

AGENDA

**North Carolina Land and Water Fund
Board of Trustees Meeting**
September 20, 2022, 3:30 p.m. – 5:00 p.m.

**North Carolina Museum of History
Longleaf Meeting Room (on the lowest level)
5 East Edenton Street, Raleigh, North Carolina**

This meeting will also be available to the public by teleconference. Please contact Terri Murray at teresa.murray@ncdcr.gov or 919-707-9122 to request a meeting invitation/call-in for the meeting.

Board of Trustees:

John Wilson (Chair), Ann Browning, Greer Cawood, Amy Grissom, Renee Kumor, Mike Rusher,
Jason Walser, Darrel Williams, David Womack

COMMENCEMENT

- 1) Call to Order (Chair)**
 - a) Welcome**
 - b) Roll call**
 - c) Compliance with General Statute § 138A-15**

General Statute § 138A-15 mandates that the Chair inquire as to whether any Trustee knows of any conflict of interest or the appearance of a conflict of interest with respect to matters on the agenda. If any Trustee knows of a conflict of interest or the appearance of a conflict of interest, please state so at this time.
 - d) Please put cell phones on vibrate or turn off**
 - e) Revisions, additions, and adoption of the agenda**
- 2) Consent Agenda (Chair)**
 - a) Approval of minutes from the May 2022 board meeting**
 - b) Request to extend the date to enter into a construction contract for existing grants**
- 3) Secretary's Update (Reid Wilson)**
- 4) Executive Director's Update (Will Summer)**

PUBLIC COMMENTS

The public is invited to make comments to the Board (Chair) *three minutes per person*

BUSINESS

- 1) Consideration of Executive Committee recommendations (Chair)**
- 2) Consideration of Acquisition Committee recommendations (Chair)**
- 3) Consideration of Restoration, Innovative Stormwater, and Planning Committee recommendations (Chair)**
- 4) Consideration of Endowment Deposit Strategy (Will Summer)**

ADJOURNMENT

Consent Item**Staff member: Steve Bevington**

Agenda Item Consent 2b) Request to extend the date to enter into a construction contract for existing Restoration Program Grants.

NCLWF wastewater, stormwater, and restoration construction projects approved after January 1, 2006 are subject to NCGS §113A-254 requiring grant recipients to enter into a construction contract for the project within one year after grant award. The statute states that the award is withdrawn unless the NCLWF Board of Trustees finds that the applicant has good cause for failing to meet this requirement. The statute further states that, if the Trustees find good cause for the failure, they then must set a date by which the grant recipient must take action or forfeit the grant.

The following grant recipients have submitted information summarizing the reasons for their delay in entering into a construction contract and have proposed a new date for doing so.

Project Number & Name	Current Construction Contract Deadline	<i>Proposed</i> Construction Contract Deadline
2021-419 RI - EQIP Restoration - Boylston Creek	9/15/22	6/30/23
2021-401 Apex -UT to Beaver Cr	9/15/22	6/30/23
2021-405 CC - Pleasant Grove Floodplain	9/15/22	6/30/23
2021-405 CC - Pleasant Grove Floodplain	9/15/22	6/30/23
2021-409 Laurel Park - Laurel Green Creek	9/15/22	6/30/23
2021-411 Morganton - Bethel Park	9/15/22	6/30/23

Staff recommendation

Staff supports all six of these extensions as each grantee was offered a contract more than five months after the award date and is up-to-date on progress reports. Further, COVID-19 has complicated work for all grantees and some delays this year were inevitable given work conditions this past year.

Board action needed

Motion to adopt, amend, or reject the request to extend the date to into enter a construction contract as shown in the table above.

Action Item

Staff member: Will Summer

Agenda Item 1) Executive Committee Recommendation

Background information

The Executive Committee met on September 2 and made a recommendation on how much of the available funds each committee should allocate to grant awards. Committees will make funding recommendations consistent with that allocation. However, this recommendation also directs staff on how to implement projects with additional revenue received during the remainder of the fiscal year, so it should be officially approved by the board.

Committee recommendation

The committee recommends for the 2022 grant cycle that all available funds be allocated as follows: 80% of funds to the Acquisition Committee, 20% of funds to the Restoration, Innovative Stormwater, and Planning Committee. The Acquisition Committee will be charged with allocating funding for the Donated Mini-Grant Program. The Restoration, Innovative Stormwater and Planning Committee will be charged with allocating funding for each of their three program areas based on the merit of the applications during project review. All returned or unspent grant funds received after the funding meeting will revert to their respective programs to be used for provisional awards for the remainder of the fiscal year.

Board action needed

Approve or amend the committee recommendation.

Action Item**Staff member: Will Summer**

Agenda Item 4) Endowment Deposit Strategy**Background information**

In May the board directed staff to deposit \$2.5 million into the stewardship endowment to cover monitoring expenses from grants awarded prior to initial establishment of the endowment. Normally, staff deposits these funds into the endowment in one transfer at the board approved allocation between the funds: 70% in equities, 22% in short-term investments, and 8% in bond funds. However, with the current market uncertainty and this being an unusually large deposit, staff would like to use a dollar cost averaging strategy to mitigate the risk of market timing. This is consistent with the board's decision in 2012 when the initial \$2 million investment was moved into the equity fund in 12 equal payments over a year. Staff is requesting some additional flexibility in timing to accommodate coordination between NCLWF, DNCR Finance, and the Office of the State Treasurer.

Staff recommendation

Direct staff to deposit the entire \$2.5 million into the Short-term Investment Fund (STIF). Over the next 12 months staff will transfer funds into the Equity Index Fund (EIF) and Bond Index Fund (BIF) in payments not greater than 20% of the total and not less frequently than quarterly. Staff will adjust deposits so that the endowment will be balanced per the deposit agreement by the end of the period: 70% in EIF, 22% in STIF, and 8% in BIF.

Board action needed

Approve, amend, or deny the staff recommendation.