

NORTH CAROLINA LAND AND WATER FUND
BOARD OF TRUSTEES MEETING

Virtual Meeting

Monday, May 24, 2021

1:00 P.M.

Volume 1

Pages 1 through 114

A P P E A R A N C E S

(All Parties Participated by Microsoft Teams)

Trustees:

John Wilson, Chairman
Ann Browning, Vice Chairman
Jason Walser, Acquisition Committee Chairman
Renee Kumor, Restoration Committee Chairman
E. Greer Cawood
Amy Grissom
Judith "Judy" Kennedy
Darrel Williams
David Womack

Staff:

Walter Clark, Executive Director
Hank Fordham, Attorney
Will Summer, Deputy Director
Sydney McDaniel, Executive Assistant
Nancy Guthrie, Acquisition Program Manager
Steve Bevington, Restoration Program Manager
Marissa Hartzler, Stewardship Program Manager
Marie Meckman, Acquisition Program
Terri Murray, Restoration Program Assistant
Justin Mercer, Eastern Field Representative
Damon Hearne, Western Field Representative
Misty Buchanan, Natural Heritage Program Director
Jeff Michael, Deputy Secretary, Department of
Natural and Cultural Resources
Reid Wilson, Secretary, Department of Natural and
Cultural Resources
Deans Eatman, Legislative Liaison, Department of
Natural and Cultural Resources

Guests:

Eric Galamb, NC Department of Agriculture
Will Robinson, The Nature Conservancy
Christy Agner, NC Hometown Strong
Elizabeth Farrell, NCAGR
Greg Andeck, Audubon
Justin Boner, The Conservation Fund
Bill Holman, The Conservation Fund
Erin Y. Crouse, The Conservation Fund
Amy Edge, Tar River Land Conservancy
Kristine Leggett, Fiscal Research

P R O C E E D I N G S

1:00 P.M.

1
2 Chairman Wilson: I would like to welcome
3 everyone and call our meeting to order of the North
4 Carolina Land and Water Fund, and before I forget, I'm
5 going to remind everyone when you speak to please
6 identify yourself for our court reporter to create a
7 wonderful transcription. I'd like to welcome you
8 particularly to what I hope will be our last virtual
9 meeting. Hopefully in September we can meet in person
10 and so thanks to all who have made these Microsoft
11 Teams meetings so productive. So I'd like to call the
12 roll, please; Ann Browning.

13 Vice Chair Browning: I'm here.

14 Chairman Wilson: Greer Cawood.

15 Ms. Cawood: Here.

16 Chairman Wilson: Amy Grissom.

17 Ms. Grissom: I'm here on the
18 phone, but having technical difficulties that I'm still
19 trying to resolve so I can join you virtually.

20 Chairman Wilson: Okay, Amy is here;
21 Judy Kennedy.

22 Ms. Kennedy: I am here.

23 Chairman Wilson: Renee Kumor.

24 Restoration Committee Chairman Kumor: I am
25 here.

1 Chairman Wilson: Jason Walser.

2 Acquisition Committee Chairman Walser: Here.

3 Chairman Wilson: Darrel Williams is
4 not joining us today; David Womack.

5 Mr. Womack: Here.

6 Chairman Wilson: And I, John Wilson,
7 am here also. Now I would like to ask for compliance
8 with General Statute 138A-15, which mandates Chair
9 inquire if any Trustee knows of any conflict of
10 interest or the appearance of the conflict of interest
11 with respect to matters on the agenda. If any Trustee
12 knows of a conflict of interest or the appearance of a
13 conflict of interest, please state so at this time.
14 Okay, hearing none, I will ask you to please put your
15 cell phones on vibrate or turn them off, and please
16 mute yourself on Teams unless you're speaking. Now I'd
17 like to ask if there are any revisions, additions, or
18 additions to today's agenda.

19 Ms. Cawood: Greer Cawood, I move
20 for adoption.

21 Chairman Wilson: Okay, from Greer;
22 thank you; is there a second?

23 Judy Kennedy: I will second, Judy
24 Kennedy.

25 Chairman Wilson: Okay, thanks, Judy,

1 and I'm going to call the roll again for each and every
2 vote; Ann?

3 Vice Chairman Browning: Yes.

4 Chairman Wilson: Greer?

5 Ms. Cawood: Yes.

6 Chairman Wilson: Amy?

7 Ms. Grissom: Yes.

8 Chairman Wilson: Judy?

9 Ms. Kennedy: Yes.

10 Chairman Wilson: Renee?

11 Restoration Committee Chairman Kumor: Yes.

12 Chairman Wilson: Jason?

13 Acquisition Committee Chair Walser: Yes.

14 Chairman Wilson: David?

15 Mr. Womack: Yes.

16 Chairman Wilson: And John is a yes,
17 also. All right, moving onto our consent agenda, two
18 items on the consent agenda; first is the approval of
19 minutes from our March 20, 2021 Board Meeting and then
20 we also have a request to extend the date to enter into
21 a construction contract for an existing grant; any
22 discussion first regarding the minutes?

23 Ms. Grissom: I have -- this is
24 Amy. I have one possible correction.

25 Chairman Wilson: Okay.

1 Ms. Grissom: It's page 28, line
2 12. This is in a section where Marissa is speaking. I
3 believe that she used the word obligation instead of
4 allegation, so that the sentence reads, And in doing
5 so, we have as the State and the Fund accepted --
6 accepted a perpetual obligation to enforce and uphold
7 these documents, as opposed to a perpetual allegation
8 to enforce and uphold these documents.

9 Chairman Wilson: Okay, thanks, Amy;
10 that sounds right to me. Let me toss in one more,
11 please. On page 42, line 14, have a right pairing and
12 buffer score, I think that's a riparian, R-I-P -- yes
13 -- A-R-I-A-N.

14 Ms. Grissom: Yes, that's right.

15 Chairman Wilson: Okay, any more
16 modifications proposed to the minutes from our March
17 20, 2021 Board Meeting; okay, how about a motion to
18 adopt the minutes as amended by Amy and John?

19 Restoration Committee Chairman Kumor: Renee
20 makes that motion to adopt the minutes as amended by
21 Amy and John.

22 Chairman Wilson: Thanks, Renee; a
23 second?

24 Vice Chair Browning: This is Ann. I will
25 second.

1 Chairman Wilson: Ann seconds; okay,
2 any more discussion? All right, let's just go ahead
3 and take a vote on this and then we'll move onto the
4 next item, and we'll just vote on that instead of doing
5 these as consent agenda all as one. Ann, how do you
6 vote for the minutes?

7 Vice Chair Browning: Yes.

8 Chairman Wilson: Okay, Ann's a yes;
9 Greer?

10 Ms. Cawood: Yes.

11 Chairman Wilson: Amy?

12 Ms. Grissom: Yes.

13 Chairman Wilson: Judy?

14 Ms. Kennedy: Yes.

15 Chairman Wilson: Renee?

16 Restoration Committee Chairman Kumor: Yes.

17 Chairman Wilson: Jason?

18 Acquisition Committee Chair Walser: Yes.

19 Chairman Wilson: David?

20 Mr. Womack: Yes.

21 Chairman Wilson: All right, and
22 John's a yes also. Okay, the next item on the consent
23 agenda was the request to extend the date to enter into
24 a construction contract for an existing grant. Is
25 there any discussion needed, any questions about that,

1 okay?

2 Restoration Committee Chairman Kumor: Renee
3 makes -- Renee makes the motion, John, that we extend
4 the date to enter to the construction contract of the
5 existing grant.

6 Chairman Wilson: Okay, thanks, Renee,
7 and how about a second?

8 Ms. Kennedy: I will second, Judy
9 Kennedy.

10 Chairman Wilson: Thanks, Judy; any
11 more discussion; Ann, how do you vote?

12 Vice Chair Browning: Yes.

13 Chairman Wilson: Greer; Greer, I'm
14 not hearing you; Greer?

15 Ms. Cawood: Yes.

16 Chairman Wilson: Okay, thanks, Greer;
17 Amy?

18 Ms. Grissom: Yes.

19 Chairman Wilson: Judy?

20 Ms. Kennedy: Yes.

21 Chairman Wilson: Renee?

22 Restoration Committee Chairman Kumor: Yes.

23 Chairman Wilson: Jason?

24 Acquisition Committee Chair Walser: Yes.

25 Chairman Wilson: David?

1 Mr. Womack: Yes.

2 Chairman Wilson: And John is a yes;
3 all right, thanks for indulging me with that roundabout
4 approval of our consent agenda. We're very thorough,
5 which leads us into our next item a legal update from
6 Hank Fordham.

7 Mr. Fordham: Yes, good afternoon;
8 I have one item, but it's on the agenda as number
9 seven, so we can just take that when we get to it.

10 Chairman Wilson: Okay, thanks, Hank;
11 any more comments for Hank; okay, moving onto the
12 Secretary of the Department of Natural and Cultural
13 Resources, Reid Wilson.

14 Secretary Wilson: Thank you, Mr.
15 Chairman; good to see all of you, and I am also hoping
16 that in September we can do this in person. It
17 certainly seems like we're going to be able to do that.
18 Just a couple updates at this point; one, and you've
19 probably seen information about this, but I just wanted
20 to highlight the conversation items in the Governor's
21 budget. It includes among other things a thirty
22 million non-recurring increase in both years for the
23 Land and Water Fund, and in both years a nineteen
24 million dollar non-recurring increase for flood plain
25 buyouts to help boost community resiliency around the

1 State. Plus with something that's harder to find the
2 budget documents is and his 250 -- well, in his I think
3 four billion plus bond proposal, there is -- it says
4 250 million for parks, but there's more detail than
5 that. That includes, I think the number is ninety-five
6 million for the Land and Water Fund. So that would be
7 a significant increase in your funding which you
8 definitely need, because every year demand far
9 outstrips your supply, but maybe it will be different.
10 And we've been over at the Legislature talking to
11 people and no one's committing to anything, but it does
12 seem because there is an extra five billion dollars in
13 the State coffers and because there is 5.7 billion
14 coming to the State from the American Rescue Plan that
15 this is the year to get large temporary bump-ups in
16 funding. So we're going to keep pushing for Land and
17 Water Fund to get big increases as the Governor
18 proposed. Similarly, Parks and Rec Trust Fund, the
19 numbers were a seventy-five million increase per year
20 for both years, and the way that works is 65 percent of
21 it goes to State Parks projects; 30 percent goes to
22 local government competitive grants; and 5 percent goes
23 to beach access, and that's the way it's always been.
24 Plus the proposed ten million dollars per year extra
25 for trails times two and in his bond roughly 150

1 million was there at four parks, which is again a
2 combination of State park projects and local government
3 park projects. So if you add all that together, it's
4 around 500 million dollars, and I find at the
5 Legislature that it's not necessarily a good idea to
6 use that last number, because it just seems too big,
7 but I'm just trying to underscore the Governor's
8 commitment to these issues to land and water
9 conservation, parks, open space. But I think when we
10 have talked to Legislators about thirty million per
11 year, seventy-five million per year, they're pretty
12 receptive to that, but we shall see. There's a long
13 way to go, and by now we would have thought we have at
14 least a Senate budget, but we don't. The House and the
15 Senate haven't agreed on a cap yet, and they may not.
16 But the latest thought is that maybe by, I think it's
17 Friday, June 4th, the Senate would have produced and
18 passed a budget. We know they have a draft, but
19 they're not really sharing it. So we'll just continue
20 talking to them, and any chance any of you have to talk
21 to key Legislators, it's always important to educate
22 them about the wondrous things that the Land and Water
23 Fund does across the State. I will say that in my new
24 role I am eager to get out and about and attend events
25 where Land and Water Fund projects are being celebrated

1 in local communities. I actually planned to go up to
2 the town of Madison last Friday because a bunch of Land
3 and Water Fund money was awarded there for their trail
4 project, but I had to be at the zoo with the Governor,
5 so didn't go to Madison. I will tell you that the zoo
6 visit was awesome. The whole point of it really was
7 that the zoo was offering a free ticket to the zoo to
8 anyone who got a COVID vaccine on-site that day, and it
9 was good. People were coming in and getting their
10 shots and they get to come back to the zoo for free
11 next time. So that was neat, and he -- and most of his
12 family were there for about three and a half hours. So
13 we saw lots of animals at one of your sister divisions,
14 and it was fun. Now shifting from the budget, I want
15 to introduce you to someone who a lot of you already
16 know and some of you have known him way longer than
17 I've known him. But you know, I had to fill up a job I
18 used to have, Deputy Secretary for Natural Resources,
19 and I did it, and I'm thrilled with Jeff Michael being
20 our new Deputy Secretary. He's been on the job sixteen
21 workdays I believe, but I have known Jeff for eighteen
22 years. He was on the Board of one of your grantees,
23 the Conservation Trust for North Carolina for nine
24 years, and he was on the Board when they hired me to be
25 the Executive Director eighteen years ago. So he hired

1 me once. I hired him once. It's all good. He's done
2 amazing work in a lot of areas that are extremely
3 applicable and relevant to our department. Not only
4 does he know -- well, I do it chronologically. Not
5 long after I started at CTNC, he began as Director of
6 the Urban Institute at UNC-Charlotte, and he was there
7 eighteen years. And in addition to, you know, doing
8 really good work in the -- in terms of how to
9 strengthen our urban communities, they also worked a
10 lot on how to strengthen the connection between urban
11 areas and rural areas so that we look at these issues
12 as inner connected, which is really important just
13 statewide, but also is very relevant to the work we're
14 trying to do in our department. Before that, he was
15 the Director of the Wild Acres Leadership Institute,
16 which did a lot of sort of leadership training about
17 multiculturalism, diversity, equity, inclusion, and
18 other leadership skills, which is really important to
19 our department these days as we seek to strengthen our
20 commitment to diversity, equity, and inclusion, racial
21 justice. Before that, he was the first Director of the
22 Land Trust for Central North Carolina, which today is
23 Three Rivers Land Trust, but among other things, he
24 hired a young fellow named Jason Walser who is with us
25 today on the call. So those two have known each other

1 awhile, and before that, he was the first Director of
2 the Yadkin Pee Dee Lakes Project, which then later
3 became Central Park NC, and the point of that was to
4 pull together natural and cultural resources to help a
5 rural region of the State really boost its economic
6 develop and that is a lot about what our department is
7 doing. So again, I'm thrilled he's here. Not only
8 does he understand land conservation and, in fact,
9 knows what a riparian area is, you know, he's been
10 doing this work for a long time, and he's just a great
11 guy if you don't know him already. But, you know, in
12 his three weeks on the job, he's hit the ground running
13 and picking things up just as fast as can be. I'm
14 thrilled that Jeff is with us, and I will turn over the
15 microphone to Jeff at this time.

