

# **North Carolina Land and Water Fund**

## **Board Guidelines and Practices**



**December 2025**



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## PURPOSE

These guidelines and practices are intended to serve as general guidance and reference material for all grant applicants and recipients, as well as those who are engaged in the administrative, financial management and stewardship responsibilities of the North Carolina Land and Water Fund. Guidelines and Practices in this document have been adopted by the North Carolina Land and Water Fund (NCLWF) Board of Trustees.

NCLWF application forms for grants, grant evaluation guidelines, enabling legislation, lists of the board of trustees, staff directory, news releases, and other reports and documents are available at [nclwf.nc.gov](http://nclwf.nc.gov).

## BACKGROUND

The North Carolina Land and Water Fund (NCLWF) was established by the General Assembly in 1996 (Article 2; Part 41 of the North Carolina General Statutes). The Fund provides grant assistance to conservation nonprofits, local governments and State agencies for the protection of natural, cultural and historic resources in North Carolina.

The NCLWF funds projects that (1) enhance or restore degraded waters, (2) protect unpolluted waters, (3) contribute toward a network of riparian buffers and greenways for environmental, educational, and recreational benefits, (4) provide buffers around military bases to protect the military mission, (5) acquire land that represents the ecological diversity of North Carolina, and (6) acquire land that contributes to the development of a balanced State program of historic properties.

The NCLWF is a division in the Department of Natural and Cultural Resources (DNCR.) A nine-member board of trustees establishes criteria, allocates funds and approves grants, and establishes policies. Five board members are appointed by the Governor; two by the General Assembly upon the recommendation of the President Pro Tempore of the Senate; and two by the General Assembly upon the recommendation of the Speaker of the House.

## AUTHORITY

Part 41 of Article 2 of Chapter 143B of the North Carolina General Statutes contains the following sections establishing the North Carolina Land and Water Fund:

[§ 143B-135.230. Purpose.](#)

[§ 143B-135.232. Definitions.](#)

[§ 143B-135.234. North Carolina Land and Water Fund.](#)

[§ 143B-135.236. North Carolina Conservation Easement Endowment Fund.](#)

[§ 143B-135.238. Grant requirements.](#)

[§ 143B-135.240. North Carolina Land and Water Fund: Board of Trustees established; membership qualifications; vacancies; meetings and meeting facilities.](#)

[§ 143B-135.242. North Carolina Land and Water Fund Board of Trustees: powers and duties.](#)

[§ 143B-135.244. North Carolina Land and Water Fund: reporting requirement.](#)

[§ 143B-135.246. North Carolina Land and Water Fund: Executive Director and staff.](#)



# Board of Trustees Guidelines and Practices

## Conflict of Interest

The members of the Board of Trustees are covered by G.S. § 138A. State Government Ethics Act.

[G.S. § 138A-15](#) mandates that the Chair inquire at each meeting as to whether any Trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda. If any Trustee knows of a conflict of interest or the appearance of a conflict of interest, they are required to state so for the public record.

## Legal Consultation

An attorney from DNCR is assigned to NCLWF to advise board members and staff on any parliamentary procedures during board meetings, provide legal opinions concerning NCLWF statute, and represent NCLWF on any legal matters affecting the NCLWF.

## Grant Funding Allocation

Funds for NCLWF are allocated by the General Assembly in the State budget. The NCLWF Board of Trustees sets the allocation of funds among the different purposes of NCLWF for grant awards. Funding allocation is typically set on an annual basis.



## Board of Trustees Guidelines and Practices:

### Internal Operating Procedures (“By-Laws”) (BOT-001)

**Background:** The purpose of Internal Operating Procedures is to establish a consistent, uniform method for conducting meetings of the Board of Trustees of the N.C. Land and Water Fund (hereinafter “NCLWF”).

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## North Carolina Land and Water Fund By-Laws

### Article I – Purpose

The purpose of Internal Operating Procedures is to establish a consistent, uniform method for conducting meetings of the Board of Trustees of the North Carolina Land and Water Fund (hereinafter “NCLWF”).

### Article II – Authority

The NCLWF operates under the authority of Part 41 of Article 2 of Chapter 143B of the North Carolina General Statutes.

### Article III - Meetings

**Section 1: Open Meetings Law.** All meetings of the NCLWF, its standing committees, special committees, advisory committees, ad-hoc committees, and workgroups shall be conducted in accordance with the North Carolina Open Meetings Law as set forth in [G.S. § 143-318.9 et seq.](#) (hereinafter Open Meetings Law). Meetings of the Commission and its committees shall be open to the public; provided however, that closed sessions may be held only to the extent allowed by [G.S. § 143-318.11](#).

**Section 2: Schedule of Regular Meetings:** Prior to the first meeting of each calendar year, the NCLWF shall approve a schedule of meetings for the NCLWF and its standing committees for the next calendar year. The approved schedule of meetings shall be filed with the Secretary of State. If a change in schedule is required, notice shall be filed with the Secretary of State at least 7 days in advance of the first meeting held pursuant to the revised schedule.

**Section 3: Special Meetings.** The Chair of the NCLWF or a majority of members of the NCLWF may call a special meeting by providing written notice stating the time and place of the meeting and the subjects to be considered at the meeting. Likewise, the Chair of any of the NCLWF’s committees or workgroups may call a special meeting by providing written notice stating the time and place of the meeting and the subjects to be considered at the meeting. The person or persons who call the meeting shall cause the notice to be delivered to the Chair and all other Trustees of the NCLWF by US Mail or email at least 48 hours before the meeting and shall cause a copy of the notice to be posted in the administrative offices



of the NCLWF and/or on its website at least 48 hours before the meeting as required by [G.S. § 143-318.12](#). Only those items of business specified in the notice may be transacted at a special meeting.

**Section 4: Emergency Meetings.** If a meeting is called to deal with an emergency, the person or persons who call an emergency meeting shall take reasonable action to inform the public and other trustees as required by [G.S. § 143-318.12](#). Only business connected with the emergency may be discussed at the meeting. For purposes of this section, an "emergency meeting" is one called because of generally unexpected circumstances that require immediate consideration by the public body.

#### Article IV – Agenda

**Section 1: Preparing the Agenda.** The Executive Director, in consultation with the Chair, shall prepare the agenda for each meeting. A request to have an item placed on the agenda for a meeting should be provided to the Executive Director no later than 5:00 p.m. fourteen days prior to the meeting.

**Section 2: Order of Business.** The Chair will set the order of business for each meeting. The following items are those usually included in the agenda:

- a. Call to Order
- b. Approval of Minutes
- c. Discussion/Adjustment of Agenda
- d. Administrative and Committee Reports
- e. Old Business
- f. New Business
- g. Informal Public Comment
- h. Closed Session (if required)
- i. Closing Comments from Trustees

**Section 3: Posting the Agenda.** The agenda shall be posted on the NCLWF website seven days before the meeting. However, if a meeting is scheduled to take place less than seven days after it is noticed as may be allowed by the Open Meetings Law, then the agenda shall be posted when it is available.

**Section 4: Amending the Agenda.** During a meeting of the NCLWF or its committees, the NCLWF or its committees may by majority vote, add or delete agenda items.

#### Article V - Informal Public Address to the NCLWF

**Section 1: Process.** The Executive Director shall include on the agenda for each regular meeting of the NCLWF a total of up to 15 minutes for informal comments from the public in attendance with each individual comment limited to a maximum of 3 minutes. The Chair will first recognize individuals or groups who have made a prior request to be heard and then may recognize others, subject to time available. The Chair may specify the time allotted to each individual or group. After the time for informal comments has expired, the Chair will recognize further speakers only upon motion duly made, seconded and carried.



**Section 2: Subject matter:** Comments shall be limited to subjects of business falling within the jurisdiction of the NCLWF. The NCLWF welcomes public comments on general issues. Comments will not be allowed on individual projects before the NCLWF for funding during the regular meeting.

### Article VI - Record of Meetings

Minutes and other records of the NCLWF shall be kept under the direction of the Executive Director, said record to be supplemented, where possible, by electronic recording.

### Article VII – Officers

**Section 1: Officers.** The officers of the NCLWF are the Chair, appointed by the Governor, and the Vice-Chair, appointed by the Chair.

#### Section 2: Duties.

The Chair shall preside at meetings of the NCLWF and shall have the following duties:

1. To rule motions in or out of order including the right to rule out of order any motion patently offered for obstructive purposes.
2. To determine whether a speaker has gone beyond reasonable standards of courtesy in his remarks and to entertain and rule on objections from other members of the NCLWF on this ground.
3. To call a brief recess at any time.
4. To adjourn in an emergency.
5. To appoint advisory and ad hoc committees as the Chair shall from time to time deem necessary. Such committees shall have no powers or authority to act on behalf of the NCLWF, unless approved by the NCLWF.
6. To participate in any committee meetings as an *ex officio* member of the Committee.

The Vice-Chair shall preside at meetings of the NCLWF if the Chair is absent or incapacitated, or when the Chair steps aside to avoid a conflict of interest, a potential conflict of interest or the appearance of a conflict of interest.

### Article VIII - Standing Committees

The NCLWF shall have the following standing committees appointed by the Chair:

- Acquisition Committee
- Restoration, Innovative Stormwater, and Planning Committee
- Executive Committee



## Article IX – Special Committees

The Chair may establish advisory, ad-hoc, and workgroups as special committees from time to time to address specific issues as deemed necessary. When special committees are established, the action establishing the special committee shall include the purpose of the committee, the number of members, and the term. The Chair shall make appointments to special committees from among the trustees of the NCLWF. The Chair shall designate the chair of each committee from among its members and shall be an *ex officio* member of all committees.

## Article X - Quorum

A quorum is required to conduct a meeting of the NCLWF or its committees. A simple majority shall constitute a quorum. Vacancies on the NCLWF or its committees shall not be considered in computing a majority.

## Article XI - Voting

Each member of the NCLWF shall be authorized to make motions, second and vote on all matters coming before the NCLWF. Votes shall be recorded.

## Article XII - Reference to Robert's Rules of Order and Applicable Law

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the NCLWF in all cases to which they are applicable and not inconsistent with these procedures, any special rules of order the NCLWF may adopt, or with any statutes or rules applicable to the NCLWF.

