with that one, too, the difference  
10 between property under contract and one that just has a  
11 letter of intent.

12 Chairman Wilson: But these are  
13 projects that the board has approved and that we are  
14 under contract with the grant recipient for.

15 Executive Director Summer: We are under  
16 contract with them.

17 Chairman Wilson: Right, but they  
18 don't have a -- they -- we have not -- they have not  
19 closed with the property owner.

20 Executive Director Summer: Correct.

21 Chairman Wilson: Yeah.

22 Executive Director Summer: And what Amy is  
23 talking about is the contract between the land trust  
24 and property investor to have the right to purchase the  
25 property at a set price.

1                   Acquisition Chair Grissom:     Right, to go  
2                   through all those expenses and appraisals and surveys  
3                   and all of that under a letter of intent, that to me  
4                   feels like what nobody wants to think about.

5                   Executive Director Summer:     I think that  
6                   may very well be some of the requirements to be  
7                   reimbursed, or I think that's going to be part of the  
8                   discussion. I don't want to get ahead of staff or  
9                   trustees on that, but I think that's definitely  
10                  something we should look at. The last two things on my  
11                  list are fairly straightforward. Our guidelines and  
12                  practices have a couple of guidelines and practices  
13                  that are really just resolutions that the former board  
14                  passed. This one in 2002; there's another one from  
15                  2005. There's at least four of them in there, and  
16                  they're good. They are good. They are sound  
17                  practices, but they're stuck in there in the form of a  
18                  resolution. And I think what would be appropriate is  
19                  to open these up and look at them. If they are still  
20                  good and sound, then we rewrite them in the format of a  
21                  current guideline and practice and not have it be just  
22                  a cut and pasted resolution from the board 20 years  
23                  ago. I don't think any of these need too much  
24                  changing, so I just put the -- now that we have evolved  
25                  with this document, I think it's appropriate to not

1 just say, well, the board 20 years ago did it. We like  
2 it. We're just going to slap a date on it and continue  
3 going forward, so a couple of those various subjects,  
4 thoughts and concerns. And the last thing is just to  
5 go through and do a little bit of updating. When we  
6 first pulled together our guidelines and practices  
7 around 2015, we had just lost the stormwater and  
8 wastewater programs. We still have a lot of open  
9 projects, and we're still dealing with a lot of  
10 remnants of that. I think it would be appropriate just  
11 to go through and look at areas that no longer apply to  
12 us or any projects that are open or have any need to  
13 have us weigh in on and just update parts that are  
14 ancient parts of the program. So that's it in a  
15 nutshell. Let's see what staff has come up with. I  
16 sent everyone the link and email if you've got it in  
17 your agenda. If you're flipping through it this  
18 evening or next week or some time and think, hey,  
19 here's another thing that I think it will be  
20 interesting, please let me know, and I'll get our staff  
21 together to work on it and just expect that we will be  
22 bringing this committee in the coming months. I'll  
23 probably most likely have you looking after the board  
24 meeting first of August, so you can get some things  
25 approved so you can reaffirm the guidelines in

1 December. For the 2026 cycle, they will be new and  
2 improved. So that's all. I will take any questions.

3 Chairman Wilson: So you would  
4 like to have these changes made at the August -- by the  
5 August board meeting?

6 Executive Director Summer: I think I would  
7 like them made in committees most likely between  
8 October -- the October board meeting and the December  
9 board meeting.

10 Chairman Wilson: Okay.

11 Executive Director Summer: So that at the  
12 December board meeting any changes that have been  
13 worked out can be approved, and then the entire body of  
14 guidelines and practices --

15 Chairman Wilson: So what did you  
16 say about August?

17 Executive Director Summer: I don't --  
18 there may be some things we work on between now and  
19 August, but I know that what staff is really going to  
20 be busy on between now and August is all of these 2025  
21 applications that are up. I don't want to tell you  
22 that we could bring things before August. I think  
23 we're going to try to shoot for that October and  
24 November as we're working through time.

25 Chairman Wilson: Any more

1 discussion on this, guidelines and practices; okay, we  
2 have our Deputy Secretary.