16 Deputy Secretary Michael: Well, thank
17 you, Reid, and first of all, I just want to give a
18 personal thanks to Reid for giving me this opportunity,
19 and it's huge shoes to fill in terms of him having been
20 in this role the last four years. But you all already
21 know this, but I think probably the biggest take away
22 in my first three weeks on the job is just how much
23 respect the entire, you know, department team has for
24 Reid and his leadership and how thrilled they are that
25 he's continuing to lead us, not just on the natural

1 resources side, but now the other parts of the
2 department as well. You know, when I saw the agenda
3 and I saw Deputy Secretary update, I was like, uh-oh,
4 can you actually say after just fifteen days on the
5 job, but fortunately I think Reid did a great job in
6 providing any sort of update that in the future you
7 might be looking to me to provide. But clearly, I'm
8 going through my learning curve right now. It does
9 feel like the proverbial fire hose that I'm drinking
10 from right now, but please don't let that hold you back
11 in terms of sharing even more with me, particularly the
12 things that you feel like are important for me to know
13 in supporting you as a Board, but also the staff in
14 advancing the work of Land and Water. As Reid said, my
15 background, my history has given me a great familiarity
16 with your work. I'm one of those folks who was on the
17 other end of your work that was writing grants and
18 proposals for work. And when I was at what is now
19 Three Rivers Land Trust, I think I probably wrote those
20 grants and then got out of the way and let poor Jason
21 do all of the hard work on it. There -- I remember we
22 had a big project along Grant's Creek in Rowan County
23 that he was involved with. But so many other things
24 have given me, you know, the experience to help you in
25 terms of the work of the Land and Water Fund. I see

1 Ann Browning, and the great thing is as I was looking
2 at who was actually on there, you know, at least four
3 of the nine, I have a long-standing close relationship,
4 including Ann Browning who had me serving on the old
5 Carolina Thread Trial Advisory Board when they were
6 first getting that under way. So Renee and Judy and
7 Greer and David, I'm looking forward. I don't know
8 that we've met in the past, or if we have, I haven't
9 worked as closely as I have with John and Amy and Jason
10 and Ann, but really looking forward to getting to know
11 you better as well. I don't know that I have anything
12 else to add other than, you know, in addition to
13 understanding conservation and Land and Water Fund, I'm
14 a native North Carolinian. I was born in Albemarle in
15 Stanly County in the central part of the State, and I
16 spent a lot of time in all parts of the State and so
17 you also get someone in me in this role who really
18 knows North Carolina. So I'm looking forward as --
19 like Reid said, getting out with you and visiting many
20 of these places and some of the events that are
21 associated with projects you're doing. And then
22 finally, I'll just acknowledge that I understand and I
23 know that this division is getting ready to go through
24 a major transition with Walter's retirement, and I'm
25 looking forward to working with you all and the staff

1 to making sure we get that transition right. Of
2 course, we'll never be able to replace Walter, but as
3 Reid said, that's going to be one of the biggest
4 commitments or biggest projects or initiatives that I'm
5 going to be involved in right out of the gate. And I'm
6 really looking forward to rolling up my sleeves with
7 all of you as we look to the future leadership, so,
8 John, I think that's it. I can turn it back over to
9 you.

10 Chairman Wilson: Okay, Jeff, welcome;
11 Reid, great choice, just fantastic and I know that I --
12 I'm not going to speak for all the trustees here. I'm
13 just going to speak for myself. It's so great to have
14 you. You were a very knowledgeable person and a very
15 friendly person when I joined the Board of CTNC and
16 thought to myself, oh, gosh, what I have gotten myself
17 into. You helped educate me, and at this very house, I
18 enjoyed our annual Board retreats where it seemed like
19 you and Autumn brought a new addition to your family
20 almost every year for a handful of consecutive years.
21 Anybody else, Jason; do you want to say anything or,
22 Ann, or anybody else?

23 Vice Chairman Browning: I'll just say
24 what an inspired choice, Reid. I'm so excited, Jeff,
25 to have you and looking forward to working with you in

1 this new capacity.

2 Deputy Secretary Michael: I should also
3 note that Ann and I are -- are neighbors and --

4 Vice Chairman Browning: That's right.

5 Deputy Secretary Michael: -- when we get
6 to, you know, in-person meetings, she and I might be
7 able to carpool.

8 Vice Chairman Browning: That sounds
9 great.

10 Acquisition Committee Chair Walser: Yeah,
11 I'll add to the love fest and say that Jeff is just one
12 of my favorite people that I've ever met. He's a self-
13 made man from very rural Stanly County, put himself
14 through a planning degree, undergrad, and law degree at
15 Carolina, took out student loans to do all of those
16 things, and everything that he has done is because he's
17 one of the most driven people that I've ever met. And
18 I kind of feel sorry for Reid because Reid's going to
19 have his hands full. As a former employee of Jeff, I
20 can tell you he pushes. He pushes, and he pushes, so
21 we're lucky to have him. That's enough said.

22 Chairman Wilson: Great, okay.

23 Ms. Grissom: So I've actually
24 finally made it live, and I'd just like to say I've
25 known Jeff for a really long time and to have a

1 thoughtful, honorable visionary like Jeff involved is
2 -- you know, benefits all of North Carolina, so nice to
3 see everyone and welcome, Jeff.

4 Chairman Wilson: Thanks, Amy, nice to
5 see you; okay, moving on to your Executive Director's
6 update, Walter Clark.

7 Executive Director Clark: Thank you, John
8 Wilson, and I will add to the love fest as well. I've
9 known Jeff for a long, long time, him and his family,
10 and I cannot think of a better choice to -- to be
11 involved with the department. He will bring a lot of
12 wisdom and insight and I think we're -- the whole
13 department is lucky to have him. As I told Jeff when
14 his announcement was made, he made my choice to leave
15 the division all that more bittersweet, because I can't
16 imagine anyone I would rather work with than Jeff, so,
17 Jeff, thanks for that, man; welcome aboard. As you all
18 can see, we're -- there's some of us in the office
19 today. Will's here. Nancy's here. I'm here, and
20 Terri's here, so it feels like there's this beginning
21 of a sense of normalcy again which we haven't seen in a
22 long time. It feels nice to be here. I want to talk a
23 little bit about my departure from the division in just
24 a minute, but before I do that, I want to celebrate
25 longevity. And the State does something that I think

1 is very important every so often, and they give what's
2 called an Excellence in Service Award, and it's based
3 on longevity. And the first award I have today if you
4 can see this, I'll hold it up, is to Will Summer for
5 fifteen years of excellence in service in state
6 government, and I can attest -- and all of you know
7 that this award is well deserved. You know, Will is a
8 wonderful employee. He's a wonderful friend and, you
9 know, this is just -- just hardly even touches a thank
10 you to him from the State of North Carolina, so thank
11 you, Will. I'll -- I'll go down the hall and give this
12 to him in just a minute. The second award also for
13 somebody on our staff who is just absolutely wonderful.
14 I'll hold this up, too. This is to Marissa Hartzler
15 for five years of service to the State of North
16 Carolina, and Marissa is one of our newer employees,
17 but she had service with the State before she came to
18 us, and I am just so honored that I was able to -- to
19 give this to Marissa because she is just -- she's a
20 fireball. She's a wonderful addition, knows
21 stewardship in and out, came to us with a lot of
22 experience. So, Marissa, I know you're out there
23 somewhere. I see your photo down there at the bottom,
24 so congratulations. So now let me talk about
25 departures for a second. You know, I think most of you

1 know, I think I've had an -- have had individual
2 conversations with everybody that I'm retiring as of
3 June 30th of this year. It's about a month away, or as
4 I like to say, I'm refocusing not retiring.

5 Chairman Wilson: I think we've lost
6 Walter.

7 Mr. Summer: He's refocusing. We
8 seem to be having some internet issues here in the --
9 in the main office. Nancy's just now walking in
10 because she lost internet on her computer. So I'm not
11 sure what's going on.

12 Chairman Wilson: Walter, can you hear
13 us now? Oh, I think he's frozen again. Hold on a
14 second. Oh, there you go. I hear you, Walter.

15 Executive Director Clark: Okay, yes.

16 Chairman Wilson: We lost you.

17 Executive Director Clark: Yes, I --

18 Chairman Wilson: We lost you at the
19 word refocusing, not retiring. You are refocusing and
20 then you froze, and we assumed that you went off to
21 refocus.

22 Executive Director Clark: I did go
23 refocus or my computer did without me asking it to. So
24 anyway, I was getting ready to say Ann knows this story
25 well, because I left Blue Ridge Conservancy not long

1 after she joined the Board, and -- and she said the
2 other day I feel like this is like a record that's
3 repeating itself. You know, Ann, it has nothing to do
4 with you. I love you. You're wonderful, so but anyway
5 this is just -- it's time I think for me to focus on
6 some things up in Ashe County that I really have wanted
7 to focus on for a long time and so that's my plan. I
8 think most of you know I have blueberry farm there and
9 some of you might know that my partner and I are
10 opening a general store. God knows talking about
11 refocusing, that's a refocus. I've never done retail
12 before. This will be interesting. Anyway, I want to
13 -- I really wanted to take an opportunity to just thank
14 Secretary Wilson and Governor Cooper for the honor and
15 privilege of allowing me to have this position. It has
16 just been absolutely -- it's been wonderful. I can't
17 imagine a better group of people at the department to
18 work with, a Governor who has been more dedicated to
19 conservation than Roy Cooper, and I can't imagine a
20 better staff. I mean I tell everybody that this job
21 has been just a joy. It's been delightful, and it's
22 all because the division has such a great staff. It's
23 not -- I mean, it's certainly the Land and Water Fund
24 staff, but it's also the National Heritage staff with
25 Misty Buchanan's leadership. I mean, it's just been --

1 it's been a true joy, and of course, working with all
2 of you as Trustees has been just a wonderful
3 experience, your wisdom, your expertise in governance
4 all have just made the Fund a better place. I'm going
5 to miss all of you. I told the staff I was going to be
6 one of those people who calls into meetings and just
7 sort of ask all these questions just so I can continue
8 to feel like I have a part in the Fund's business. But
9 I think, you know, I recall my first meeting with a
10 Trustee, and I want to give special thanks to Greer
11 Cawood because, you know, when I first started, there
12 was -- you know, there was -- you know, you walk into
13 something that you don't know what you're walking into,
14 and I had this lunch scheduled with Greer in Winston-
15 Salem, and Greer was about to take over as Chair, and I
16 tell you, we just -- I mean, Greer was -- I mean,
17 Greer, you've been a delight to work with the four
18 years you served as Chair, and I thoroughly enjoyed our
19 work together. And, John, I think that, you know, the
20 Fund is at a place right now where you as the Chair of
21 the Board and taking the helm has some really wonderful
22 opportunities. John and I, of course, have known each
23 other for a long time as well and -- and John has great
24 insight and will guide the Board, I think, through some
25 real opportunities. I mean, as Reid said awhile ago, I

1 think things look very bright for funding this year
2 even though it may be just nonrecurring funding. It's
3 still funding that can help, you know, the Fund do some
4 things that -- and our land trust partners do things
5 that we've been wanting to do for a long time. I think
6 there will be some decisions to make over the next few
7 months. I think the Trustees all know we've had caps
8 for the last few years on our -- our funding. If we
9 have a lot of funding this year, maybe one of the
10 things to discuss is whether or not for the first time
11 in years we even need caps. I mean, who knows. We'll
12 have to watch and see what happens in the Legislature,
13 but I think there's a lot of evolution coming, a lot of
14 opportunity. Part of me wants to be a part of it, and
15 I will be as an observer, but I feel like the Fund is
16 in great hands with you as Trustees, with the excellent
17 staff we have here at the division and the leadership
18 we have at the department with Reid and Jeff. So I'll
19 close with that. Again, I'm going to miss all of you.
20 I'm going to stay on the call. I'm not like
21 disappearing right now, but I just wanted to say that
22 and that's it, John; thank you.

23 Chairman Wilson: Thank you, Walter;
24 we have a proclamation honoring you that has been
25 written by our staff and our Trustees, and I would just

1 like to read it aloud and then welcome comments from,
2 again, from Reid and Jeff and then also from Trustees
3 and any staff. This is a proclamation honoring Walter
4 Foy Clark on his retirement as Director of the North
5 Carolina Land and Water Fund from the North Carolina
6 Land and Water Fund Board of Trustees, May 24th, 2021.
7 Whereas, Walter Foy Clark, as a native son of North
8 Carolina having served his entire professional career
9 in the State, and whereas Mr. Clark has been duly
10 educated in some of North Carolina's finest
11 institutions including East Carolina University, Wake
12 Forest University, and the University of North Carolina
13 at Chapel Hill, and whereas Mr. Clark began his career
14 as a staff attorney with the North Carolina Division of
15 Coastal Management in 1982, and whereas Mr. Clark
16 worked for the North Carolina State University Sea
17 Grant Program where he served as a policy analyst, was
18 co-director of the North Carolina Coastal Resources
19 Law, Planning, and Policy Center and taught
20 undergraduate and graduate classes for twenty-three
21 years, and whereas Mr. Clark began working for the Blue
22 Ridge Rural Land Trust in 2007 and served its
23 successor, the Blue Ridge Conservancy, as Executive
24 Director until 2017, and whereas Mr. Clark returned to
25 the direct service of the State of North Carolina in

1 the Department of Natural and Cultural Resources as
2 Director of the Division of Land and Water Stewardship
3 and Executive Director of the Clean Water Management
4 Trust Fund in 2017, and whereas Mr. Clark has served
5 dutifully and professionally in this role exhibiting
6 humility, kindness, and decency in his daily
7 interactions with stakeholders, and whereas in the last
8 fifteen years of his career, Mr. Clark, has dedicated
9 himself to land conservation, and as a direct result,
10 tens of thousands of acres will be forever protected
11 and available to future generations through his
12 efforts, and whereas Mr. Clark is celebrating his
13 retirement on June 30th, 2021, after thirty years of
14 service to the State of North Carolina as a state
15 employee and additionally ten years of service to the
16 State of North Carolina in other roles, and whereas Mr.
17 Clark's presence will be deeply missed by former and
18 current coworkers and Trustees, who have all benefitted
19 from his knowledge, leadership, and diplomacy over the
20 past forty years. Be it therefore resolved, the North
21 Carolina Land and Water Fund Board of Trustees hereby
22 honors and expresses its most sincere appreciation to
23 Walter Foy Clark for his years of dedication and
24 service to the State of North Carolina and its
25 residents.

1 Executive Director Clark: Wow; thank you,
2 John.

3 Chairman Wilson: You are so welcome
4 and let me just ask our Trustees to please, everyone,
5 unmute yourselves, and let's all at once by affirmation
6 approve this proclamation and make it official. All
7 right, I will entertain a vote on this proclamation.
8 All in favor, say aye.

9 Trustees: Aye.

10 Chairman Wilson: I'm not even going
11 to ask if there are any opposed. If you're opposed,
12 mute yourself, please. Reid, can I kick it back over
13 to you and let you speak about Walter Clark, your good
14 friend?

15 Secretary Wilson: Sure, I'll take a
16 crack at it. He is a good friend, has been ever since
17 I met him. That's one of those things about Walter.
18 He knows everybody and everybody loves him. I don't
19 get it, but I admire it. It's true; congratulations,
20 Walter.

21 Executive Director Clark: Thank you.

22 Secretary Wilson: I am very happy
23 that you have -- that you are comfortable with your
24 decision and looking forward to a refocus and doing new
25 things and continuing to do some old things in terms of

1 the blueberry farm. You know, four years ago you
2 stepped in. It was early on in the administration, and
3 we were all trying to figure out, you know, which end
4 was up, but you -- you got right into it, hit the
5 ground running, built strong relationships with staff
6 and Board members, which was just so important to your
7 success over the ensuing four years. You know, you've
8 done a fantastic job. I'm trying to think of, you
9 know, a criticism. I can't. Of course, it would be
10 inappropriate to do that today anyway, but really I
11 mean you've done just a tremendous job and really
12 played to the strengths and skills of your staff
13 members and your Board members as well, and you've been
14 effective, efficient. Of course, you came to the job
15 with just a wealth of knowledge about the subject at
16 hand, so that always helps. And even in the pandemic,
17 the Land and Water Fund and the Natural Heritage
18 Program have been well oiled machines that, you know,
19 are just exemplary examples of how government should
20 work, and how government should work for the people and
21 that -- you know, that starts with your leadership and
22 everybody else on the screen who is involved. So I am
23 grateful to your strong leadership, your -- your
24 diplomatic skills, your smart leadership as well. I
25 mean, you -- you know, we would get together every so

1 often for our regular meetings and you'd come up with
2 an idea of how to do something differently. It's like,
3 hmm, that's a great idea, and for those of you who
4 weren't in those meetings, this happened pretty
5 frequently that, you know, Walter had a different
6 approach, a better -- a better way of thinking about
7 how to -- how to tackle a certain problem, so we will
8 definitely miss you. Fortunately, I think we all know
9 where your blueberry farm is, so don't expect that
10 we're going to be out of touch. But I do know that
11 you're going to stay in touch anyway just because
12 that's the kind of person you are, and you love the
13 work of the Land and Water Fund and the Natural
14 Heritage Program. And especially in the year where we
15 celebrate the 25th anniversary of the creation of what
16 was then the Clean Water Management Trust Fund, I know
17 you're going to be very closely involved with all of
18 the rollout of that in the coming months. So I'll just
19 close, again, by saying thank you so much on behalf of
20 all the people of North Carolina for a job extremely
21 well done.

