



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

John E. Skvarla, III
Secretary

December 4, 2014

MEMORANDUM

TO: JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS
The Honorable Thom Tillis, Co-Chair
The Honorable Phil Berger, Co-Chair

ENVIRONMENTAL REVIEW COMMISSION
The Honorable Mike Hager, Co-Chair
The Honorable Ruth Samuelson, Co-Chair
The Honorable Brent Jackson, Co-Chair

APPROPRIATIONS SUB-COMMITTEE ON NATURAL AND ECONOMIC RESOURCES
The Honorable Stan Bingham, Co-Chair
The Honorable Andrew C. Brock, Co-Chair

APPROPRIATIONS SUB-COMMITTEE ON NATURAL AND ECONOMIC RESOURCES
The Honorable Tom Murry, Chairman
The Honorable Roger West, Chairman

FISCAL RESEARCH DIVISION

FROM: Neal Robbins, Director of Legislative Affairs

SUBJECT: Clean Water Management Trust Fund Report

DATE: December 4, 2014

Pursuant to G.S. 113A-257, the Chair of the Board of Trustees shall report each year by 1 December to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission, the Subcommittees on Natural and Economic Resources of the House of Representatives and Senate Appropriations Committees, and the Fiscal Research Division of the General Assembly regarding the implementation of this Article. The report shall include a list of the projects awarded grants from the Fund for the previous 12-month period. The list shall include for each project a description of the project, the amount of the grant awarded for the project, and the total cost of the project. Please consider the attached as the formal submission this report.

If you have any questions or need additional information, please contact me by phone at (919) 707-8618 or via e-mail at neal.robbs@ncdenr.gov.

cc: Cecilia Holden, Special Assistant to the Secretary, NCDENR
Bryan Gossage, Director, Office of Land and Water Stewardship, NCDENR

Clean Water Management Trust Fund 2014 Annual Report

Introduction

The Department of Environment and Natural Resources and the staff and Board of Trustees of the Clean Water Management Trust Fund (CWMTF) would like to thank the members of the General Assembly of North Carolina for your continuing strong support for investments in clean water and hereby presents our annual report to the General Assembly and the public pursuant to GS 113A-257.

Background

The 1996 General Assembly created the Clean Water Management Trust Fund (Chapter 113A Article 18 (GS 113A-251 et seq.)), "to clean up pollution in the State's surface waters and to protect, preserve and conserve those waters that are not yet polluted." As originally created, the CWMTF was to "use innovative and non-regulatory approaches to help finance projects that specifically address water pollution problems and focus on upgrading surface waters, eliminating pollution, and protecting, preserving and conserving unpolluted surface waters, including enhancement or development of drinking water supplies" and "to build a network of riparian buffers and greenways for environmental, educational, and recreational benefit."

Until July 2013, the CWMTF was an independent, non-regulatory agency housed for administrative-only purposes in the Department of Environment and Natural Resources (DENR). A 21-member board of trustees established criteria, allocated funds, reviewed applications, and approved grants through three principal committees: infrastructure wastewater, restoration/stormwater/greenways and land/conservation easement acquisition. Local governments, state agencies, and nonprofit conservation organizations, such as land trusts, were eligible applicants. As a grant making agency, funds were allocated to address and correct pollution problems and to protect unpolluted waters that are identified by eligible grant applicants.

Through 2014, the program – via appropriations from the General Assembly – has partnered with local communities and organizations to contribute nearly \$1B to the protection and restoration of the state's water. Further, the fund has leveraged approximately one and a half times as much money (\$1,500,000,000) to support those efforts to protect, restore and enhance surface water quality.

Today, CWMTF staff manages more than \$46 million encumbered in about 175 existing grant contracts. Staff work to ensure due diligence for monitoring grant requirements and expenditure of funds, while at the same time assisting the grantees successfully through the process by making the process transparent, clearly communicating the process and expectations, and providing meetings as needed and resources to guide them through project implementation.

The water quality grants this non-regulatory program provides help meet infrastructure needs of municipalities, increase recreational opportunities, and enhance quality of life in this state, all critical components for economic development. CWMTF protects more than the state's natural resources. The grants this program provides support North Carolina's major economies of agriculture, military, tourism, fisheries and forest products.