3 Executive Director Summer: Oh, there's our  
4 Secretary.

5 Chairman Wilson: Hello, Madam  
6 Secretary.

7 Secretary Cashwell: Hello.

8 Executive Director Summer: Would one or  
9 both of you like to address us?

10 Secretary Cashwell: Sure, good  
11 afternoon.

12 Board Members and Staff: Good afternoon.

13 Secretary Cashwell: It is. It is  
14 afternoon. Yeah, it's way afternoon now. I understand  
15 this is the water fund because we went through lots of  
16 water to get to here. No, I'm just kidding. It's  
17 great to be with you all this afternoon. I'm really  
18 excited to finally make it in person to a board  
19 meeting, and I want to see how the sausage is made.  
20 And also, I'm super excited about hopefully visiting  
21 the sites tomorrow. I will just give a few updates on  
22 what is happening in the department. As I'm sure you  
23 are all aware, the budget process, that is underway.  
24 The Governor has released his budget. I understand you  
25 already covered that earlier today. So I will not

1           revisit that. The Senate, of course, released their  
2           budget; I assume covered that as well; good. Okay, and  
3           so we will work through that process advocating both as  
4           a department and with our partners for the various  
5           things that were not included in the Senate's budget  
6           that we are concerned about including. We have been  
7           really working to -- for me at least, working to get my  
8           leadership team sort of solidified. We are there now.  
9           Deans Eatman, who many of you know, has been promoted  
10          to a deputy secretary, and is -- his portfolio has  
11          expanded beyond just legislative affairs to include HR,  
12          internal audit, IT, still has legislative affairs and  
13          the education section in his purview, so. And I do  
14          think that they'll still be a little bit of  
15          reorganization things that may sort of flesh themselves  
16          out, but I'm not one to come in and just like go crazy  
17          and start reorganizing for the sake of reorganizing.  
18          So I'm trying to be very deliberate about looking at  
19          where across the department we can create synergies.  
20          One of the things that I really want to do is our  
21          natural resources portion of the department kind of got  
22          plopped in when the pieces from former DENR came over  
23          to cultural resources, just sort of dropped there, and  
24          so we really want to look at how we can better merge  
25          those pieces into the department. What I learned in a

1 very short period of time in the department is that our  
2 employees -- there are about roughly 2,500 employees,  
3 especially when we're all fully staffed up, is that one  
4 side of the department often doesn't matter the other  
5 side of it did. And I think we have some real  
6 opportunities with all the work that we do to bring  
7 some cohesiveness and some synergy between some of our  
8 cultural and our natural pieces of the department, by  
9 just being more efficient in a lot of ways. A lot of  
10 this doesn't impact the Land and Water Fund, so they're  
11 sort of unique, and -- but there are -- just as an  
12 example, one of our historic sites had a great art  
13 exhibit at Stagville. I think it was February when  
14 that was going on, and it was amazing, and it brought  
15 in a lot of people to that site who probably never  
16 would have gone there but for the fact that this really  
17 cool art exhibit was there, and so that's just an  
18 example. Our parks have lots of opportunities to bring  
19 cultural pieces into the parks if people would be  
20 interested. So we're exploring that and just trying to  
21 figure out ways that we can create some -- some of that  
22 across the department. America's 250, North Carolina,  
23 Age 250 NC is what we sort of call it and that -- DNCR  
24 is the lead agency for that for the State, and so a lot  
25 of work has been done over the last -- really sort of

1 the last 6 months. It's gotten a lot more active, but  
2 they've been working for over a year. Tons of aspects  
3 of that, everything from publishing books that are like  
4 children's books that have or tells the story of how  
5 America became America and that. Art exhibits, we've  
6 given out over two million dollars in grants to local  
7 governments for Age 250, for local governments to do  
8 things around celebrating America's 250. And so some  
9 of that has been say local governments that want to do  
10 a play in their community. I mean, it's all over the  
11 map, what people are doing. And so that's a big, big  
12 project that we are trying to pull in all of our  
13 divisions to think creatively about how we incorporate  
14 America's 250 into other work that we are doing. So  
15 that's a big thing. Let me think. You know, I --  
16 really one of the key things I would say from an  
17 administrative standpoint that I focused on pretty  
18 early because HR just -- it took us too long to hire  
19 people, and --

20 Executive Director Summer: I guess you've  
21 raised our faiths today then.

22 Secretary Cashwell: Good, good,  
23 good, good, good, that's my point because I want to  
24 hear that when it's true. And yeah, and so just  
25 looking at process needs across the department to see,

