

**NORTH CAROLINA LAND AND WATER FUND ANNUAL REPORT**

**December 2021**

TO: Joint Leg. Oversight Committee on Agriculture and Natural and Economic Resources

Environmental Review Commission

House Approps. Subcommittee on Agriculture and Natural and Economic Resources

Senate Approps. Subcommittee on Agriculture, Natural, and Economic Resources

Fiscal Research Division of the General Assembly

FROM: Will Summer, Interim Executive Director, NC Land and Water Fund, on behalf of John Wilson,  
Chair of the Board of Trustees, NC Land and Water Fund

RE: NC Land and Water Fund 2021 Annual Report per G.S. 143B-135.244

## Introduction

The Department of Natural and Cultural Resources (DNCR) and the staff and Board of Trustees of the North Carolina Land and Water Fund (NCLWF) thank the members of the General Assembly of North Carolina for their continued and substantial commitment to protect safe and clean drinking water, natural and cultural resources, and the U.S. military mission within North Carolina. The NCLWF hereby presents its annual report to the General Assembly and the public, pursuant to NCGS 143B-135.244.

## Background

The 1996 General Assembly created the Clean Water Management Trust Fund (now known as the NC Land and Water Fund) [NCGS 143B-135.230 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 NCLWF 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." In 2013, the statutory purposes of the NCLWF were amended to include protection of lands with natural, cultural, and historic value.

In 2019, per Senate Bill 381, the Clean Water Management Trust Fund was directed to begin doing business as the "North Carolina Land and Water Fund." In September 2020, the new name was officially adopted with a new logo (below).



From its inception through 2021, the NCLWF, through appropriations and receipts, has partnered with local communities and organizations to contribute over \$1 billion to the protection and restoration of the state's natural and cultural resources. Further, the Fund has leveraged approximately \$1.7 billion in additional funds to support those same efforts to protect and restore our State's resources. These

leveraged funds come from private individuals, nonprofits, corporations, and local, State and Federal government agencies, including Department of Defense/military funds.

## **Administration**

The NCLWF is in the Department of Natural and Cultural Resources and housed in the Nature Research Center building on Jones St. in Raleigh, NC. Will Summer has served as Interim Executive Director since the retirement of the previous director in June 2021. NCLWF is within DNCR's Division of Land and Water Stewardship, for which Will Summer also serves as Interim Director. The Division reports to DNCR Deputy Secretary for Natural Resources Jeff Michael. NCLWF is supported by a staff of 10, including the Executive Director. For additional information, see Attachment 1 – *Organizational Chart*. Administration/operations funds of up to \$1,183,556 were appropriated for the FY 20-21 budget.

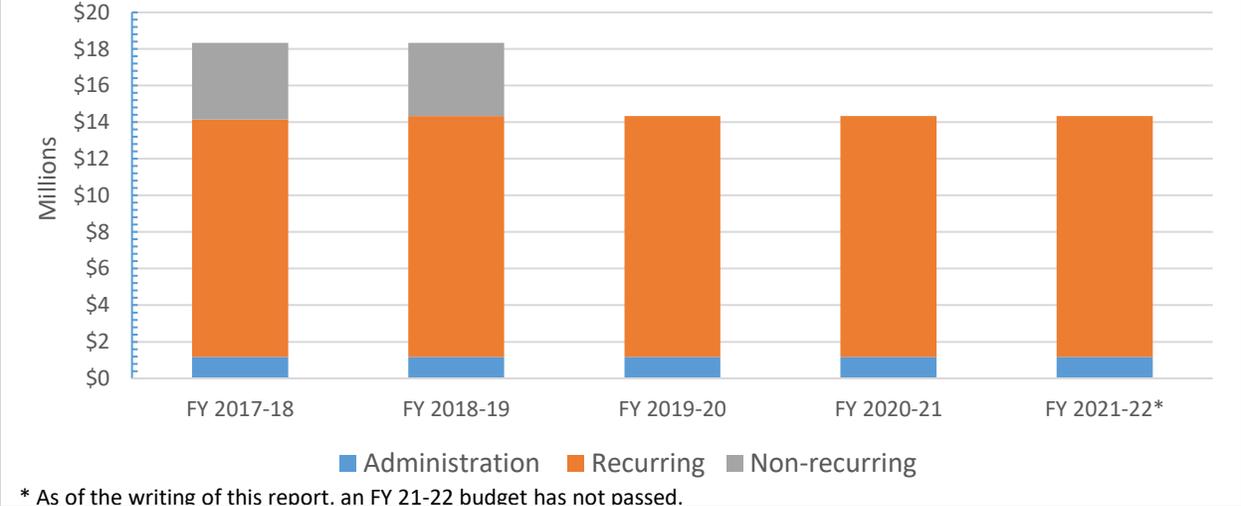
As of November 1, 2021, NCLWF staff was managing 129 active contracts totaling over \$29.9 million. To ensure appropriate due diligence in monitoring grants and expending funds, staff has developed a transparent process with clearly communicated expectations. Staff is always available to provide technical assistance and other resources to guide recipients through grant requirements for successful project implementation and reporting.