### Effective Date

Versions	Revisions
April 28, 1997	Original Effective Date
May 1, 2000	Revised and Adopted
March 9, 2015	Revised and Adopted
November 8, 2017	Revised and Adopted



## Public Notifications

### Regular Meetings

Prior to the first meeting of each calendar year, the NCLWF shall approve a schedule of meetings for the NCLWF and its standing committees for the next calendar year. The approved schedule of meetings shall be filed with the Secretary of State. If a change in schedule is required, notice shall be filed with the Secretary of State at least 7 days in advance of the first meeting held pursuant to the revised schedule.

### Special Meetings

The agenda shall be posted on the NCLWF website seven days before the meeting. However, if a meeting is scheduled to take place less than seven days after it is noticed as may be allowed by the Open Meetings Law, then the agenda shall be posted when it is available.

### Notifications by Email

NCLWF will send meeting and other notifications to a distribution list. Anyone may subscribe to the list through the NCLWF website at [nclwf.nc.gov](http://nclwf.nc.gov)

### Website

Information concerning NCLWF may be found at [nclwf.nc.gov](http://nclwf.nc.gov)



## Multiple Program Guidelines and Practices

The policies in this section (MPP-001 – MPP-005) apply to Acquisition and Restoration Programs, including the Donation Mini-Grant Program.

**Multiple Program Guidelines and Practices:****Administration Costs and Caps for Grant Contracts (MPP-001)**

**Background:** The NCLWF recognizes that grant recipients incur administration costs in the process of managing projects. The purpose of these Guidelines and Practices is to 1) clarify that only administration costs necessary to the management of a NCLWF grant contract are reimbursable and 2) establish a cap on administration costs for Acquisition and Donation Mini-Grant Program projects.

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**Guidelines and Practices:**

Staff may approve requests for administration costs incurred during the course of project implementation subject to the limitations below:

1. Eligible administration costs include the direct labor costs associated with progress reports and reimbursement requests, as well as project scope, budget, and schedule management.
2. Costs not eligible for reimbursement include audits, direct phone costs, direct postage costs, grant recipient's overhead (indirect) cost, including, rent, utilities, insurance costs, facility costs, general office, general phone, and general postage costs.
3. State agencies are not eligible for reimbursement of administration costs incurred by state employees but may seek reimbursement for administration costs for non-state organizations assisting with the project.
4. For Acquisition Program projects, administration costs shall not exceed \$25,000.
5. For Donation Mini-Grant Program projects, administration costs shall not exceed \$10,000.

**Effective Date**

Versions	Revisions
February 3, 2003	Original Effective Date
March 9, 2015	Revised and Adopted
December 10, 2025	Revised and Adopted



## **Multiple Program Guidelines and Practices:**

### Project Change Requests and Delegation of Decision Authority (MPP-002)

**Background:** Changes in some projects between initial NCLWF Board approval and completion are common and often acceptable. Bringing every minor change request back to the full Board would unnecessarily delay implementation. Through the following guidelines, the Board has delegated some authority to review and approve certain changes to staff and the Board Chair.

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#### **Guidelines and Practices:**

Project change requests that provide additional benefit to NCLWF at no additional cost to NCLWF do not require approval beyond staff level. With exception to the specific conditions described below, any change to project scope, deliverables, or cost that would diminish project outcomes shall be brought back to the Board for consideration. NCLWF staff or Board Chair may elect to bring a request before the full Board for any reason regardless of the delegation described below.

#### Change Metrics

The following metrics will be calculated for any requested project change where applicable to the program. Percentage changes will be calculated based on the change divided by the original value.

- Percent change in NCLWF cost per acre or linear foot
- Percent change in total project scope (i.e., acres or linear feet)
- Percent change in match
- Change in project score (e.g., resource or matching funds)

#### Delegations

#### **Program Managers**

Review and approval of the following changes are delegated to the NCLWF Program Managers:

- All budget reallocations within the Donated Mini-Grant Program, including reduction of match provided the final match is greater than or equal to the NCLWF award
- Reallocation of less than 10% of the total NCLWF award to other standard project budget line items
- Any change to project scope, deliverables, or cost of less than 5% in the relevant metrics provided such change does not result in a decrease in score lower than the lowest funded project in the same grant cycle
- Projects that, at close out, were completed with a reduction in scope and a proportional reduction in NCLWF costs and does not disproportionately change the expected benefit of the project (e.g., public access)

#### **Executive Director**



Review and approval of the following changes are delegated to the NCLWF Executive Director:

- Reallocation of between 10% and 20% of the total NCLWF award to other standard project budget line items
- Any change to project scope, deliverables, or cost of between 5% and 10% in the relevant metrics provided such change does not result in a decrease in score lower than the lowest funded in the same grant cycle
- Change in conservation strategy that does not reduce public benefit (e.g., switching from conservation easement to determinable conservation easement)
- Addition of standard reserved rights

### **Board Chair**

Review and approval of the following changes are delegated to the NCLWF Board Chair:

- Reallocation of more than 20% of the total NCLWF award to other standard project budget line items, up to \$100,000
- Any change to project scope, deliverables, or cost of between 10% and 25% in the relevant metrics
- Any change to project scope, deliverables, or cost that results in a decrease of score lower than the lowest project funded in the same grant cycle
- Any change that adds a new, non-standard project budget line item
- Addition of non-standard reserved rights that are traditionally approved at the time of award

### **Documentation**

NCLWF staff is responsible for maintaining documentation of any calculations and decisions made under these guidelines. Any changes made at the Board Chair level will be reported to the Board at its next meeting.

### **Effective Date**

<b>Versions</b>	<b>Revisions</b>
November 10, 2008	Original Effective Date
February 10, 2014	Revised and Adopted
February 28, 2023	Revised and Adopted



## **Multiple Program Guideline and Practices:**

### **Use of Funds for Acquisition of Real Property Interest (MPP-003)**

**Background:** It is the interest of the NCLWF board to focus on land acquisition that directly protects surface water, ecological communities, historic sites or military installations.

It is also the interest of the board to make certain funds are not paid above an appraised value while providing some flexibility for the development of greenways or local parks. For example, where the municipality or county has demonstrated a willingness to use its eminent domain authority in order to accomplish acquisition, staff or the Board of Trustees may reimburse a reasonable amount above the appraised value to avoid the cost of litigation and the uncertainty of ultimate valuation.

Lastly, for stream restoration projects, the interest of the board is to direct funds to the restoration of stream banks and require the necessary easements to be donated for the project.

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#### **Guidelines and Practices:**

1. Funds from the NCLWF are typically used for purchase of property fee simple or conservation easements on property as described as one or more of the following:
  - a. Land that is within the first 300 feet from the top of the stream bank, or the width of the 100-year floodplain, whichever is greater
  - b. Land containing natural areas, element occurrences, or species of concern as defined by NC Natural Heritage Program or adjacent buffer land that is critical to the viability of those areas
  - c. Land buffering military bases or land identified for federal funds through the Readiness and Environmental Protection Initiative
  - d. Historic properties or the viewshed of historic properties
2. Acquisition of land or easements outside any of the above areas should be considered with matching funds or be donated as match value to the project.
3. Funds from the NCLWF typically may not be used to purchase any improvements on the property. The NCLWF will consider purchase of historic structures case-by-case.
4. Funds from the NCLWF may not be used to remove any debris from property.
5. NCLWF will not reimburse any portion of any purchases for which the price is in excess of the appraised value, except as noted in subsection (6) below.
6. For greenways and acquisitions by municipalities and counties, the NCLWF staff may reimburse any portion of any purchase for which the price is 10 percent greater than the appraised value up to \$20,000. Any amount over this must be considered by the Board of Trustees. These Guidelines and Practices will apply to greenway projects completed by nonprofit corporations if it will avoid the use of eminent domain by a local government partner.



7. Funds from the NCLWF may not be used for purchase of easements for stream restoration projects. Easements for stream restoration projects must be donated as match to the project.

#### **Effective Date**

<b>Versions</b>	<b>Revisions</b>
February 18, 2015	Original Effective Date
May 18, 2020	Clarified use of funds in properties exceeding an appraised value to develop greenways or local parks. (revised section #5 and #6; deleted original #7)



## Multiple Program Guidelines and Practices:

### Use of Eminent Domain (MPP-004)

**Background:** It is the purpose of the NCLWF to “finance projects that clean up or prevent surface water pollution and for land preservation.” ([G.S. § 143B-135.234\(c\)](#)). The statute requires that NCLWF consider eleven specific factors when awarding grants. ([G.S. § 143B-135.242 \(b\)](#)). In addition, the statute provides that “Trustees may develop guidelines in addition to the grant criteria consistent with and as necessary to implement this Article.” [G.S. § 143B-135.242 \(c\)](#).

NCLWF does not have the legal authority to acquire lands by condemnation. Specifically, [G.S. § 143B-135.242\(d\)](#) provides that the Trustees may acquire land by purchase, negation, gift, or devise.” However, “[n]othing in this section shall allow the Trustees to acquire land under the right of eminent domain.” This language limits NCLWF’s ability to acquire land. Other State departments and agencies are not limited in this manner. For example, the North Carolina Department of Administration, an agency of the State of North Carolina, may acquire lands by exercise of the power of eminent domain for all State agencies subject to the approval of the Governor and the Council of State pursuant to [G.S. § 146-341\(4\)\(d\)](#).

The NCLWF can legally award grant funds for the purpose of acquiring property to other governmental entities with the power of condemnation. The NCLWF statute does not preclude the Trustees from awarding grants for projects that include credits for land acquired by condemnation or acquisition of land through condemnation by the grant recipient. However, it is the preference of the NCLWF to fund projects in which landowners are ready and willing to sell or donate land in a timely manner.

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### Guidelines and Practices:

NCLWF grant funds may be used to pay for the cost of the land acquired by a grant recipient regardless of whether the land was acquired through that grant recipient’s right of eminent domain as long as the grant award is consistent with the objectives for use of NCLWF grants which are set forth in [G.S. § 143B-135.234 \(c\)](#). NCLWF grant funds may not be used to pay for legal fees or costs incurred by the grant recipient to acquire land through condemnation actions under the grant recipient’s right of eminent domain unless approved by the Board of Trustees of the NCLWF in writing prior to the action. The Trustees shall review a grant recipient’s request to use funds for legal fees and costs to acquire land through condemnation on a case-by-case basis. Any request shall be provided in writing by the grant recipient.

