

NORTH CAROLINA LAND AND WATER FUND
BOARD OF TRUSTEES MEETING

VIRTUAL MEETING

Tuesday, December 6, 2022
1:00 P.M.

Volume 1
Pages 1 through 56

A P P E A R A N C E S

(All Parties Participated by Microsoft Teams)

Board of Trustees:

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

Staff:

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

P R O C E E D I N G S

1:00 P.M.

1
2 Chairman Wilson: I'd like to call
3 today's meeting of the North Carolina Land and Water
4 Fund Board of Trustees to order. I'm John Wilson, the
5 board chair. I'd like to welcome all who are with us
6 today whether in person or by Teams or telephone or
7 otherwise. With that, I'll call the roll of our
8 trustees. Please indicate that you're here if you're
9 here; Ann Browning?

10 Vice-Chair Browning: Here.

11 Chairman Wilson: And I think Greer
12 Cawood will be joining us in a few minutes; Amy
13 Grissom?

14 Ms. Grissom: Here.

15 Chairman Wilson: Renee Kumor?

16 Restoration Committee Chairman Kumor: Here.

17 Chairman Wilson: Mike Rusher; I'm not
18 hearing Mike. Are you muted, Mike, or maybe not here
19 yet; all right, Jason Walser?

20 Acquisition Committee Chairman Walser: Here.

21 Chairman Wilson: Darrel Williams; I'm
22 not hearing Darrel yet; David Womack?

23 Mr. Womack: Here.

24 Chairman Wilson: All right, and John
25 Wilson, that's me. I'm here, too. General Statute

1 § 138A-15 mandates that the Chair inquire as to whether
2 any Trustee knows of any conflict of interest or the
3 appearance of a conflict of interest with respect to
4 matters on the agenda. If any Trustee knows of a
5 conflict of interest or the appearance of a conflict of
6 interest, please state so at this time? Okay, I'm not
7 hearing any. I'll move on. In a related matter,
8 General Statute § 138A also requires us to record into
9 our minutes a couple of potential conflicts of interest
10 identified by the State Ethics Commission. After
11 reviewing our board members' annual submissions of our
12 statements of economic interest, there were no actual
13 conflicts of interest identified, but there were three
14 Trustees, myself, John Wilson, Amy Grissom, and Darrel
15 Williams who have potential for a conflict of interest.
16 The potential for a conflict of interest for me was
17 associated with membership in non-publicly owned
18 companies that have real estate assets. The potential
19 for a conflict of interest for Ms. Grissom was
20 associated with her interest in a couple of limited
21 partnerships and limited liability companies, and the
22 potential for a conflict of interest for Mr. Williams
23 was associated with his role on the Board of Directors
24 of the North Carolina Nature Conservancy. Trustees
25 with potential for a conflict of interest, and all

1 Trustees for that matter, should exercise appropriate
2 caution in the performance of public duties if and when
3 issues related to potential conflicts of interest come
4 before the Board for official action. All right, so
5 now let me ask everyone to please make sure your mobile
6 phones and computers won't make any noise unless you
7 are recognized to speak. I'll now ask if there are any
8 revisions or additions to today's agenda.

9 Vice-Chair Browning: Mr. Chair, I move we
10 approve the agenda. This is Ann.

11 Chairman Wilson: Okay, thanks, Ann.

12 Restoration Committee Chairwoman Kumor:
13 Renee, second.

14 Chairman Wilson: Thank you, Renee;
15 second, any discussion; all right, all in favor, let's
16 see; I'm going to call roll since we're all here by
17 Teams. This is regarding adopting today's agenda. How
18 do you vote, please, Ann?

19 Vice-Chairman Browning: Yes.

20 Chairman Wilson: Greer, speak up when
21 you are here. I'm going to skip you; Amy?

22 Ms. Grissom: Yes.

23 Chairman Wilson: Renee?

24 Restoration Committee Chairman Kumor: Yes.

25 Chairman Wilson: Mike?

1 Mr. Rusher: Yes.

2 Chairman Wilson: Jason?

3 Acquisition Committee Chair Walser: Yes.

4 Chairman Wilson: Darrel; okay,

5 Darrel's not with us yet; David?

6 Mr. Womack: Yes.

7 Chairman Wilson: And John is a yes.

8 All right, we have adopted our agenda. We will now
9 move on to approving the minutes for the September 2022
10 board meeting. Are there any suggested changes to the
11 minutes? I have one, and that is on page 50, five
12 zero, line 15. Marissa actually said half a million
13 rather than five million. She was referring to when
14 the total cost of a property exceeds \$500,000.00, which
15 she phrased as a half a million, two appraisals are
16 required. So that's my requested change to change that
17 to half a million rather than five million because
18 Marissa did, of course, explain correctly. It was just
19 not correct in the minutes; any other suggested changes
20 to the minutes. Okay, let me ask for a motion to
21 accept the minutes, if you don't mind also including my
22 request to change; anybody want to make that motion?

23 Mr. Womack: This is David. I
24 do, so moved.

25 Chairman Wilson: Thanks, David;

1 second, anyone?

2 Ms. Grissom: I'll second, Amy.
3 I'll second it.

4 Chairman Wilson: Amy seconds, any
5 discussion regarding the minutes? Okay, how do you
6 vote, please; Ann?

7 Vice-Chairman Browning: Yes.

8 Chairman Wilson: Amy?

9 Ms. Grissom: Yes.

10 Chairman Wilson: Renee?

11 Restoration Committee Chairman Kumor: Yes.

12 Chairman Wilson: Mike?

13 Mr. Rusher: Yes.

14 Chairman Wilson: Jason?

15 Acquisition Committee Chair Walser: Yes.

16 Chairman Wilson: Is Darrel here yet,
17 no Darrel; David?

18 Mr. Womack: Yes.

19 Chairman Wilson: And John is a yes,
20 also. All right, we have adopted -- approved our
21 minutes for the September 22 board meeting. Now move
22 on to our executive director's update with Will Summer.

23 Executive Director Summer: Thank you, Mr.
24 Chair, and good afternoon, board members, staff, and
25 guests; the last time the entire board got together was

1 the funding meeting in September. Those are two very
2 long, but very productive days, and we've since
3 gathered some stats from that meeting, and before we
4 move on, I'd like to share a few of my favorites. So
5 at that meeting your votes protected 2,000 -- 27,157
6 acres, including the following that will be open to the
7 public; 10,000 acres added to NC Wildlife Resource
8 Commission game lands, 5,000 to NC State parks, 7,000
9 acres in local parks and preserves, 15 sites with
10 historic and cultural resources, and 5.5 million
11 protecting over 6,200 acres that protect the military
12 mission. Also approved was over 36 miles of the
13 State's waterways being restored or enhanced, including
14 trout waters, pocosins, and coastal habitats; 166 types
15 of rare plants, animals, and natural communities that
16 were protected, including 55 plants and animals that
17 are threatened or endangered. So we all know it was a
18 big day, but some of these stats really drive that
19 home. And I also would like to update you on the flood
20 risk reduction program status. We received 61
21 applications totaling over 81 million in requests for
22 the phase one application; 32 of those applications
23 were a good fit for the program, and those were invited
24 to complete phase two applications, and of those we
25 received 20 completed phase two applications totaling

1 over \$20,000,000.00. Staff is reviewing those now, and
2 we have scheduled a flood risk reduction committee
3 meeting for January 24th. We're also excited to be on
4 the precipice of the 2023 grant cycle. Staff is
5 working hard on the application and funding manual now,
6 which we will release on December 15th. And we've also
7 decided to extend our grant deadline which is usually
8 February 1st until February 15th. We know that the end
9 of the year can be a bit of a crunch for our partners
10 with the holidays and closings, and we hope this helps.
11 For the benefit of our partners that may be listening,
12 I would also like to request that you use the time to
13 take extra care in completing the applications. In
14 many years, we have had time to go back and forth with
15 applicants that may have submitted incomplete
16 information, and we just don't have that capacity to do
17 that this year with a 130 million in grants that we
18 have approved over the last two years, so thank you in
19 advance for doing your best to ensure that you don't
20 lose any critical points for an incomplete application.
21 And that concludes with my report, Mr. Chair; thank
22 you.