## **Grant Funding**

### *Legislative Appropriation*

Based on the recurring budgeted amount, the appropriation designated for grants in FY 20-21 was \$13,157,530. Annual appropriation levels for the last five years are shown in the graph below (figure 1).

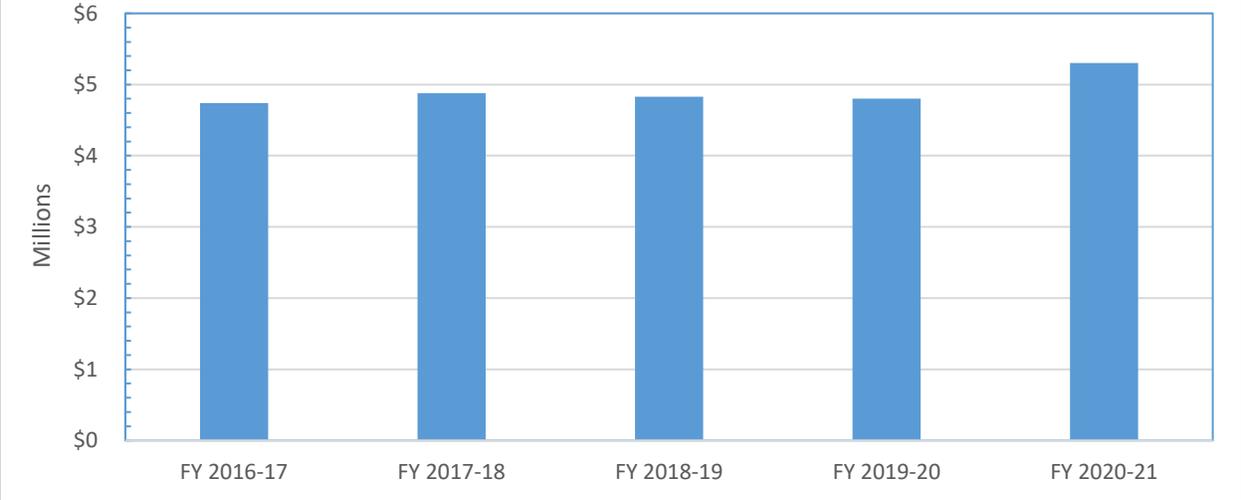
**Figure 1. - NCLWF Appropriations - 5 Years**



*Other Revenue*

In addition to the legislative appropriation, the NCLWF receives a dedicated revenue stream from automobile license plate fees. These fees generate approximately \$5.3 million annually (\$10 from each First in Forestry plate, \$15 from each Out-of-state Collegiate Insignia plate, and \$15 for each Personalized plate). As of November 1, 2021, \$186,067.50 has been collected in FY 20-21. All of these funds are used for grants. Revenue generated from license fees for the last five years is shown on the graph below (figure 2).

**Figure 2. NCLWF License Plate Revenue - 5 Years**



## 2021 Summary

For FY 20-21, NCLWF received 108 grant applications totaling \$76,595,676. At the regular funding meeting in September 2021 and the Board decided to award some of our recurring funds but postpone decisions on most of the awards until a budget was finalized. Twenty grants totaling \$3,125,205 were awarded for the current funding cycle for restoration, innovative stormwater, and planning grants. The committee responsible for awarding the acquisition projects is scheduled to meet on November 30 to award funds. Table 1 below shows a breakdown of program areas with total amounts funded. As required by G.S. § 143B-135.244, a detailed list of grant awards for the previous 12-month period is provided as Attachment 2 – *2021 Grant Cycle Awards to Date* at the end of this report.