22 Executive Director Clark: Thank you, Reid;
23 wow, I'm not going to come down for a few days after
24 this. Anyway it's -- it has been an interesting role.
25 I mean, Jason alluded to this awhile back sort of

1 trading places as an applicant for years coming to the
2 Fund and seeing how things work on the other side and
3 seeing how well things work and how dedicated the staff
4 is to all of our -- our clients, our land trust
5 partners and -- and that goes -- is carried forward by
6 -- by Reid and John and Jeff and everybody on the staff
7 and this Board. So thanks again, Reid; I really
8 appreciate it.

9 Chairman Wilson: Jeff, would you like
10 to say a few words, and then I'll ask Greer to kick off
11 our Trustee thoughts?

12 Deputy Secretary Michael: Yeah, sure,
13 John, and it was -- it was tough earlier talking and
14 not being able to jump right in and start sharing some
15 of these thoughts with you, Walter, but, you know,
16 people who know me know that I talk a lot about
17 mentorship, and mentorship comes in many different
18 ways. Oftentimes, it's someone much older than us that
19 we look to; a teacher, a parent, a friend in the
20 community, but I really believe in peer mentorship;
21 those who are going through that journey of
22 professionalism with you who by their example, you
23 know, kind of show you the way of doing things and
24 doing things the right way. And I first got to know
25 Walter, gosh, way back when he was the Sea Grant

1 Program, and it was because many other people who were
2 mentors to me kept saying you need to know Walter, and
3 I have had the good fortune now to have worked with him
4 from a distance barely knowing one another as a
5 colleague and in the conservation community, and yeah,
6 he's broken my heart now that I was all excited that I
7 was going to get to work with him at this level and, of
8 course, he announces he's leaving. So I'm not going to
9 take it personally either, but I'm looking forward
10 nonetheless. I having, I guess we used to call -- say
11 we have people's numbers on speed dial. That seems a
12 little irrelevant today. Everything's the push of a
13 button away, but, Walter, I definitely will be reaching
14 out to you because I know I have, still have so much
15 more to learn from you in this role, but more
16 importantly to learn from you about how to do
17 retirement right, and I know you're going to show all
18 of us that as well. And Reid mentioned the blueberry
19 farm, and we know our way there. I will just say
20 though you better make sure you get up there before
21 those kids that John Wilson referred to earlier, I've
22 got an army of them, before we go up in June and pick
23 it clean. So I'm looking forward to that, but thank
24 you for all you've done, Walter, for the State, for
25 this department. Oh, one other thing I did want to

1 say, and it comes back to mentorship. In the brief
2 time that I've been in this role, in the couple of
3 conversations I've had with Walter, the thing that
4 keeps coming back up is the staff, and I think that's a
5 true mark of a great leadership. Those who are working
6 with people at all levels and yet at the front of their
7 mind, of their focus, and their attention is always
8 their staff, and that has been true in these three
9 weeks, particularly as he prepares for this transition
10 to make sure that their interests and their well-being,
11 so that they can continue doing the great work that
12 they have been doing, and I know they will continue to
13 do. That's been front and center for Walter. And
14 again, I think just another example of his leadership;
15 so thank you, Walter.

16 Executive Director Clark: Thank you,
17 Jeff.

18 Chairman Wilson: Thanks, Jeff; so I
19 would like to recognize my predecessor as Board Chair,
20 Greer Cawood first.

21 Ms. Cawood: Thank you; John, I
22 appreciate it. Walter, first and foremost, thank you
23 for what you've done for conservation, our State, the
24 North Carolina Land and Water Fund, but most especially
25 as Jeff just mentioned, our fine staff. When you

1 joined Clean Water Management Trust Fund, we were in
2 desperate need of a knowledgeable, strong, and caring
3 leader, and luckily we got that in spades with you.
4 You have been such a proponent for our staff of which I
5 am so deeply grateful. You can take pride in the fact
6 that you made this organization stronger, better
7 understood, and effective in fulfilling its mission. I
8 treasure our friendship and will also be grateful for
9 our time together with this incredible Board, and it
10 has just been an honor to serve with you, so thank you,
11 Walter.

12 Executive Director Clark: Thank you so
13 much, Greer.

14 Chairman Wilson: Ann, would you like
15 to say something?

16 Vice Chairman Browning: Sure, but I'm a
17 little concerned it might turn into a roast instead of
18 a congratulations. Walter and I have spent much time
19 together at two wonderful organizations, and I have
20 cherished every minute of it. He did retire on me once
21 before when I was chairing Blue Ridge Conservancy, but
22 he quickly reversed courses because this opportunity
23 availed itself, and I was so thrilled when I learned
24 that you were going to be in this leadership role and
25 have continued your wonderful leadership for

1 conservation for our State; so grateful for all the
2 time and work that we've done together and look forward
3 to definitely staying in touch.

4 Executive Director Clark: Thanks, Ann;
5 Ann's a neighbor in the mountains, so I'm sure I'll see
6 her often.

7 Vice Chairman Browning: You can count on it.

8 Chairman Wilson: Let me just go
9 through -- continue going through and ask the Trustees
10 if you'd like to say anything; Amy?

11 Ms. Grissom: Yeah, absolutely;
12 I've only gotten to know Walter directly in the past
13 couple of years through the fund, but had certainly
14 heard about him for many years before and have plenty
15 of mutual friends and contacts. And what a joy it's
16 been to visit the blueberry farm and just be inspired
17 by your leadership, and I guess I would also just like
18 to kind of make a plug for not only the State and its
19 residents, but all of the flora and fauna of our
20 amazing State who are living better lives because of
21 you and your dedication to the air and water and
22 plants, so thank you. Every time you're out in nature
23 up there in beautiful Ashe County in nature itself,
24 yeah, take pleasure that you're being thanked by so
25 many who can't even say it.

1 Executive Director Clark: Thank you, Amy; I
2 mean, I think that's one of the things that all of you
3 as Trustees and all of the staff can take a lot of
4 pride in is that what we do is very tangible, and you
5 see it every time you drive down the road or go to the
6 mountains or to the coast, so thank you.

7 Chairman Wilson: Judy?

8 Judy Kennedy: Oh, yes, Walter, I
9 thank you so much for your many contributions to our
10 beloved State of North Carolina. I love it as much as
11 you. I thank you too for being a much loved and well-
12 respected friend. It was my lucky day when I first met
13 you in Ashe County, and I will see you plenty, I hope.

14 Executive Director Clark: That's
15 guaranteed, Judy, so thank you.

16 Chairman Wilson: Thanks, Judy; Renee?

17 Restoration Committee Chairman Kumor: Oh,
18 yes, thank you for this opportunity to say kind words
19 to Walter; I have appreciated how you have allowed me
20 to grow in this position. You were willing to listen
21 to ideas that I had, and I've also appreciated the fine
22 staff you allowed us to work with. They have been so
23 knowledgeable, and I believe it's your leadership that
24 has allowed them to grow. And I'm going to have to
25 wonder where this general store is, Walter.

1 Executive Director Clark: Hey, Renee,
2 it's in downtown LA or Lansing.

3 Restoration Committee Chairman Kumor:
4 Again, it's been my pleasure to work with you.

5 Executive Director Clark: Thanks, Renee.

6 Chairman Wilson: Jason?

7 Acquisition Committee Chair Walser: Thank
8 you; I had a truck going by. When I grow up, I want to
9 be Walter Clark. Man, you are going out on top. I am
10 so proud to know you, and you have lived a good life,
11 and you deserve to be retiring to a blueberry farm and
12 a general store and coffee shop in Lansing. I would
13 like to propose, John, that we find a way to have a
14 Trustees meeting in Lansing in the next year or so,
15 figure out a way to do that even if it's committee
16 meetings. Walter, I put this in an email as we were
17 working on the resolution to the rest of the Board, but
18 I'm going to go ahead and say it again anyway for those
19 who are from the land trust world. I see a few land
20 trust friends out there watching. Your service as a --
21 as a board member of the Conservation Trust North
22 Carolina is where I first got to know you, and it's
23 part of the reason that I think you are one of the most
24 diplomatic people I've ever seen. You really helped
25 the whole land trust world wrestle with and deal with

1 some challenges and friction and distrust we had at the
2 time, and your positive energy brought so much to the
3 table. It really -- it really helped make the land
4 trust movement stronger. I think Reid would agree with
5 me. I saw you in those board meetings. I saw you in
6 -- in the land trust alliance or, I'm sorry, with land
7 trust council meetings, help direct us. You've always
8 been a quiet leader, and I really respect that about
9 you, and you've done the same here. As long as I've
10 known you, you've been nothing but a stable,
11 dependable, quiet leader, and it's an honor to know
12 you, and I have your number in my phone, and I know
13 where your farm is, and this isn't goodbye by any
14 stretch of the imagination. It's -- I might even see
15 you in person more now, believe it or not, so I look
16 forward to the days ahead. I'm proud of you. Way to
17 go out on top, brother; it's awesome.

18 Executive Director Clark: Thank you,
19 Jason, wow.

20 Chairman Wilson: David?

21 David Womack: Yeah, I feel like a
22 little bit like Jeff. I sort of feel cheated because I
23 hadn't had a relationship in the past with Walter until
24 I joined the Clean Water, not Clean Water, I'm sorry;
25 old habits die hard. The Land and Water Trust, and I

1 think I felt like I was just getting some traction with
2 you, Walter. I was -- you know, I was thinking back to
3 the first time I got -- I came on the Board, and I
4 can't think of anyone that would have made it a softer
5 landing for a rookie board member than you did
6 initially in watching you shepherd the -- the funds and
7 -- and deal with the staff. You know, my big hot
8 button is leadership, and I've watched you in your role
9 as a leader, and it's -- it's been pretty cool. You
10 know, one of the greatest attributes of a leader is
11 leading by example, not down to the table and say
12 you've got to do this. You've got to do that, and I've
13 just watched you lead by example through your quiet --
14 you're quiet poise and your dignity and, you know, in
15 just the way that you've dealt with -- with me as a
16 rookie board member and interacted with other members
17 of the staff. So even though I feel a little bit
18 cheated with not having to have developed a greater
19 relationship with you, hopefully maybe we can stay in
20 touch going forward, and maybe I look forward to the
21 -- even though it's a little bit more of a trek for me
22 than the rest of the guys and gals in the western part
23 of the State, I think it would be worth a trip up there
24 to check on you and -- and I was in the retail business
25 for a while, so maybe I can give you some pointers in

1 your general store. But, so thanks, Walter, for all
2 you've done for the State and for your leadership and,
3 you know, and just -- you know, just being who you are.
4 It's just you're a natural, and the State's better off
5 for it.

6 Executive Director Clark: Thank you,
7 David; I think we'll maybe have a -- it sounds like we
8 might have a trustee meeting at the downtown LA coffee
9 shop in the future, so.

10 Chairman Wilson: I'd like to thank
11 all of our Trustees and Reid and Jeff for speaking and
12 for allowing me to call on you without any advance
13 notice in most cases. Walter, just real quick, I don't
14 want to talk too much since I read that proclamation,
15 but I was -- I've been thinking about you. Of course,
16 I think about you all the time, Walter, but a lot more
17 in the last few weeks and particularly in the last few
18 days, and I was trying to remember when I met you, and
19 I know it was soon after I joined the CTNC Board, you
20 know, thirteen, fourteen years ago, and then two days
21 ago I was leading some friends down the Upper
22 Thunderhole Trail below the Blowing Rock Stables, which
23 is now wonderfully restored by CTNC's Youth
24 Conservation Core back in 2015 and -- but when you and
25 I hiked that trail, Walter, about three or four years

1 before that, it was by no means restored. It was --
2 there was lot of bushwhacking, and it just made me
3 remember how much I enjoyed being with you and what a
4 wonderful, interesting, good person you are. You're
5 the ultimate trail buddy, but you're also -- you know,
6 your experience in the land trust world, you -- like
7 Jeff and Reid, you were one of the people that really,
8 and Jason, helped educate me when I -- I when I came to
9 this all those years ago, and I'm so grateful to you.
10 I'm so grateful for the work that you've done as
11 Executive Director of the Fund. You are always
12 thinking outside the box and you're -- you're just such
13 an excellent manager of your staff and your
14 relationships with your staff and your Trustees are
15 like really nothing I've seen before. I know you will
16 stay involved particularly with the 25th, but I just --
17 I really, really am so glad, again, that we all know
18 where you are, and we all know that we're not going to
19 have to come and hunt you down. You're going to stay
20 involved on your own and we're all grateful for that.
21 So thank you; and thanks again, Trustees and Reid and
22 Jeff. And Will and staff, I want to open it up to
23 anyone. I know there will be other opportunities for
24 speaking and talking and -- but I don't want to just
25 limit to Trustees, and VIP, Secretary, and Deputy

1 Secretary types. So, Will, would you want to kick it
2 off or what do you all -- how do you all want to do
3 this?

4 Deputy Director Summer: Well, certainly
5 since you're giving and maybe others the opportunity,
6 I'll be brief, but first let me just state on behalf of
7 staff that, Walter, we could not have had a better
8 person at a better time than to have you as our
9 Executive Director. And as, you know, staff will tell
10 you openly, but I know where staff morale is and have
11 for the last, you know, ten or eleven years and it
12 could not have been higher during your time. I mean,
13 staff, we are just so blessed to have you as our
14 leader. And on a personal note, you know, I've watched
15 a lot of leaders, kind of studied folks that I've had
16 the pleasure of serving with, and among all those folks
17 and above all else, I think your skill as the
18 consummate statesman has just been remarkable to watch.
19 I mean, to see -- to see you in a situation with
20 someone I was certain was going to be a critic or maybe
21 even to be frank a thorn in our side and to come out of
22 the other end and have these people be some of our
23 strongest advocates, it's really -- it's been
24 remarkable. So I think others would agree that skill-
25 set is -- I've just -- I've not seeing it in anybody

1 else. It's been wonderful to work with you and study
2 that and learn from you over these last couple of
3 years, so I'll say more at another time. I don't want
4 to -- don't want to belabor too much, but thank you for
5 these last four years, Walter. They've been wonderful.
6 It's been wonderful to know you in this role, and I
7 look forward to continuing our friendship.

8 Chairman Wilson: I think you were
9 muted, Walter.

10 Executive Director Clark: I said thank
11 you, Will; we will do that for sure. I mean, I can't
12 say enough about staff, but I mean one of the biggest
13 honors --

14 Chairman Wilson: I think you
15 froze again, Walter. I'll give you a few seconds to
16 come back to life. I think you're still frozen. Why
17 don't see if there are additional staff who are
18 unfrozen who can say what they'd like to say and then
19 we'll come back to Walter.