1 are we doing things in the most efficient way that we  
2 can, and if it's taking six to nine months sometime to  
3 hire somebody, we clearly are not being very efficient  
4 and effective. And we're never -- we're never going to  
5 like close the gap on vacancies if that is happening.  
6 So I'm really pleased. Deans Eatman, who I assigned to  
7 that project to really work with our HR team to look at  
8 the process where things are getting hung up, all the  
9 things that you can imagine we would do, we have done,  
10 and so our vacancy rate consequently has really been  
11 just dropping precipitously the time it takes to hire  
12 people. I've heard across the state as I have visited  
13 sites that we are getting people through that process  
14 much faster, so that's great. We still have some paper  
15 processes, believe it or not, in 2025 in various  
16 places. I don't understand that. COVID was a great  
17 time to get that stuff fixed, and there's money to do  
18 that kind of things. That's something I really want  
19 where I'm working with IT with on, like we need to have  
20 more efficient processes so that we could work better,  
21 and whether that -- I don't know what your grants  
22 management system looks like.

23 Executive Director Summer: It's all  
24 online. Our payments are online. We have very little  
25 paper. We can always improve the systems, but we've

1           been without paper probably since probably 2016.

2                       Secretary Cashwell:               Perfect, good  
3           job.

4                       Executive Director Summer:       It would be  
5           very interesting.

6                       Secretary Cashwell:               That's right.  
7           It is shocking that in the government that many  
8           operations that are -- I mean, when I started at the  
9           DOA, the domestic violence and sexual assault grants  
10          were still coming in and paper in packages like this  
11          thick. We had to go through papers. But we got that  
12          fixed and have a great grants management system there.  
13          So it's looking at stuff like that. We still have  
14          broadband issues at some of our historic sites and  
15          parks. We are working with DIT to address that to  
16          ensure that we are on the list. When they're in town  
17          dealing with broadband, they're looking at our sites as  
18          well. And so those are the sorts of things that that  
19          I've been dialed in on and focusing on as Secretary,  
20          working on this, yeah.

21                      Deputy Secretary Michael:       Well, I think  
22          -- excuse me. I think one of the big things that when  
23          the Secretary was with you last time, she said that she  
24          really focused on, as all of the state government have  
25          been focused on, and that is the aftermath of Hurricane

1 Helene --

2 Secretary Cashwell: Thank you.

3 Deputy Secretary Michael: -- and the  
4 recovery there, and we are pleased to announce now that  
5 all of our state parks that had been previously closed  
6 are now open except two, Chimney Rock and Mount  
7 Mitchell. And both of those are not open yet through  
8 no fault of our team in terms of getting those parks  
9 ready, but really it's about access. In the case of  
10 Chimney Rock, the bridge that came over from the town  
11 to the park was washed away, but our colleagues at DOT  
12 -- David, I think congratulations. Isn't that right  
13 that you represent Division 2 for the DOT board.

14 Mr. Wommack: Yes, sir.

15 Deputy Secretary Michael: So I just  
16 wanted to recognize our colleagues at DOT and the great  
17 work they've done helping us get that replacement  
18 temporary bridge that we hope by Memorial Day in May.  
19 It's unlikely we will actually get the park open by  
20 then but soon. Sometime this summer, we will work with  
21 the town to have Chimney Rock back open. Mount  
22 Mitchell's going to be a little longer because we're  
23 dependent on the Blue Ridge Parkway, and they are  
24 backed up. And we're hearing from our friends at the  
25 National Park Service you can expect to see the

1 southern access to Mount Mitchell opened by late  
2 summer, early fall. The access to the northern end  
3 from Blowing Rock and that part of the parkway will be  
4 a little bit longer because of some of the landslide  
5 issues that they've had, but it's just been an amazing  
6 sort of effort across all of state government to help  
7 our communities in the west to help our parks get back  
8 and operational. I was -- Secretary, you were not here  
9 during the stewardship report that Justin was giving,  
10 but he was giving some examples of some of the projects  
11 that have been impacted. So we know that our team here  
12 with Land and Water Fund has also been active in that  
13 recovery effort and trying to better understand how the  
14 storm impacted some of the projects that you have  
15 funded in the past. I think that was a big one. Other  
16 than someone who was hoping to join us for dinner this  
17 evening and the meeting is our new Chief Deputy  
18 Secretary Maggie Thompson, and unfortunately, she  
19 couldn't come. But we were really hoping she could  
20 come so you would have a chance to meet her because we  
21 were very fortunate, particularly in the work that you  
22 do, to have Maggie as part of our senior division team.  
23 She comes to us from having served the last four of  
24 years at the National Parks Service Department of the  
25 Interior as Secretary. She was pretty high up with

1 Secretary Haaland's staff. So she really understands  
2 the Land and Water Conservation Fund, our work in the  
3 state, our historic preservation. Just across the  
4 board, she's a great asset to our department. I can't  
5 wait for her to be here and will be a source for all,  
6 as I understand it, interact with the work that you do  
7 here in North Carolina and the work of the federal  
8 government. Those are the big updates. I think Will  
9 may be saying a few words to a couple of our parting  
10 members today. I did want to get that point.