Acquisition (Military Buffer)	\$0
Acquisition (Non-military)	\$0
Restoration	\$2,310,638
Innovative Stormwater	\$350,000
Planning	\$464,567
Donated Minigrants	\$0
<b>Total</b>	<b>\$3,125,205</b>

### *Impacts*

The NCLWF marked its 25<sup>th</sup> anniversary in 2021. Since its inception, nearly 750,000 acres of North Carolina land have been strategically conserved and more than 3,000 miles of streams protected. However, the NCLWF protects more than the state’s natural and cultural resources. Grants from the program support major North Carolina economies including agriculture, tourism, fisheries, hunting, forestry, and the military. Funds also help meet infrastructure needs of municipalities and increase recreational opportunities by supporting parks, trails, and greenways, enhancing the health and quality of life for North Carolina citizens. North Carolina’s quality of life is the foundation for sustainable economic investment and development.

Funds were granted for nine projects to restore streams, rivers and estuaries, and two projects designed to evaluate innovative techniques for managing stormwater. In addition, nine planning projects were funded to identify key water quality and conservation opportunities in mountain, piedmont, and coastal watersheds.

As of the writing of this report, the Board has not awarded the bulk of the funds for the 2021 grant cycle due to the budget delays. We anticipate that in early December, many more funded projects will be announced.

To date in 2021, NCLWF has funded projects that:

- Support outdoor recreation activities, which account for \$3.3 billion of North Carolina’s annual economy, by:
  - Enhancing sport fisheries across the state including trout waters in Haywood, Mitchell, Swain, and Watauga counties, fishery nursery areas of the Cape Fear River, and saltwater fisheries in Carteret County;
  - Construction of an innovative stormwater project on the campus of Durham’s Riverside High School that will treat stormwater runoff before it reaches the Eno River and Eno River State Park. This project will also provide hands on horticulture and agri-business experience to students as they help to propagate native plants for the project’s two constructed wetlands; and
  - Planning efforts to protect unique water resources including the nutrient sensitive Albemarle Sound, the Jordan Lake water supply, recreational waters of the Dan and French Broad rivers, a wetland complex near Dunn, and the shellfish waters of Newport River Estuary.
  
- Add resources to rural and economically distressed areas, including:
  - \$779,000 in grants to Tier 1 counties
  - \$451,000 in grants to Tier 2 counties

*Project Highlights*

**2021-414 North Carolina Coastal Federation, Fort Macon Living Shoreline, Carteret County –** Fort Macon State Park is one of the most visited state parks in North Carolina, with over one million visitors in 2020 spending time at the Park’s museum, historical fort, and natural areas. The eastern edge of the Park’s shoreline is eroding and quickly retreating as hurricanes, other coastal storms, boat wakes and high water levels take their toll. The project will design and install a 2,400-foot living shoreline at Fort Macon. This wave breaking sill placed at the low water line will disperse wave energy, support aquatic habitat, and support the regrowth of coastal marsh. By protecting the natural beauty and historic features of Fort Macon, this project will help to preserve opportunities for the public to explore and learn about the history and natural resources of our coast.

**2021-1001 Durham Soil and Water Conservation District, Innovative Stormwater, Durham County –** This project will test the effectiveness of converting two dilapidated retention ponds on the grounds of Durham’s Riverside High School into stormwater wetlands. At present the existing stormwater ponds are failing and are a significant source of sediment pollution into the Eno River adjacent to the Eno River State Park. The project will repair the failed systems while monitoring the new systems to document the benefits of these practices and to provide a guide to future repairs in other locations. This project has the additional benefit of providing hands on educational and vocational experience to Riverside High School students as they will be

instructed on the propagation of wetland plants and allowed to explore the agri-business aspects to nature-based stormwater practices.

**2021-410 Mainspring Conservation Trust, Aquatic Organism Passage on Big Laurel Creek, Swain County** – The project will enhance native trout habitat and increase fish passage under roads in the Nantahala National Forest. One phase of the project will replace two narrow, dark culverts with a broad, gravel bottomed arched culvert. This drainage improvement will remove the existing constraint on fish passage in the stream. A second phase of the project will improve drainage features on the gravel roads adjacent to streams and reduce existing storm sediment inputs. Together these efforts will improve native fish habitat and reconnect fish populations presently isolated by forest roads.

**2021-402 Blue Ridge Resource Conservation and Development Council, Bakersville Creekwalk along Cane Creek, Mitchell County** – The popular and frequently used Bakersville Creekwalk greenway runs close to the top of the streambank of Cane Creek. While this greenway provides passive recreational opportunities, a fine view of the stream, and access points for trout fishing, it is presently threatened by stream erosion and steep streambanks. The stream is also threatened by the greenway infrastructure and lack of streamside vegetation. The project will restore, enhance, and stabilize 1,400 linear feet of eroding stream channel adjacent to the greenway. By sloping back the steep streambanks and constructing in-stream grade control and habitat structures, this project will improve habitat and restore the natural function and stability of the trout stream. At the same time, this project will improve the safety and natural beauty of the greenway.