20 Restoration Program Manager Bevington: I'll
21 jump in; thank you, John. Walter can catch us up with
22 the court reporter if he needs to. I was just going to
23 say I had the delight to meet Walter in the field. My
24 first glimpse of him was at Stone Mountain by a trout
25 stream and just to see his level of comfort

1 technically. Whether he's at the State Legislature
2 with a tie on, or he's kicking around in the forest,
3 it's pretty amazing. So that diversity of expertise in
4 the field level through tricky politics, it's been a
5 joy to work with, so thank you, Walter.

6 Chairman Wilson: Thank you, Steve,
7 all right.

8 Executive Director Clark: I'm sorry about
9 that. My computer is not used to being in the office.
10 It keeps locking up on me, but it gave me the
11 opportunity to actually bring this down and give it to
12 Will, so --

13 Deputy Director Summer: Thanks, Walter.

14 Chairman Wilson: Hey, Steve, are you
15 still there? Can you just say that again for Walter?
16 I bet he didn't hear that, and he was moving from point
17 A to point B. Did you -- did you hear what Steve said,
18 Walter?

19 Executive Director Clark: I just heard
20 the very beginning of it.

21 Chair Wilson: All right, Steve.

22 Restoration Program Manger Bevington: All I
23 -- Walter, I was just remembering meeting you at Stone
24 Mountain next to a trout stream and just how pleased I
25 was to see -- to work with you in all walks of life

1 from kicking dirt out by a -- by a creek to seeing you
2 off to the State Legislature. That diversity of
3 expertise has been wonderful to work with, so thank you
4 very much.

5 Executive Director Clark: Thank you,
6 Steve; I remember that day at Stone Mountain.

7 Chairman Wilson: Okay, any more staff
8 comments?

9 Restoration Program Assistant Murray: Hey,
10 John, this is Terri.

11 Chairman Wilson: Go ahead, Terri.

12 Restoration Program Assistant Murray: So
13 I'm going to lighten it up a little bit because you all
14 are making me cry over here. So Walter and I had this
15 agreement that one of us wouldn't go without the other
16 one retiring, and he went back on that deal with me.
17 So if I could tie him down and keep him here, I would,
18 but I don't blame him for retiring, but I just want him
19 to know how much he's appreciated, and we love him.

20 Executive Director Clark: Thank you,
21 Terri; sorry I had to break that agreement, but Terri's
22 going to stay in place because she is invaluable to
23 this team. So we're going to do everything to make you
24 happy, Terri, so you don't sneak out the back door on
25 us.

1 Restoration Program Assistant Murray: I
2 might need some help if we get all this money.

3 Executive Director Clark: That's right.

4 Chairman Wilson: And I'll just say to
5 staff, if any of you at any point through this meeting
6 would like to say anything, please feel free. Just let
7 me know when the spirit moves you. So we are going to
8 move on to the public comment section of our meeting.
9 We will invite members of the public to make comments
10 to the Board and please limit comments to three minutes
11 per person; and, Will, any technical instructions for
12 our members of the public who might want to speak?

13 Deputy Director Summer: No, sir, just they
14 have the ability to unmute themselves and -- and
15 address the Board now that they've been invited.

16 Chairman Wilson: Okay, and if you do
17 speak, please identify yourself. Okay, I am not
18 hearing any public comment, so we'll move onto our
19 first item in our business agenda and that's a 25th
20 Anniversary update from Catherine Swain; Catherine?

21 Deputy Director Summer: So, John, this is
22 Will. Catherine is on the agenda, because several
23 weeks ago we talked about it, and she was actually on
24 leave last week, out of the office, and I was unable to
25 confirm one way or another. So I put her on in the

1 interest that she expressed many weeks ago, but did not
2 get a chance to confirm with her. So I'll be happy to
3 give a very brief update if it pleases the Chair.

4 Chairman Wilson: Absolutely; thanks,
5 Will.

6 Deputy Director Summer: No worries; so as
7 many of you know, there's been a 25th Anniversary
8 Committee consisting of staff and trustees, John,
9 Jason, and Ann and Walter and Nancy, Steve, Sydney, and
10 myself, and we've over the last two months kind of
11 talked about ways that we might celebrate the 25th
12 Anniversary and been through a lot of really great
13 ideas, and then after putting a bunch on the plate kind
14 of paired down to what may be the right size of task
15 given -- given staff and all that's going to be going
16 on this summer. So we'll be looking at a couple of --
17 of ideas to kind of celebrate our twenty-five years.
18 One will be a proclamation by the Governor's office.
19 We are -- we are hoping we got that written, and if
20 things go our way, then hopefully sometime in September
21 if the timing is right, they'll be a proclamation for
22 the division and the work that we do, as well we're
23 working with the department's marketing staff and
24 videographer. We've identified a few of our local
25 grant recipients to kind of weave the human interest

1 stories and talk about some of the work we've done.
2 We're trying to scatter that across the State and
3 across our different grant programs, and we've got two
4 that Nancy is working right now to schedule already,
5 and we'll have some more coming forward. And so those
6 will be edited, I think to digestible stores that we
7 can share via our social media and our website, and
8 then may at some point be woven into the third thing on
9 the list, which will be a -- a I'd say perhaps a PBS
10 special, a half hour focused on the fund, our history,
11 the work we've done, and a lot of these great examples
12 of projects. So we'll be -- we'll start working with
13 the division staff to begin collecting video and pieces
14 for that, and finally, we're working on one other
15 little thirty second spot, that's for a lack of better
16 term, an advertisement for us and what we do just to
17 kind of let folks know about the different kind of
18 experiences that exist because of the work that they
19 have paid for and that you as Trustees have approved,
20 you know, the birdwatching experiences, the hiking,
21 biking, canoeing, hunting, fishing, just all the things
22 that folks can do because of the land that our
23 organization has helped to protect that they just don't
24 know about right now. So we're going to try to make a
25 concerted effort to educate them on that. And finally,

1 we're hoping to have some sort of a celebration of our
2 25th year, when -- when this group all gets together,
3 hopefully in person, God willing, around the time of
4 the September board meeting. So please stay tuned for
5 that and we'll hope to start the celebration of our
6 next twenty-five years very soon; thank you.

7 Chairman Wilson: Thanks, Will; we'll
8 move on to the second item on our business agenda and
9 that is the Acquisition Committee Report and
10 recommendations to Acquisition Chair, Jason Walser.

11 Acquisition Committee Chairman Walser: Thank
12 you, John; the committee has met twice since our last
13 board meeting, and we have two of the three things in
14 this -- in this next bit of business are pretty
15 significant and major, so I want everyone to feel like
16 they have an opportunity to ask questions. I did tell
17 Will to give at least on the commercial use update,
18 somewhat of a brief synopsis and then be willing to go
19 deep if we need to, but I know the board has wrestled
20 with some of this discussion a fair amount, and we have
21 at the committee level as well, which in no way implies
22 I don't welcome questions. But I want you to know,
23 we've had a lot of good dialogue, a lot of good
24 suggestions, really dedicated committee members and
25 we're pleased to present some policy changes for you

1 today. And with that, I will be quiet and welcome
2 Marissa Hartzler to come talk about the Enforcement of
3 Conservation Agreement policy.

4 Stewardship Program Manager Hartzler:

5 Great, thank you; so as Jason mentioned, the
6 Acquisition Committee reviewed the draft enforcement
7 policies at their May -- April and May meetings, and
8 the final copy of that policy is included in your
9 agenda. The intent of this effort was to update
10 violation protocols that were informally developed over
11 time, and overall the goal for enforcement is to
12 protect the State's investment in conservation through
13 a process that is transparent, consistent, and
14 proportional to the violation and in a way that
15 obviously protects the conservation values while also
16 constructively working with the landowner. So there
17 are five main elements to this policy. I'll briefly
18 walk through each section. I think this is Will's
19 screen we're reviewing here, so I'll ask him to advance
20 to the next slide, please; thank you. Just briefly,
21 element one establishes the roles and responsibilities
22 of the many entities involved in our conservation
23 agreements and that includes the monitor, the fund, the
24 department, the state property office, and the attorney
25 general's office. Staff and monitors will work to

1 identify and confirm violations, and if one had
2 occurred, work cooperatively with the landowner to
3 resolve. So there may be rare cases where a violation
4 is ongoing; it's repeated, major, high profile, and may
5 result in legal action in the future. And in those
6 cases, the Board will be asked to approve legal action
7 before proceeding. And new to this policy is a path
8 for the Chair to authorize a temporary restraining
9 order or a preliminary injunction to get a threatened
10 activity stopped before it potentially irreversible
11 impacts for the conservation values can occur. So next
12 slide, please; looking at this graphically, much of the
13 work of enforcement really happens on this top line
14 between staff, the monitors, and the landowners, and
15 this is in a large part because most violations that
16 that we see are thankfully minor in scope and impact,
17 and we always strive to resolve these in a cooperative
18 manner first. But in the bottom section here, you can
19 see that we have the process in place should an issue
20 need escalation. Next slide, please; element two
21 establishes a framework for categorizing a violation
22 based on its impact, its scope, and its permanence.
23 And this framework will help staff in documenting the
24 violation and determining the appropriate resolution
25 and, of course, whether escalation is necessary.

1 Again, thankfully most of our -- most commonly reported
2 violations they're procedural or minor and so their
3 impacts to conservation values are negligible. And
4 while moderate and major violations are much less
5 common having this framework will help us to resolve
6 these violations expediently if and when they do arise.
7 Next slide, please; element three identifies examples
8 of corrective actions that we may take, and again
9 cooperative resolution will always be that preferred
10 first line of response to violations. In some cases
11 though, it may be reasonable to allow the activity in
12 question where it does not impact the conservation
13 values; and if you can switch to the next slide,
14 please, Will. This chart actually, I think pretty
15 graphically shows that the actions -- proposed
16 corrective actions are shown listed out by the
17 violation types, and you can see those with checkmarks;
18 those are corrective solutions that work really well
19 for those violation types. And you can see those with
20 asterisk. Those are areas where we would proceed
21 cautiously and more than likely with Board approval.
22 So again, not every corrective action is appropriate
23 for every violation, but it will help us to have a menu
24 of possible solutions and tools in our tool belt. Next
25 slide, please; element four documents the reality that

1 violations must be prioritized, and this is given that
2 we have 900 conservation agreements. So, for example,
3 if we have a moderate or major violation that is
4 heavily impacting the conservation values, this might
5 take considerable effort and resources and time to
6 resolve, and during that time, we might not have the
7 bandwidth to fully enforce a low-risk procedural
8 violation or an isolated minor violation, for example.
9 We might instead ask the monitor to educate the
10 landowner or just follow up periodically. That's maybe
11 all that we can handle in that short term. This non-
12 enforcement though will not prevent the Fund from fully
13 enforcing if resources allow in the future or, of
14 course, if the violation increases and becomes a bigger
15 problem. Finally, element five establishes reporting
16 and notification process. So as previously mentioned,
17 the Chair and Board will be notified of violations that
18 need approval and that might be for legal action or an
19 amendment. The Board will also be briefed on the
20 number and status of violations for each violation that
21 occurs in the annual stewardship report. So overall, I
22 appreciate fellow staff and the committee's time
23 working on this policy, which has really helped to
24 reaffirm and refine our policy for violations and also
25 establish process for when violations really cannot

1 easily be resolved and require that escalated response;
2 so with that, happy to take any questions.

3 Chairman Wilson: Okay, so this comes
4 to the Board from the Acquisition Committee. Is there
5 any more discussion before we vote whether to adopt the
6 Enforcement of Conservation Agreements Policy to be
7 added to the North Carolina Land and Water Fund Policy
8 Manual; okay, time to vote, Ann?

9 Vice Chairman Browning: Yes.

10 Chairman Wilson: Greer?

11 Ms. Cawood: Yes.

12 Chairman Wilson: Amy?

13 Ms. Grissom: Yes.

14 Chairman Wilson: Judy?

15 Ms. Kennedy: Yes.

16 Chairman Wilson: Renee?

17 Restoration Committee Chairman Kumor: Yes.

18 Chairman Wilson: Jason?

19 Acquisition Committee Chair Walser: Yes.

20 Chairman Wilson: David?

21 Mr. Womack: Yes.

22 Chairman Wilson: John is a yes also;
23 thank you; back to you, Jason.

24 Acquisition Committee Chair Walser: And
25 thank you so much, Marissa; you did a great job with

1 that, a lot of work, a lot of wordsmithing and that was
2 very helpful. Next up, I'm going to welcome Nancy,
3 who's going to talk to us about the Stewardship
4 Endowment addition from a project in 2020 concerning
5 Carolina Green River Game Land Addition. Nancy, you're
6 up.

7 Acquisitions Program Manager Guthrie: Thank
8 you, Jason; project 2020-012, the Conserving Carolina
9 Project was funded and added to the provisional list in
10 September of last year, and we now have funding for
11 that project. In drafting the contract is when I
12 realized that the budget that had been approved did not
13 include a stewardship endowment for one of the
14 components of the project that will be a State held
15 easement. So I contacted Conserving Carolina, had them
16 fill out a stewardship endowment worksheet, and we are
17 now requesting the stewardship endowment be added to
18 that contract so that we have that covered, and we'll
19 be able to have that project monitored within the
20 stewardship program. The original award of the project
21 is \$305,944.00 requesting that \$7,944.00 be added to
22 the contract, and the committee did hear this, and the
23 recommendation is to increase the total award to
24 \$313,888.00.

25 Acquisition Committee Chairman Walser: And

1 we did recommend approving this.

2 Chairman Wilson: Okay, again, coming
3 to us from the Acquisition Committee as a
4 recommendation, any discussion; okay, we are voting on
5 adding \$7,944.00 to project 2021-012 Conserving
6 Carolina, Green River Game Land Addition Phase 2;
7 voting now, Ann?

8 Vice Chairman Browning: Yes.

9 Chairman Wilson: Greer?

10 Ms. Cawood: Yes.

11 Chairman Wilson: Amy?

12 Ms. Grissom: Yes.

13 Chairman Wilson: Judy?

14 Ms. Kennedy: Yes.

15 Chairman Wilson: Renee?

16 Restoration Committee Chairman Kumor: Yes.

17 Chairman Wilson: Jason?

18 Acquisition Committee Chair Walser: Yes.

19 Chairman Wilson: David?

20 Mr. Womack: Yes.

21 Chairman Wilson: And John is a yes;
22 all right, Jason.

23 Acquisition Committee Chair Walser: The
24 last thing up from the Acquisition Committee meeting is
25 a follow-up. I think we've been talking about the

1 Commercial Use language of our easements for well over
2 a year now and hopefully we have a good resolution
3 being presented by Will Summer. Will, you're up.

4 Deputy Director Summer: Thank you; Jason, as
5 you can see, Walter, Nancy and I are all sharing one
6 working internet connection here at the office, so --
7 but we're doing the best we can. So in December the
8 Board approved updates to the income generation and
9 mitigation activities within the North Carolina Land
10 and Water Fund Conservation Agreement Area's Policy,
11 which I'll refer to by the shorthand Commercial Use
12 Policy. The main result of the change is that
13 commercial activity could be allowed in the easement
14 provided there was no harm in the conservation values.
15 So this requires some changes to the conservation
16 easement template, and the Board requested in December
17 to see the result at a subsequent meeting. So staff,
18 primarily Marissa and Hank, with input from Nancy,
19 Marie, Walter, and myself have reviewed and changed the
20 Easement Template, and I'm going to share those changes
21 with the Board today. The committee saw them last
22 month. So first I'm going to briefly remind you folks
23 of the changes that were approved. First, the
24 background section of the policy was amended to remove
25 the intent that the property interest produce no or

1 only incidental income and that's the -- the change
2 reflected there.