Versions	Revisions
September 22, 2003	Original Effective Date
June 3, 2015	Revised and Adopted



## The NCLWF history with eminent domain 2000-2008

1. The Board considered eminent domain issues in 2000 and 2001 as part of its funding decision for the Division of Forest Resources- Sterling Tract/Dupont Forest.
2. In September 2001, the Board approved the following statement related to eminent domain in its appraisal Guidelines and Practices: "For municipal or county greenway projects, where partial linear acquisitions from multiple owners are required to complete a project and where the municipality or county has demonstrated a willingness to use its eminent domain authority in order to accomplish the acquisition of intervening properties, NCLWF will reimburse a reasonable amount not to exceed \$5,000 in excess of the appraised value, for the reasonable cost of avoided litigation and the uncertainty of ultimate valuation."
3. In July 2003, the Board approved Rocky Mount's request to use remaining funds in its contract to pay for legal expenses related to the eminent domain actions it was pursuing on six tracts in their Tar River greenway project. The Board specifically noted that its approval was made "with the understanding that this represents an exception to the Board's standard policy."
4. In September 2003, the Board adopted the following language related to eminent domain and requested that staff insert the language in all new contracts with local governments, beginning with the July 2003 approvals: "Clean Water Management Trust Fund grant funds may not be used for any eminent domain litigation or any action or expenditure related to eminent domain, unless approved by the Board of Trustees of the Clean Water Management Trust Fund in writing prior to the action. The Board of Trustees shall review requests to use funds for eminent domain action on a case-by-case basis. Requests shall be provided in writing by the Grant Recipient."
5. In November 2004, the Board denied a request by New Bern (1998B-504) to reimburse it for a \$158,000 expense it had incurred in obtaining a tract by eminent domain.
6. In February 2008, the Board voted to allow Trenton to use eminent domain to acquire property for a wastewater land application site, but specified that NCLWF funds could not be used in any action of the condemnation, including deposit for the condemnation proceedings. Furthermore, the NCLWF would not reimburse Trenton for the property (purchase or transaction costs) until the condemnation proceedings were concluded (final award or dismissal of the court action).

**Multiple Program Guidelines and Practices:****Guidelines Establishing Minimum Criteria for Approval of Grants for Projects (MPP-005)**

**Background:** In order for the North Carolina Land and Water Fund to approve the award of a grant for a project, the project must meet the minimum criteria stated in these Guidelines and Practices. If a project meets the minimum criteria, a grant may be awarded for the project, but neither the project nor the applicant is entitled to a grant. Whether or not a project that meets the minimum criteria in these Guidelines and Practices is awarded a grant is within the discretion of the North Carolina Land and Water Fund Board of Trustees taking into account the purposes of Part 41 of Article 2 of Chapter 143B of the North Carolina General Statutes.

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**Guidelines and Practices:**

In order for a Project to be eligible for a grant, the Project must meet at least the following requirements:

1. The Project must be submitted by an eligible applicant, per [G.S. 143B-135.238\(a\)](#).
2. The Project must use the grant for one of the purposes set forth in [G.S. 143B-135.234\(c\)](#).
3. A Project must contribute to at least one of the factors set forth in [G.S. 143B-135.242\(b\)](#).
4. A Project must be supported by a complete application on the forms provided by the N.C. Land and Water Fund.
5. A Project must not receive any grant funds to satisfy compensatory mitigation requirements under [33 USC §1344](#) or [G.S. § 143-214.11](#).
6. A Project must not receive state funds authorized by [G.S. 143-215.71](#) for the nonfederal share of a grant under the Environmental Quality Incentives Program.

Additionally, per [G.S. § 143B-135.242\(c\)](#), the Board may establish additional guidelines. Any such guidelines will be published before applications are released each grant cycle.

The Board has sole discretion in awarding funds to Projects that meet the minimum criteria above. Trustees may consider additional factors at their discretion.

Versions	Revisions
June 5, 2018	Original Effective Date
December 10, 2025	Revised and Adopted



## Acquisition Program Guidelines and Practices

The Acquisition Program includes the acquisition of land for certain purposes outlined in [G.S. § 143B-135.234 \(c\)](#), including:

- To acquire land for riparian buffers for the purposes of providing environmental protection for surface waters and drinking water supplies and establishing a network of riparian greenways for environmental, educational, and recreational uses.
- To acquire conservation easements or other interests in real property for the purpose of protecting and conserving surface waters and enhancing drinking water supplies, including the development of water supply reservoirs.
- To coordinate with other public programs involved with lands adjoining water bodies to gain the most public benefit while protecting and improving water quality.
- To prevent encroachment, provide buffers, and preserve natural habitats around military installations or military training areas, or for State matching funds of federal initiatives that provide funds to prevent encroachment, provide buffers, and preserve natural habitats around military installations or military training areas.
- To acquire land that represents the ecological diversity of North Carolina, including natural features such as riverine, montane, coastal, and geologic systems and other natural areas to ensure their preservation and conservation for recreational, scientific, educational, cultural, and aesthetic purposes.
- To acquire land that contributes to the development of a balanced State program of historic properties.
- To protect and restore floodplains and wetlands for the purpose of storing water, reducing flooding, improving water quality, providing wildlife and aquatic habitat, and providing recreational opportunities.

**Acquisition Program Guidelines and Practices:****Appraisal Guidelines and Practices (ACQ-001)**

**Background:** The acquisition of all real property interests, including fee simple and conservation agreement interests, through an Acquisition Program award must have substantiation of fair market value per the requirements of these Guidelines and Practices. These Guidelines and Practices apply to all acquisitions made using NCLWF and matching funds, including bargain sales.

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**Guidelines and Practices:**

1. A minimum of one appraisal is required to determine the fair market value of all real property interests being acquired.
  - Exception for NCLWF requested funds: When the tax assessed land value ("tax value") of a real property interest is less than \$200,000, the tax value will be acceptable in lieu of an appraisal. For fee simple absolute acquisitions, up to 100% of the tax value may be used as substantiation of value. For conservation agreement-only acquisitions, up to 80% of the tax value may be used as substantiation of value.
  - Exception for matching funds: When a fee simple absolute interest is donated, 100% of the tax value may be used as substantiation of value. When a conservation easement is donated, 80% of the tax value may be used as substantiation of value. This exception does not apply to bargain sales.
2. A second appraisal is required when the value of a real property interest, irrespective of any bargain sale, exceeds or is expected to exceed \$1,000,000.
3. All appraisals must adhere to NCLWF appraisal guidelines. Appraisals will be reviewed by the State Property Office or another reviewer approved by the State Property Office. If any appraisal is not satisfactory to the State Property Office or its designated reviewer, or if the reviewer cannot reach a conclusion of value, additional appraisals may be required.

**Effective Date**

<b>Versions</b>	<b>Revisions</b>
Sept. 24, 2001	Original Effective Date
Feb. 17, 2003	Revised and Adopted
Sept. 22, 2003	Revised and Adopted
March 9, 2015	Reauthorized
March 2, 2022	Revised and Adopted
Aug. 28, 2024	Revised and Adopted

**Acquisition Program Guidelines and Practices:****Purchase and Removal of Structures (ACQ-002)**

**Background:** Prior to the merger of NCLWF and Natural Heritage Trust Fund (NHTF) in 2013, the NCLWF board had a practice not to purchase any improvements (houses, structures, etc.), or pay for the removal of any unwanted structures or debris, on any property purchased with NCLWF funds. Neither the purchase of structures nor the removal of debris was credited as matching value to a NCLWF project.

The revisions to NCLWF's statute in 2013 authorized the use of NCLWF funds to acquire "land that contributes to the development of a balanced State program of historic properties." [G.S. § 143B-135-234\(c\)\(9\)](#).

The NHTF did not have a practice concerning the purchase of improvements. It was not common practice to purchase improvements but there was no prohibition. The NHTF focused on the purchase of land but recognized historic structures were often integral to a site purchased for the purpose of preserving historic and cultural resources and developing a program of historic properties.

In 2014 the NCLWF board decided not to adopt a practice but did agree on the guidance below concerning purchase of structures on historic sites.

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**Guidance:** It is the intention of the NCLWF board to focus on the acquisition of land that contributes to the development of a balanced State program of historic properties and consider improvements on these properties on a case-by-case basis.

**Guidance on purchase of improvements:**

- The Fund may consider the purchase of historic structures case by case.
- The purchase of historic structures may be used as match to NCLWF grants.
- NCLWF funds may not be used for rehabilitation, repair, restoration, operation, or maintenance of a historic structure.
- Applications proposing the use of any NCLWF funds or matching funds for the purchase of a historic structure must include plans on the use and maintenance of any structures.

**Effective Date**

Versions	Revisions
June 2, 2014	Original Effective Date



**Acquisition Program Guidelines and Practices:**

**Open Space Development Credit, Mitigation, and Income Generation (ACQ-004)**

**Background:** When the NCLWF Board elects to fund an acquisition project, it comes with the expectation that NCLWF funds be used for voluntary conservation not otherwise promised for other benefits, such as open space development credits or compensatory mitigation, consistent with [G.S. 143B-135.238 \(d\)\(1\)](#) that prohibits the NCLWF from awarding grants to satisfy compensatory mitigation requirements under [33 USC §1344](#) or [G.S. 143-214.11](#). Further, any real property interests purchased with funds from the NCLWF shall not produce income that is inconsistent with or causes harm to the conservation purposes for which the land is held and used.

The following Guidelines and Practices limit mitigation and open space development activities and/or credits within Acquisition Program projects and define when income may be generated within a conservation agreement area.

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**Guidelines and Practices:**

A. Compensatory Mitigation – Land subject to Acquisition grant awards shall not be used to satisfy compensatory mitigation under [33 USC § 1344](#), [G.S. 143-214.11](#) or any successor or replacement provision of the foregoing.

If land proposed for an Acquisition project was used to satisfy compensatory mitigation as described above prior to a grant award, the project must demonstrate achievement of additional protection and appraisals must reflect any diminution of value, as applicable.