23 Chairman Wilson: Thank you, Will; now
24 we'll move on to the public comment section of our
25 meeting, and before I open the floor for public

1 comments, I'd would like to remind our guests that
2 North Carolina Land and Water Fund policy prohibits
3 using this time to advocate for individual projects
4 being considered during this meeting. Other public
5 comments on general issues falling within the
6 jurisdiction of the Land and Water Fund are welcome,
7 but please limit any comments to three minutes per
8 person. Would any member of the public like to address
9 the board? Okay, hearing none, we will now move on to
10 the business portion of our meeting starting with the
11 Executive Committee report, and as Chair of the
12 Executive Committee, I'd like to thank my fellow
13 committee members, the Board Chair -- the Board Vice
14 Chair Ann Browning, Restoration Committee Chair Renee
15 Kumor, and Acquisition Committee Chair Jason Walser, as
16 well as our staff for an excellent meeting that
17 identified several matters that the Executive
18 Acquisition and Restoration Committees will consider in
19 the coming months. And with that, I'll hand the mike
20 back over to Will Summer to walk us through this.

21 Executive Director Summer: Thank you, Mr.
22 Chair; so the Executive Committee met in November to
23 consider a laundry list of potential issues that staff
24 has been collecting, either for our own clarification
25 or things that we've heard from Trustees that they

1 would like to address. It's generally our practice to
2 tackle these types of issues at committee meetings in
3 the winter and spring, and then have the full board
4 approve them at the May meeting. In the spirit of
5 being a little more deliberate and involving committee
6 leadership earlier, we started with the Executive
7 Committee this year to help vet items that the other
8 committees might consider. To that end, here's a
9 summary of the items that the committee heard and
10 decided to work on and task other committees with in
11 the coming months. So first, I'll go over the three
12 items that the Executive Committee itself will take up.
13 The first item is third-party right of enforcement and
14 conservation agreements. This affects agreements which
15 are associated with our program, but where the State is
16 not the primary holder, such as easements on matching
17 portion of acquisition projects, restoration projects,
18 and those secured through the Donated Minigrant
19 program.

20 Chairman Wilson: Excuse me,
21 Will?

22 Executive Director Summer: Yes, sir.

23 Chairman Wilson: I'm sorry. Are
24 you all advancing the screen to this agenda item? I
25 don't see that yet. Maybe mine's just behind.

1 Executive Director Summer: Yeah, so --
2 yeah, Will, would you mind just going to this agenda
3 item? There will be a kind of a bulleted list.

4 Mr. Price: Will do.

5 Executive Director Summer: I believe so,
6 yeah. It'll be page 2. While Will brings that up, I
7 will -- I will continue. So it's going to be our goal
8 to establish a clear definition and expectations for
9 the third-party rights. The second item for the
10 Executive Committee is the Decision Matrix Policy. So
11 inevitably there are changes to projects after you
12 approve them. Some are small and some can be more
13 substantial, and we have a process and a tool
14 affectionately called the Decision Matrix, by which we
15 measure the changes in a project and determine who can
16 approve the change. I can approve modest changes.
17 John, as Chair, can approve moderate changes, and
18 anything over a certain threshold must come back to the
19 Board. Our goal in revisiting this is just to
20 establish a little clarification for this process in a
21 few areas. And finally, from the Executive Committee,
22 I have heard the idea of diversity, equity, and
23 inclusion considerations in our rating system. I think
24 we all understand that the work we do provides a
25 variety of benefits; clean air, clean water,

1 temperature regulation, and recreation opportunities to
2 citizens who live near these areas, but this Board has
3 an elevated prospects from time to time to ensure that
4 smaller communities that would not otherwise receive
5 funding could be successful, and the Board dipped its
6 toe in the water of incorporating some measure of
7 equity in the rating system for the flood risk
8 reduction program with the inclusion of opportunity
9 zones in the match portion of the application. To that
10 end, the committee will meet to see if and how these
11 considerations might be incorporated into our larger
12 rating system for the other programs, which has proven
13 over the years to be an effective driver of behaviors
14 from our partners. The committee also considered
15 conflict of interest expectations and requested that
16 staff add questions to the 2023 applications requiring
17 disclosure and explanation of any identified conflicts,
18 and we're doing that now. Any conflicts would be
19 reported to Trustees during the project review. Next,
20 the Executive Committee has tasked the Acquisition
21 Committee with taking up four items. The first is
22 stewardship costs and rating system. So as it
23 functions today, the money we set aside in our
24 endowment is a factor in part of the score, and that
25 creates an incentive for applicants to shortchange this

1 critical part of long-term success. Our goal is to
2 consider removing that from the rating system, since
3 it's not money that we give the applicant directly
4 anyhow. The next item is the easement amendment
5 policy. For the first half of our existence there was
6 no policy, and in 2012 we created one and have updated
7 it several times since. However, as we've used it and
8 applied it, there are areas where we've seen the need
9 for clarification and that's what we hope to achieve
10 for this policy. Another item we would like to update
11 is the Donated Minigrant program. It continues to
12 offer some of the best bang for our buck and is
13 regaining some of its popularity lately. However, some
14 of the language in the policy is reflective of its
15 earliest permutations, and we would like to bring it in
16 line with our current expectations. And finally,
17 native community restoration and forest management,
18 those of you on the Acquisition Committee will recall
19 this issue coming up on a few projects in September.
20 And we do have language for native community
21 restoration in our standard easement template, but
22 we've seen the need to clarify what we mean by this
23 language, as well as where active forest management
24 does and doesn't fit in our conservation agreements and
25 projects as a whole. And lastly, the Restoration

1 Committee will take up four items. The first is
2 conservation agreements for atypical restoration
3 projects. Our general practice is to provide -- is to
4 protect our investment in a restoration project with a
5 conservation easement of some kind, and that works
6 pretty well for most natural systems that have a
7 substantial area and are expected to perform their
8 intended function in perpetuity. However, there are
9 situations such as barrier removal projects, think
10 culvert replacement or dam removal, where a permanent
11 conservation easement may not be the best tool. The
12 committee will look into alternative expectations and
13 requirements for certain project types. The next is
14 clarification of buffer width expectations. Generally
15 for the restoration program, the expectation is 50 feet
16 on either side at a minimum; however, we also work for
17 some federal programs that have practices with varying
18 widths, and our goal is to provide some additional
19 clarification on the preference and requirements for
20 these practices. And related, we're also seeking
21 clarification for conservation agreement term
22 expectations on the agricultural lands as well.
23 Finally, the committee will look at broadening the
24 Innovative Stormwater Program expectations. As it is,
25 it tends to focus on advancing the practices in the

1 academic setting and in big cities that are on the
2 cutting edge, which has yielded some very positive
3 results directly in updates to the State's manually
4 accepted stormwater practices. So it has been
5 effective in putting more tools in the toolbox;
6 however, there are still plenty of places for whom
7 adoption of more conventional practices would be
8 considered novel. The only other thing I heard from
9 the committee is that several of the aforementioned
10 items may result in opening up the scoring system, and
11 some members were amenable to considering changes while
12 they were under the hood, so to speak. Some of that is
13 still to be determined, I believe, and, Mr. Chair, that
14 concludes my recap.

