TO: Joint Legislative Commission on Government Operations
The Honorable Phil Berger, Chair
The Honorable Tim Moore, Chair

Environmental Review Commission
Rep. Jimmy Dixon, Chair
Rep. Chuck McGrady, Chair
Rep. Pat McElraft, Vice Chair

Subcommittees on Appropriations for Natural and Economic Resources
Sen. Chuck Edwards, Chair
Sen. Rick Gunn, Chair
Sen. Andy Wells, Chair
Rep. Jimmy Dixon, Chair
Rep. Kyle Hall, Chair
Rep. Pat McElraft, Chair
Rep. Larry Strickland, Chair
Rep. Chuck McGrady, Vice Chair
Rep. Larry Yarborough, Vice Chair

Division of Fiscal Research, North Carolina General Assembly
Mark Trogdon, Director, Fiscal Research Division
Kristine Leggett, Fiscal Research Division

FROM: Walter Clark, Executive Director NCLWF on behalf of Greer Cawood, Chair of the Board of Trustees for the NC Land and Water Fund

RE: NC Land and Water Fund Report Required per S.L. 2019-032, 1.(e)
Introduction

The Department of Natural and Cultural Resources and the staff and Board of Trustees of the NC Land and Water Fund (NCLWF), formerly known as the Clean Water Management Trust Fund, thank the members of the General Assembly of North Carolina for their continued and substantial commitments to protect safe and clean drinking water, natural and cultural resources, and the U.S. military mission within North Carolina. The NCLWF hereby presents this report summarizing implementation of Section 1.(a) of S.L. 2019-032.

Background

In 2019, the General Assembly passed an act to reconstitute several boards and commissions held to have unconstitutionally appointed membership pursuant to McCrory v. Berger and Cooper v. Berger. In addition to those changes in the appointing authority, several other changes to the enabling statute for the NCLWF were made that primarily affected the purposes and scoring criteria. The act also changed the Fund’s name. Those changes will be addressed in order, by section.


1. Name Change to “NC Land and Water Fund” - The Fund is nearing completion of a rebranding effort and expects to roll out a new logo and publicly adopt the new name on September 1, 2020.

2. Hazard Mitigation Funds – NCLWF has been collaborating with the North Carolina Office of Resilience and Recovery and Federal agency staff to ensure that we are aware of any federal funds
that would be appropriate to complement our funds or that may need a State agency partner to act as a sub-grantee.

(7) To provide buffers around military bases or for State matching funds for the Readiness and Environmental Protection Initiative, a federal funding initiative that provides funds for military buffers. To prevent encroachment, provide buffers, and preserve natural habitats around military installations or military training areas, or for State matching funds of federal initiatives that provide funds to prevent encroachment, provide buffers, and preserve natural habitats around military installations or military training areas.

3. **Change to Fund Purpose #7** – This was a clarification for the military buffer protection part of NCLWF’s mission that makes the connection between the military projects and preserving natural habitats clear. The program implementation was consistent with this language and no additional action was necessary our part.

(12) To protect and restore floodplains and wetlands for the purpose of storing water, reducing flooding, improving water quality, providing wildlife and aquatic habitat, and providing recreational opportunities.

4. **Change to Fund Purpose #12** – NCLWF already works in floodplains and wetlands. However, changes were made to the rating system to more clearly reflect the benefit of projects in these areas.

§ 143B-135.240. Clean Water Management Trust Fund: Board of Trustees established; membership qualifications; vacancies; meetings and meeting facilities.
1. **Membership** – The appointments to the Board of Trustees were adjusted such that one each of the members previously appointed the President Pro Tempore and Speaker of the House of Representatives was assigned to the Governor. Appointments are reflected in the following table.
Table 1. Current Appointments