2014 Summary

Compared to the significant changes to the CWMTF made in the previous year, 2014 has been a relatively routine period. In February 2014, the offices and staff of the CWMTF were physically moved and integrated into NC DENR offices in the Nature Research Center on Jones St. in downtown Raleigh.

Staffing: Bryan Gossage, formerly Deputy Secretary with the NC Department of Commerce, has served as Executive Director since November 2013. The CWMTF is positioned as one of four sections within the Office of Land and Water Stewardship; for which Bryan Gossage also serves as Director. The division reports directly to the Office of the Secretary. The CWMTF saw attrition in the positions of deputy director and budget director. Instead of refilling those positions, the duties and responsibilities were spread out to other DENR sections and staff, thus creating a savings to the taxpayer without diminished service. One position – Administrative Assistant, was rehired upon the retirement of the former employee. A second position, vacant since May 2013, will be filled by the end of the current calendar year. All CWMTF personnel remain exempt from the North Carolina Human Resources Act. For additional information, see Attachment #1 – *Organizational Chart*.

Board of Trustees: The Board held regular business meetings in February and June, and its funding meeting in September. As of November 2014, the nine members of the Board of Trustees are:

Dr. Troy Kickler (Chair):

Resides- Raleigh, NC

Occupation- Director of the NC History Project

Education- M.S in Social Studies Education from NC A&T State University, Ph.D. in history from the University of TN.

Additional Information- Formerly a high school social studies teacher and soccer coach. Recipient of numerous research awards and study grants. Currently a co-editor of *Nathaniel Macon: Collected Letters and Speeches*

Frank Bragg:

Resides - Huntersville, NC

Occupation- Investment Advisor

Education: B.A from Wake Forest University

Additional Information- Formerly served as chairman for Catawba Lands Conservancy. Served on Charlotte-Mecklenburg Historic Landmarks Commission and the Greater Banner Elk Heritage Foundation. Founder of Bragg Financial Advisors.

Frederick Beaujeu-Dufour:

Resides – Clinton, NC

Occupation- Farmer

Education – BS in Hotel Management from Paris, France. MBA from University of North Carolina-Chapel Hill.

Additional Information – Involved in Rotary Club and Hiram Lodge 98. Enjoys horseback riding, hunting, photography and reading.

Greer Cawood:

Resides - Winston-Salem, NC

Occupation- Community Volunteer

Education- B.A from the University of North Carolina-Chapel Hill

Additional Information- Served as a trustee for the UNC School of the Arts and as a trustee for Forsyth County Day School. Enjoys traveling, hiking, tennis, golf and skiing.

Robin Hackney:

Resides – Wilmington, NC

Occupation – Custom New Home Building

Education - BA in Journalism – Advertising from University of North Carolina - Chapel Hill,

NC Brokers license (North Carolina Board of Realtors), NC Certified Appraiser (North Carolina Appraisal Board) and NAHB Green Certified

Additional Information- Member of the Wilmington Board of Realtors and Member of the Wilmington – Cape Fear Home Builders Association; Participated in Habitat for Humanity Builder Blitz 2012 Member of the St. James Episcopal Church. Enjoys Painting / Art / Home Design, Cooking, Tennis, Needlepoint and Gardening.

Renee Kumor:

Resides – Hendersonville, NC

Occupation – Author; former County Commissioner

Education - Graduated in 1966, BA, University of Dayton, Dayton, Ohio; enrolled in Blue Ridge Community College and graduated in 1984, AA, Mechanical Drafting and Design.

Additional Information - Resident of Henderson County for 33 years; writes a monthly column for the Hendersonville Times-News, “Boards are Us,” discussing non-profit issues and non-profit board service.

Johnny Martin:

Resides – Wake Forest, NC

Occupation – Civil Engineer

Education - BS in Civil Engineering from North Carolina State University and an MS in Civil Engineering from North Carolina State University.

Additional Information - Participates in the American Public Works Association and enjoys church and golf.

William Toole:

Resides – Belmont, NC

Occupation – Lawyer

Education - JD/MBA Wake Forest University and B.A Haverford College

Additional Information – Serves as Town of Belmont, City Councilman and various other civic and non-profit organizations. Enjoys trout fishing and cooking.