15 Chairman Wilson: Thank you, Will; any
16 questions or comments for Will; my understanding is
17 that there is no action needed as a result of this.

18 Executive Director Summer: That's correct.
19 Just to be on the lookout for polls about your
20 availability for committee work this spring.

21 Chairman Wilson: Okay, any
22 comments/questions for Will regarding the Executive
23 Committee meeting; all right, hearing none, we'll move
24 on to item two, the Acquisition Committee
25 recommendations, Chairman Jason Walser, please.

1 Acquisition Committee Chair Walser: Thank
2 you; we met, I believe it was two weeks ago now and had
3 a very spirited and a thoughtful conversation more than
4 two and a half hours, so we really flushed out some
5 interesting projects. I'm going to defer to staff to
6 explain to the full Board where we are headed, and then
7 I'll briefly discuss our recommendations coming out of
8 the committee. So I think Marie is going to be the
9 first person on staff to talk about our first
10 recommendation to the Board, which is the Triangle Land
11 Conservancy Grant Contract Assignment.

12 Ms. Meckman: Thank you, Chairman
13 Walser; good afternoon, everyone; this agenda item is
14 brought before you for the approval of a grant contract
15 transfer from Triangle Lane Conservancy to Wake County.
16 TLC has been working with Wake County on this project
17 since 2018. It involves protecting 51 acres in the
18 Marks Creek Floodplain which drains to the Neuse River
19 and provides drinking water to the Town of Clayton and
20 Johnston County. The original conservation strategy
21 involved TLC purchasing the property and after closing,
22 transferring the property to Wake County. And
23 unfortunately, the project stalled multiple times due
24 to delays related to COVID and then to bond fund
25 availability. So the purchase agreement with the

1 landowner expires on December 22nd of this year.
2 Closing materials were almost complete, but not in time
3 for us to review and approve them in order to close by
4 the end of the year. So Wake County has agreed to
5 purchase the property and seek reimbursement from NCLWF
6 after the project documents and easements are reviewed
7 and approved in 2023. The contract will need to be
8 assigned to Wake County to allow this change in
9 strategy, and this will allow TLC to meet the
10 obligations of the purchase contract and avoid more tax
11 liability than if they closed next year. Other than
12 changing the grant recipient, there will be no other
13 changes made to the grant contract. There's no need to
14 extend the Turnipseed contract at this time. It does
15 not expire until September 2023, and Wake County and
16 TLC have both submitted letters acknowledging their
17 responsibility in this transaction; any questions?

18 Acquisition Committee Chair Walser: So
19 the Acquisition Committee did discuss this, and we felt
20 that this was absolutely an appropriate way to address
21 the situation and keep this project moving forward. So
22 it comes as a recommendation from the Acquisitions
23 Committee to approve as requested.

24 Chairman Wilson: Okay, we've got a
25 motion from the committee. Is there any discussion

1 about this before we vote on it? Okay, please indicate
2 your vote; Ann Browning?

3 Vice-Chairman Browning: Yes.

4 Chairman Wilson: Okay, is Greer with
5 us; not yet, Amy?

6 Ms. Grissom: Yes.

7 Chairman Wilson: Renee?

8 Restoration Committee Chairman Kumor: Yes.

9 Chairman Wilson: Mike?

10 Mr. Rusher: Yes.

11 Chairman Wilson: Jason?

12 Acquisition Committee Chair Walser: Yes.

13 Chairman Wilson: Darrel?

14 Mr. Williams: Yes.

15 Chairman Wilson: David?

16 Mr. Womack: Yes.

17 Chairman Wilson: And John is a yes,
18 also; all right, back to you, Jason.

19 Acquisition Committee Chair Walser: All
20 right, the second project for our consideration is an
21 extension request on a Donated Minigrant project that I
22 believe had some small issues, legal issues, and
23 Marissa is going to go over the details with us.

24 Acquisition Program Manager Hartzler: All
25 right, thank you; good afternoon; the committee heard a

1 request from Catawba Lands Conservancy regarding
2 2022D-001 Sandifer Wilson, which is a Donated
3 Minigrant. It was awarded earlier this year for
4 protection of the Catawba River and a historic
5 farmhouse in Mecklenburg County. And this project was
6 set to close, but the Land Trust became aware of a
7 mortgage for which the lender needed to agree to
8 subordinate prior to that conservation easement being
9 recorded. This is a lengthy process that is largely
10 outside of the grant recipient's control, and it would
11 prevent close out of the project prior to the contract
12 expiration date which is set for the end of January
13 2023. I do want to point out that while Donated
14 Minigrants are not normally eligible for extension,
15 staff felt that this was an extraordinary situation
16 that warranted recommending a six-month extension to
17 complete this important step that would enable
18 protection of the property.

19 Acquisition Committee Chair Walser: Okay,
20 so that is the recommendation that we approve as
21 submitted an extension to the Catawba Lands
22 Conservancy. The Acquisition Committee discussed this
23 fairly briefly and felt unanimously that this was
24 appropriate to recommend approval to the Board for.

25 Chairman Wilson: Okay, thank you,

1 Jason and Marissa; any discussion before we vote on
2 this motion from the Acquisition Committee; all right,
3 please indicate your vote; Ann?

4 Vice-Chairman Browning: Yes.

5 Chairman Wilson: Amy?

6 Ms. Grissom: Yes.

7 Chairman Wilson: Renee?

8 Restoration Committee Chairman Kumor: Yes.

9 Chairman Wilson: Mike?

10 Mr. Rusher: Yes.

11 Chairman Wilson: Jason?

12 Acquisition Committee Chair Walser: Yes.

13 Chairman Wilson: Darrel?

14 Mr. Williams: Yes.

15 Chairman Wilson: David?

16 Mr. Womack: Yes.

17 Chairman Wilson: And John is a yes,
18 also; all right, Jason.

19 Acquisition Committee Chair Walser: Okay,
20 so the next three proposals do take up the bulk of our
21 time, and I would appreciate the courtesy of others on
22 other committees to tell me when I need to wake up and
23 pay particular attention. These are going to be a
24 little more thorough. They received a lot of
25 discussion. I think we on two of the three did come up

1 with a unanimous recommendation, I think, but I do
2 encourage you to ask questions, because these are not
3 necessarily no-brainers, but I do feel good about the
4 recommendations we make. Justin is going to talk about
5 the first one which is the City of Wilmington
6 Conservation Easement Amendment proposal, and as you
7 can tell from all of my disclaimers at the beginning,
8 anytime we see Conservation Easement Amendment
9 proposal, we wake up ourselves at the Acquisition
10 Committee. These are not decisions we take lightly, so
11 we put a lot of emotional energy into this. So,
12 Justin, if you'd like to take over, that would be
13 great.