11 Unless --

12 Secretary Cashwell: Yeah, hold on  
13 before we get to that. You interjected relative to  
14 what?

15 Executive Director Summer: I was saying  
16 that we have already recognized those. But I love to  
17 recognize them some more.

18 Secretary Cashwell: I just want to  
19 jump in real quick. Thank you; I can't believe I  
20 mentioned western North Carolina. It's a huge priority  
21 for us. We had 18 sites that were impacted, and I  
22 think two critical things that I would add. One is,  
23 please do not go out of this room and say that we will  
24 have Chimney Rock opened by Memorial Day. The  
25 leadership at Chimney Rock would have -- not the park,

1 the town. So we're trying to work very closely with  
2 our local partners and be good partners with them. The  
3 great thing is that we will likely have the park ready,  
4 but we are the neighbors, and so there will be an  
5 announcement at the time in which we're able to open  
6 the park. We don't want to create a big havoc in  
7 Chimney Rock. They cannot accommodate people coming to  
8 the park. So there's some fragility there, but just  
9 know that we're working very hard. DOT has been great  
10 That's one thing. And the other thing I do want to add  
11 is that we have -- with those 18 sites, there was a lot  
12 of debris removal in Old Fort. An entire house there,  
13 a historic house, was picked up and spun around, you  
14 know, had to be demolished and removed, and that was at  
15 a historic site, so a lot of work across the 18 sites,  
16 trail work that still needs to be done. So even though  
17 South Mountains is open, there are a lot of trails  
18 there that are not open. I went to Grandfather a few  
19 weeks ago and hiked. The profile trail is a mess and  
20 dangerous. I wiped out. I've still got the mark to  
21 prove it because I was about to cross -- so much of the  
22 trail got wiped out that I had to cross the creek in  
23 order to navigate some of it. And so it's dangerous,  
24 and it's difficult to get in there to do that part, to  
25 remove all of the trees and that sort of thing and

1 trucks to do that. I'm telling you all that because  
2 even some of the parks that are open are still not 100  
3 percent open. There's a lot of work left to be done on  
4 trails, and the public doesn't understand that  
5 sometimes, and it's like if the park is open, why isn't  
6 it finished? So to the extent that I know many of you  
7 are in parts where that are associated with RV -- and  
8 help us share that story about the trails. A crazy  
9 amount of trees went down and, you know, when we were  
10 at South Mountains recently cutting the ribbon for the  
11 reopening of the main entrance even, there were people  
12 who had not been in there obviously since the park was  
13 closed, and an older gentleman said to a  
14 superintendent, he was like this place is a mess. It's  
15 just a mess in here. And, you know, it's like, it kind  
16 of broke my heart because their staff has worked so  
17 hard and the amount of cleanup that has occurred there,  
18 too. I was there in January, and it wasn't down like  
19 for me. I was like, oh, my God, this looks fantastic.  
20 And still there are trees down all in the woods, but it  
21 looks so much better, and people can get in there. And  
22 so just sort of helping us to share a message that if a  
23 trail is not open, it's because it's not safe. Okay,  
24 B, there's a ton of work to be done. And our park  
25 staff, they are doing everything they can do to get our

1 parks open. You know, the pieces of it, Lake James  
2 State Park is another example. The beach there is  
3 still closed because the docks, some of them are like  
4 this inverted. And you know, they're working very  
5 hard. I say that to say we have not received a dime of  
6 FEMA reimbursement yet, not one dime. That's the first  
7 thing. The second thing is the delayed budget out of  
8 the legislature did not include one dime for DNCR and  
9 historic sites or parks, any of our impacted sites  
10 though we are doing the work right now. What we have  
11 been doing since January is doing work utilizing  
12 operational funds, and obviously that is not a  
13 sustainable model. And it inhibits and limits the  
14 amount of things that we can do in all of the supplies  
15 that you buy and all the things. So I'm just giving  
16 you all that. It's like the for real, for real as to  
17 what is happening with cleanup. A ton of great work  
18 has been done. Millions of dollars have been spent to  
19 do cleanup. We have navigated some ways of, you know,  
20 moving some funding around some various places. I just  
21 learned this morning that we're getting about two  
22 million out of OSBM for debris removal that apparently  
23 was -- they were hoping was largely going to be for  
24 local government, but because we got nothing, they're  
25 trying to help us a little bit. And so just know that

