

AGENDA
North Carolina Land and Water Fund
Executive Committee Meeting
August 30, 2023, 1:00 p.m. – 4:00 p.m.

This meeting will be held via teleconference and will have a physical location on the 4th floor of the Nature Research Center located at 121 West Jones Street, Raleigh, NC in room 4508. If any member of the public would like to join to the meeting via MS Teams or in person, please contact Terri Murray at teresa.murray@ncdcr.gov or 919-707-9400 in advance for links or directions.

Committee Members:

John Wilson (Chair), Jason Walser, Ann Browning, Amy Grissom

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, and if you are a guest joining remotely, please mute your audio and turn off your video unless you are called upon to speak

e) Revisions, additions, and adoption of the agenda

2) Executive Director's Update (Will Summer)

PUBLIC COMMENTS

The public is invited to make comments to the Board (Chair)

The NCLWF policy manual states that 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. Comments will be limited to three minutes per person.

BUSINESS

1) Available Funds (Terri Murray) Staff will review the funding currently available.

2) Stewardship Endowment Proposal: Options for Addressing Unfunded Easement Monitoring (Justin Mercer) Staff will present an update on the efforts to address unfunded monitoring needs.

- 3) **Allocation of Funding for 2023 Applications** (Will Summer) The committee will discuss allocation of available funding between programs and make a recommendation for the September meeting.
- 4) **E-bikes and NCLWF Conservation Agreements** (Justin Mercer) Staff will brief the committee on current status of E-bikes in NCLWF conservation agreements and request direction for further consideration.

ADJOURNMENT

Information Item**Staff member: Terri Murray**

Agenda Item 1) Current Available Funds

Staff will review the funds currently available.

NCLWF Expected Funding Availability as of 8-23-2023**Sources of Funding****Current****Appropriations (FY 23-24)**

Appropriations - Base Budget (recurring) \$23,157,530

Appropriations - Military Buffers (recurring) \$1,000,000

Subtotal \$24,157,530**Receipts and Unencumbered Funds**

Unallocated Funds through June 30, 2023 \$2,828,958

Unencumbered Funds since July 1, 2023 \$3,348,598

License Plate Revenue (July and August, 2023) \$1,002,054

Subtotal \$7,179,610**Total \$31,337,140**

Additional License Plate Revenue Estimated through June 30, 2024 \$4,500,000

Action Item**Staff member: Justin Mercer**

Agenda Item 2) Stewardship Endowment Proposal - Options for Addressing Unfunded Easement Monitoring**Background**

The North Carolina Land and Water Fund was established in 1996 with its first conservation easement recorded in 1997. In recognition of the importance of the stewardship of the State's conservation interests, the North Carolina Conservation Easement Endowment Fund (Endowment) was created in 2008 to enable NCLWF to conduct stewardship activities in perpetuity, chiefly monitoring and enforcement of the State's easements. Every new project funded by NCLWF and protected by a State-held conservation easement includes funds to transfer into the Endowment Fund. Because endowment funds were not held by NCLWF prior to 2006, many projects protected by NCLWF easements were completed without any dedicated monitoring funds set aside nor monitors identified, affecting 412 easements.

In 2022, the NCLWF Board of Trustees (Board) approved the deposit of \$2.5 million in unused grant funds into the endowment to be assigned to unfunded easement monitoring. In addition, the Board approved up to an additional \$3 million to be deposited over the next three years with the goal of funding all unmet monitoring needs.

At its meeting on June 13, 2023, the Executive Committee approved two recommendations to the full Board for consideration at the next meeting in September. Recommendation one would propose the transfer of an additional \$1.5 million in unspent 2022 grant funds into the Stewardship Endowment principal. Recommendation two would allow the Stewardship Manager to request up to an additional \$1.5 million from the Board in direct competition with 2023 grant applications.

At the end of FY 22-23, there was more funding available from unencumbered grants than initially anticipated: \$2,828,957.81. Based on this information, staff is recommending an amendment of the previous Executive Committee recommendation that would eliminate the need to consider additional endowment funding from the FY 23-24 appropriations.

Staff recommendations

1. Amend the prior recommendation and increase the allocation to be deposited into the Endowment principal from \$1.5 million to the amount remaining unspent in FY 22-23, approximately \$2.83 million.
2. Retract the prior recommendation to "consider an additional contribution to the Endowment along with 2023 grant applications at the funding meetings scheduled for

September 19 and 20, 2023 up to the total amount of \$3 million approved by the Board in 2022”.

Committee action needed

Approve, deny, or amend the staff recommendations and make a recommendation to the Board.

Action Item**Staff member: Will Summer****Agenda Item 3) Allocation of Funding for 2023 Applications****Background information**

In 2021 and 2022, the board allocated 80% to the Acquisition Committee and 20% to the Restoration, Innovative Stormwater and Planning Committee, generally reflective of the demand for those years. For the seven years prior to that, the board allocated 75%/25% to the committees respectively. For the past five years, the Executive Committee has recommended that the Restoration, Innovative Stormwater and Planning Committee be responsible for determining the funding between their three program areas at the board meeting based on the merit of the applications, rather than determine a set percentage ahead of the review meeting.

In recent years, the Executive Committee elected to take any unspent funds from each program in the prior cycle and combine them with new revenue before reallocation for simplicity.

The breakdown of the 2023 applications between the programs is as follows:

	# of apps	% by number	requested \$	% by amount requested
Acquisition	75	65.8%	\$ 60,130,901	81.3%
Restoration	22	19.3%	\$ 12,472,460	16.9%
Innovative Stormwater	2	1.8%	\$ 488,321	0.7%
Planning	15	13.2%	\$ 852,197	1.2%
Total	114		\$ 73,943,879	

Staff recommendation (percentages to be completed by the committee)

The committee recommends for the 2023 grant cycle that all available funds be allocated as follows: ____% of funds to the Acquisition Committee, ____% of funds to the Restoration, Innovative Stormwater, and Planning Committee. The Acquisition Committee will be charged with allocating funding for the Donated Minigrant 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.

Committee action needed

Make a recommendation for the funding committees and board to consider at the September funding meeting.

Information Item**Staff member: Justin Mercer**

Agenda Item 4) E-bikes and NCLWF Conservation Agreements**Background**

In 2017, the North Carolina Land and Water Fund Board of Trustees adopted policy ACQ-006 Construction of Natural Surface Trails to govern the manner in which hiking and mountain biking trails are built within NCLWF conservation agreements. The policy applies to all agreements recorded after July 1, 2017 and retroactively applies to prior recorded agreements that were silent on the construction of mountain bike trails. Trail plans are reviewed and amended or approved based upon sustainable design specifications and potential impacts to conservation values. Hiking trails remain a standard reserved right within NCLWF conservation agreements and mountain bike trails are now considered a standard optional right (needing approval at the time of funding). This policy also affirms that the prohibition on the use of motorized vehicles except for management and stewardship remains as standard easement language.

As the popularity and availability of e-bikes grow, many federal agencies, state agencies, and non-profit organizations are revisiting their stances on e-bikes and their classification as motorized vehicles. Within the past twelve months, staff has seen an increase in the number of requests to allow Class 1 e-bikes on existing trails within State-held conservation agreements.

Staff is compiling information for further discussion at a future committee meeting and would appreciate any initial feedback from the Executive Committee regarding any concerns or other information members would like for us to gather for future deliberation.