14 Mr. Mercer: Absolutely, thank
15 you, and I will start by saying I have a much
16 abbreviated version of the presentation given at the
17 committee, so please do feel free to interrupt and ask
18 questions as necessary. I'd like start here by just
19 giving a very brief history of this project. In 1998,
20 a conservation easement was recorded in favor of the
21 State of North Carolina as a result of Land and Water
22 Fund grant 1197A-032. With it being a 1997 project,
23 that means this was one of the very first easements
24 recorded for what at the time was known as the Clean
25 Water Management Trust Fund. Fast forward to 2021, the

1 Land and Water Fund staff re-engaged the City of
2 Morganton and conducted the first ever monitoring visit
3 for this site. So just to point out there, for a
4 period of 23 years we had an easement in place that
5 nobody was checking in. In 2020, so earlier this year
6 in July, the Foothills Conservancy was officially
7 contracted for annual monitoring of this property and
8 will continue to do so going forward, and the City of
9 Morganton did reach out to Land and Water Fund staff to
10 discuss a possible need for an easement amendment. So
11 again, I won't go into all of the detail here, but I
12 thought it was important for the Board to see what the
13 -- what this project looks like. This is a relatively
14 actively managed public park, and I apologize. I
15 forgot to share my screen. There we go. I believe
16 that's better. So I thought it was important for the
17 Board to see what this project looks like. It is
18 unusual compared to projects that we would see today.
19 The entire park property shown in yellow here is the
20 Land and Water Fund easement. So that does include
21 these actively managed areas with ball fields, rest
22 rooms, other park facilities. Those are all things
23 that are permitted by the easement. The easement also
24 does establish a management zone to make up a 250-foot
25 riparian buffer. Within that riparian buffer area is

1 allowed a 12 foot wide handicapped accessible greenway
2 trail, fishing piers, observation decks or similar
3 structures, and signage, so a fairly, fairly basic
4 greenway allowance there, and that is it. The City of
5 Morganton is requesting an amendment to allow for a new
6 sewer line, greenway amenities, a pedestrian bridge
7 over the Catawba River, and future utility expansion.
8 I will point out that the new sewer line is really what
9 is driving this request. They approached me with the
10 need for the sewer line, and looking at the easement, I
11 encouraged them to think of other changes that might be
12 pertinent to update this older easement while we're in
13 there, sort of the mentality of touch it once and then
14 leave it alone. This request would facilitate the
15 installation of 920 linear feet of new sewer line on
16 the park property, as well as modernize the easement
17 language pertaining to greenways and accommodate future
18 needs through an additional future two-acre utility
19 line. We did go through the criteria set forth by the
20 amendments policy, including the six items that the
21 staff and Trustees are instructed to look at. This
22 project did meet all six of them. I'd be happy to go
23 into any additional details if needed, but I will leave
24 it there and turn it back to the Board for any
25 questions or discussion.

1 Acquisition Committee Chair Walser: All
2 right, so I think you did a great job, Justin, and I'm
3 happy to answer any questions as best I can, and I know
4 staff will do the same for the board members that are
5 seeing this for the first time. It was not unimportant
6 at all. In fact, it was quite relevant that we looked
7 at the condition of property, which was a tree farm at
8 the beginning of the conservation easement, and how
9 it's been used appropriately since, and the impact of
10 this easement, and we again looked at the amendment
11 policy that we have, and we feel like we followed up
12 with the proposed recommendation that we're making with
13 the \$10,620.00 in compensation for the stewardship
14 endowment, so any questions?

15 Chairman Wilson: Okay, thank you,
16 Jason and Justin; I will call attention to the note
17 down at the bottom of the screen that all major
18 easement amendments must be affirmed by a two-thirds
19 vote in order to pass. That would be six out of nine
20 of us, and we are now nine because I see Greer;
21 welcome, Greer; and any more discussion on this before
22 we vote? The committee recommendation appears before
23 you, and I will now ask for your vote, Ann?

24 Vice-Chairman Browning: Yes.

25 Chairman Wilson: Greer?

1 Ms. Cawood: Yes.
2 Chairman Wilson: Amy?
3 Ms. Grissom: Yes.
4 Chairman Wilson: Renee?
5 Restoration Committee Chairman Kumor: Yes.
6 Chairman Wilson: Mike?
7 Mr. Rusher: Yes.
8 Chairman Wilson: Jason?
9 Acquisition Committee Chair Walser: Yes.
10 Chairman Wilson: Darrel?
11 Mr. Williams: Yes.
12 Chairman Wilson: David?
13 Mr. Womack: Yes.
14 Chairman Wilson: And John is a yes.

15 That is unanimous; all right, back to you, Jason.

16 Acquisition Committee Chair Walser: Thank
17 you, everybody; the next one on our list of projects to
18 consider is the Town of Wake Forest Conservation
19 Easement, another easement amendment. I think Justin's
20 going to present this as well for us. Justin, take it
21 away.

22 Mr. Mercer: Thank you;
23 similarly, an abbreviated version of what was given at
24 the committee meeting starting with a brief history; in
25 2004, a conservation easement was recorded for the Land

1 and Water Fund pursuant to Grant 2000A-016. This was a
2 large greenway project that involved acquisition of
3 several different parcels, each protected with a Land
4 and Water Fund easement. So this piece is just one of
5 the many properties that was protected as part of this
6 grant. In 2021, Land and Water Fund staff approved the
7 release of roughly a quarter acre to facilitate a North
8 Carolina Department of Transportation project which
9 allowed staff to re-engage with the City of Wake or
10 with the Town of Wake Forest to discuss development
11 plans. We point out again like the last one, this is a
12 project that had an easement recorded in 2004, and
13 because it was not our practice at the time to set
14 aside stewardship funds for these types of projects,
15 there was no monitoring, nobody checking in on this
16 until within the last year or so. Earlier this year
17 the Town of Wake Forest did officially submitted an
18 amendment request, and Land and Water Fund staff
19 conducted the first ever monitoring visit for this
20 easement. The subject easement is known as the Lewis-
21 Tatum tract and totals 17.44 acres. It allows for a
22 paved run, paved greenway trail, park benches, litter
23 receptacles, trail features and signs, observation and
24 viewing platform, canoe and kayak access, and a total
25 cleared area subject to a 5 percent limit. I do want

1 to point out that we have all of these reserved rights
2 in this easement to facilitate public access, including
3 a canoe and kayak launch, but did not put any thought
4 into how people were actually going to access those
5 things or where parking would be. So there is
6 currently no allowance for parking on this site. The
7 Town of Wake Forest is requesting to add a reserve
8 right that allows for a parking lot and trailhead
9 approximately 1.06 acres in size and an increase in the
10 impervious surface allowance to 11 percent. So that
11 1.06 acre parking lot would be in addition to the other
12 public recreational amenities that are permitted by the
13 easement, which is why the -- which is why we would
14 need to increase the allowance to 11 percent. The
15 request would facilitate the public access envisioned
16 in the original grant. Two quick things here; the
17 image on the top in this green box shows the
18 approximate area for this parking lot. Most of it is
19 likely going to be in this little triangle at the
20 corner of Ligon Mill Road. And the photo on the bottom
21 is just a representative example of what that area
22 currently looks like. This is an early rendering of
23 the parking lot design. The design overall should stay
24 pretty similar to this. The exact location may shift
25 just a little bit within that footprint, depending on

1 the feedback from the Department of Transportation and
2 where the Town is allowed to put this entrance. The
3 Town has proposed to convey a declaration of covenants
4 and restrictions on approximately 3.19 acres as
5 compensation for the impact to the Land and Water Fund
6 easement area. Similarly to the last one, we did take
7 a look at the criteria set forth by the amendments
8 policy and found this to be consistent, but I'm happy
9 to provide any additional details that the Board would
10 like to hear, and otherwise, I will turn it back to the
11 board for discussion.