Charles Vines:

Resides – Bakersville, NC

Occupation – Retired US Air Force; Mitchell County Manager and Mayor, Town of Bakersville.

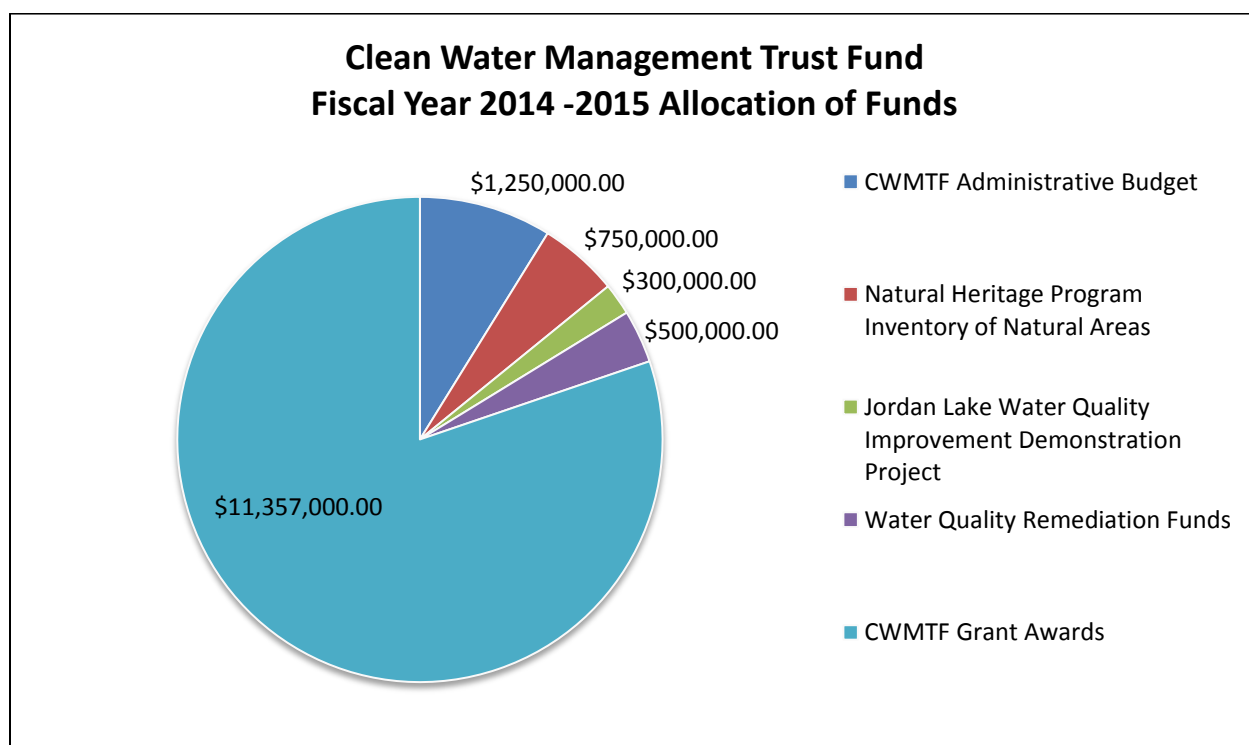
Education – USAF Finance, Accounting and Budget Management

Additional Information – Served as a Trustee for Bakersville Volunteer Fire Department, served on Mitchell County EDC Board and Mitchell County Development Foundation and numerous

other board and commissions. Serves as a deacon for Bakersville Baptist Church and enjoys gardening, fly fishing, golf and helping others.

Financial Administration

The appropriation to Clean Water Management Trust Fund (CWMTF) for FY 14/15 was \$14,157,000. Of that, up to \$1,250,000 may be used for the administration/operations of the Fund and up to \$750,000 may be used toward the inventory of natural areas by the Natural Heritage Program. In addition, \$300,000 shall be used toward the Jordan Lake Water Quality Improvement Demonstration Project, and another \$500,000 was directed from the FY14/15 Budget bill to be allocated for lake systems with a nutrient management strategy.



At the end of the 2013 calendar year, \$8,613,415 in funds transferred from the Natural Heritage Fund to CWMTF were applied to previously received applications to the Natural Heritage Trust Fund as outlined in Session Law 2013-360. The remaining amount of \$9,318,665 was awarded to the 2013 CWMTF grant applications as part of the 2013 cycle.