3 Acquisition Committee Chair Walser: Will,
4 I'm not seeing a shared screen. I don't know if
5 anybody else is, but I'm not getting it.

6 Deputy Director Summer: Is anyone else
7 having that issue?

8 Acquisition Committee Chair Walser: Okay,
9 all right, now I'm seeing it.

10 Deputy Director Summer: Wonderful.

11 Acquisition Committee Chair Walser: Just
12 because everyone else said they were, I just wanted to,
13 you know, go along with it.

14 Deputy Director Summer: Thank you; so
15 second, Section A of the policy was likewise amended to
16 remove the phrase containing incidental and thereby
17 removing the scale as a qualifier for the income, and
18 the impact was directly tied to the Conservation Values
19 which is specifically defined in our easements. And
20 finally in Section B, the prohibition of potential
21 income from mitigation activities was limited to only
22 exclude those activities for which we've already paid
23 for the benefit. This does not come up much now, but I
24 anticipate that as new ecosystem service markets emerge
25 in the future when they see some more of this, so that

1 said, our easements is a pretty lengthy document with
2 many sections, but I think our time is best spent
3 focusing on primarily Article II in Reserved Rights,
4 and basically the way that works is Article II tells
5 you what you can do, and Article III, which we won't
6 get into today, tells you what you cannot do. Before,
7 I do I want to introduce one other section that defines
8 Conservation Values. So in each easement the
9 Conservation Values are enumerated based on the
10 specific characteristics of the property. This is a
11 fictitious example on the screen containing a stream
12 and a natural area, but we've got language for military
13 buffers, greenways, historic sites as well. So later
14 when the easement references Conservation Values, this
15 section defines specifically what those are. So after
16 reviewing the many ways you might adjust the easement
17 to make it consistent with the policy, we found that an
18 adjustment of this one paragraph pretty much took care
19 of it. This basically says that anything you have the
20 right to do in the easement, you may also generate
21 income from as long as it doesn't harm the
22 aforementioned Conservation Values. There are some
23 other small adjustments that Hank and Marissa
24 identified, but this really does all the work with
25 respect to the Commercial Use Policy. I'll go through

1 some of the reserve rights and demonstrate how this
2 interacts rights as an example. So here's the very
3 next section. We'll start here. Section B permits
4 things like hiking and photography, so if a land trust
5 for instance wanted to have well-known botanist and
6 herpetologist lead a hike and accept donations or even
7 charge a fee to join, that would be permitted because
8 those activities are permitted, or if a landowner
9 wanted to lead a bird photography class in the easement
10 and charge for their services, that would also be
11 permitted. It's hard to imagine these particular
12 rights being overused to a point that could be
13 detrimental to Conservation Values. So let's pick on
14 something with a little more demand. This is a section
15 of the easement that pertains to construction of new --
16 new trails. So let's say a landowner builds a biking
17 trail per our policy and then charges a parking fee to
18 access and use the site, not a problem as the way we've
19 arranged it. However, if the trail becomes overused
20 and poorly maintained to the point that it becomes a
21 threat of Conservation Values, we have the right to
22 close the trail until it can be repaired. In that way
23 it's no different from a trail on a land trust property
24 for which there is no fee. Either way we still retain
25 the right to protect the conservation values. I think

1 the only additional consideration is the additional
2 pressure that the potential revenue can provide, and
3 that's kind of the uncertain territory that we have to
4 navigate as we move forward on this. Another example
5 might involve a boathouse that is used to rent canoes
6 and kayaks. Again, if it's a reserved right to have a
7 boathouse, then the rental would be permitted
8 regardless of the income it generates. So in summary,
9 staff has updated the Easement Template, so as to be
10 consistent with policy that was approved in December.
11 As this is an information item, there's really no Board
12 action required. I'm happy to take any questions. If
13 not, Mr. Chair, that concludes my presentation.

14 Chairman Wilson: All right, thank
15 you; well done, Will; questions from anyone; okay,
16 thanks Jason, and staff; we'll now move to the
17 Restoration Committee Report and Recommendations; oh,
18 sorry.

19 Acquisition Committee Chair Walser: I
20 think we need to approve that as presented, those
21 changes --

22 Chairman Wilson: Or do we? I thought
23 there was Board action --

24 Acquisition Committee Chair Walser: Oh, I
25 apologize.

1 Chairman Wilson: That's okay. All
2 right, so we will have our Restoration Committee Report
3 and Recommendations and our Chair Renee Kumor.

4 Restoration Committee Chairman Kumor: Thank
5 you, John; and of course, because Steve is the guy that
6 knows it all, he's going to present the request that we
7 acted on and our recommendation.

8 Restoration Program Manager Bevington: All
9 right, thank you, Renee; that was nice and quick. I'm
10 almost ready. Here we come. Here comes the slides.
11 Will, you can leave it. You can leave it right at the
12 top if you want for a second and then back to the
13 table. I apologize for changing my mind. In 2016
14 Research Institute was awarded \$450,000.00 for the
15 restoration enhancement of about 6,000 odd feet of
16 Cleghorn Creek in the Town of Rutherfordton, and the
17 project really was originally envisioned in three
18 phases; Phase 1 being up towards the headwaters above
19 town, Phase 2 right through town and Phase 3 somewhat
20 below town. Whether that was necessary or not would be
21 determined later. One thing when that project was
22 funded, it was brought up and discussed, but it
23 proceeded to this under contract. There are thirty-one
24 different parcels involved in this project with fifteen
25 different landowners, and as you might suspect, that

1 did turn out to be sort of this project's Achilles heel
2 so far. It has slowed the project to the point, this
3 today the only design work that has been done on this
4 2016 project about \$3,700.00 being spent for design --
5 permitting and design and no further progress has been
6 made to date because of concerns about acquiring the
7 easements necessary for project completion. So, Will,
8 if you would, flip down to that table we discussed
9 before. The request in front of us, and if you -- I
10 apologize about the small slide. I hope you can read
11 it. If you look at this table, sort of in the center
12 -- that's excellent; Will, thank you. Total project
13 length, that is what I'm going to be speaking of first.
14 The request is modified both in budget for this project
15 and the scope of the project. We have, as you may
16 know, a decision matrix, which small changes in scope
17 are just not handled by the Executive Director at staff
18 level. The Director -- the Chair can change some other
19 projects as that happened in the past for intermediate
20 size changes, and these changes you see and the percent
21 of original scope changes are quite large. So it
22 brings this to your attention and actually went through
23 the Committee of course first. Essentially what's
24 happened is because the applicant is unable to secure
25 necessary easements in Phase 1 of the project, they're

1 requesting that we switch our effort down to Phase 2.
2 So this would require quite a large scope change, a
3 reduction of the project from 6,000 odd feet to 2,616
4 linear feet, a project 41 percent reduction in scope,
5 some changes in what would be restored and enhancement,
6 a bit more of it perhaps moving into the more expensive
7 enhancement and that presents one difficulty of this
8 request that the average price of the project becomes
9 quite a bit more. The original award would only be
10 reduced by a small amount compared to the amount of
11 change into the scope, so they would still consume 83
12 percent of the budget under their proposal, but only
13 consuming -- only presenting linear feet-wise 41
14 percent of the product that you had originally
15 approved. The Committee considered this request and
16 given the fact that even with ongoing expenses, which
17 were halted at the time of this request back in April,
18 maybe \$50,000.00 or so is put towards design, which
19 would not be implemented at this point. If this
20 project was to cease, \$400,000.00 would be returned to
21 the Restoration budget and could fund a project off the
22 provisional list from this current year. So that was
23 -- and I'm happy to answer any more specific questions
24 and Damon is on the line as well if you want to hear
25 more about the project, but the Committee and staff

1 both came to the same conclusion, which was while this
2 project does have significant -- well, you can go down
3 to the recommendations if you want. The project does
4 have significant environmental benefit, the added cost
5 to this project and the uncertainty of working on Phase
6 2 of the project when Phase 1 may -- may or may not
7 ever be completed. Staff does not -- had not
8 recommended to the Committee that this be approved and
9 the project be allowed to expire this month and
10 returning approximately \$400,000.00 for other projects,
11 and that was the recommendation of the Committee as
12 well. I'll put you back to Renee and answer any
13 questions that people may have at this point.

14 Restoration Committee Chairman Kumor: I'm
15 sorry. My computer was freezing up here. Thank you
16 very much, Steve; and, Mr. Chairman, that's our
17 recommendation and back to you.

18 Chairman Wilson: Thank you, Renee and
19 Steve; so this is a recommendation for the Restoration
20 Committee to deny the request to modify the scope of
21 project 2016-417 Resource Institute - Cleghorn Creek,
22 Phase 1. Is there any discussion? Okay, we'll vote
23 now; Ann?

24 Vice Chairman Browning: Yes.

25 Chairman Wilson: Greer?

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Ms. Cawood: Yes.

Chairman Wilson: Amy?

Ms. Grissom: Yes.

Chairman Wilson: Judy?

Ms. Kennedy: Yes.

Chairman Wilson: Renee?

Restoration Committee Chairman Kumor: Yes.

Chairman Wilson: Jason?

Acquisition Committee Chair Walser: Yes,
to the Committee recommendation.

Chairman Wilson: David?

Mr. Womack: Yes.

Chairman Wilson: And John is yes
also; all right, Renee, back to you; thank you.

Restoration Committee Chairman Kumor: Okay,
I was surprised, not surprised. Well, I was pleased to
see that on the agenda is somewhat of the discussion we
had at the Restoration Committee. We have been looking
at items to consider for the next year, and we have
talked about changing our -- some of the criteria that
we have. I have talked about it with John, and I've
talked about it with the Committee is there a time that
to -- after we make the awards on the conditions of
contracts and grants awarded this year, is it time for
us to look at how we handle our Innovative Stormwater?

1 Is it time to look again at what we do about planning?
2 All I can remember is when, Jason, when we started
3 talking about redoing planning, and we realized if we
4 change some of the criteria and put the concerns that
5 don't -- there should be a plan around any requests
6 from -- for Acquisition or Restoration. We anticipated
7 we would get a lot of planning grant requests, and I
8 can tell you that we have -- we have worked in
9 Restoration and Innovative Stormwater and planning for
10 a long time, and all of a sudden our planning requests
11 have burgeoned. And I wondered if it was time for us
12 to look at redesigning the criteria because the
13 planning requests go from 20 or \$30,000.00 as a request
14 up to \$300,000.00 and maybe we want to make our
15 criteria for planning a little bit more competitive so
16 that the staff can compare what a planning grant will
17 deliver. And so that was one of the ideas that I asked
18 my Committee to start thinking about and to start
19 thinking about how we deal with Innovative Stormwater,
20 because some years there's a lot of -- the requests
21 seem to be getting fewer and fewer. Should we
22 encourage something more? Should we encourage some
23 combination of meeting Stormwater ideas with a -- a
24 concept that there's a place for these -- the people
25 who are usually at the university level going into

1 small communities and encouraging some sort of grant --
2 grant marriage to encourage Innovative Stormwater plans
3 in poorer communities? The whole concept I'm bringing
4 forward to you is that I would like our Restoration
5 Committee to look at some of the criteria we use in the
6 future to, again as the staff evaluates grants, and the
7 other side of this is that as you heard both Reid
8 Wilson and Walter point out, times are changing.
9 There's going to be more money there. There's -- we
10 may or may not get some time to evaluate issues around
11 resiliency. So things are moving quicker maybe than we
12 would like, but I would like us to be prepared for it,
13 and is that -- Steve, is that -- did I cover what you
14 all wanted to cover, just to alert all of you that it's
15 time for us to rethink what we do in Restoration and
16 Innovative Stormwater and planning? And if you have
17 any questions, I'd be happy to take them.

18 Chairman Wilson: This is John and
19 Renee and Steve and -- and Will and anyone, assuming
20 that there is a deep dive into reassessing the -- the
21 types of projects that Renee mentioned, what would be
22 the ideal time frame for a Committee recommendation and
23 then Board action if there's going to be significant
24 modification to, you know, project specifications?

25 Deputy Director Summer: I will step up and

1 attempt to answer that. It kind of depends, but we --
2 we always like to have things settled by December 1st,
3 so that we can -- well, let me back up. That's when we
4 need to publish whatever guidance documents we have,
5 applications by December 1st, so if we were going to
6 make any changes, you know, at least three to four
7 weeks before that so that staff has time to update all
8 our materials would be ideal. So that said, I think
9 the wildcard here is whether or not we are of our free
10 will to change the things that Renee is talking about
11 or whether legislation passes that says here's a chunk
12 of money, and you must spend it in a certain way. So
13 we're -- we're kind of -- if I had to guess, we're in a
14 wait and see, and then as soon as the budget passes, if
15 it has anything peculiar in it, we'll probably have to,
16 if we mean to implement it by 2022 start putting
17 Committee meetings pretty shortly after that. So it
18 will be aggressive schedule to do anything by 2022.
19 And I would say we can start now, but I would hate to
20 put any work in before they get out of town if they
21 make any changes. So, Steve, I see you nodding, but
22 let me -- let me let you add and fill in.

23 Restoration Program Manager Bevington: I
24 thought Renee had an open breath there as well. Maybe
25 she would speak first.

1 Restoration Committee Chairman Kumor: No, I
2 was just going to say that I -- I recall, how many
3 years ago was it that we were just handed money and
4 told a certain amount of money had to go to military
5 acquisitions? And so Will is exactly correct. We
6 don't know what changes the Legislature will make and
7 that makes me even more nervous because we may be
8 standing here with criteria that all of a sudden have
9 been dismembered, or I guess dismembered might be a
10 little bit strong, altered and tinted in another
11 direction and I -- I am just concerned that we be aware
12 that in a short period of time we may have to address
13 some certain criteria and -- and abridge what we used
14 last year because next year the Legislature will have
15 changed. I just like the idea that we keep thinking
16 about this, because in my time on this Committee under
17 our various names and various legislative conditions,
18 I've just seen so much change, and I would like us to
19 at least try to stay even with the -- with the -- and
20 be able to change quickly ourselves.

21 Restoration Program Manager Bevington: Thank
22 you; I think staff's ready to handle -- if we have bite
23 size pieces this fall, we have some things lined up as
24 ideas. If the larger thinking is necessary, obviously
25 we will step back, so flexibilities can be our -- but

1 what you hope to bring to you as quickly as we can, so
2 I think it's well said.

3 Chairman Wilson: Okay, any other
4 comments or discussion; Renee, you still have the
5 gavel. Are you feeling content?

6 Restoration Committee Chairman Kumor: Yes,
7 I just have to say thank you for listening. These are
8 things that worry me in the middle of the night, you
9 know, when I'm up in the mountains and don't have
10 anything else to think about, that we be ready when
11 changes is thrown at us; thank you.

12 Chairman Wilson: Yeah, I'll just say
13 that I think even if change was not coming from another
14 direction, the questions that you're raising, the
15 concepts that you're raising would be very, very
16 worthwhile discussion points. So I think they're
17 doubly appropriate given the need for contemplation
18 from within and the external factors.

19 Restoration Committee Chairman Kumor: Thank
20 you.

21 Chairman Wilson: Okay, we're ready to
22 move on to agenda item four, Stewardship Report, and
23 this is Marissa.

24 Stewardship Program Manager Hartzler: One
25 second, so I can share my screen here; can anyone

1 confirm that you can see my presentation?