12 Acquisition Committee Chair Walser: You
13 did a great job again, Justin; any questions for staff
14 or for the Acquisitions Chair? Yeah, this was
15 unanimously supported.

16 Chairman Wilson: All right, again, this
17 will require a two-thirds vote in order to pass as a
18 major amendment to an easement; any more discussion
19 before we vote? Okay, the committee recommendation
20 appears on the screen before you. How do you vote,
21 please; Ann?

22 Vice-Chairman Browning: Yes.

23 Chairman Wilson: Greer?

24 Ms. Cawood: Yes.

25 Chairman Wilson: Amy?

1 Ms. Grissom: Yes.
2 Chairman Wilson: Renee?
3 Restoration Committee Chairman Kumor: Yes.
4 Chairman Wilson: Mike?
5 Mr. Rusher: Yes.
6 Chairman Wilson: Jason?
7 Acquisition Committee Chair Walser: Yes.
8 Chairman Wilson: Darrel?
9 Mr. Williams: Yes.
10 Chairman Wilson: David?
11 Mr. Womack: Yes.
12 Chairman Wilson: And John is a yes,
13 also; all right, back to you, Jason.

14 Acquisition Committee Chair Walser:
15 Thanks, everybody; the next and the last major
16 Acquisition Committee conversation, actually there's
17 another agenda item after that. The next change
18 request comes from Unique Places to Save involving the
19 Randelman Dam project that we have, and that may not be
20 right, but the Deep River Dam in Ramseur, not the
21 Randelman Dam; excuse me. They recurved a couple of
22 years ago for public access to waterways and public
23 lands. It is a little more complex, and I'm glad that
24 I don't have to read the charge. Marissa, I'm going to
25 call you up to bat. Marissa is going to lead us

1 through the proposal and the request.

2 Ms. Hartzler: All right, thank
3 you; are my slides showing? Wonderful, thanks for that
4 confirmation; all right, the committee heard a request
5 for a scope revision from Unique Places to Save for
6 Project 2020-098, which is the Ramseur Dam Project.
7 This was funded for protection of the Deep River and
8 the creation of a park, paddle, and greenway access
9 once the property is in its final ownership, which will
10 be the Town of Ramseur. This project was approved for
11 funding by the Board with a contract condition that the
12 current landowner, Covida Holdings LLC, will retain the
13 right to remove the dam on the property, and you'll see
14 the dam on the following map, but you'll see that it
15 spans the width of the Deep River on the property. And
16 I just want to note that dam removal is something that
17 has been discussed, but any dam removal would be in the
18 future. It would not be part of the Land and Water
19 Fund grant. It would involve grant funds that are not
20 yet received, and I just want to note that it would not
21 include any mitigation, of course, as the use of the
22 Land and Water Funds would statutorily prohibit any
23 future mitigation efforts. And overall, this is a
24 larger two-phase project. This will become a little
25 bit clearer when I show you the map, but the first

1 phase is wetland and water funded. And that was for
2 the acquisition of just a little over four acres south
3 of the Deep River that would be protected by a
4 declaration of covenants and restrictions, and then
5 that land would be conveyed to the Town, and the
6 declaration would be subject to third-party rights of
7 enforcement to the State. The second phase, which
8 comes after the Land and Water Fund project and only
9 when the Land and Water Fund project closes, involves a
10 PARTF grant in hand to the Town of Ramseur that would
11 acquire the remaining acres of the property by and
12 large north of the Deep River, and Land and Water Fund
13 acres are being used as match for that grant, but
14 otherwise, there's no overlap in budget or scope
15 between the two projects. Okay, so now looking at the
16 map, you'll see the total property of about 22 acres
17 outlined in white, the two sections here. You'll see
18 that the parcel data spans both sides of the river.
19 The section in yellow was the 4.06 acres that were
20 originally contracted in the Land and Water Fund
21 project, so phase one. During the appraisal review
22 process, staff and the grant recipient identified a
23 miscommunication in the scope of the project, and
24 because the parcel data and deed indicate private land
25 ownership of all of the acres, and that includes

1 islands and land under the river, they had intended for
2 the Land and Water Fund project to be -- if I just back
3 up to the map here, everything that you see in red, so
4 essentially everything south of the centerline of the
5 Deep River. And that is approximately 9.7 total acres,
6 and then of course, everything north of that would be
7 part of phase two, the PARTF grant. When reviewing the
8 appraisal, we found that the appraisal indicated a
9 valuation of \$42,000.00 for those approximately nine
10 acres, and this appraisal was reviewed and approved by
11 the State Property Office. Therefore, Unique Places to
12 Save request that the scope of the contract be changed
13 so that they may receive contribution to the fee
14 purchase of up to 9.7 acres and proposes the budget
15 that I will scroll to now; apologies. So here on the
16 left you have the original budget in green, the
17 proposed budget in blue. I want to call your attention
18 to one figure in particular which is the total Land and
19 Water Fund contribution. Under the original budget,
20 Land and Water Fund was contributing approximately 69
21 percent of the total project cost of \$87,500.00, again
22 for contribution to purchase of up to 4.06 acres with
23 the DCR on all four acres. Under the proposed
24 scenario, Land and Water Fund would be contributing
25 \$48,200.00, again sticking with the same percentage of

1 69 percent, and this would be contributing to the
2 purchase of up to 9.7 acres with the DCR on the same
3 acreage. You can see that this number has drastically
4 decreased while the acreage has gone up because the
5 acquisition line decreased. Originally, the total
6 project cost for acquisition was slated at \$100,000.00,
7 but with that appraisal being reviewed and approved, we
8 know this to now be \$42,000.00. I think this is an up-
9 to scenario as the final acreages will be determined
10 through our standard pre-closing staff and legal review
11 process. And in the end if this scope change went
12 through, the Town would own up to 9.7 acres, subject to
13 a declaration of covenants and restrictions through the
14 Land and Water Fund grant, and then that would be used
15 to leverage closing on the remaining 13 acres through
16 the PARTF grant and in the end all for public
17 recreation and protection of the Deep River. So I will
18 just move forward to the committee recommendation. I'm
19 happy to take any questions; otherwise, I will turn it
20 back over to you, Mr. Walser.

21 Acquisition Committee Chair Walser: So
22 the recommendation is in front of you, but since we've
23 made this recommendation, there's been continued
24 discussion. As you can see, it was not unanimous.
25 There was one abstention, and I believe Will is

1 prepared -- Will Summer is prepared to talk about some
2 of the conversation with the grantee. Actually, Will,
3 would you be willing to talk about additional
4 information that has come up since we discussed this
5 two weeks ago?