B. Open Space Development Credits – Land subject to Acquisition grant awards shall not be used to satisfy open space or density requirements of any cluster or other development scheme or plan. The development rights encumbered by any area protected through a permanent conservation agreement shall not be transferred to any other land pursuant to a transfer of development rights scheme, a cluster development arrangement, or otherwise.

If land proposed for an Acquisition project was used to satisfy open space or density requirements of any cluster or other development scheme or plan prior to a grant award, the project must demonstrate achievement of additional protection and appraisals must reflect any diminution of value, as applicable.

C. Other Mitigation Activities/Credits – Land subject to Acquisition grant awards shall not be used for other mitigation activity or credits, except when the proposed mitigation activity is not inconsistent



with the NCLWF's purposes for the grant award, is not inconsistent with the proposed or recorded conservation agreement, and does not result in duplicative payment for the benefit or action already acquired by the NCLWF.

D. Income Generation – Land subject to Acquisition grant awards shall not generate income for the landowner, except when the income is generated from activities that are not inconsistent with the conservation values and purposes for which the land is protected and is not inconsistent with the proposed or recorded conservation agreement.

**Effective Date**

<b>Versions</b>	<b>Revisions</b>
March 9, 2015	Original Effective Date
December 1, 2020	Revised and Adopted
December 10, 2025	Revised and Adopted



**Acquisition Program Guidelines and Practices:**

**Property Management Costs (ACQ-007)**

**Background:** NCLWF recognizes the need for funds to secure a property or immediately address resource concerns after purchase, and such activities help protect the conservation values and the investment of funds in the project.

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**Guidelines and Practices:**

1. Property Management costs are defined as funds needed for securing a property or immediate resource protection.  
Examples of eligible costs include the following: purchase and installation of gates or other barriers to prevent trespass; management/restriction of access points to areas with conservation values (streams, natural heritage areas, cultural, or historic areas); and immediate stabilization of eroding streambanks. Other expenses may be deemed eligible by NCLWF pending substantiation of need at time of application.
2. Local governments, nonprofit organizations, and State agencies without a dedicated land acquisition funding mechanism are eligible for property management costs.
3. Total property management funds reimbursed by NCLWF or credited as match is \$5,000 maximum.
4. All expenses for property management must be incurred during the contract period, be substantiated by an invoice from a vendor or signed form attesting to in-kind work, be identified in the application, and not pay for any activities prohibited by other NCLWF guidelines.

**Effective Date**

<b>Versions</b>	<b>Revisions</b>
November 8, 2017	Original Effective Date
March 2, 2022	Revised and Adopted



**Acquisition Program Guidelines and Practices:**

**Reimbursement of Transaction Costs when a Project Fails to Close (ACQ-008)**

**Background:** The NCLWF recognizes that even when Grant Recipients are working in good faith to complete an Acquisition Program project, there are times when forces outside their control cause the project to fail. Often the Grant Recipient will have incurred expenses that the NCLWF is willing to reimburse in part and the guidelines for such reimbursements are listed below.

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**Guidelines and Practices:**

When a portion or all of the land to be acquired through an NCLWF Acquisition Grant Contract fails to close, NCLWF staff is authorized to reimburse the Grant Recipient for up to 50% of transaction costs and 100% of eligible administration costs for the portion of the project that failed to be acquired, provided the Grant Recipient:

- has made good-faith efforts to close the project, following a prudent order of operations as is required for their particular project;
- is current on progress reporting and has been in communication with the NCLWF contract administrator; and
- can certify to the NCLWF that any due diligence materials for which they are requesting reimbursement has not and will not be provided to the landowner for use in any other transaction.

Any requests for reimbursement that deviate from these guidelines may be considered by the Board.

<b>Versions</b>	<b>Revisions</b>
May 18, 2020	Original Effective Date
December 10, 2025	Revised and Adopted



# Restoration Program Guidelines and Practices

## **Restoration Program**

The restoration program consists restoration, innovative stormwater, and planning projects.

### **Restoration Projects are for the following purposes:**

- to restore previously degraded lands to reestablish their ability to protect water quality ([G.S. § 143B-135.234 \(c\)\(4\)](#)).
- to protect and restore floodplains and wetlands for the purpose of storing water, reducing flooding, improving water quality, providing wildlife and aquatic habitat, and providing recreational opportunities. ([G.S. § 143B-135.234 \(c\)\(12\)](#)).

### **Innovative Stormwater Projects are for the following purposes:**

- to finance innovative efforts, including pilot projects, to improve stormwater management, to reduce pollutants entering the State's waterways, to improve water quality, and to research alternative solutions to the State's water quality problems ([G.S. § 143B-135.234 \(c\)\(6\)](#)).

### **Planning Projects are for the following purpose:**

- to facilitate planning that targets reductions in surface water pollution ([G.S. § 143B-135.234 \(c\)\(5\)](#)).

**Restoration Program Guidelines and Practices:****Construction Bids and Award Reductions (RES-001)**

**Background:** In an effort to recover funds in construction projects, before the grant closeout end of the project, the NCLWF may reduce the grant amount, if appropriate, based on construction bids. The amount of reduction is based on a negotiated revised budget, which takes into account areas where the project costs may increase, and includes contingency funds. The contingency line item is usually 5% of construction costs, unless the grant recipient can provide a reason for a higher percentage.

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**Guidelines and Practices:**

Excerpt from current restoration Grant Contract:

“...

a. Reduction of the Grant based on Construction Cost less than Budgeted Construction Cost.

The Fund may reduce the Grant amount if the Grant Recipient expects actual construction costs to be less than budgeted construction costs, as follows:

(i) The Grant Recipient shall provide to the Fund construction contract pricing information consisting minimally of a statement of the scope of the construction work, agreed-upon constructor or vendor pricing for the construction work, and a total anticipated construction cost based on the pricing.

(ii) The Grant Recipient shall deliver the construction contract pricing information to the Fund’s Contract Administrator within 30 days of executing a construction contract for the Project.

(iii) The Fund may, at its discretion after comparing the total anticipated construction cost with the Grant Contract project budget, choose to reduce the Grant. If the Fund chooses to reduce the Grant, the Fund’s Contract Administrator will prepare an amendment to the Grant Contract for this purpose, and the Fund will approve requests for reimbursement of the Grant Recipient’s construction costs only after the amendment has been signed by both the Grant Recipient and the Fund.

...”

**Effective Date**

Versions	Revisions
March 9, 2015	Original Effective Date

**Restoration Program Guidelines and Practices:****Operation & Maintenance Agreements for Innovative Stormwater Projects (RES-003)**

**Background:** NCLWF requires permanent restrictions on activities and uses on land that is the footprint of stormwater BMPs that are or might be constructed with NCLWF funding, unless an acceptable alternative is available. These Guidelines and Practices are intended to be an alternative for local government units and municipal corporations that agree to maintain stormwater facilities in lieu of recording a stormwater easement.

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**Guidelines and Practices:**

A stormwater control measure (SCM) operation and maintenance (O&M) Agreement may be used in place of a Conservation Agreement for certain innovative stormwater projects and pilot projects funded through the NCLWF Innovative Stormwater Program.

The option of an O&M Agreement for stormwater projects applies only to SCM projects for which (1) the grant recipient or project partner is a local government, and (2) funds from the NCLWF are used for SCM construction. For projects that meet these requirements, Conservation Agreements are not required only if the grant recipient or landowner agree to maintain the SCM for 10 years in accordance with a prepared SCM O&M Agreement.

That SCM O&M Agreement must be submitted as a deliverable under the NCLWF Grant Agreement, consistent with the Grant Agreement requirement to maintain the SCM for 10 years.

Conservation Agreements are required if (1) the grant recipient or project partner is not a local government, or (2) the grant recipient or landowner doesn't agree to maintain the SCM for 10 years in accordance with a prepared SCM O&M Agreement.

**Effective Date**

<b>Versions</b>	<b>Revisions</b>
	Original Effective Date
March 9, 2015	Reauthorized
December 10, 2025	Revised and Adopted

**Restoration Program Guidelines and Practices:****Option Agreements for Restoration Projects (RES-004)**

**Background:** The NCLWF requires grant recipients to have restoration easements recorded for all buffer properties before receiving any reimbursement for restoration construction costs. Also, some of the NCLWF restoration grant contracts include recordation of restoration easements in a scope of work for preparing for construction at a later time with new funding and do not include funding construction.

The NCLWF began making option agreements available for NCLWF-funded stream restoration projects in 2010 to accomplish one or both of the following purposes:

- 1) Allow NCLWF grant recipients and riparian property owners to commit to encumbering their properties only if funding for constructing the restoration project is made available before a date specified in the option agreement (a “sunset date”); and/or
- 2) Allow NCLWF grant recipients and riparian property owners to defer committing to exact streambank and easement locations until after restoration construction has been completed.

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**Guidelines and Practices:**

The NCLWF will allow option agreements as an optional intermediate step toward recording easements on stream restoration projects.

**Effective Date**

Versions	Revisions
	Original Effective Date
March 9, 2015	Reauthorized

**Restoration Program Guidelines and Practices:****Agricultural Best Management Practices Resolution (RES-005)**

**Background:** The intent is to improve the consistency of the level of funding provided by the North Carolina Land and Water Fund for various Best Management Practices (BMP) options for Soil and Water Conservation Districts and other grantees for the protection of setbacks on agricultural lands. Given the large ecological uplift of converting mowed, grazed, or plowed riparian lands to forest cover, and the opportunity to leverage Federal funds, this aims to incentivize restoration on active agricultural land by permitting term land Conservation Agreements and/or narrow buffers in described cases.