1           like that's where we are with respect to getting  
2           Western North Carolina -- our portion of Western North  
3           Carolina back up to speed. There have been great  
4           volunteers who have helped. We appreciate that. We've  
5           had great partnerships, but that's where we are. And  
6           so that's a lot more to what Jeff said, but I just  
7           really want to make sure people -- I think a lot of  
8           people assume that, oh, we're just getting FEMA  
9           reimbursement, and this isn't impacting our budget and  
10          all the things. It's greatly impacted our budget this  
11          year. I'm happy to answer any questions that you have;  
12          thank you.

13                       Vice-Chair Walser:                       I just have one  
14          comment. My name's Jason. I've been around for a long  
15          time, 25 years in the conservation world. So the Clean  
16          Water Management Trust Fund is one of my first projects  
17          that I took on. Staff is as good as it's ever been.  
18          They're definitely unbiased, but you know, they are  
19          phenomenal. They have a great reputation in the  
20          conservation community. You've got some real gravitas  
21          in your staff. Will knows his stuff, as you would have  
22          heard. Who remembers when we did things seven years  
23          ago and why we did it? It's just -- the institutional  
24          knowledge is unbelievable. So I just want to say,  
25          don't shake up anything. I'm exiting, but this machine

1 runs well. It's remarkable to me in this partisan  
2 House and Senate, it doesn't really matter too much in  
3 what we do because it's conducted at such a  
4 professional level. I mean we've dispensed millions  
5 and millions of dollars without a ton of oversight,  
6 without partisan. I mean listening to the Board of  
7 Elections stuff on the news this week, I was thinking,  
8 in preparation for coming here, I'm so glad we don't  
9 have to deal with all those little petty things every  
10 time we meet, like we do the work. It's done well.  
11 The staff -- I mean, they need more staff, as we've  
12 talked about. There are certainly some bottlenecks and  
13 some bureaucracies here and there. I don't know that  
14 they're going to be easy to solve, but you've got the  
15 right people in charge, and I just want to say that.

16 Secretary Cashwell: Thank you; I  
17 appreciate that very much and have no fear. Have no  
18 fear; if anything, we have said, Will, what can we do?

19 Executive Director Summer: Thank you.

20 Deputy Secretary Michael: So Will has  
21 updated us, so now I know that you have already  
22 acknowledged the departing members. I'd like this  
23 added on, and it is just Jason and Amy, right? I don't  
24 want to leave anybody out.

25 Executive Director Summer: Those are the

1 two.

2 Deputy Secretary Micheal: But for those  
3 of you who don't know before I stepped in this role 40  
4 years ago, I had the good fortune, 20 plus years ago to  
5 work with both Amy Grissom and Jason Walser through the  
6 land trust in Salisbury now known as Three Rivers Land  
7 Trust. Back then, it was the Land Trust of Central  
8 North Carolina. And you know in many ways, I feel like  
9 I was there as they took their first steps into land  
10 conservation. I can still recall Amy calling me. She  
11 was living out of state, but she was concerned about a  
12 property in Montgomery County in the Uwharries that she  
13 was really concerned about being evolved and developed.  
14 And that began the conversation that led to some of the  
15 incredible work that she and her sister who were just  
16 recognized last, you know, week in the -- at the  
17 Governor's Awards for Conservationist of the Year, so  
18 there was that. And then Jason, I had the opportunity  
19 to hire him as our first deputy secretary or not deputy  
20 secretary. What was it we had -- executive --  
21 assistant director.

22 Vice-Chair Walser: Associate  
23 director of the Land Trust.

24 Deputy Secretary Michael: And as Fred  
25 Stanback told me, the best decision I ever made, the

1 best thing I ever did in the land trust was to hire  
2 Jason and get out of the way. So as you all know,  
3 Jason has done an amazing work in conservation. But  
4 you know, they preceded me in terms of being public  
5 servants for the state in their service on this board.  
6 They both came on this board before I had the  
7 opportunity to come to the department as deputy  
8 secretary. And so it's just been a joy to see that  
9 come full circle. You can't find two better  
10 conservationists, two better public servants than the  
11 two of them. We -- you know, on behalf of the State, I  
12 want to thank both of you for your service. We're  
13 going to miss you. You're going to be hard to replace,  
14 but I just wanted to add that. Chairman Wilson, I will  
15 turn it back over to you and Will.