6 Executive Director Summer: Thank you,
7 happy to do so; so when this was discussed -- if it's
8 not apparent, this sort of project is complex. There's
9 submerged land. There's a dam which in the future
10 probably won't be there, which may change some of the
11 footprint. There was many questions that the committee
12 wrestled with, and in the intervening couple of weeks
13 the staff has been working with Unique Places to Save
14 to kind of get those addressed, and I think we got to a
15 point where there's one kind of remaining outstanding
16 question that would get us to a place where I think the
17 whole committee and subsequent Board would be, I think,
18 comfortable addressing some of that with some of the
19 uncertainty still out there. And that really is around
20 the issue of, as it sits the dam and the right to
21 remove it is going to a third party, not the Town of
22 Ramseur. And if things go well, I think that would
23 result in that entity getting some grant funds,
24 removing the dam, and which I think would be a great
25 thing for human passage, fish passage, and all's well

1 that ends well. I think there was some concern that in
2 the event that those funds fall through and the dam
3 removal wasn't able to proceed, that now you've got a
4 situation in the future, potentially into perpetuity
5 where Ramseur owns the land, and some other entity owns
6 a dam, and then Ramseur wouldn't have real control of
7 their future with that in that case. So we as staff
8 drafted I think an amendment or a contract condition
9 that we thought would address that Trustee concern.
10 And in discussing that with the applicant, it was their
11 preference that rather than approve it today contingent
12 upon that condition, that we defer and let them have
13 some time to figure out if they've got the other grant
14 that would fund the dam removal and some of the
15 uncertainties would be removed from both sides. So I
16 think their preference would be either to approve it
17 today without this additional condition or to defer it
18 to the next meeting and let some of these uncertainties
19 be resolved. So to that end having explained it at a
20 high level, I will take any questions or be of
21 assistance wherever I can.

22 Acquisition Committee Chair Walser: Being
23 the one who didn't pick up on the nuance as well as our
24 President, Mr. Wilson did. I can tell you it took me a
25 few times to wrap my head around it, but just to be

1 clear and repeat what Will has already said, it's --
2 the land would be available for the public for the
3 extension of park that you saw in the last -- you know,
4 there's already a park there. What we would fund, you
5 know, less money and more acreage, which is what I got
6 excited about earlier, will still be available to the
7 public, but the dam will not necessarily come down.
8 And what we, I think, wanted was that Ramseur could
9 have control over finding a way to bring that dam down
10 if at all possible, so the dam would not become a
11 liability to the public access that we're providing.
12 Is that a fair assessment, Will?

13 Executive Director Summer: Yes, it would
14 be with just the clarification that if things go to
15 plan, Unique Places has a grant application in to NOAA
16 to fund that work, so I think if things go as they
17 want, the dam will be removed with grant funding and
18 everything will go and everyone will be happy. I think
19 it was just that in the case that that wasn't able to
20 happen that would put us in a situation where the
21 control of the dam and its removal and the control of
22 the land would be separated, and that was the
23 undesirable future condition we were trying to mitigate
24 against.

25 Ms. Grissom: Will or Jason, this

1 is Amy. I just had a quick question. So what's the
2 timing of that NOAA application and decision? When
3 might they know whether they're going to get funding to
4 remove the dam?

5 Executive Director Summer: My -- I talked
6 with Unique Places to Save staff on Friday. They
7 expect that decision any time, perhaps the month of
8 December or January. So hopefully in the near future,
9 that's their expectation.

10 Ms. Grissom: Okay, thanks.

11 Acquisition Committee Chair Walser: So
12 I'm not entirely sure how to move forward. We have a
13 recommendation, but with additional information, you
14 know, I think the Acquisition Committee would be wise
15 to consider tabling this for a few months until our
16 next meeting in February, but again we can move
17 forward. And I'll let our President, our fearless
18 leader, help guide our next -- the next part of this
19 conversation. We -- we have a recommendation, but the
20 recommendation is based on incomplete information that
21 we had to reach when we made this recommendation.

22 Mr. Williams: Will, do we know if
23 the person who voted against it will change their
24 position based on new information or not? Do we know
25 that?

1 Executive Director Summer: I think that if
2 we can get that issue resolved to their satisfaction, I
3 fully expect that, yes. It was an -- I think an
4 abstention to be clear, but, yes, I think --

5 Mr. Williams: Yeah, okay.

6 Executive Director Summer: -- there's a
7 possibility to get this to a place where I think all
8 Trustees are all satisfied with it.

9 Mr. Williams: Well, it sounds like
10 we need to vote to defer, is that right?

11 Chairman Wilson: Darrel, just to
12 answer your question, I voted to abstain in the
13 committee meeting just for a number of reasons, all of
14 which have been satisfied except for this one question
15 I have about the dam removal. It just didn't feel to
16 me like something that would be appropriate for the
17 Land and Water Fund to do to provide funding to acquire
18 a piece of property that is going to then be conveyed
19 to the Town of Ramseur and the previous landowner
20 retains the perpetual and exclusive right to remove the
21 dam, because if there is a problem with that, then the
22 Town of Ramseur theoretically could never get that dam
23 removed, no matter how much they want it removed and so
24 I think, Jason, the suggestion, and, Darrel, both your
25 suggestion to table this, and that would be if someone

1 made a motion and it was seconded, then we could vote
2 on to table this. That sounds like it's in accordance
3 with the applicant's wish, although the applicant
4 wishes that we would approve it as the committee did.
5 I would -- I would today vote no against approving it
6 because of that issue with the dam and the perpetual
7 exclusive right to remove it remaining with the
8 previous landowner. So I very much support the idea of
9 tabling this, but leave it for discussion and others to
10 make a motion, and then we can have a vote.

11 Ms. Grissom: I think that given
12 that they might hear about funding from NOAA within the
13 next month, it makes perfect sense to table this, and
14 I'm happy to make that motion.

15 Mr. Rusher: I would second that
16 motion if it were made.

17 Chairman Wilson: Okay, Amy, you -- it
18 sounds like you made it. Did you make it?

19 Ms. Grissom: I attempted to, yes.

20 Chairman Wilson: Okay.

21 Ms. Grissom: I would say table to
22 the next Board meeting or committee meeting.

23 Chairman Wilson: Mike, would you like
24 to definitively second that motion?

25 Mr. Rusher: I would like to,

1 yes.

2 Chairman Wilson: Okay, we've got a
3 motion and a second to table this recommendation from
4 the Acquisition Committee; any discussion, any
5 questions, discussion? We don't want to shortchange
6 this.

7 Acquisition Committee Chair Walser:
8 Renee?

9 Chairman Wilson: Okay.

10 Acquisition Committee Chairman Walser: I
11 think I saw Renee raising her hand, but I couldn't hear
12 her.

13 Chairman Wilson: Oh, okay.

14 Acquisition Committee Chairman Walser: I
15 didn't know if you could see her or not.

16 Chairman Wilson: Renee, you're
17 raising your hand. I think you're muted; Renee?

18 Acquisition Committee Chair Walser: While
19 we wait for Renee, I'll say that -- that I personally,
20 after, you know, three months or whatever it takes to
21 get to our next meeting, I'm very comfortable with
22 deferring, tabling this decision. I do think we need
23 to have discussion at the Acquisition Committee level
24 in January/February if we're willing to move forward on
25 what the language might look like to try to ensure the

1 dam does not become a liability, but I really do want
2 to move this forward one way or another because there
3 is this PARTF grant, and ultimately, the funding is
4 going to be important to getting this in public
5 ownership, which is the reason we bumped up two years
6 ago from a score that really wasn't qualifying, but we
7 wanted to get it in the public domain as soon as
8 possible. So I just wanted everybody to know, just to
9 shout it across the bow that I'm committed to try to
10 get all of these questions answered in January and
11 February depending on how the funding goes, so that we
12 cannot see this open-ended indefinitely, especially
13 with the Parks and Recreation Trust Fund waiting on our
14 funding to be the match for the next phase of the
15 acquisition of land across the river, so.

16 Chairman Wilson: Renee, I'm still not
17 hearing you. I'm seeing you. I'm seeing you talking
18 but not hearing; no, okay; all right, so any more
19 discussion on this? All right, this is a motion to
20 table this recommendation regarding the Unique Places
21 to Save Ramseur Dam scope change. How do you vote,
22 please; Ann?