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**Guidelines and Practices:**

For projects that enroll landowners in the North Carolina Conservation Reserve Enhancement Program (CREP):

1. For landowners agreeing to permanent Conservation Easements on at least 30-foot wide setbacks on each side of the stream, the NCLWF will fund the full cost of the BMP.
2. For landowners agreeing to provide a 30-year signed agreement for protection of at least 50-foot wide setbacks on each side of the stream, the NCLWF will fund 100% of the cost of the BMP.
3. For landowners agreeing to provide a 30-year signed agreement for protection of at least 30-foot wide setbacks on each side of the stream, the NCLWF will fund 85% of the cost of the BMP.
4. For livestock exclusion BMPs, the minimum setback widths and funding options listed above shall be applied to streams greater than 3-feet wide. Livestock exclusion BMPs shall include alternative watering facilities. For livestock exclusion BMPs applied to streams 3-feet wide or less, a minimum 15-foot wide setback on each side of the stream, as measured from top-of-bank, is required and the following funding options are allowed:
  - a. For landowners agreeing to permanent Conservation Easements, the NCLWF will fund 100% of the cost of the BMP.
  - b. For landowners agreeing to provide a 30-year signed agreement, the NCLWF will fund 85% of the cost of the BMP.

**Effective Date**

<b>Versions</b>	<b>Revisions</b>
March 18, 2002	Original Effective Date
June 3, 2014	Reauthorized
December 10, 2025	Revised and Adopted



## Restoration Program Guidelines and Practices:

### Guidelines and Practices to Allow Term Conservation Easements on Restoration Projects with In- Stream Structures (RES-007)

#### Part One - Guidelines and Practices for Term Easements on Restoration Projects

**Background:** NCLWF practice required permanent conservation easements on restoration projects, which utilize in-stream structures, with a 50-foot minimum buffer along the project area. These practices had been effective, but feedback from our partners (SWCD, Watershed Associations) was that more water quality improvement and conservation could be accomplished if a practice of term easements was established. While these guidelines are intended to be used with all restoration projects, it is anticipated that more agriculture lands would become enrolled in the program by making NCLWF practices more compatible with programs like the NC Cost Share Program and the Federal NRCS EQUIP which currently use term easements for many projects. Another anticipated benefit of making the program requirements more closely aligned is that local service providers will become more comfortable in promoting NCLWF to their customers and with the long-term monitoring of each site, thereby allowing more conservation to protect water quality.

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#### Part One Guidelines and Practices:

This Guidelines and Practices modification determines how much of the associated costs NCLWF will cover for Stream Restoration Projects with in-stream structures without requiring a permanent easement. The proposed NCLWF guidelines to accommodate term easements for restoration projects with in-stream structures are as follows:

- NCLWF would pay 100% of costs on a permanent conservation easement. (Match is the value of the buffer.)
- NCLWF would pay 70% of costs on a 50-year conservation easement.
- NCLWF would pay 30% of costs on a 30-year conservation easement.
- NCLWF would not provide funding for any restoration costs for projects with less than a 30-year term easement.

All projects would be required to have a minimum riparian buffer width of 50 feet from the top of the stream bank. If property is in agricultural usage, then any livestock must be excluded from the buffer area.

Matching funds could be cash, NC AG Cost Share or EQUIP funding for BMPs (like exclusionary fencing), or sweat equity (labor, equipment) from the landowner to supplant the shortage of NCLWF funds.

This Guideline and Practices modification applies to stream restoration projects located anywhere in the State.



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## Part Two - Guidelines and Practices for Term Easements on Restoration Projects with Match Funding from the NC Farmland Trust for Conservation Easements

**Background:** These guidelines are for the special case of lands participating in the NC Farmland Preservation Trust (FPT) Program. The FPT was established with a goal of protection of prime agricultural lands in NC. The program purchases term conservation easements from agricultural landowners in a competitive process, much like NCLWF. FPT easements typically cover much more than the riparian area. In an effort to reach a broader population of the agricultural community and thus protect more farmland, the program has established a schedule and payment structure for term easements. Once a farm is enrolled in the Ag Trust and NCLWF funds are used to restore stream buffers and stabilize eroding streambanks, there is minimal incentive to disturb the restoration work after the easement expires and there is the possibility that the landowner may place the property in a permanent easement later after expiration of the FPT term. The FPT program has established the following guidelines for purchase of term conservation easements:

- Will pay 60% of the value of a conservation easement for a 50-year term.
- 40% of the value for a 40-year term easement
- 30% of the value for a 30-year term easement
- 20% of the value for a 20-year term easement
- 10% of the value for a 10-year term easement

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**Part Two Guidelines and Practices:** If a NCLWF project is associated with a Farmland Preservation Trust easement, then the following structure for grants will apply:

- NCLWF will pay 80% of restoration project cost when coupled with a 50-year Farmland Preservation Trust term easement.
- NCLWF will pay 65% of restoration project costs when coupled with 40-year FPT term easement.
- NCLWF will pay 50% of restoration project costs when coupled with 30-year FPT term easement.
- NCLWF will not provide funding for any restoration costs for projects with a FPT easement term of less than 30 years.

NCLWF percentages are shown as higher for projects with a longer-term easement to reward and encourage the longer-term commitment. The two programs (NCLWF and FPT) would be additive for a project, which means that the landowner would receive a direct payment from FPT for the value of the land placed under the term easement. NCLWF would also fund construction of restoration work at the appropriate percentage based upon the length of the term easement.



**Example:** Farmer Brown agrees to a 40-year term easement with FPT and receives a direct payment equal to 40% of the appraised land value. The local SWCD has also applied to NCLWF for restoration work on Farmer Brown's stream with a 40-year term easement. If the project is funded it would qualify for a NCLWF grant equal to 65% of the total cost of installation of the project (including design, permitting, construction, etc.). The applicant (SWCD) is responsible for the 35% matching funds for the project. Thus, Farmer Brown gets a direct payment from FPT, while NCLWF will indirectly finance the restoration work on his property through the SWCD.

All projects will be required to have a minimum riparian buffer width of 50 feet from the top of the stream bank. Any livestock must be excluded from the buffer area.

Matching funds may be cash, NC AG Cost Share or EQUIP funding for BMPs (like exclusionary fencing), or sweat equity (labor, equipment) from the landowner to supplant the shortage of NCLWF funds.

These Guidelines and Practices applies only to those NCLWF projects located on property that is covered by a FPT conservation easement.

#### Effective Date

Versions	Revisions
June 3, 2014	Original Effective Date

**Restoration Program Guidelines and Practices:****Guidelines and Practices to Allow Award of Funding for Stewardship of Restoration Easements (RES-008)**

**Background:** When NCLWF funds a stream restoration project, the grantee is required to record a conservation easement over the restored segment of stream to protect the State's investment. The grantee is obligated to monitor the easement for compliance, which has costs associated with the project in perpetuity. These Guidelines and Practices allow for lump sum payment to the grantee under certain circumstances to assist with the ongoing stewardship cost.

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**Guidelines and Practices:**

For restoration projects where conservation easements meet or exceed NCLWF guidelines and where a certified land trust organization has agreed to steward the easements in question, applicants may request up to 50% of endowment funds established to monitor the project easements in perpetuity. If awarded, stewardship funds provided by the applicant organization must be deposited into a stewardship endowment before receiving funds from NCLWF.

**Effective Date**

Versions	Revisions
February 28, 2018	Original Effective Date



## Donation Mini-Grant Program Guidelines And Practices

The Donation Mini-Grant Program includes the acquisition of land for certain purposes outlined in [G.S. § 143B-135.234 \(c\)](#), including:

- To acquire land for riparian buffers for the purposes of providing environmental protection for surface waters and drinking water supplies and establishing a network of riparian greenways for environmental, educational, and recreational uses.
- To acquire conservation easements or other interests in real property for the purpose of protecting and conserving surface waters and enhancing drinking water supplies, including the development of water supply reservoirs.
- To coordinate with other public programs involved with lands adjoining water bodies to gain the most public benefit while protecting and improving water quality.
- To prevent encroachment, provide buffers, and preserve natural habitats around military installations or military training areas, or for State matching funds of federal initiatives that provide funds to prevent encroachment, provide buffers, and preserve natural habitats around military installations or military training areas.
- To acquire land that represents the ecological diversity of North Carolina, including natural features such as riverine, montane, coastal, and geologic systems and other natural areas to ensure their preservation and conservation for recreational, scientific, educational, cultural, and aesthetic purposes.
- To acquire land that contributes to the development of a balanced State program of historic properties.
- To protect and restore floodplains and wetlands for the purpose of storing water, reducing flooding, improving water quality, providing wildlife and aquatic habitat, and providing recreational opportunities.



## Donation Mini-Grant Program Guidelines and Practices:

### Donation Mini-Grant Program Procedures and Requirements (DMG-001)

#### Background:

The NCLWF Board of Trustees (Board) first established the Donated Easement Program in 2003 with the goal of facilitating the donation of conservation easements to conservation nonprofits or local governments by reimbursing grant recipients for transaction and stewardship endowment costs up to \$25,000. The conservation nonprofit or local government holds the conservation easement in perpetuity, subject to rights of the State to enforce the easement. Applications were and continue to be accepted year-round and funded at least quarterly with available funds from an allocation recommended by the Acquisition Committee and approved by the Board.

In 2014, the Board expanded the program to facilitate the donation of fee simple absolute interests in property, provided all donated properties were protected by a perpetual conservation agreement, such as conservation easement, declaration of covenants and restrictions, or dedication under the State's Nature Preserves Act. State government agencies without dedicated land acquisition funding mechanisms were also added as eligible applicants. The program was renamed the Donated Mini-Grant Program to reflect the expanded purposes.

Prior to 2023, the guidelines of the program were documented in annual application manuals provided to grant applicants. The intent of DMG-001 is to change the program name to the Donation (as opposed to Donated) Mini-Grant (DMG) Program and to document the program in the Guidelines and Practices Manual.

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#### Guidelines and Practices:

1. Nonprofits, local governments, and State agencies are eligible to apply to the DMG Program to accept the donation of a conservation agreement and/or fee simple absolute interest.
2. The acquisition of the conservation agreement or fee simple absolute interest must be an absolute donation. As such, no funds will be reimbursed to the Grant Recipient for acquisition.
3. All property must be restricted to protect natural, historic, or cultural features. Restrictions may include conservation easements, declarations of covenants and restrictions, or dedication under the Nature Preserves Act. Restrictions not held by the State shall grant the State third-party rights of enforcement.
4. The total maximum amount for reimbursement is \$50,000 per award.
5. The value of the donation must be greater than the requested funds.
6. The value of the donation, as determined either by appraisal or tax value of the land, must be included as matching funds. The value of structures must be excluded from the appraisal. Appraisals do not require review by the State Property Office. When tax value is used in lieu of appraisal, up to 100% of the value may be claimed for fee donations and 80% of the value may be claimed for conservation easement donations.
7. Appraisals may only be reimbursed if the Grant Recipient is required to have an appraisal and the Grant Recipient can substantiate that there is no deduction being taken for the project. Appraisals to support State or Federal tax incentives are not reimbursable.
8. Other reimbursable and match budget items may include:
  - Transaction costs, including survey, boundary marking, baseline documentation report, legal fees, title opinion, commitment and/or policy, Environmental Site Assessment, and transaction screen.
  - Administrative costs up to 10% of the total transaction costs, per the requirements of MPP-001 Administrative Costs and Caps for Grant Contracts.