For fiscal year 2013-14, CWMTF received 105 grant applications totaling \$56,576,428. By utilizing grant prior-cycle contract under-runs (reversions), license plate revenues and annual appropriations, 41 grants were awarded totaling \$13,684,882. A request for proposal will be

drafted early in 2015 to award the special appropriation for the Water Quality Remediation Funds. As required by G.S. § 113A-257, a list of the projects awarded grants from the Fund for the previous 12-month period, including a description of the project, the amount of the grant awarded for the project, and the total cost of the project, is provided (see Attachment #2).

Breakdown of Grant Awards by Category

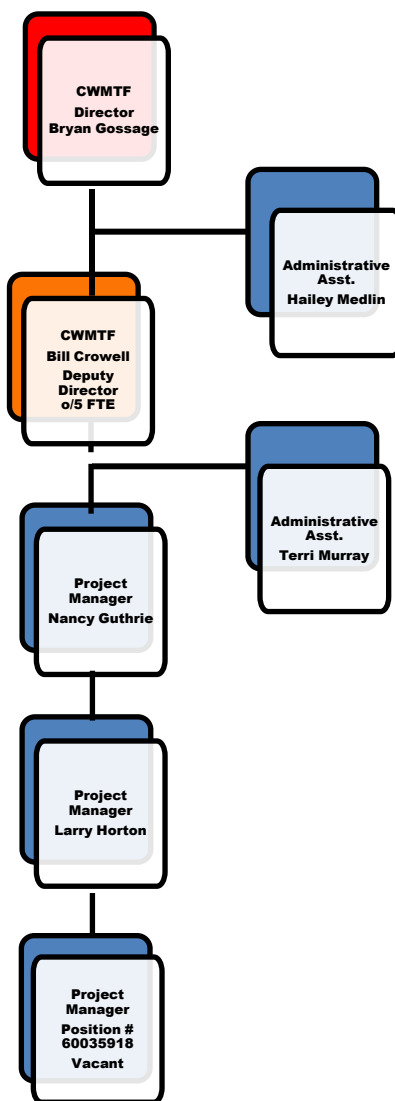
Land/Easement Acquisition	26	\$10,508, 576
Stream Restoration	12	\$ 2,541,045
Innovative Stormwater	3	\$ 635,261
Water Quality Remediation	TBD	\$ 500,000

**Clean Water Management Trust Fund Fiscal Year 2014-2015
Available Funds for Grants**

Summary

Protecting clean water and the conservation of natural resources is a vital role the CWMTF plays to help safeguard many of North Carolina's vital economic engines, including agriculture, tourism and recreation, and the military mission and presence in our state. Having completed major transition activities in late-2013 and early-2014, staff and the Board continues to work diligently to provide efficiency, transparency and accountability to the Fund's operating funds, grant funds, and the valuable non-regulatory role we play. Financial resources provided by the General Assembly fund projects that provide the greatest water quality benefit to the surface waters of the state and protect and preserve natural and cultural resources for our generation and those who will follow.