23 Vice-Chairman Browning: Yes.

24 Chairman Wilson: Greer?

25 Ms. Cawood: Yes.

1 Chairman Wilson: Amy?

2 Ms. Grissom: Yes.

3 Chairman Wilson: Renee, Renee, raise
4 your hand. Is that a yes; yes, from Renee; Mike?

5 Mr. Rusher: Yes.

6 Chairman Wilson: Jason?

7 Acquisition Committee Chair Walser: Yes.

8 Chairman Wilson: Darrel?

9 Mr. Williams: Yes.

10 Chairman Wilson: David?

11 Mr. Womack: Yes.

12 Chairman Wilson: And John is a yes,
13 also; Jason, anything more from the Acquisition
14 Committee?

15 Acquisition Committee Chair Walser: Let's
16 see. We have the -- no, that is it from the
17 Acquisition Committee; thank you, Mr. Chairman.

18 Chairman Wilson: Okay, thank you,
19 and now we'll move to the final item on our business
20 agenda, and that's the allocation of monitoring funds,
21 and Justin Mercer will lead this discussion.

22 Mr. Mercer: Thank you, and I
23 remembered to share my screen this time, so hopefully
24 everybody can see what I'm looking at here. Before I
25 dive into the table on the screen here, I just want to

1 give a brief reminder of how we got here. In 2019, the
2 Board created a stewardship policy STW-0006, also known
3 as the Retired Principal Policy. And this policy
4 recognized that we have a number of conservation
5 easements that did not have a monitor identified nor
6 stewardship funds set aside for them and are in need of
7 stewardship funding at some point. What this policy
8 did is took retired principal that was -- that is
9 realized when the fee of a property transfers to a
10 State agency, therefore removing the need to monitor
11 annually. It takes those funds and allows us to assign
12 them to another project in need. In that vein, back in
13 May of this year, the Board heard a presentation
14 further outlining the need to seek monitoring funds for
15 some 400 plus easements that were recorded prior to the
16 establishment of our Stewardship Endowment and
17 therefore did not have monitors for funding. At that
18 time the Board voted to transfer two and a half million
19 dollars into the Stewardship Endowment with the intent
20 of using those funds to contract with a local land
21 trust to provide some of these monitoring services in
22 perpetuity for us. And so this is sort of the next
23 step in that linear process is taking what the Board
24 did in May and actually putting it into motion. So
25 within the last several months, we've done a couple of

1 different things. We have moved forward with having
2 staff begin monitoring of certain easements within
3 relatively close proximity to us. And I've also
4 reached out to all of our existing stewardship partners
5 that we contract with on an annual basis to provide
6 monitoring services to gauge their interest in taking
7 on more work. What we have here is sort of the first
8 proposal resulting from that. Tar River Land
9 Conservancy was one of the first organizations that I
10 reached out to, in part because I know that they have
11 entered into similar agreements with other State
12 agencies in the past. And not only did they present
13 interest in taking on some of this work for us, but an
14 eagerness to go ahead and try to get some of that done
15 in the short term rather than waiting for the next
16 round of monitoring contracts. So if this request is
17 approved, we could potentially have some of these
18 easements monitored as soon as January of 2023. So I
19 looked at our River Land Conservancy's eight-county
20 service area and identified four different grants that
21 resulted in conservation easements that don't have a
22 monitor or stewardship funding assigned to them. Those
23 four grants total 16 different easements and a total of
24 103.57 acres. That is a relatively small acreage per
25 project number, but you'll see it is a relatively large

1 perimeter length. So for those 103 acres, we've got
2 nearly eight and a half miles of boundary. So these
3 are relatively long and narrow easements that take a
4 fair amount of time to monitor. The other thing that I
5 want to point out is that even though these are
6 relatively small easements, each individual easement
7 takes the same lead up time for contacting landowners,
8 for reviewing of all the documentation, the easement
9 deed, that sort of thing, and/or for travel. So you
10 get a little bit or what seems like a little bit of a
11 disproportionate cost for a small easement as you
12 compare it to what you would see for a larger easement.
13 But whether it's half an acre or 500 acres, some of
14 those costs remain the same regardless of size. So
15 what we have here is Tar River Land Conservancy
16 submitted a proposal. It was reviewed by staff. It
17 fell within range of what we would expect to pay for
18 monitoring of these easements. We made a couple of
19 minor tweaks to make sure that expenses were covered,
20 and we have a resulted annual monitoring estimate for
21 these 60 easements of \$6,513.75, which equates to
22 \$162,845.00 needed in total in endowment. Again,
23 that's not new funds being contributed. This is coming
24 from the two-and-a-half million that was -- that was
25 set aside in May. This is just the next step to assign

1 those funds to specific projects. This being the first
2 time that we have really done this in bulk, we've
3 approached individual projects from time to time in the
4 past, but this is the first time we've come with 16
5 easements all at once. I'm not entirely sure what the
6 -- what level of detail you would like here, but I did
7 create just a basic map here to show you where these
8 projects are located. So the paint line here is Tar
9 River Land Conservancy service area. They cover eight
10 counties; Person, Granville, Vance, Warren, Franklin,
11 Halifax, Nash, and Edgecombe. Half of these 16
12 projects are acquisition projects, shown in green, one
13 in Louisburg and the other seven in Nash County near
14 Rocky Mount, and the other eight projects are in
15 Halifax County near Roanoke Rapids, and those eight are
16 all restoration projects. So we've got a pretty good
17 mix of both restoration easements and acquisition
18 easements here, but the assignment of funds to these 16
19 easements would basically wipe the slate clean for that
20 eight-county area. That would cover 100 percent of the
21 identified need for monitoring in those eight counties.
22 That is what I have for this. Again, if there's
23 additional information you'd like, I'd be happy to
24 answer questions. Since this was a relatively late
25 development and it involved both acquisition and

1 restoration funds, this did not go to committee. So
2 this coming to the Board with a staff recommendation,
3 staff recommends assigning \$162,845.00 of unallocated
4 principal in the Stewardship Endowment for the
5 monitoring of the conservation easements from projects
6 1997A-010, 2001B-012, 2006-412, and 2007-403 to be
7 monitored by Tar River Land Conservancy and reimbursed
8 through their annual monitoring contract with the North
9 Carolina Land and Water Fund. With that, I will turn
10 it back to Chair Wilson, and I'd be happy to ask answer
11 any questions.

12 Chairman Wilson: Thanks, Justin; any
13 questions for Justin?

14 Vice-Chair Browning: I have one question.
15 This is Ann, just about how the endowment assignments
16 work. So the principal amount would be dedicated to
17 these projects. Does the income from that allocation
18 change over time, or is the monitoring expense a static
19 number in perpetuity?

20 Mr. Mercer: The monitoring
21 expense is intended to be static. So that number, the
22 6,700-whatever dollars a year estimate is intended to
23 cover in perpetuity. In reality the actual amount that
24 they are reimbursed year to year is probably going to
25 be some amount less than that, so it's an up to amount.

1 That said, our -- the way that we set the budget is
2 based off of a relatively conservative estimate that we
3 will generate 4 percent in revenue every year from the
4 interest on that principal. So some years or most
5 years, we're probably going to generate at least a
6 little bit more than that, so there is flexibility to
7 add -- to account for unexpected expenses and things
8 like that. But generally speaking, the amount that we
9 are requesting here is intended to cover the expecting
10 -- the expense of monitoring, at least in perpetuity.