2 Chairman Wilson: Yes.

3 Restoration Committee Chairman Kumor: Yes.

4 Stewardship Program Manager Hartzler: Thank
5 you very much, so each year the Board approves expenses
6 for the Stewardship Program that will help us achieve
7 the goal of protecting the State's investment in
8 conservation, and this report is really an
9 informational item to summarize the activities funded
10 and their outcomes. So for starters, 350 of our
11 conservation easements are fully enrolled in the
12 Stewardship Program, and this totals over 96,000 acres.
13 This means that the properties are monitored by mostly
14 our land trust partners either through a memorandum of
15 understanding or via a contract through which they're
16 reimbursed for this work, and those funds come from the
17 Stewardship Endowment. So our partners, they're very
18 busy this spring and early summer. They have until
19 mid-July to submit their reports to us, but we are well
20 on our way to receive 98 percent of expected monitoring
21 reports by that deadline. And in addition to the
22 monitoring of these 350 easements, staff have also
23 completed aerial monitoring for an additional nineteen
24 conservation easements that do not have an assigned
25 monitor to date, and this has been made possible by our

1 long-term GIS mapping project, which I'll discuss in a
2 later side. So that's the biggest area of funding for
3 the Stewardship Program in monitoring. The Board also
4 authorized spending for management funds for partners
5 to help improve the Conservation Values of an easement
6 or to prevent impacts to the easement area, and those
7 funds went to a total of thirteen projects including
8 efforts to prevent trespass and encroachment through
9 things like gate installation and boundary marking.
10 Partners also controlled invasive species and replanted
11 trees in previously cleared riparian buffer areas, and
12 finally, our partners have helped us bring older
13 easements up to current documentation standards through
14 the creation of detailed in-depth reports called
15 current condition reports, and those will help us to
16 understand how impacts to the -- how the easement area
17 itself has changed over time. So that same spending
18 policy that allows for management funds also allows for
19 miscellaneous stewardship expenses throughout the year,
20 provided that activities are approved by the Executive
21 Director and each expense does not exceed \$5,000.00.
22 So this year we had two additional requests that per
23 policy must be reported to the Board. These include
24 for a project 1999B-014, which was a Wildlife Resources
25 Commission Project that resulted in a State held

1 conservation easement on property owned by the
2 Patterson School Foundation in Caldwell County. We've
3 committed, but not yet reimbursed up to \$2,500.00 for
4 survey expenses to remarket the easement boundary line
5 along the Yadkin River and other streams on this rather
6 large and complicated property, and secondly on 2001B-
7 011, Three Rivers Land Trust Crowther Property in Rowan
8 County, we reimbursed Three Rivers \$812.50 for a gate
9 installation. You may recall that the Board previously
10 allowed Wildlife Resources Commission to operate a boat
11 ramp on a portion of this property. And that transfer
12 is complete. WRC is now an ownership of that boat ramp
13 area, and this gate was really necessary to help
14 prevent unauthorized access to the remaining easement
15 area from a shared access road. So overall having the
16 flexibility to address these types of stewardship
17 issues as they arise in the year is very helpful. It
18 helps prevent larger more unwieldy expenses should
19 these issues not be addressed, and I think overall the
20 Management Fund projects really go a long way to help
21 further protect or even improve the conservation values
22 on these properties, so definitely success stories.
23 And finally, the Board also approves spending on our
24 conservation properties mapping project and that
25 funding went to a temporary staff position focused on

1 mapping our Conservation Agreements. And this year
2 staff was able to map agreements in an additional
3 fifty-one counties found here in blue, which joined the
4 previous set of sixteen counties. That takes us up to
5 67 percent of the State completed, and I'm really
6 happy. The finish line is finally coming into view on
7 this long-term project. And as we finalize this data,
8 it really does open up many more possibilities and
9 efficiencies for our conservation interests long term.
10 So just briefly, our projected expenses for the
11 Stewardship Program through the end of this fiscal year
12 are just under \$180,000.00, which is below the 4
13 percent spending cap that was set by the Board last
14 year. And of course, with all of the monitoring that's
15 happened comes the report of potential violations and
16 certainly this year was no different. We carried over
17 six unresolved violations from last year and received
18 report of twenty-one new potential violations this
19 year. Thankfully, two of those were deemed to not be
20 violations. They were actually consistent with the
21 conservation easement or did not have an impact on the
22 Conservation Values, and three remained in an active
23 research stage to understand if a violation did in fact
24 occur. It's very important. We need to do thorough
25 research to understand what has happened. That means

1 that sixteen of these new reports were indeed confirmed
2 violations. And of the active twenty-two violations we
3 worked on this year, I'm happy to say fifteen were
4 resolved successfully. They are closed and no longer
5 considered to be violations. Seven are ongoing, and
6 they will be carried over to the next year. Oftentimes
7 violations, as many of you know, can take multiple
8 years, a lot of effort, a lot of resources to resolve,
9 and so it is not surprising that we would need to carry
10 some over and continue working on them. In addition to
11 these violations, we also had five reported issues with
12 boundary lines or legal descriptions, and of these, one
13 claim has been with the title insurer since last year.
14 And this is a topic that Hank Fordham will discuss
15 later in today's agenda. We also have another four new
16 issues that are in an active research and resolution
17 stage, and while these are not classically violations,
18 of course they're important to resolve, and like
19 violations, they can result in legal action being
20 necessary. So the chart on the right shows the
21 breakdown of these violations, just to give you a sense
22 what kind of problems we were seeing within the
23 Stewardship Program. It is not terribly surprising to
24 see that procedural violations are the most common
25 occurrence, and this is especially where a landowner

1 conveys land without first notifying the Fund. So
2 thankfully, it's an easily fixed issue and does not
3 result in any immediate impacts to the Conservation
4 Values. Our second greatest occurrence are these
5 boundary line and description issues I mentioned,
6 followed by third-party encroachments and unapproved
7 improvements, so small structures, roads, internal
8 roads on the property that sort of thing. Subdivision
9 and the granting of utility or road rights of way are
10 thankfully fairly low in our occurrences, and I say
11 this because these are two categories that probably
12 take the most time and resources along with these
13 boundary descriptions to resolve. In this case though
14 with the boundary descriptions, we oftentimes have
15 title insurance and that will help us resolve this
16 issue; whereas, subdivisions and utilities and roads,
17 it's firmly on staff and monitors to resolve these.
18 And again, I think especially with subdivision, this is
19 the category where we're seeing these issues sort of
20 being carried forward and taking more than a year to
21 resolve. And finally, we only have a few instances of
22 unallowed vegetation cutting or clearing. So I do not
23 want to end this Stewardship Report on a negative note
24 and just want to really emphasize, you know, really the
25 obvious that the total number of violations and issues

1 is rather low given that we have 900 conservation
2 agreements that we are responsible for. And certainly
3 as we more regularly monitor more properties and each
4 of these properties changes hands over time, and it
5 gets further away from the original grantor. It is
6 likely that the number of violations will go up. This
7 is expected, and we will certainly work through them
8 prioritizing them as needed per our new enforcement
9 policy. I think the key thing here though is what --
10 what isn't represented on these slides is the fact that
11 the vast majority of landowners share our goals of
12 conservation. They're working hard to manage these
13 properties in line with the conservation agreements, in
14 many cases, opening them up to public access and doing
15 this all while ensuring that the Conservation Values
16 really are protected forever. So again, this was an
17 informational item really meant as background for our
18 next stewardship items, so no action needed on this,
19 but happy to answer any questions.

20 Chairman Wilson: Thank you, Marissa;
21 that was excellent; any questions, comments for Marissa
22 on this item?

23 Ms. Grissom: This is Amy. I just
24 wanted to say well done on fifty-one more counties that
25 you've been able to map. That's a fantastic amount of

1 progress in just one difficult year, so thanks.

2 Stewardship Program Manager Hartzler: Thank
3 you; thank you very much, and especially appreciative
4 to the Board allowing for the additional expense to
5 keep our temporary staffer on board, Jim Staley located
6 in -- in Wilmington; he has been a fantastic asset, has
7 taught me so much about mapping, and look forward to
8 really hopefully the next report. We are -- we are
9 close to or finished with this project.

10 Ms. Grissom: Yeah, great, thanks.

11 Chairman Wilson: Okay, anything more
12 on this item; all right, we'll move on to Agenda Item
13 5, 2003A-404 Upper Linville River Restoration the
14 Allocation of Monitoring funds, and this is yours as
15 well, Marissa.

16 Stewardship Program Manager Hartzler: Thank
17 you so much, so this is an item to request that the
18 allocation of Stewardship funds for a conservation
19 easement that resulted from 2003A-404 Upper Linville
20 River Restoration, which was a design only restoration
21 project in Avery County. So in 2006, Pilot View RC&D
22 who was the grant recipient, they accepted a 12.6 acre
23 conservation easement as part of this project and per
24 the policy at the time, this easement was actually
25 signed to the State acting by and through the Fund, so

1 Pilot View did not retain an interest in the easement,
2 and it is now the State's responsibility to enforce and
3 monitor. And the restoration was eventually completed
4 outside of the scope of this project and without Land
5 and Water funds, but the restoration did occur. And
6 this easement predates the Stewardship Fund, so no
7 endowment was set aside for annual monitoring of the
8 conservation easement, nor was a monitor selected, and
9 to date, we've had some sporadic visits and aerial
10 monitoring completed. I'm very thankful to say that
11 Blue Ridge Conservancy is willing to provide annual
12 monitoring and reporting to the Fund on this easement
13 as they work in Avery County, and they have other
14 easements with the current landowner. So they have
15 that established relationship and are willing to
16 monitor this and report to the Fund for the State. So
17 per our Stewardship Endowment's Spending Policy, the
18 Board can assign unallocated principal in the
19 Stewardship Endowment to projects that do not have
20 monitors. To date we have just over \$119,000.00 of
21 unallocated principal and this comes from projects in
22 which the underlying fee has been conveyed to the
23 State, and so we no longer require the monitoring
24 partner to monitor for us, and the funds sit in the
25 Stewardship Endowment. They continue to earn

1 investment income, but they are not tagged to a certain
2 project. So the staff recommendation is to assign
3 \$6,875.00 of this unallocated principal for annual
4 easement monitoring by Blue Ridge Conservancy, which
5 would fund a reimbursement of up to \$275.00 per year
6 for this work.

7 Acquisition Committee Chair Walser: This
8 is Jason. I'd like to propose that we adopt the staff
9 recommendation to make this assignment of \$6,875.00 to
10 the Stewardship Endowment Fund.

11 Chairman Wilson: Okay, we have a
12 motion from Jason. Is there a second?

13 Restoration Committee Chairman Kumor: Renee
14 makes that second.

15 Chairman Wilson: Okay, thanks, Renee;
16 any more discussion; okay, so we're going to vote on
17 the staff recommendation to assign \$6,875.00 of
18 unallocated principal in the Stewardship Endowment to
19 the monitoring of the conservation easement from
20 project 2003A-404 to be monitored by Blue Ridge
21 Conservancy and reimbursed through their annual
22 monitoring contract with the Fund. We'll vote now,
23 please; Ann?

24 Vice Chairman Browning: Yes.

25 Chairman Wilson: Greer?

1 Ms. Cawood: Yes.

2 Chairman Wilson: Amy?

3 Ms. Grissom: Yes.

4 Chairman Wilson: Judy?

5 Ms. Kennedy: Yes.

6 Chairman Wilson: Renee?

7 Restoration Committee Chairman Kumor: Yes.

8 Chairman Wilson: Jason?

9 Acquisition Committee Chair Walser: Yes.

10 Chairman Wilson: Jason, was that a
11 yes?

12 Acquisition Committee Chair Walser: Yes,
13 I'm sorry, yes.

14 Chairman Wilson: Okay, David?

15 Mr. Womack: Yes.

16 Chairman Wilson: And John is a yes.

17 Okay, thank you, Marissa, and we're going to stick with
18 you, Marissa, because you're so great. This is Agenda
19 Item 6, Stewardship Endowment Report and the
20 Deposit/Withdrawal request.

21 Stewardship Program Manager Hartzler:
22 Absolutely, thank you; last item, I promise. Spring is
23 always a big stewardship meeting. So each year the
24 Board is asked to act on our annual transaction in the
25 Stewardship Endowment and set our total spending for

1 the Stewardship Program for the upcoming fiscal year,
2 which of course starts July 1st. So just for a little
3 bit of background, the Endowment was started back in
4 2007 and is funded by setting aside stewardship dollars
5 in each new acquisition contract. The fund is managed
6 by the Treasurer's Office, and the Endowment cannot be
7 spent on anything but the stewardship of State held
8 conservation easements. So to start, I'd like to give
9 you an update on the Endowment's earnings over the past
10 year and the chart on the screen currently shows the
11 total value of the Stewardship Endowment from March
12 2020, which is the last time the Board received an
13 update on the Endowment through the end of March 2021.
14 And as you can see, the Endowment peaked at the end of
15 March at just under 6.5 million dollars in total value
16 across our three investment funds, which is I think an
17 all-time high for the Endowment. This represents an
18 increase of 1.78 million dollars in that 12-month
19 period, and it takes the Endowment to 2.56 million in
20 investment income. And it's important to remember that
21 this is a true endowment, which means principal remains
22 untouched and only investment income can be spent,
23 although of course each year we spend just a small
24 fraction of our investment income and that is by
25 design. So to determine the amount that can be spent

1 next year, we look at a different metric and that is
2 the total value of the Endowment over a 36-month
3 period, which helps to average out peaks and troughs.
4 So the chart here on the left shows the total value
5 from March 2018 through again the end of March 2021,
6 and you can see this very positive upward trend, but
7 also the fluctuations in market over time. So the
8 average total value during this 36-month period is 5.12
9 million and recommended spending is 4 percent of that
10 average total value, which you can see here on the
11 right is 200, excuse me, 204,000 -- \$204,942.00. So as
12 you can also see here on the right, this will allow us
13 to budget, speaking in round numbers, just under
14 \$160,000.00 for monitoring, again, our largest expense
15 in the Stewardship Program, \$25,000.00 for management
16 funds, and we also have two more contingent lines
17 including \$15,000.00 to continue that GIS mapping
18 project, although we're fairly confident that we should
19 be to fund this temporary position from our
20 administrative budget next fiscal year. We may not
21 have to spend it from the Stewardship Fund, and also
22 this includes a mere contingency of just over \$6,000.00
23 to help us fund additional management projects and
24 needs as they arise. So with this recommended spending
25 for the next fiscal year, the amounts required for our

1 annual Endowment transaction can be set. We anticipate
2 closing this year with \$60,000.00 cash on hand in
3 reserve, and so in order to cover our known expenses,
4 the amount to withdraw is \$138,875.00, and of course,
5 that comes from the investment income of the Endowment.
6 At the same time that we make this withdrawal, we are
7 able to make a deposit into the principal of the
8 Endowment, which is slated at \$200,445.00. This all
9 comes from closed or soon to be closed acquisition
10 projects, and you can see here on the right these funds
11 come from the following thirteen grant contracts, and
12 this will take our Stewardship Program up to 364
13 monitored properties just under 100,000 acres. So an
14 important part of the Stewardship Endowment transaction
15 is making sure that we have the correct balance between
16 our three funds and these three funds just as a
17 refresher includes our Bond Investment Fund here in
18 blue, the short-term investment fund STIF and gray and
19 the equity investment fund here in orange. We have a
20 deposit agreement with the Treasurer's Office that sets
21 the balance allocation between the three funds and that
22 calls for the BIF to be 8 percent, the STIF 22 percent,
23 and the EIF 70 percent. It's probably not a surprise,
24 much of the growth of the Endowment has come in the
25 form of returns in the EIF, and so this year