CWMTF Organizational Structure November 2014



Attachement #2
 2014 Annual Report
 Clean Water Management Trust Fund

Project number, name, & description	Amount funded (\$)	Total project cost (\$)
2013-002 - Blue Ridge Conservancy - Acq/ Camp Lutherock CE, North Toe River	\$ 571,400	\$ 1,282,400
2013-003 - Blue Ridge Conservancy - Acq/ Tracy and Phillips Tracts, Big Horse and Little Horse Creeks	\$ 440,270	\$ 912,770
2013-005 - Carolina Mountain Land Conservancy- Acq/ Society of the Transfiguration, Rocky Broad River	\$ 481,986	\$ 1,938,311
2013-006 - Catawba Lands Conservancy - Acq/ Carolina Thread Trail Phase IV	\$ 750,000	\$ 6,000,000
2013-012 - Foothills Conservancy of NC - Acq/ South Mountains ORW Project, He Creek and Little River	\$ 599,920	\$ 2,233,520
2013-015 - Land Trust for Central NC - Acq/ Brewer Tract, Brown Creek	\$ 138,700	\$ 157,550
2013-016 - Land Trust for Central NC - Acq/ Dry Tract, Rocky River	\$ 20,100	\$ 32,100
2013-017 - Land Trust for Central NC - Acq/ Tucker Tract, McLeans Creek	\$ 174,600	\$ 554,600
2013-018 - Nature Conservancy, The - Acq/ Godwin Tracts, NE Cape Fear River/ Military Training Route	\$ 289,555	\$ 351,195
2013-019 - NC Division of Parks & Recreation - Acq/ Hightower Properties LLC (transferred from TNC)	\$ 750,000	\$ 1,660,799
2013-020 - Nature Conservancy, The - Acq/ Riverstone Tract, White Marsh and Waccamaw River	\$ 750,000	\$ 3,696,900
2013-021 - Nature Conservancy, The - Acq/ Sharpe Tract, Queens Creek Phase II/MCB Camp Lejeune	\$ 320,000	\$ 571,147
2013-022 - NC Coastal Land Trust - Acq/ Bate Land Co tract, Dam Creek/MCAS Cherry Point	\$ 500,000	\$ 951,500
2013-025 - NC Forest Service - Acq/ Backbone Ridge, Racket Creek	\$ 750,000	\$ 3,433,233
2013-026 - NC Forest Service - Acq/ East Fork French Broad Headwaters	\$ 750,000	\$ 10,907,100
2013-027 - Southern Appalachian Highlands Conservancy - Acq/ Grassy Ridge II, Jerry Creek and Martin Creek	\$ 350,000	\$ 2,917,212
2013-029 - Star, Town of - Acq/ McFetters Tract, Little River	\$ 60,100	\$ 114,600
2013-030 - Tar River Land Conservancy - Acq/ Haynes Tract, Robertson Creek	\$ 165,100	\$ 382,600
2013-032 - Tar River Land Conservancy - Acq/ Lane Tract, Fishing Creek	\$ 71,500	\$ 169,000
2013-033 - Tar River Land Conservancy - Acq/ Quality Forest Tract, Fishing Creek	\$ 49,525	\$ 108,825
2013-034 - Tar River Land Conservancy, Southerland Tract	\$ 48,150	\$ 101,850
2013-038 - Trust for Public Land - Acq/ Southview Phase II Tract, Lick Creek	\$ 600,000	\$ 1,308,000
2013N-001 - Wildlife Resources Commission - Acq/ Riverstone, Waccamaw River Area	\$ 1,500,000	\$ 2,400,000
2013N-002 - NC Wildlife Resources Commission - Acq/ Sherrill Tract Acq	\$ 861,000	\$ 880,600
2013N-003 - NC Wildlife Resources - Acq/ Birkhead Tract	\$ 192,000	\$ 1,300,000
2013N-004 - NC Wildlife Resources Commission - Acq/ Harrison Heirs Tract	\$ 300,000	\$ 350,000
2013N-005 - NC Division of Parks & Recreation - Acq/ Yellow Mountain State Natural Area- Grassy Ridge & Vance-Odom Heirs Tracts	\$ 1,857,261	\$ 5,540,000