- Property management costs that do not exceed \$5,000, per the requirements of ACQ-007 Property Management Costs.

9. When a land trust nonprofit with a dedicated stewardship endowment will steward and monitor the donation in perpetuity, the Grant Applicant may request up to 50% of stewardship endowment funds.

#### Effective Date

Versions	Revisions
November 18, 2003	Original Effective Date
December 4, 2023	Updated

**Donation Mini-Grant Program Guidelines and Practices:****Donation Mini-Grant Program Administrative Approval (DMG-002)****Background:**

Since September 2014, the Donation Mini-Grant (DMG) Program has operated using an administrative approval system, in which the NCLWF Board delegated approval authority to the Board Chair to expedite donations outside of the standard grant cycle. Administrative approval was reaffirmed as part of the DMG funding motion approved at the September 20, 2023, meeting of the Board.

**Guidelines and Practices:**

1. Authority to approve DMG Program awards is delegated to the Board Chair. Applications will be considered on a schedule set by NCLWF staff based on annual demand. The date of approval by the Board Chair will be the effective Award Date of the grant.
2. Regardless of this delegation, the Board Chair may elect to seek approval of an application from the Acquisition Committee. In such instances, the date of approval by the Acquisition Committee will be the effective Award Date of the grant.
3. The Expiration Date of grants made via administrative approval by either the Board Chair or Acquisition Committee shall be no more than 12 months from the Award Date. NCLWF staff may elect to approve one six-month extension of the Expiration Date. All other extension requests must be approved by the Board through a recommendation from the Acquisition Committee.

**Effective Date**

Versions	Revisions
December 4, 2023	Original Effective Date



# Stewardship Program Guidelines and Practices



## Stewardship Program Guidelines and Practices:

### Conservation Agreement Amendment Guidelines and Practices (STW-001)

**Background:** On rare occasions, permanent conservation agreements may need to be modified or amended. These guidelines were established and approved by the Board to provide a consistent and predictable process for these cases.

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#### Guidelines and Practices:

The North Carolina Land and Water Fund (NCLWF) was established in 1996 primarily to protect water quality interests in the State. In 2013, the purpose of the NCLWF was expanded to include protection of natural heritage resources, historic and cultural resources, and buffers to military bases. In addition, with the dissolution of the Natural Heritage Trust Fund (NHTF) in 2013, the NCLWF became the de facto appointed body for matters that would have previously gone before the NHTF. Therefore, this document pertains to changes to conservation agreements initially entered into by either of the aforementioned funds and potential impacts to the conservation values protected by those agencies.

When the NCLWF Board of Trustees (NCLWF Board) elects to fund a land protection project, there are three conservation strategies in which the State retains an interest in perpetuity: 1) State-held conservation easements, 2) declarations of covenants and restrictions, and 3) dedications under either the State Nature Preserves Act or the State Nature and Historic Preserve Dedication Act. The NCLWF strives to design these instruments, hereafter referred to broadly as “conservation agreements,” to avoid the need for an amendment or modification of the agreed upon terms. It is the State’s presumption that conservation agreements will not be amended or modified. Amendments may only be approved in exceptional cases or due to unforeseen circumstances provided the procedures outlined below are met.

Because every property and project are unique, no decision by the NCLWF Board with respect to an amendment of a conservation agreement, either granting or denying, shall form a precedent with respect to any other request for an amendment. Although these amendment guidelines set forth certain procedures and expectations, nothing herein shall diminish the sole and absolute authority of the NCLWF Board. An amendment is an extraordinary procedure and not available to a landowner as a matter of right. All amendments must comply with applicable federal, State, and local laws.

- I. **Minor Amendments** – These amendments, as described below, have been deemed to be small in scale or impact, and the NCLWF Board has delegated consideration and potential approval to staff. However, the Executive Director may choose to elevate any Minor Amendment to a Major Amendment, which would then be subject to the procedures set forth in Section II.
  - A. Technical amendments or corrections – Adjustments to correct a clerical error in the language of a conservation agreement resulting in no impact on the conservation values may be approved at the staff level.
  - B. Amendments to accommodate public works projects – Adjustments to conservation agreements to accommodate public works projects may be approved at staff level under the following conditions:



1. The project can be effectively accomplished with the addition of a reserved right and there is no surface impact (e.g., projects utilizing horizontal directional drilling) or surface impacts are minimal and can be sufficiently mitigated (e.g., plant rescue or restoration of temporary construction easements). This assumes that there are no measurable impacts to other conservation values.
2. Changes to spatial boundaries may be considered and can be approved at the staff level if all of the following conditions are met:
  - a. The change would affect less than one acre or 5% of the conservation agreement area, whichever is smaller.
  - b. The project would be perpendicular to or a minimal distance parallel to surface waters if any riparian buffers are affected.
  - c. The project would have no significant impact on other conservation values except in cases where impacts can be fully mitigated by a plant rescue or other operation. Determination of conservation impact will be subject to the Conservation Benefit Analysis outlined in Section III of these guidelines.
- C. Addition of standard reserved rights – The reserved rights listed below are considered to be standard allowances and any addition(s) may be considered and potentially approved at the staff level if the following conditions are met:
  1. Requested rights adhere to all other NCLWF policies and procedures; requests for addition of trail rights shall be subject to the NCLWF Natural Surface Trails guidelines.
  2. The intent of the original conservation agreement does not explicitly indicate a desire to prohibit the requested rights.
  3. Standard reserved rights eligible for NCLWF staff consideration and approval include the following:
    - natural surface trails for hiking
    - paved trails (such as greenway or universal access trails) including footbridges and trail amenities
    - native community restoration, management, and maintenance
    - stream and wetland restoration
    - hunting and fishing
    - maintenance of existing roads and trails
    - vegetation management limited to boundary marking, fencing, signage, fire containment,



insect and disease control, hydrology restoration, wetland enhancement, control of invasive exotic plants, and removal of trees that pose a threat to life or property

- use of motor vehicles limited to the purposes of monitoring, management, stewardship, universal access, and emergencies

All other amendment requests not covered under Section I are considered to be Major Amendments and must be taken to the NCLWF Board for consideration per Section II.

**II. Major Amendments** – All amendment requests not explicitly covered above must be considered by the NCLWF Board. Affirmation by a two-thirds vote is required for approval.

- A. Public Works Projects – Amendment requests to accommodate public works projects that are not covered in Section I may be approved by the NCLWF Board.
- B. Public Drinking Water Supply Reservoir – After the Record of Decision has been issued (final location has been permitted), a conservation agreement or portions of a conservation agreement may be amended by the Board for development of a public drinking water supply reservoir.
- C. Other Circumstances – All requests for amendment of conservation agreements for circumstances not covered above must meet the following criteria:
  1. Clearly serves the public interest and provides a public or community benefit
  2. Has a net positive benefit on the conservation values, as determined by the Conservation Benefit Analysis outlined in Section III of these guidelines, regardless of agreement recording date
  3. Does not result in impermissible private benefit (as verified by appraisal if deemed necessary by the NCLWF). The Board may choose to approve an amendment request if and when the public benefit significantly outweighs any potential private benefit
  4. Is consistent with the conservation purpose(s) and documented intent of the conservation agreement
  5. To the extent verifiable, is consistent with the documented intent of the donor(s), other grantors, and any direct funding source
  6. Demonstrates that no practicable alternative(s) exist and that any impacts have been minimized

**III. Conservation Benefit Analysis** – The following outlines the process for conducting a conservation benefit analysis as required by NC G.S §121-39.1. Termination or modification of agreements.

Though this statute does not apply to agreements recorded prior to 2015, NCLWF staff will conduct a conservation benefit analysis for all amendment requests. When another State agency is authoring a request to the State Property Office and Council of State for a conservation agreement modification or termination, the agency requesting the modification or termination shall conduct and submit a conservation benefit analysis as required.

**A. Review of Resources**

1. NCLWF staff will conduct desktop GIS analysis of potential impacts to streams, wetlands,



natural heritage element occurrences and natural areas, historic sites, and any other conservation values identified by the conservation agreement using the North Carolina Natural Heritage Data Explorer, the North Carolina State Historic Preservation Office's HPOWEB mapping application, and other relevant data sources.

2. NCLWF staff will identify and consult with appropriate experts to determine potential impacts of the requested amendment on identified resources.
3. NCLWF staff and other experts as appropriate will conduct site visits for all major amendment requests and any requests that include proposals for exchange of land.

**B. Analysis of Impact**

1. After review, NCLWF staff will analyze all impacts to existing conservation values and the proposed benefits of the request.
2. The proposal may be deemed to have a net positive conservation benefit if the offset, whether by land exchange or monetary compensation, outweighs the impacts to the conservation agreement and values.

**IV. Approved Amendment Requirements** – The following outlines the expectations for approved amendments:

**A. Offset of Conservation Impacts** – The NCLWF must be made whole from any loss of monetary or conservation value resulting from an amendment. Proposals for offset should be discussed with NCLWF staff and submitted along with any amendment request.

Exchange of land is preferred to monetary compensation unless deemed impractical. Any proposed exchange of land should be at least three times the acreage of the impact area, of like conservation value as determined by the resource score of the current NCLWF Application Rating System, and at least equal in monetary value. Proposed exchange land must be restricted to a level equal to or greater than the original conservation agreement. For easements, a qualified easement holder must be specified and the NCLWF must be granted third-party right of enforcement. It is the NCLWF's preference that any new easements on land acquired as the result of an amendment be held by an accredited land trust. In the event that a qualified easement holder cannot be found, other options may be considered. Where no other suitable options exist, the State may serve as the holder provided that all current NCLWF standards for easement closings are followed, perpetual stewardship costs are provided and deposited in the NCLWF Stewardship Endowment, and an eligible easement monitor is identified.