<table>
<thead>
<tr>
<th>Seat No.</th>
<th>Appointing Authority</th>
<th>Current Appointments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Name</td>
</tr>
<tr>
<td>1</td>
<td>Governor</td>
<td>John Wilson</td>
</tr>
<tr>
<td>2</td>
<td>Governor</td>
<td>David Womack</td>
</tr>
<tr>
<td>3</td>
<td>Governor</td>
<td>Darrel Williams</td>
</tr>
<tr>
<td>4</td>
<td>Governor</td>
<td>Amy Grissom</td>
</tr>
<tr>
<td>5</td>
<td>Governor</td>
<td>Ann Browning</td>
</tr>
<tr>
<td>6</td>
<td>House</td>
<td>E Greer Cawood</td>
</tr>
<tr>
<td>7</td>
<td>House</td>
<td>Renee Kumor</td>
</tr>
<tr>
<td>8</td>
<td>Senate</td>
<td>Jason Walser</td>
</tr>
<tr>
<td>9</td>
<td>Senate</td>
<td>Judith Kennedy</td>
</tr>
</tbody>
</table>


1. **Addition of Grant Criteria #2a** – The NCLWF Board made adjustments to the planning criterion under the Acquisition, Restoration, and Planning Programs to ensure that integrated water management plans would receive credit in the project scoring.

2. **Change to Grant Criteria #8** – The NCLWF Board removed references to the “likelihood of a proposed water supply reservoir being built” from the Acquisition and Restoration Program Criteria and inserted “By preventing sediment and nutrient pollution, the proposed project preserves the capacity of existing reservoirs” into the Restoration Criteria.
3. **Addition of Grant Criteria #12** – The NCLWF Board considered many ways to establish the rate and likelihood of land use change. The data or this criterion had to be objective, uniformly available across the state, and easy to interpret. The best data available is a threat layer in the Southeastern Conservation Blueprint – a probability of urbanization based on the SLEUTH Model. The SLEUTH model maps the probability of urbanization across the Southeast by looking at the pattern of road growth that occurred from 2000-2009 and predicting what the future would look like if those trends continue. To receive points, the project must be within the Probability of Urbanization 2050 areas of likelihood greater than 0% based on the SLEUTH Projected Urban Growth dataset or the Applicant must provide documentation that the project area will be developed or degraded to an extent it will not be available for conservation or restoration (e.g. mines, quarries, etc.). This criterion is awarded up to 2 points in the rating system.

4. **Addition of Grant Criteria #13** – The NCLWF Board assigned up to 3 points to projects that meet the required elements of a comprehensive, long term plan as defined below.

   Comprehensive, long-term plans must meet the following requirements:
   - Adopted prior to application deadline by a State agency, local government unit, or a nonprofit corporation whose primary purpose is the conservation, preservation, or restoration of the State’s cultural, environmental, or natural resources.
   - Clearly stated goals and objectives that are consistent with one or more of NCLWF’s statutory criteria

   To receive full points, the parcel must be specifically mentioned as a priority in the plan, and the plan must meet the following standards:
   - Written for a 5-10-year planning horizon
   - Less than 10 years old
   - Includes multiple stake holders and/or data layers or sources (multiple organizations, input from public meetings or surveys, etc.)
• jurisdiction wide (local governments) and/or resource-wide (i.e. entire watershed, region, natural community, historic district, greenway corridor, etc.)

Partial points may be awarded if the parcel is not specifically mentioned in a plan that otherwise meets the requirements of a plan, or if the parcel is identified in a plan that meets most, but not all standards.


"§ 143B-135.248. Clean Water Management Trust Fund: Advisory Council. There is established the Clean Water Management Trust Fund Advisory Council. The Council shall advise the Trustees with regard to allocations made from the Fund, and other issues as requested by the Trustees. The Council shall be composed of the following or its designees:

(1) Commissioner of Agriculture.
(2) Chair of the Wildlife Resources Commission.
(3) Secretary of Environmental Quality.
(4) Secretary of the Department of Commerce.
(5) Secretary of Natural and Cultural Resources."

1. Advisory Council Abolished – This group has not been convened for many years, so no action was necessary.

Summary

The staff and Board of Trustees of the NC Land and Water Fund have worked diligently to ensure that all aspects of the changes made as part of S.L. 2019-032 have been implemented as expected by the General Assembly. All of the changes to the scoring criteria were made in time to be incorporated into the 2020 Grant Cycle, in which applications are currently being reviewed for funding. The rebranding efforts will be complete soon and the NC Land and Water Fund is looking forward to unveiling our new name and brand soon. A current draft of the new logo appears below.