Project number, name, & description	Amount funded (\$)	Total project cost (\$)
2013N-006 - NC Division of Parks & Recreation - Acq/ Chimney Rock Stae Park- Jeffreys Tract	\$ 507,010	\$ 1,500,000
2013N-007 - NC Division of Parks & Recreation - Acq/ Warwick Mill Bay Conservation Land	\$ 875,000	\$ 1,775,000
2013N-008 - NC Division of Parks & Rec - Acq/ South Mountain State Park- McCurry Tract	\$ 185,000	\$ 262,000
2013N-010 - NC Department of Cultural Resources - Acq/ Alamance Battleground-Joyner Tract	\$ 143,600	\$ 188,600
2013N-011 - NC Department of Cultural Resources - Acq/ Bentonville-Dunn, Westbrook & Wise Tracts	\$ 267,941	\$ 543,486
2013N-012 - NC Department of Cultural Resources - Acq/ Gilbert Town	\$ 183,400	\$ 294,500
2013N-013 - Carolina Mountain Land Conservancy - Acq/ Carl Sandburg Home (transferred from DCR)	\$ 131,470	\$ 227,300
2013N-014 - NC Forest Service - Acq/ Headwaters of the East Fork of the French Broad River, Phase V	\$ 2,000,000	\$ 8,708,000
2013N-015 - NC Dept of Ag & Consumer Services - Acq/ PCP- Caraway Tract	\$ 250,000	\$ 400,000
2013-201 - Carolina Mountain Land Conservancy - GW/ French Broad River Greenway	\$ 95,044	\$ 409,602
2013-202 - Wallace, Town of - GW/ Boney Mill Park Greenway	\$ 253,500	\$ 503,500
2013-401 - Blue Ridge RC&D Council - Rest/ Cane River Dam Removal & Stream Restoration, Cane River	\$ 375,000	\$ 687,029
2013-402 - Caldwell Soil & Water Conservation District - Rest/ Lower Creek Stream Restoration	\$ 162,853	\$ 503,953
2013-403 - Carolina Mountain Land Conservancy - Rest/ Hyder Pasture Wetlands Restoration, Bat Fork	\$ 75,550	\$ 318,000
2013-404 - Goldsboro, City of - Rest/ Stoney Creek Enhancement Phase 2	\$ 375,000	\$ 480,027
2013-405 - Greensboro, City of - Rest/ S Buffalo Cr Habitat & Water Quality Improvement, Ph 2	\$ 375,000	\$ 1,355,334
2013-410 - Pilot View RC&D, Inc - Rest/ Ararat River and Lovill's Creek Restoration Phase 4	\$ 375,000	\$ 2,472,200
2013-413 - Resource Institute - Rest/ Western North Carolina Stream Restoration Initiative	\$ 375,000	\$ 5,500,000
2013-415 - Surry Soil & Water Conservation District - Rest/ Horne Creek Restoration	\$ 375,000	\$ 428,400
2013-416 - Toe River Valley Watch - Rest/ Grassy Creek Restoration	\$ 375,000	\$ 707,157
2013-417 - Transylvania Soil & Water Conservation District - Rest/ East Fork Oxbow Restoration	\$ 113,950	\$ 218,483
2013-802 - Piedmont Triad Regional Council - Rest/ Plan/ Swearing Creek Watershed Restoration Plan	\$ 75,000	\$ 251,472
2013-409 - NC Div of Soil & Water Conservation - Rest/ Conservation Reserve Enhancement Program (CREP) Phase 5	\$ 375,000	\$ 6,711,212
2014-001 - Alamance County Recreation & Parks - Acq/ Cane Mountains Natural Area	\$ 75,000	\$ 803,050