1 percentages are a little bit more out of alignment than
2 in typical years, at least of the most current
3 statement from the end of March. So the table you see
4 here is a proposed transaction, and I think the
5 critical thing here is that we're showing the
6 withdrawal from investment income coming from the
7 equity investment fund, again \$138,875.00 to cover our
8 stewardship expenses. And this is really targeted to
9 help bring the balance across the three funds back to
10 the approved percentages and then showing the deposit
11 of the principal from our closed projects, that
12 \$200,445.00 split between the bond investment fund the
13 short-term investment fund. The figure we see here on
14 the left, you can see that gets us closer to our target
15 percentages, but the bond index fund would be 7.7
16 percent, STIF 20.4 percent, and the EIF 71.9 percent.
17 So I think it's important to say though that we will
18 not be able to make this transaction until mid-July at
19 the earliest, and this because we're at the end of the
20 fiscal year and our department finance needs to close
21 the books on our current fiscal year and transition
22 into our next. So we need to wait on this transaction
23 for a few weeks, and it's likely that we will have
24 statements from April, May, and possibly even June by
25 that point. So staff recommends structuring this

1 transaction based on the most current data, which again
2 this won't change the deposit or the withdrawal
3 amounts, just distribute them between the funds
4 differently than perhaps is shown here. Again, the
5 deposit -- the withdrawal amount will still be
6 \$138,875.00 and the deposit will still total
7 \$200,445.00. It may just be distributed differently
8 amongst the funds. I think too in addition if market
9 returns are still strong, it's likely that our
10 transaction amount will not be sufficient to adequately
11 reach the target percentages that are set by the
12 Treasurer's Office in that deposit agreement. And so
13 it's possible that we may need to reinvest investment
14 income from the EIF into the bond index fund or the
15 short-term -- short-term investment fund, and again,
16 this would not result in additional withdrawals or
17 deposits just reflect a rebalancing to get closer to
18 these pre-agreed upon percentages. So just in summary,
19 there's three action items requested pertaining to the
20 Stewardship Endowment. I'll run through these
21 recommendations quickly, and then certainly open it up
22 for questions. First, staff recommends authorizing
23 fiscal year '21 and '22 stewardship spending of up to
24 \$204,942.00. Staff recommends depositing \$200,445.00
25 into the Endowment principal and withdrawing up to

1 \$138,875.00 of investment income to fund our program
2 expenses for next year. And finally, staff recommends
3 structuring the deposit to meet the targets set by the
4 deposit agreement with the Treasurer's Office based on
5 the most current available data when the transaction is
6 made.

7 Chairman Wilson: Okay, thank you,
8 Marissa; questions for Marissa before we vote on these
9 action items?

10 Vice Chairman Browning: I have one question.

11 Stewardship Program Manager Hartzler: Go
12 ahead, Ann.

13 Vice Chairman Browning: Sure, just going
14 back a couple of slides, can you remind us the purpose
15 of the cash reserve, and how that's calculated, right
16 there, yeah?

17 Stewardship Program Manger Hartzler: So
18 this is basically what we have in our stewardship
19 operating account. It's how much cash we have on hand.

20 Vice Chairman Browning: Okay.

21 Stewardship Program Manager Hartzler: We
22 anticipate that not all of the contracted funds that
23 were committed to for monitoring will be spent this
24 year and so that leaves us with some cash on hand.

25 Vice Chairman Browning: Okay.

1 Stewardship Program Manager Hartzler: So we
2 sort of factor that in and don't want to --

3 Vice Chairman Browning: That's sort of the
4 starting balance though.

5 Stewardship Program Manager Hartzler:
6 Exactly, yes, absolutely.

7 Vice Chairman Browning: Okay.

8 Stewardship Program Manager Hartzler: I'm
9 sorry. I don't where my slide show went. There we go.

10 Vice Chairman Browning: Thank you; that's
11 helpful.

12 Ms. Grissom: So I just had a
13 couple of quick questions. So does the Treasurer's
14 Office annually set these targeted goals for how to
15 distribute between equity bonds in the short term or
16 cash equivalent of those?

17 Stewardship Program Manager Hartzler: So I
18 believe that those percentages were set back when the
19 Endowment was first started. They -- I believe they
20 have stayed the same, and I definitely welcome --
21 welcome Will if you have any more information on where
22 those percentages came from.

23 Deputy Director Summer: Certainly, and
24 Marissa's correct when the Trust Fund was allowed to
25 first invest in the equity and the bond investment

1 funds, which was Legislation passed in '08, and the
2 Board actually made the transfer in 2012. There was a
3 Stewardship Committee of Trustees that made those
4 decisions and Frank Bragg, a former trustee who --
5 well, I'm sure you know Frank. Frank had recommended
6 that these were what he had other endowment programs
7 doing and -- and every time I check in with him, he
8 says this is -- this is the course on which to stay.
9 So the Trustees set these numbers; the seventy, twenty-
10 two, and eight that -- that we target and -- and that's
11 what we shoot for each year, and as far as I know, it's
12 still appropriate based on conversations with Frank.

13 Ms. Grissom: Okay, and can you
14 just talk a little bit overall about our goals for
15 growing the Endowment, where it's gone over time, and
16 is it -- is it doing what we want it to do in terms of
17 growing for the new year?

18 Stewardship Program Manager Hartzler: I
19 think that the foresight to set aside funds as part of
20 the -- as part of the acquisition contracts is
21 fantastic. That makes sure that when we are accepting
22 contribution easements on behalf of the State that we
23 have those dollars set aside in perpetuity to monitor
24 those properties. It does not, however, go back and we
25 don't have a mechanism necessarily beyond assigning

1 unallocated principal to have funds for easements that
2 may not have a contracted monitor at this point, so a
3 -- a larger scale mechanism for that has not been
4 identified, but I think in terms of the enrolled, if we
5 can call them that. The enrolled easements, I think
6 the Endowment is working very well. We're working
7 overtime to pick up monitoring in other ways or as --
8 as was decided today, you know, assign that unallocated
9 principal to help with some of those older easements,
10 but there are -- there are definitely more easements
11 without monitors than that now what, \$113,000.00 in
12 unallocated principal will cover for sure.

13 Ms. Grissom: Okay, thanks; we
14 don't talk about this too -- too much at the end of our
15 meeting, so I just was hoping to get that kind of
16 broader perspective and, you know, as technology
17 changes as well, maybe it will be more cost efficient
18 for doing monitoring with, you know, other
19 technologies, but yeah, just wondering how you were
20 feeling about growing this Endowment and if we're
21 reaching the goals.

22 Chairman Wilson: Okay, thanks, great
23 questions; any more questions for Marissa, comments;
24 okay, so we have three action items here requiring
25 Board action. Let's talk about the first one. This is

1 the staff recommendation to authorize the fiscal year
2 '21-'22 Stewardship spending up to \$204,942.00, and I
3 will entertain a motion to approve that.

4 David Womack: This is David. I's
5 so moved.

6 Ms. Cawood: And I will second
7 David's.

8 Chairman Wilson: Okay, thanks, David
9 and Greer; any more discussion on action item one; all
10 right, we'll vote now; Ann?

11 Vice Chairman Browning: Yes.

12 Chairman Wilson: Greer?

13 Ms. Cawood: Yes.

14 Chairman Wilson: Amy?

15 Ms. Grissom: Yes.

16 Chairman Wilson: Judy; Judy, we may
17 have lost --

18 Ms. Kennedy: Yes, I'm sorry.

19 Chairman Wilson: No problem.

20 Ms. Kennedy: Yes, I'm sorry.

21 Chairman Wilson: Okay, thanks, Judy;
22 Renee?

23 Restoration Committee Chairman Kumor: Yes.

24 Chairman Wilson: Jason?

25 Acquisition Committee Chair Walser: Yes.

1 Chairman Wilson: David?

2 Mr. Womack: Yes.

3 Chairman Wilson: And John is yes.

4 All right, action item two, this is the staff
5 recommendation to deposit up to \$200,445.00 into the
6 Endowment principal and withdraw up to \$138,875.00 in
7 investment income to fund program expenses, and any
8 -- let's see. I'll entertain a motion to approve that.

9 Judy Kennedy: So moved; Judy
10 Kennedy.

11 Chairman Wilson: Judy, thanks;
12 second?

13 Restoration Committee Chairman Kumor: Renee,
14 seconds.

15 Chairman Wilson: Thanks, Renee; any
16 more discussion on the second action item; all right,
17 Ann?

18 Vice Chairman Browning: Yes.

19 Chairman Wilson: Greer?

20 Ms. Cawood: Yes.

21 Chairman Wilson: Amy?

22 Ms. Grissom: Yes.

23 Chairman Wilson: Judy?

24 Ms. Kennedy: Yes.

25 Chairman Wilson: Renee?

1 Restoration Committee Chairman Kumor: Yes.
2 Chairman Wilson: Jason?
3 Acquisition Committee Chair Walser: Yes.
4 Chairman Wilson: David?
5 Mr. Womack: Yes.
6 Chairman Wilson: And John is yes,
7 also. The third action item is the staff
8 recommendation to structure the annual transaction
9 between the Fund's three investments to meet the target
10 set per the deposit agreement with the Treasurer's
11 Office based on the most current available data when
12 the transaction is made, motion to approve that.
13 Vice Chairman Browning: So moved, this is
14 Ann.
15 Chairman Wilson: Thanks, Ann; second?
16 Ms. Grissom: Yeah, I'll second
17 it, Amy.
18 Chairman Wilson: Amy, thanks; any
19 discussion; all right, Ann?
20 Vice Chairman Browning: Yes.
21 Chairman Wilson: Greer?
22 Ms. Cawood: Yes.
23 Chairman Wilson: Amy?
24 Ms. Grissom: Yes.
25 Chairman Wilson: Judy?

1 Ms. Kennedy: Yes.

2 Chairman Wilson: Renee?

3 Restoration Committee Chairman Kumor: Yes.

4 Chairman Wilson: Jason?

5 Acquisition Committee Chair Walser: Yes.

6 Chairman Wilson: David?

7 Mr. Womack: Yes.

8 Chairman Wilson: And John is yes.

9 All right, thank you, Marissa, big day, and now our
10 final agenda item number 7, the Access Easement
11 Dispute, Title Insurance Claim, 2018-045 North Carolina
12 Coastal Land Trust, Salter's Creek Landing, and this is
13 to you, Hank.

14 Mr. Fordham: All right, yes, I'm
15 trying to share a screen, but I -- I've not done that
16 before. So if it doesn't come up, I may ask Will to
17 share it.

18 Chairman Wilson: I think we got you.
19 I think we see it.

20 Vice Chairman Browning: Thank you, Hank.

21 Mr. Fordham: Can you see my
22 cursor moving map the map?

23 Vice Chairman Browning: Yes.

24 Mr. Fordham: Okay, great, yeah,
25 this -- this is an access easement dispute, and it

1 relates to some property in Carteret County. It's
2 property owned by Coastal Land Trust over which the
3 State has a conservation easement and also the Navy has
4 a restrictive type interest in this property, but you
5 can see my -- my little hand moving around. There's
6 -- this is Carteret County, kind of the tip moving
7 north right along the coast, but there's three main
8 pieces of property. This piece here, this middle
9 piece, and then the lower piece, and all of these
10 pieces of property were in common ownership at one
11 time, and the piece in question is this piece here, 311
12 acres and access to it, and the question is access down
13 to Highway 70, which I should be going along Highway 70
14 now. So the status right now is that this landowner is
15 saying that the access that's in the chain of title is
16 not good access, and so he's put up a gate. The name
17 of that group is Snug Harbor Farms, and he's put up a
18 gate and is blocking Coastal from getting on Highway 70
19 roughly along this route here and then accessing this
20 tract, 311 acre tract, from Highway 70. And the reason
21 that's a problem is even though through a series of
22 transactions, this large tract 5,000 acre tract is
23 owned by the State. Salter's Creek runs along here, so
24 there's no land access to the 311 acres in question
25 here other than that which is -- was deeded, you know,

1 through the chain of title from 70 running roughly
2 along here. Coastal is taking the lead and let the
3 title company know about the blockage of access, and
4 the title company has brought some independent lawyers
5 in, and they've drafted a complaint. And I'm reviewing
6 that and Lee Leighty's reviewing that for Coastal. And
7 I can give you more detail if you want me to, but the
8 -- the action item request would be just a general
9 authorization to -- for me to coordinate with the
10 Attorney General's Office, and then if the Attorney
11 General's Office approves join in as a plaintiff with
12 Coastal and the Navy to try to straighten out the
13 access situation. But to go back just a little bit,
14 the -- as I said, there was a common owner of all of
15 these tracts. And back in 2005, that owner conveyed
16 this tract to a Snug Harbor entity and then in that
17 deed was the initial access easement that was reserved,
18 and the owner of this is now saying there's some
19 discrepancy in that description and that's kind of the
20 source of their, I guess, you know, basis of trying to
21 deny it. But there's an existing road. In other
22 words, this isn't just a paper access. It was an
23 existing access that the original owner who retained
24 these two tracts continued to access this middle tract
25 via an existing road through here. And the parties

1 back in 2005 intended that the description of the
2 access easement for that middle tract be along that
3 existing road. So the litigation will be just to sort
4 that out. Coastal has tried to talk with the folks at
5 Snug Harbor Farms, which is the party that's blocking
6 the access, and they -- I won't go through all the
7 details, but they received some cooperation initially
8 that they wouldn't block the access, but basically,
9 they have blocked it and they're uncooperative. So
10 they very much, you know, wanted to avoid litigation.
11 Obviously, we would like to avoid litigation if at all
12 possible and there may still be a chance to do that.
13 In other words, once the potential defendant in this
14 civil lawsuit is made more aware that, well, you know,
15 we're actually looking at litigation, maybe they'll
16 become more reasonable. Sometimes people do when they
17 know that their bluff's being called. But Snug Harbor
18 Farms does have a lawyer. The title insurance lawyers
19 have talked with that person, but I'm happy to answer
20 any more questions, but the general idea is to proceed
21 forward with the AG's Office in consultation with
22 Coastal and try to work it out, but if not, proceed
23 with litigation.

24 Mr. Womack: Hank, this is David.
25 The -- the question I might have is, I mean, is this

1 just a matter of principle, I mean, or does Coastal
2 need -- need access to that property for some critical
3 reason?

4 Mr. Fordham: Well, they have a --
5 a contractual duty with the State, in other words, via
6 with the -- the Land and Water Fund, the North Carolina
7 Land and Water Fund to monitor it.

8 Mr. Womack: Okay.

9 Mr. Fordham: And they -- they
10 haven't fallen down on their job to do that, but
11 they're having to carrying a canoe, I guess, up in here
12 and then cross Salter's Creek. Somebody, one of our
13 field folks might know how wide that is, but -- so they
14 don't have a total lack of access, but it's more than
15 just out of principle. In other words, their most
16 efficient means of doing it is via the road that
17 already exists and so it's not just for principle --
18 just out of principle.

19 Mr. Womack: Okay, all right, and
20 is the -- is it an active farm?

21 Mr. Fordham: I'm not sure about
22 that. I don't know if Marissa might know.

23 Stewardship Program Manager Hartzler: I --
24 this is Marissa. I apologize. I do not know the land
25 use of the -- the neighboring property.