11 Vice-Chair Browning: Thank you.

12 Chairman Wilson: It's a really good
13 question, Ann and Justin. You know, perpetuity is a
14 long time, and as we've seen just recently with
15 inflation, you know, imagine gas costing twice or three
16 or four times what it costs today and salaries being
17 higher and stuff like that. It is an interesting
18 question and one for a later day, but I'm glad you
19 raised it, Ann, because it had not occurred to me, and
20 it's a significant question. Can that remain a static
21 number when clearly it's going to cost more to monitor
22 an easement in 50 years than it does today in terms of,
23 you know, real dollars.

24 Executive Director Summer: John, I have
25 just one thing that to add to that, if you don't mind.

1 I think we have considered it, and I have no doubt the
2 day will come when we need to consider an inflation
3 adjustment to come out. As Justin said, you know,
4 we're assuming a very conservative 4 percent return.
5 In fact, we actually expect we may get closer to 7 or
6 whatnot. I think at some point we will start to run
7 into that ceiling and probably a future Board will need
8 to consider inflation adjustments. So it -- we haven't
9 gotten there yet, knock on wood, but I very much
10 anticipate it before forever gets here.

11 Acquisition Committee Chair Walser: I
12 don't disagree with any of this. This is Jason
13 talking, and I've mentioned this before. We were
14 wrestling with this, the land trust that I used to run.
15 Yeah, there absolutely are daunting cost increases on
16 the horizon, but looking at the last 10 to 15 years of
17 technological advances with phones and with technology,
18 and frequency of aerial mapping and Google Earth,
19 they're also a lot more cost-effective ways to monitor
20 properties that don't involve sending a person in a car
21 to park and walk around with a camera for eight hours
22 in the summer heat. There are lots of ways to monitor
23 properties. Some do it aerial on airplanes and do lots
24 at one time. Some do it every 30 year -- every 2 years
25 on the ground. Some do a combination. So I think it

1 is a conversation worth having, but I also think, you
2 know, I'm kind of optimist in regards to this issue
3 that we'll be innovative and find ways to be able to
4 see what's going on on the ground without necessarily
5 having to have a person from Raleigh or wherever drive
6 to a 30, 50, 100 mile away location and walk around all
7 day.

8 Ms. Cawood: And, Mr. Chairman,
9 can I just note for the record how lucky we are to have
10 the differing backgrounds of our Board members. Jason,
11 that is something I would not have even thought of, and
12 I love your background and being able to bring that to
13 the Board; thank you.

14 Ms. Grissom: I just wanted to say
15 I'm just thrilled that we made this commitment of two
16 and a half million dollars as a Board back in May, and
17 Justin has a lot of work ahead of him. But if someone
18 could just give a couple of sentences about, you know,
19 sort of what's on the horizon and what is our strategy
20 for putting this money to work? I'm glad to see it's,
21 you know, working soon if we vote on this, but just to
22 hear a little bit more about your plans.

23 Mr. Mercer: Absolutely, and so I
24 mentioned at the beginning of this presentation that I
25 have reached out to all of our existing partner land

1 trusts that do monitoring for us. And at this point,
2 I've got at least six land trusts, including Tar River
3 Land Conservancy, that have expressed interest in
4 taking on some additional monitoring for us. This is
5 kind of -- this one is kind of dipping our toes in the
6 water to get the first one approved and get it moving,
7 but I anticipate being able to spend the next few
8 months working with those other five organizations to
9 have much larger lists for the Board to consider at the
10 May board meeting to put a larger dent in those funds.
11 I don't have a good sense of how large that number
12 might be at this point, whether it's going to be
13 similar chunks to this or much larger. I think this
14 160, almost \$163,000.00 is roughly six and a half
15 percent of what the Board allotted in May of this year,
16 so I am hoping to take a much larger chunk out of this
17 come May of 2023.

18 Ms. Grissom: Thanks.

19 Chairman Wilson: Justin, can you
20 remind us and Marissa and Will at which board meeting
21 do we typically have the stewardship update and
22 presentation?

23 Mr. Mercer: That is the May
24 board meeting. These allocations at this point have
25 been sort of as they come up because we've had to take

1 a more opportunistic approach up to this point. I
2 think going forward, most of these are likely going to
3 come at that May board meeting, because that falls in
4 line well with or perhaps even earlier as that will
5 fall in line with our timing on our annual monitoring
6 contracts. Those contracts are typically executed July
7 1st of every year, so being able to have those
8 approvals in place in time to get those contracts
9 drafted and ready to go will be helpful. So as we take
10 a more strategic approach to this with the funds
11 provided, hopefully that results in a more predictable
12 schedule of requests. But that will -- my intent is for
13 that to go along with the -- with the stewardship update
14 at the May board meetings.

15 Chairman Wilson: Thank you; any more
16 discussion on this staff recommendation?

17 Vice-Chair Browning: I make a motion that
18 we approve assigning \$162,845.00 for the purposes
19 outlined on the screen.

20 Ms. Cawood: I'm happy to second.

21 Chairman Wilson: Okay, thank you, Ann
22 and Greer; any final discussion about this before we
23 ask for a vote? Okay, hearing none, how do you vote,
24 please; Ann?

25 Vice-Chairman Browning: Yes.

1 Chairman Wilson: Greer?

2 Ms. Cawood: Yes.

3 Chairman Wilson: Amy?

4 Ms. Grissom: Yes.

5 Chairman Wilson: Renee?

6 Restoration Committee Chairman Kumor: Yes,
7 can you hear me?

8 Chairman Wilson: Yes.

9 Restoration Committee Chairwoman Kumor: Okay,
10 thanks.

11 Chairman Wilson: You -- you sound,
12 great; Mike?

13 Mr. Rusher: Yes.

14 Chairman Wilson: You sound great,
15 too, Mike.

16 Mr. Rusher: Thanks.

17 Chairman Wilson: Jason?

18 Acquisition Committee Chair Walser: Yes.

19 Chairman Wilson: Darrel?

20 Mr. Williams: Yes.

21 Chairman Wilson: David?

22 Mr. Womack: Yes.

23 Chairman Wilson: And John is a yes;
24 thank you. And just sort of echoing what Amy said,
25 Justin and Marissa and Will and all the staff the

1 amount of progress that we've made on stewardship over
2 the last several months and couple years has just been
3 wonderful. And as Amy said, so great that the Trustees
4 made a commitment to provide that funding, so very,
5 very exciting and appropriate. Okay, I am seeing that
6 as the last item on today's agenda. Are there any more
7 topics for discussion from Trustees or from staff?
8 Okay, hearing none, I will say what you're probably all
9 thinking, which is that we wish each other all happy
10 holidays and good health and look forward to getting
11 back together in the New Year, if not before then. I'm
12 sure we'll -- I'm sure many of us will be communicating
13 before then, but thank you all, everybody, and I will
14 ask for you to all say aye if you agree that this
15 meeting should be adjourned.

16 All Trustees: Aye.

17 Chairman Wilson: All right, we are
18 adjourned; thanks, everybody.

19 (The proceedings were concluded at 2:14 P.M.)
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NORTH CAROLINA

WAKE COUNTY

C E R T I F I C A T E

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

IN WITNESS THEREOF, I have hereunto set my hand this 16th day of February, 2023.

Dona E. Overby

Dona E. Overby
Notary Public
Certificate No.: 19971920107