In the case of an amendment required in lieu of the State's or a municipality's power to take private property for public use, the NCLWF may elect to be reimbursed, at minimum, the current fair market value, as determined by appraisal, tax value, and/or NCLWF staff, or pro-rated amount of the investment at the time of the grant contract, whichever is greater. In other cases where the approval of the amendment is solely at the Board's discretion, the terms of compensation, whether monetary or by land exchange, should be generously to the favor of the NCLWF and its conservation interests by a ratio of at least 3:1.

Funds reimbursed to the NCLWF from a conservation agreement amendment will be allocated to



an appropriate program area as determined by the Board.

- B. Other costs – All costs associated with the amendment, including survey, appraisals, other transaction expenses, increased stewardship, review by State agencies, and any fees charged by the State Property Office, will be paid by the party making the amendment request.

**V. Amendment Request Requirements** – The following outlines the minimum required information for amendment requests, although additional information may be requested as needed:

- A. Name, address, phone number, and email address of the property owner
- B. Nature of the activity proposed to be conducted
- C. Location of the activity with reference to the NCLWF project number and/or Deed book and page
- D. Map(s) of sufficient detail to accurately delineate the boundaries of the land proposed to be impacted to carry out the activity, including the location and dimensions of any disturbance associated with the activity. When possible, a GIS shapefile must be submitted
- E. Explanation of why the plan for this activity cannot be practically accomplished, reduced, or reconfigured to avoid the need to amend the conservation agreement, or alternatively to better minimize disturbance to the conservation area and its identified conservation values
- F. Plans for any best management practices or restoration practices to be used to control the impacts associated with the activity
- G. Acknowledgement of receipt of a copy of the NCLWF Conservation Agreement Amendment Guidelines and Practices.

**VI. Notifications** – The following parties will be notified by NCLWF staff at least two (2) weeks before a scheduled Board or committee discussion for Major amendments or staff decision for Minor Amendments:

- A. The original parties associated with the conservation agreement that is proposed to be amended
- B. The contracted easement monitor, when applicable
- C. The general public and other interested parties via notice posted to the NCLWF website

Versions	Revisions
July 10, 2013	Original Effective Date
September 16, 2014	Revised and Adopted
March 9, 2015	Revised and Adopted
September 14, 2016	Revised and Adopted
May 21, 2019	Revised and Adopted
May 16, 2023	Revised and Adopted

**Stewardship Program Guidelines and Practices:****Stewardship Endowment Funds Use (STW-002)**

**Background:** Beginning in 2004, State-held conservation easement projects were awarded grant funds to be held in the Stewardship Endowment (Endowment), the purpose of which was to generate funds for easement monitoring by partner organizations. Monitoring is a perpetual obligation established in NCLWF easements. In 2010, funds were also approved for management activities that protect and enhance the conservation values of these easements. Beginning in 2022, NCLWF staff has taken a more active role in monitoring and management of easements.

The purposes of the following guidelines are to outline the process for setting annual expenses from the Endowment and to formalize all Board-approved uses of the Endowment, within its statutory boundaries.

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**Guidelines and Practices:** The Board will authorize the disbursement of Endowment investment income annually at its spring board meeting. Endowment investment income authorized for spending in a given year will not exceed 4% of the total value of the Endowment, defined as the 36-month average total value ending March 31 of the current year. The Board delegates to staff the authority to use the approved disbursed funds for annual conservation agreement activities described below, in order of priority:

1. Annual monitoring and associated incidental expenses of State-held conservation agreements through contracts with organizations qualified to monitor on the State's behalf and/or through the direct employment of NCLWF staff.
2. Stewardship management funds requested for projects that will protect or enhance the conservation values of State-held conservation agreements. Each conservation agreement shall be eligible to receive funds once per fiscal year. Funds cannot be requested to remediate a violation of the conservation agreement, except in the case of third-party violation. Individual expenditures in excess of \$20,000 must be approved by the Board Chair. Individual expenditures in excess of \$50,000 must be approved by the Executive Committee.
3. Other stewardship management and administrative activities that may fall outside the scope and timeline of annual monitoring contracts and stewardship management awards. Individual expenditures in excess of \$20,000 must be approved by the Board Chair. Individual expenditures in excess of \$50,000 must be approved by the Executive Committee.

In the event that insufficient funds are available to cover all activities, annual monitoring of State-held conservation agreements will be prioritized.

All expenses will be summarized and presented to the Board at its spring meeting.

**Effective Date**

Versions	Revisions
September 16, 2014	Original Effective Date
May 21, 2019	Revised and Adopted
December 10, 2024	Revised and Adopted

**Stewardship Program Guidelines and Practices:****Stewardship Endowment Investment and Management (STW-004)****Background:**

In 2008, the General Assembly established the North Carolina Conservation Easement Endowment Fund (NCCEEF) via enactment of [G.S. 143B-135.236](#). The General Assembly has permitted the NCLWF to utilize a broader range of investment tools for a stewardship endowment including a Bond Index Fund (BIF) and Equity Index Fund (EIF), in addition to the existing Short-Term Investment Fund (STIF), per [G.S. 147-69.2](#) and [G.S. 147-69.3](#).

A Deposit Agreement between the NCLWF and the North Carolina Department of the State Treasurer permits investment in the Ancillary Government Participant Investment Program (AGPIP) at the direction of the Board.

Staff informs the Board annually of the deposits previously approved in awarded projects to establish endowment principal for new properties enrolled in the stewardship program. Staff also recommends Board approval of transaction(s) necessary to maintain the balance target asset allocations as determined by the Board. The Board shall authorize all transactions within the NCCEEF and periodically review the asset allocations among the investment funds. Since the initial deposit into the three investment funds in 2012, the target asset allocations have remained at 70% in the EIF, 22% in the STIF, and 8% in the BIF.

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**Guidelines and Practices:**

The Board shall authorize the investment into and rebalancing of the NCCEEF annually at their discretion per [G.S. 143B-135.236](#). Staff shall report to the trustees the number of new projects included in the NCCEEF and the amount required to be allocated to the NCCEEF to fully fund their stewardship. Staff shall also report the most recent NCCEEF investment fund balances and make recommendations for rebalancing the asset allocation including any withdrawals necessary to fund annual Stewardship Program operations consistent with STW-002. The allocation between the three investment funds shall be at the sole discretion of the Board. The Executive Director will be authorized by the Board to sign for and execute NCCEEF transactions.

**Effective Date**

<b>Versions</b>	<b>Revisions</b>
February 13, 2012	Original Effective Date
December 10, 2025	Revised and Adopted

**Stewardship Program Guidelines and Practices:****Retired Principal Guidelines and Practices (STW-006)**

**Background:** Beginning in 2004, State-held conservation easements received funds to be held in the Stewardship Endowment. Some of these properties will be transferred to State ownership; when the land is conveyed, the partner's monitoring obligation is extinguished and they are no longer reimbursed for monitoring services for the property. This principal cannot be withdrawn from the Endowment.

The purpose of these guidelines is to formalize approved options to reallocated unassigned principal from these projects.

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**Guidelines and Practices:**

When a property under State-held conservation easement is transferred to State ownership and the Fund notified of this transfer, the obligation for the easement steward to monitor the property is terminated. Funds held in the stewardship endowment must remain in the endowment and available for stewardship program expenses. Retired principal may remain unallocated or be reassigned, with Board approval, as follows:

1. Assigning the principal to a State-held conservation easement that does not have endowment funds for monitoring. Staff will identify a qualified easement steward, negotiate annual monitoring costs, enter into contract with the organization, and record the obligation to monitor in the county register of deeds if appropriate.
2. Assigning the principal to an underfunded State-held conservation easement, when costs significantly outweigh the available funds allotted to the project. Staff will negotiate monitoring costs with the stewardship organization and increase the reimbursable property cap.

**Effective Date**

Versions	Revisions
May 21, 2019	Original Effective Date



## Stewardship Program Guidelines and Practices:

### Conservation Agreement Enforcement (STW-007)

**Background:** On behalf of the State, the North Carolina Land and Water Fund (“NCLWF”) makes substantial grants of State funds and acquires conservation agreements from landowners to protect the conservation values of lands and waters. These conservation agreements include conservation easements and other agreements. NCLWF has the perpetual duty to enforce these conservation agreements to protect the conservation values of the lands and waters covered by these agreements and to protect the investment of State funds. When the terms of a conservation agreement are violated, NCLWF has the responsibility to address the violations in an effective, timely, prudent, and consistent manner.

The purpose of these Guidelines and Practices is to define roles and responsibilities, classify violations, establish priorities, identify appropriate corrective actions, and establish reporting and notification requirements.

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#### Guidelines and Practices:

##### 1. Roles and Responsibilities

Contracted conservation agreement monitors, NCLWF Staff, the NCLWF Board of Trustees, Department of Natural and Cultural Resources legal counsel, the State Property Office, and the Attorney General’s Office all have roles in the enforcement of conservation agreements acquired by the State:

- a. In accordance with these enforcement guidelines, staff will develop more detailed procedures for the documentation, evaluation, and resolution of potential and confirmed violations of conservation agreements.
- b. Upon identification of a potential violation, Staff will, in cooperation with the contracted monitor, document the facts of the potential violation including aggravating and mitigating factors. Based upon its research and documentation, Staff will determine whether a violation has in fact occurred, and if so, the level of the violation.
- c. When a violation is confirmed, Staff will develop strategies for remedying the violation and, with assistance from the contracted monitor and/or Department legal counsel, seek resolution with the landowner as the first line of response to the violation.
- d. For ongoing, repeated, major, or high-profile violations, including those that may require litigation, Staff will notify the Chair of the Board of the violation and the corrective action proposed by Staff. The Chair may authorize staff to continue handling the violation or refer consideration of the violation to the Board through a regular or special meeting to determine if litigation is required.
- e. If the Chair refers a violation to the Board as provided above, the Board may engage the State Property Office and the Attorney General’s Office to review the violation and to proceed with litigation or other legal remedies.