1 Ms. Grissom: I -- I pulled it up
2 on my phone to just get the satellite --

3 Mr. Fordham: Yeah.

4 Ms. Grissom: -- imagery while we
5 were talking and I think it looks like an active farm,
6 but, --

7 Mr. Fordham: Yeah.

8 Ms. Grissom: -- you know, I'm not
9 sure of property boundaries but --

10 Mr. Fordham: Right.

11 Ms. Grissom: -- that's what it
12 looks like to me.

13 Mr. Fordham: Yeah.

14 Ms. Grissom: I was just curious
15 like what kind of access is needed. I mean, is it just
16 for monitoring or, you know, would they potentially
17 want access for other kinds of activities that are
18 permitted under that easement.

19 Mr. Fordham: I would say, I can't
20 speak for Coastal, but potentially both and, you know,
21 the Snug Farms folks, they're -- the -- the deed to
22 them recites the access. There's an existing road, so
23 they -- they shouldn't have been taken by surprise. I
24 think that in going back and looking over it, they may
25 have some -- I mean, I can speculate. I haven't talked

1 to their attorney or to them, but they may have some --
2 I think they're looking at putting some type of access
3 -- not access, but some type of easement on it, and
4 that the value might be greater if there's not this
5 access easement. So they may have some motivations.
6 It's not because the road is interfering with what
7 they're doing, because that road's been there since at
8 least 2005 and before that. So it's -- it's probably
9 an economically motivated trying to either prohibit
10 access or move the access from where it is.

11 Eastern Field Representative Mercer: Hank,
12 this is Justin. I will just add that -- I'll just add
13 that at time that this project was funded, Coastal Land
14 Trust did intend to have some sort of public access on
15 this site. So that would certainly be impacted by a
16 blockage of access as well.

17 Chairman Wilson: Hank, it's John.

18 Mr. Fordham: Yes.

19 Chairman Wilson: So the access
20 easement is specified as this particular road that has
21 now been blocked. Has -- that access easement has been
22 -- is in writing in writing in the deeds of both the
23 Snug Harbor property and the 311 acre property, is that
24 correct?

25 Mr. Fordham: That's correct, but

1 apparently the surveyor made some errors in the
2 description, so -- going all the way back to 2005. So
3 in other words, there's -- you know, I don't know all
4 of the legal theories of Snug Harbor Farmers, but
5 there's some discrepancy between where the road is
6 located on the ground and the description of the
7 easement that the surveyor drafted.

8 Chairman Wilson: Okay, and that's
9 what they're sort of hanging their hats on?

10 Mr. Fordham: Presumptively, yeah,
11 I mean they've pointed that out. In other words,
12 reading Coastal's description of their conversations
13 with the litigation attorneys and with the litigation
14 attorneys' conversations with the attorney for the
15 landowner that is blocking Coastal, yeah, they've
16 raised that point that there's a discrepancy.

17 Chairman Wilson: Have they raised any
18 other point or is that their only hope for successfully
19 blocking this?

20 Mr. Fordham: That's the only one
21 I know of. I mean, there was -- I'm sure their lawyers
22 will look for every possible defense, you know, going
23 forward. In other words, once a lawsuit is filed, then
24 they'll scour every document to see if they can find
25 anything else.

1 Chairman Wilson: Thank you; any more
2 questions/comments for Hank on this. We --

3 Ms. Grissom: Just for
4 clarification, so has Coastal filed a lawsuit, and
5 we're joining in, or we're jointly going to file?

6 Mr. Fordham: Coastal has not
7 filed yet.

8 Ms. Grissom: Okay.

9 Mr. Fordham: And but they're --
10 they're -- they've coordinated with the title company
11 to draft a lawsuit, and they sent it to us for review,
12 and we're in the process of reviewing it, and their
13 hope is that we'll join. In other words, and then I
14 think Lee said that they were hoping to file before
15 September, and just in terms of timing, they didn't
16 want it to drag out past September. So in other words,
17 they're not -- they're not saying, oh, you got to
18 decide tomorrow to file the lawsuit, and of course, the
19 Attorney General's Office has a big say in this also.

20 Ms. Grissom: Right.

21 Mr. Fordham: So I don't -- but it is
22 interesting if and this -- you know, this doesn't
23 represent that they're being -- out of unfriendliness,
24 but if Coastal has to file a lawsuit to preserve their
25 access, then they have a duty to bring in proper

1 parties, parties that have interest in the property, so
2 the State could be made in defendant. And in other
3 words, even if the State didn't want to participate and
4 said we'll just sit on the sidelines and just see how
5 Coastal does, they would probably have to bring the
6 State in anyway, because there's a duty when you have a
7 lawsuit over land to bring in all of the interested
8 parties. Necessary parties is the term sometimes used.
9 So it's probably not an issue we can avoid it. And of
10 course, our access piggybacks on Coastal's. In other
11 words, Coastal was deeded this tract here in the
12 middle, and the access was recited in their deed and
13 then the State was deeded the conservation easement,
14 and the access was recited in the conservation
15 easement.

16 Ms. Grissom: Okay, thank you.

17 Mr. Fordham: It's never pleasant
18 to talk about potential litigation, but occasionally it
19 -- it happens.

20 Chairman Wilson: And so -- so, Hank,
21 you would come back to this Board before we got
22 officially involved in any litigation, or are we
23 approving your involvement in litigation now if
24 necessary?

25 Mr. Fordham: That's the way

1 recommendation's written, but of course, you could do
2 it either way you're comfortable with or do something
3 different. If you need more information before you
4 decide, then you probably shouldn't give the final
5 authorization, and I can bring you back more
6 information. If you feel like you have sufficient
7 information, it would probably be efficient to be able
8 to proceed without further authorization from the
9 Board.

10 Ms. Grissom: Hank, can you remind
11 us of the timing again?

12 Mr. Fordham: Coastal wanted to
13 file sometime in September, you know, early September.

14 Chairman Wilson: Okay, so we are
15 being asked to approve, not approve, or amend the staff
16 recommendation to support the claim as a plaintiff.
17 Hank, a moment ago you said the State might be brought
18 in as a defendant.

19 Mr. Fordham: Right.

20 Chairman Wilson: Did you mean as a
21 plaintiff or a defendant?

22 Mr. Fordham: Yeah, let me clarify
23 that. In other words, we're being asked to join as a
24 plaintiff by Coastal. But if for some reason the State
25 decided we don't want to be part of the lawsuit, the

1 State would be brought in anyway, because Coastal has a
2 duty to bring in all the parties that have an interest
3 in this land. So in other words, if you're -- in terms
4 of your interests, even if your interests are aligned
5 with the -- a plaintiff if you refuse to -- refused is
6 not the word, but if you choose not to be part of the
7 lawsuit, you get brought in as a defendant, but your
8 interests were aligned with the plaintiffs. I should
9 say that the Navy has decided to join in with the
10 lawsuit. In other words, they're comfortable joining
11 in with Coastal.

12 Mr. Womack: Who funds that portion of
13 the legal fees, Hank?

14 Mr. Fordham: I'm sorry. Say what?

15 Mr. Womack: This is David. How are
16 our portion of the legal fees funded?

17 Mr. Fordham: The -- the title company
18 pays for the -- pays the legal fees.

19 Mr. Womack: All right.

20 Mr. Fordham: And I don't know whether
21 the Attorney General -- generally, there's a gentleman
22 named Mark Teague who -- this was closed -- the
23 conservation easement was closed through the State
24 Property Office, and Mark Teague is a lawyer that
25 advised the State Property Office, and he also tracks

1 litigation that involves this type of thing. So I
2 don't know if he would charge any of his time to the
3 department or not, but he would be involved kind of
4 minimally, and of course, my time obviously there's no
5 charge for it. I used to do litigation, so I mean I
6 read the complaint. I've got several suggestions on
7 the complaint of things I think need to be revised, but
8 so the primary litigators there was not an additional
9 charge. That's part of what your title premium covers.

10 Chairman Wilson: So, Hank, back to
11 the defendant versus plaintiff question, when you said
12 the State might be brought in as a defendant, --

13 Mr. Fordham: Yeah.

14 Chairman Wilson: -- if it doesn't
15 choose to be a plaintiff, does that possibly mean us?
16 Does that mean -- could that mean the Fund if we -- if
17 we decline to join in as a plaintiff, might we brought
18 in as a --

19 Mr. Fordham: No, no.

20 Chairman Wilson: Okay.

21 Mr. Fordham: It's interesting the
22 -- the title company lawyers drafted it as if the
23 department is a plaintiff, but these easements run to
24 the State. So it's the State that would be the
25 defendant, so that -- I mean, the plaintiff or co-

1 plaintiff. So one of my first suggestions is to change
2 the parties. So there's no reason for -- on the
3 plaintiff side for the Land and Water Fund to be a
4 named party. In other words, this conservation
5 easement is conveyed by Coastal to the State of North
6 Carolina. The State of North Carolina owns that
7 property interest in the conservation easement, so it
8 -- it's the State's duty. The State makes those
9 decisions, you know, through the AG's Office and also
10 through your being the constituent agency that is
11 closest to this, your -- your thoughts on it are
12 extremely important, obviously.

13 Vice Chairman Browning: This is Ann.
14 Listening to the conversation, it seems beneficial to
15 have Hank's expertise and have the department's
16 expertise involved and the strategy behind that. I
17 guess that's my takeaway from this conversation. Is
18 that a fair point, Hank?

19 Mr. Fordham: Yeah, I believe so.
20 In other words, a lot of times the agencies have a lot
21 of insight into the details that, I wouldn't say they
22 get lost in other places, but they're just more readily
23 available, and can be brought to the attention and so
24 the pattern, you know, is for the agency to review
25 documents and participate as much as is helpful. With

1 the AG's Office, if they're handling the litigation or
2 along with the AG's office to these private lawyers who
3 were hired by the title company, so the long answer is,
4 yeah, I think it would be helpful.

5 Acquisition Committee Chair Walser: This
6 is -- this is Jason, and just in general I like the
7 idea of not discussing anymore than we have to, but
8 deferring to our legal counsel as much as possible on a
9 -- on a publicly recorded public meeting. I'd like to
10 make a motion that we approve the staff recommendation,
11 which includes our legal counsel, Hank, in making it to
12 move forward and support the claim as a plaintiff.

13 Ms. Kennedy: And I second that;
14 Judy.

15 Chairman Wilson: Okay, thank you,
16 Jason and Judy; we have a motion and a second to
17 approve the staff recommendation to support the claim
18 as a plaintiff. Any more discussion; all right, we'll
19 vote now, Ann?

20 Vice Chairman Browning: Yes.

21 Chairman Wilson: Greer?

22 Ms. Cawood: Yes.

23 Chairman Wilson: Amy?

24 Ms. Grissom: Yes.

25 Chairman Wilson: Judy?

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Ms. Kennedy: Yes.

Chairman Wilson: Renee?

Restoration Committee Chairman Kumor: Yes.

Chairman Wilson: Jason?

Acquisition Committee Chair Walser: Yes.

Chairman Wilson: David?

Mr. Womack: Yes.

Chairman Wilson: And John is yes, also. Okay, that is the last agenda item I am seeing on my agenda. Before I ask Trustees and staff if there are any final comments, let me just say to Trustees that we have an updated version of the Land and Water Fund Policy Manual on our website now. It is dated May 2021. It is updated from the December 2020 version that you may have seen previously. If you would, please, Trustees download it to your computer. When you can read it or review it, and please let Will and me know if you have any suggestions for modification when we do another update sometime down the road, or of course, if you have any questions or just comments. Okay, so before we adjourn, are there any more comments from Trustees or staff?

Ms. Cawood: Mr. Chair, I just look forward to seeing everyone in person. It would be nice to all be together.

1 Ms. Grissom: Here, here.

2 Ms. Kennedy: Here, yes, yes, yes.

3 Chairman Wilson: Okay, Walter, are
4 you still there?

5 Executive Director Clark: Yes, John, I
6 am.

7 Chairman Wilson: We still love you.

8 Executive Director Clark: Well, I still
9 love everybody, and I'll probably see you in September,
10 most of you before then, but when we have our 25th
11 celebration, because I think all of the former Trustees
12 and former staff members will be invited to that. It
13 will be an awesome group of people, but I just wanted
14 to give you a heartfelt thank you for the wonderful
15 proclamation resolution, and I'll miss you all, but
16 I'll see you in greater LA, Ashe County.

17 Chairman Wilson: Thanks, Walter.

18 Executive Director Clark: Take care,
19 everybody; sure, thanks, John.

20 Chairman Wilson: Okay.

21 Acquisition Committee Chair Walser: This
22 is -- this is Jason. I have a quick thing. I was
23 going to ask Catherine. I'm on the committee for 25th
24 anniversary. I was going to ask her, and I almost
25 forgot to say something to you all. I doubt that

1 there's any money to do this, but I was thinking about
2 in terms of marketing, it's our 25th anniversary. We
3 have a new name, and we have a really snazzy new logo,
4 and I just wonder if it's in anybody's purview to be
5 thinking about gear, not necessarily to give away, but
6 bumper stickers, license plates, you know, anything we
7 can to promote the Fund moving forward. I'd buy a hat
8 or something. I just wanted to throw it out for staff
9 to think about by September, that anything we can do to
10 promote the Fund in any formal channels, I think, would
11 be neat, cool logo.

12 Ms. Cawood: And, Jason, to that
13 end, a former Trustee that lives in Winston-Salem owns
14 a company that does promotional items, so we could get
15 a good deal on it through Claudette.

16 Chairman Wilson: So that's -- if I
17 understand correctly, that was a motion from Jason and
18 a second from Greer to allocate a million bucks for
19 gear and that; just kidding. I think that's a great
20 idea, Jason, and I -- I agree with you totally. I
21 think that would be wonderful. Any more excellent
22 last-minute thoughts/suggestions? Okay, I'll entertain
23 a motion to adjourn.

24 Vice Chairman Browning: I move we adjourn.

25 Mr. Womack: This is David; so

1 move.

2 Chairman Wilson: Okay, I think I
3 heard. I think I heard -- I think I heard Ann and
4 Jason.

5 Mr. Womack: Yeah, Ann can have
6 it.

7 Chairman Wilson: Okay, Ann and then a
8 second from Jason; all right, how do you vote; Ann?

9 Vice Chairman Browning: Yes.

10 Chairman Wilson: Greer?

11 Ms. Cawood: Yes.

12 Chairman Wilson: Amy?

13 Ms. Grissom: Yes.

14 Chairman Wilson: Judy?

15 Ms. Kennedy: Yes.

16 Chairman Wilson: Renee?

17 Restoration Committee Chairman Kumor: Yes.

18 Chairman Wilson: Jason?

19 Acquisition Committee Chair Walser: Yes.

20 Chairman Wilson: David?

21 Mr. Womack: Yes.

22 Chairman Wilson: And John is yes.

23 Thank you all very much; thanks to our staff for really
24 just so effectively explaining really complicated facts
25 and concepts and details so clearly; I -- I have got to

1 say this was an exceptional meeting in that regard, a
2 lot of good explanation and graphs and charts and thank
3 you all, so thanks, Trustees, too, bye.

4 (The proceedings were concluded at 3:35 P.M.)
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NORTH CAROLINA

WAKE COUNTY

C E R T I F I C A T E

I, David L. Overby, Notary/Reporter, do hereby certify that this Board of Trustees Meeting was taken by Lynn Houchins, Notary/Reporter, and transcribed under my direction and that the one hundred fourteen pages which constitute this Board of Trustees Meeting are a true and accurate transcript.

IN WITNESS THEREOF, I have hereunto set my hand this 25th day of June, 2021.

David L. Overby

David L. Overby
Notary Public
Certificate No.: 19930120037