16 Mr. Womack: Mr. Chairman?

17 Chairman Wilson: Yes.

18 Mr. Womack: Could I say  
19 this is where a round of applause is appropriate?

20 Chairman Wilson: Yes.

21 (A round of applause was given.)

22 Acquisition Chair Grissom: John wants me  
23 to tell a story.

24 Chairman Wilson: I've been  
25 debating. It's pretty amazing, actually.

1 Ms. Hartzler: Is it -- if I  
2 may, is it -- does it need to be on the minutes? Would  
3 you like it on the minutes? Just checking; I don't  
4 know the story.

5 Acquisition Chair Grissom: It really  
6 doesn't matter.

7 Chairman Wilson: Okay.

8 Acquisition Chair Grissom: I can tell that  
9 after -- later. I was just looking online at an  
10 article that my sister wrote 14 years ago today, and it  
11 was about a dam ripple on the Uwharrie River. And in  
12 1805, Stephen Grissom, that one of our ancestors, wrote  
13 -- signed a position to the State's General Assembly  
14 because citizens there were so concerned about the  
15 running shad and the impacts for the people and the  
16 natural heritage there. And it just makes me feel like  
17 it's kind of full circle a little bit being here. I  
18 try to do my best with all of you, and maybe one of  
19 these days, one descendant of mine 120 years from now  
20 will be looking back at these minutes and be like what  
21 would Amy Grissom do in this moment?

22 Chairman Wilson: To protect the  
23 shad?

24 Acquisition Chair Grissom: Yes,  
25 occasionally I like saying, but I really do think it's

1 amazing work that we do, so that's my story.

2 Chairman Wilson: Any more  
3 stories?

4 Vice-Chair Walser: I think it's  
5 amazing that I was appointed by Phil Berger, and then  
6 there was a lawsuit. And to his credit, I was  
7 appointed by Roy Cooper, and then the lawsuit was  
8 settled, and I was appointed by Phil Berger. So I love  
9 that this all started with a really strange, but we  
10 were able to -- and I give Cooper credit. We were able  
11 to function almost immediately. I got appointed in  
12 June and started giving away money in September.  
13 That's why he did that because the lawsuit was ongoing,  
14 but he wanted to go ahead. He honored all the  
15 appointments by a Republican, 10 more by Phil Berger.  
16 It was pretty cool. I can't remember who the other  
17 appointees were, but it is stacked away in the history.

18 Chairman Wilson: Yes, it's often  
19 challenging to -- when you're describing this board, to  
20 say it's most wonderfully bipartisan, and then think  
21 it's non-partisan.

22 Vice-Chair Walser: Yeah.

23 Chairman Wilson: Which is it?  
24 Which is the right description?

25 Chairman Wilson: Anything else

1 before we adjourn? And then before we run away, do you  
2 want to tell us some logistical things?

3 Executive Director Summer: Yes, let's  
4 gavel out so our court reporter can stop working, and  
5 then we can talk about less important things. I'm  
6 going to give you some updates about tomorrow.

7 Chairman Wilson: Okay, motion to  
8 adjourn?

9 Vice-Chair Walser: So move, that's  
10 the last thing I do.

11 Chairman Wilson: Jason.

12 Acquisition Chair Grissom: Second.

13 Chairman Wilson: Amy, second;  
14 any discussion; all right, all in favor of adjourning,  
15 please say aye?

16 (Board Members say Aye.)

17 Chairman Wilson: Any opposed;  
18 all right, we are adjourned.

19 (The proceedings were concluded at 5:16 P.M.)  
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21  
22  
23  
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NORTH CAROLINA

WAKE COUNTY

**C E R T I F I C A T E**

I, Dona E. Overby, Notary/Reporter, do hereby certify that this Board of Trustees Meeting was taken by me and transcribed under my direction and that the one hundred thirty-four pages which constitute this Board of Trustees Meeting are a true and accurate transcript.

IN WITNESS THEREOF, I have hereunto set my hand this 10th day of August, 2025.

  
\_\_\_\_\_

Dona E. Overby  
Notary Public  
Certificate No.: 19971920107