- f. If Staff learns of a threatened violation that rises to the level of an emergency, Staff will consult with the Chair of the Board, Department legal counsel, the State Property Office, and the Attorney General's Office, and with the Chair's authorization, take immediate action up to and including seeking a temporary restraining order and a preliminary injunction to prevent the damage that would otherwise occur from the emergency. An emergency is an imminent threat of a moderate or major violation that would cause immediate and irreparable harm to the conservation values protected by a NCLWF conservation agreement unless action is immediately taken.

## 2. Violation Classification

Violations vary in scope, impact, and permanence. The following categories are a general guide to the levels of severity of violations:

- a. Procedural violations – violations in which the landowner fails to comply with a required procedure of a conservation agreement, including but not limited to failures to give notice to or seek approval from NCLWF or the State and failures to refer to the conservation agreement in subsequent deeds or instruments conveying an interest in the property subject to the conservation agreement.
- b. Minor violations – violations that, because of limited scope, impact, and/or duration, have a negligible impact on a conservation agreement's purposes and conservation values.
- c. Moderate violations – violations that have a measurable impact on a conservation agreement's purposes or conservation values, but restoration to prior condition may still be possible.
- d. Major violations – violations that have or may have serious, potentially irreversible impacts on a conservation agreement's purposes or conservation values.

## 3. Corrective Actions

When determining the necessary corrective actions for confirmed violations, NCLWF will consider resolutions and remedies tailored to the classification of the violation, the violation's impact to the relevant conservation purposes and values, the intent of the original grant award, and aggravating and mitigating factors. NCLWF may seek one or more corrective actions to address violations, including but not limited to the following:

- a. Negotiated Cooperative Resolution - If an activity has impacted the conservation values and must be stopped, NCLWF may negotiate a cooperative resolution with the landowner, such as restoration of prior condition, recordation of corrective instruments, or prevention of third-party trespass.
- b. Update of Plan - If the activity does not impact the conservation values, and the conservation agreement references a Memorandum of Understanding, Recreational Plan, or other Management Plan, NCLWF and the landowner may update the plan following any requirements put forth in the conservation agreement.
- c. Letter of Interpretation - If a landowner asserts that it is unclear that the relevant conservation agreement restricts an activity in question, NCLWF may issue a letter of interpretation for clarification.
- d. Amendment - Subject to all applicable law, including but not limited to the Conservation and Historic Preservation Agreements Act, and NCLWF's STW-001 Conservation Agreement Amendment Guidelines and Practices, a landowner may seek amendment of a conservation



agreement for an activity that does not have a significant impact on conservation values or for which impacts will be mitigated and does not result in impermissible private benefit.

- e. Litigation - For violations that cannot be resolved by other non-litigation means after such means have been attempted by Staff, NCLWF may seek litigation or other legal remedy via the State Property Office and Attorney General's Office.

#### 4. Enforcement Priorities

Violations will be prioritized to maximize protection of the purposes and conservation values covered by conservation agreements, the funds invested in them, and the program's integrity and goodwill. If the violation is ongoing, repeated, or results in impermissible private benefit, these circumstances will be considered in prioritizing the violation for enforcement action. Non-enforcement with respect to a violation shall not constitute a waiver of the State's right to enforce against the violation or any other violation in the future.

#### 5. Reporting and Notification

NCLWF staff will keep the Board apprised of violations:

- a. Staff will notify the Chair of the Board of any major violation promptly after the violation is confirmed and of any high-profile, ongoing, or repeated violations that may require legal remedy.
- b. If an emergency action was taken, such action will be brought to the attention of the Board as soon as practicable.
- c. Staff will report to the Board annually on the numbers, classification, and status of all violations.

#### Effective Date

Versions	Revisions
May 24, 2021	Original Effective Date

#### Stewardship Program Guidelines and Practices:

#### Third-Party Right of Enforcement (STW-008)

**Background:** On behalf of the State, the North Carolina Land and Water Fund ("NCLWF") makes substantial grants of State funds and acquires conservation agreements from landowners to protect the conservation values of lands and waters. These conservation agreements include conservation easements and other agreements. NCLWF has the perpetual duty to enforce these conservation agreements to protect the conservation values of the lands and waters covered by these agreements and to protect the investment of State funds. When the terms of a conservation agreement are violated, NCLWF has the responsibility to address the violations in an effective, timely, prudent, and consistent manner.



The purpose of these Guidelines and Practices is to define roles and responsibilities, classify violations, establish priorities, identify appropriate corrective actions, and establish reporting and notification requirements.

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**Guidelines and Practices:**

1. It is the requirement and expectation of the NCLWF that the holder of a conservation agreement recorded as part of a NCLWF grant award enforce the terms of the conservation agreement in perpetuity through any and all means and authorities under law or equity.
2. The NCLWF reserves the right, but is not obligated, to exercise its third-party right of enforcement if it determines that the conservation agreement holder has failed to enforce the terms of the conservation agreement. Non-enforcement with respect to a violation shall not constitute a waiver of the State's third-party right to enforce against the violation or any other violation in the future.
3. If NCLWF staff, in consultation with Department of Natural and Cultural Resources legal counsel, determines that the State should exercise its third-party right of enforcement, staff will follow the procedures established in the NCLWF's Conservation Agreement Enforcement (STW-007) to assess the severity of violation and the possible actions for addressing the violation.

**Effective Date**

<b>Versions</b>	<b>Revisions</b>
February 28, 2023	Original Effective Date



## Stewardship Program Guidelines and Practices:

### Construction of Trails (STW-009)

**Background:** The NCLWF has allowed for construction of hiking trails as a standard right and on occasion other trails approved on a case-by-case basis, such as mountain bike trails. Staff and trustees recognize that proper trail construction is as, if not more, important than the impacts of the trail users. These Guidelines and Practices are to ensure that new trails, when intended for general public use, or subject to frequent use by large numbers of individuals, are planned and constructed to the most up-to-date, sustainable standards and prioritize protection of the conservation values. These Guidelines and Practices will apply to State-held conservation easements and other conservation instruments that NCLWF must approve, such as restrictive covenants. Private trails for personal use by the landowner and a small number of guests that will not have more than a de minimis impact on the land, water quality, or environment are excepted from the application of these guidelines. Trails on land outside of the NCLWF easement area(s) are also excluded from the application of these Guidelines and Practices.

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#### Guidelines and Practices:

Easements recorded after July 1, 2017, will include language that requires all new trail construction and realignment requiring soil disturbance to follow best practices for sustainable trail design and construction and to have prior written approval by NCLWF staff, per the guidance below. Private trails for personal use by the landowner and a small number of guests that will not have more than a de minimis impact on the land, water quality, or environment (i.e. soil disturbance) are excepted from the application of these guidelines.

#### 1. Design and Construction Guidance:

- a. Trails must be constructed so as to have minimal adverse impact on the Conservation Values of the easement area either during or after construction
- b. Boardwalks, ramps, and handrails are permitted as required by terrain
- c. Park benches, litter receptacles, and trail/feature signs may be constructed along trails; and
- d. NCLWF does not require trails to be built to current accessibility standards, but will allow trails to be constructed to reasonably accommodate accessibility if required by local ordinances or other funding sources or if desired by the landowner(s).

#### 2. In approving trail design, NCLWF staff will consider:

- Designer qualifications – The trail design should be prepared by a qualified trail designer, approved by staff. In determining qualifications, staff will review previous trails designed by the trail designer and must see a proven track record of sustainably designed trails.
- Builder qualifications – The building team should be led by a qualified builder, approved by staff. In determining qualifications, staff will review previous trails constructed by the trail builder and must see a proven track record of sustainably constructed trails. Though not required with otherwise acceptable qualifications, NCLWF prefers a member of a recognized trail building group, such as the Professional Trail Building Association.



- Trail alignment - The trails should be a minimum of 50 feet from the top of bank of any streams except at stream crossings and should avoid other sensitive areas, such as wetlands, natural heritage elements, and historic and cultural sites. Planned access points to streams and other features of interest are permitted where appropriate.
- Planned trail width - Current design standards for a single-track trail are no more than 48", though wider trails may be approved if deemed appropriate for permitted uses; paved greenways should follow guidelines established by local ordinances or other requirements set by funding sources such as Dept. of Transportation.
- Stream crossings - The number of stream crossings will be minimized as will the impact to the stream and they shall be located and constructed in such a way as to maximize water quality protection.
- Trail length – Trails should be long enough to distribute impact. For biking and equestrian trails, the NCLWF prefers a minimum trail length of 5 miles on the subject tract or connection to a trail network of at least 5 miles.
- Topography – Trails shall be constructed utilizing the then-current best practices. For example, current sustainable trails guidelines include:
  1. Trail grade no greater than half of the side slope grade,
  2. Average trail slope not more than 10%,
  3. Maximum sustainable grade,
  4. Frequent grade reversals; and
  5. Outsloping trails.
- Management and maintenance – A trail management plan that includes regular inspection and maintenance activities, such as, but not limited to de-berming, removing obstructions, and/or cleaning grade dips, shall be submitted with the design and construction request.
- Subject matter experts – Staff will utilize available resources to assist in trail design review. These can include NC Division of Parks and Recreation Trail Planners, Natural Heritage Program staff, and State Historic and Cultural resources staff, among others.
- 3. NCLWF will retain the right to deny new trails or require maintenance or closing of any existing trails that are considered detrimental to conservation values.
- 4. The prohibition on use of motorized vehicles except for management and stewardship will remain as standard language in the easement. Electric bicycles with a motor not exceeding 750 watts that have a pedal-assist function but are not equipped with a throttle and medically necessary mobility devices are excepted from the NCLWF's definition of "motorized vehicle."

### **Easements recorded prior to July 1, 2017**

When an existing easement is silent on construction of biking trails, staff will have full discretion in



allowing mountain bike trail rights not explicitly reserved under the terms of the easement. Staff will consider all of the requirements listed above, and any additional information specific to the easement, including intent of the original landowner if the fee ownership has changed.

#### Effective Date

Versions	Revisions
March 1, 2017	Original Effective Date
June 5, 2018	Revised and Adopted
December 10, 2025	Revised and Adopted