Project number, name, & description	Amount funded (\$)	Total project cost (\$)
2014-006 - Blue Ridge Conservancy - Acq/ Wrenn Property Acquisition-Elk Knob State Park	\$ 56,462	\$ 119,607
2014-007 - Carolina Mountain Land Conservancy - Acq/ Bearwallow Mountain Phase III	\$ 404,455	\$ 1,004,455
2014-008 - Carolina Mountain Land Conservancy - Acq/ Eagle's Nest Branch	\$ 393,880	\$ 875,730
2014-011 - Catawba Lands Conservancy - Acq/ Carolina Thread Trail - Rocky River/Mallard Creek Trail, Cabarrus County, NC	\$ 1,000,000	\$ 1,759,450
2014-013 - Conservation Fund, The - Acq/ Big Laurel Creek	\$ 1,000,000	\$ 2,037,650
2014-015 - Conservation Fund, The - Acq/ Jarrett Bay	\$ 130,518	\$ 226,018
2014-016 - Conservation Fund, The - Acq/ Laurel Branch	\$ 130,000	\$ 2,121,560
2014-017 - Conservation Trust for North Carolina - Acq/ The Orchard at Altapass	\$ 180,844	\$ 670,344
2014-020 - NC Division of Parks & Recreation - Acq/ Bacon Quarry (transferred from ERA)	\$ 336,500	\$ 544,000
2014-023 - Foothills Conservancy of NC - Acq/ Fort Defiance National Historic Site	\$ 243,672	\$ 437,172
2014-025 - Land Trust for the Little Tennessee, Inc. - Acq/ Smarr	\$ 439,520	\$ 914,520
2014-029 - LandTrust for Central North Carolina - Acq/ Fort York Historic Site	\$ 137,862	\$ 300,000
2014-040 - NC Department of Cultural Resources - Acq/ Bentonville Battlefield - Denning, Laboda, and Morris tracts	\$ 123,640	\$ 367,280
2014-041 - NC Div Parks & Recreation - Acq/ Chimney Rock State Park Bluerock Mtn / Cedar Knob	\$ 1,000,000	\$ 2,537,850
2014-044 - NC Div Parks & Recreation - Acq/ South Mountains SP - Simms Hill	\$ 684,000	\$ 1,459,200
2014-046 - NC Forest Service - Acq/ Headwaters of the East Fork of the French Broad River	\$ 1,000,000	\$ 22,973,190
2014-048 - NC Wildlife Resources Commission - Acq/ Page Tract	\$ 75,160	\$ 153,010
2014-049 - NC Wildlife Resources Commission - Acq/ Sassafras/James Sisters	\$ 1,000,000	\$ 3,467,040
2014-051 - NCDA&CS Plant Conservation Program - Acq/ Cedar Mountain Bog Phase II	\$ 420,000	\$ 1,264,341
2014-057 - Sandhills Area Land Trust, Inc. - Acq/ Seaboard Timberland	\$ 448,183	\$ 996,021
2014-063 - Tar River Land Conservancy - Acq/ Nealey Tract	\$ 96,200	\$ 193,200
2014-067 - Troy, Town of - Acq/ Denson Creek	\$ 264,000	\$ 383,000
2014-068 - Wake Forest, Town of - Acq/ Hedrick	\$ 289,622	\$ 595,472
2014-069 - Wake Forest, Town of - Acq/ Traditions North East	\$ 529,920	\$ 3,643,071
2014-1004 - Fayetteville, City of - ISW/ Person Street Innovative Stormwater Greenscape, Blounts Cr	\$ 309,500	\$ 1,077,195
2014-1007 - NC State University - ISW/ Retrofitting Wet Pond Shelves, Cape Fear River	\$ 177,448	\$ 205,729
2014-1010 - UNC-Chapel Hill - ISW/ Investigating Blue, Green & Conventional Roof Stormwater Mgmt, Waters Cr	\$ 148,313	\$ 244,302
2014-402 - Durham Soil & Water Conservation District - RS/ Southern HS Stream & Stormwater BMP Project, Neuse River	\$ 176,500	\$ 776,546
2014-403 - Greensboro, City of - RS/ S Buffalo Cr Habitat & Water Quality Improvement Ph III	\$ 332,600	\$ 665,200

Project number, name, & description	Amount funded (\$)	Total project cost (\$)
2014-404 - Hiwassee River Watershed Coalition, Inc - RS/ Valley River at Taylor Creek Restoration	\$ 17,200	\$ 234,500
2014-405 - Hookerton, Town of - RS/ Contentnea Stream Bank Stabilization	\$ 303,000	\$ 600,000
2014-406 - Laurel Park, Town of - RS/ Rhododendron Lake Pk Ph 2 Stream Restoration, Wash Cr	\$ 63,550	\$ 141,550
2014-407 - Mecklenburg County - RS/ The Park Huntersville Ph 2, McDowell Cr	\$ 400,000	\$ 1,776,264
2014-413 - Pilot View RC&D - RS/ Ararat River Ph 4 Stream Restoration & Greenway, Ararat River	\$ 400,000	\$ 1,245,000
2014-417 - Resource Institute, Inc - RS/ Hitchcock Creek Stream & Wetland Enhancement, Hitchcock Cr	\$ 149,079	\$ 685,846
2014-419 - Resource Institute, Inc - RS/ Western NC Stream Restoration Initiative 2014	\$ 400,000	\$ 7,500,000
2014-421 - Trout Unlimited, Stone Mtn Chapter - RS/ E Prong Roaring River Restoration	\$ 75,000	\$ 65,000
2014-802 - Piedmont Triad Regional Council - Planning/ RS Stokes County - Dan River Corridor Recreation & Stewardship Plan	\$ 51,000	\$ 72,500
2014-803 - Wilson, City of - Planning/ Hominy Creek Greenway & Water Quality Park Master Plan	\$ 18,316	\$ 36,316