**2021-408 Haywood Waterways Association, Chestnut Park and Hominy Creek, Haywood County** – This stream restoration project will enhance and complement previous conservation efforts that established the 448-acre Chestnut Mountain Nature Park near the Town of Canton. While the nature park is an important recreational and natural area, stream erosion and the presence of invasive plants have degraded streamside and aquatic habitat in Hominy Creek. This project will enhance 2,300 feet of stream and riparian habitat on the grounds of the nature park. Sediment pollution will be reduced and a stream access point will be developed to provide safe and convenient access to the stream. Planning work be conducted to identify other opportunities to improve water quality in the watershed. With Chestnut Mountain Nature Park at its center, this restoration effort is designed to be a key demonstration project that may inspire other habitat restoration projects throughout the Hominy Creek watershed.

## **Program and Policy Updates**

### *Board Action*

In addition to the usual annual grant awards and deposit to the easement endowment, the Board of Trustees approved several updates to policies on commercial use and easement enforcement, and considered several easement amendment requests.

### *Legislative Action*

There was no legislative action this year that affected the NCLWF.

### *Judicial Action*

There was no judicial action this year that affected the NCLWF.

### *Executive Action*

There were no direct Executive Orders or other actions that affected the function of the NCLWF this year.

## **Board of Trustees**

The Board has held three business meetings to date in 2021. As of November, the nine members of the Board of Trustees are:

### **John Wilson (Chair):**

**Resides** – Chapel Hill, NC

**Occupation** – Documentary filmmaker

**Education** - BA in Biology from UNC-Chapel Hill, MFA in Film Production from the Univ. of Southern California

**Additional Information** - Former board member and president, Conservation Trust for North Carolina. Former board member and conservation committee chair, N.C. Botanical Garden Foundation. Former board member, Catawba Riverkeeper Foundation. Former President's Council member, Southern Environmental Law Center. Produced several documentaries for UNC-TV and edited the UNC Institute for the Environment video series, "Climate Stories NC." Enjoys hiking, fishing, snow skiing and being outdoors.

**Ann Browning:**

**Resides** – Davidson, NC

**Occupation**- Retired, former banker and founding partner of Bank of American Capital Investors

**Education** – B.A. from Davidson College; MBA from Kenan-Flagler/University of North Carolina-Chapel Hill

**Additional Information** – Served on the board of Blue Ridge Conservancy; former Carolina Thread Trail Director, former Davidson College Trustee. Various volunteer activities with land conservation organizations, DavidsonLearns, and church. Interests include paddling and hiking, gardening, reading contemporary fiction.

**Greer Cawood:**

**Resides** - Winston-Salem, NC

**Occupation** - Political Consultant, formerly Director of Public Policy and Corporate Communications for Wachovia Corporation

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

**Additional Information** - Serves on the boards of the UNC School of the Arts, Forsyth County Day School, Twin City Garden Club and the Reynolda House Museum of American Art; formerly served on the board of the NC Chapter of the Nature Conservancy, NC Center for Public Policy Research and the NC Bankers Association. Enjoys traveling, hiking, tennis and skiing.

**Amy Grissom:**

**Resides** – Charlotte, NC

**Occupation**- Retired, former Project Manager for museums / art publishing industry.

**Education** – BA in Economics at UNC, Chapel Hill and MA in Art History at University of Michigan, Ann Arbor.

**Additional Information** – Currently serves on the board of The Light Factory (photography education and exhibitions). Formerly served on the board of The Land Trust for Central NC. Grew up on a family farm in Uwharrie Mountain region of the piedmont. For the past 20+ years, while staying home to raise her two children, has acquired and managed land for conservation of water and wildlife. Enjoys visual arts, gardening, and generally being outdoors.

**Renee Kumor:**

**Resides** – Hendersonville, NC

**Occupation** – Author; former County Commissioner

**Education** - BA, University of Dayton, Dayton, Ohio; AA, Mechanical Drafting and Design, Blue Ridge Community College.

**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.

**Michael (Mike) Rusher:**

**Resides** - Apex, NC

**Occupation** – Public Affairs Consultant, Vice President at The Results Company in Raleigh, NC

**Education** – B.A. from the University of North Carolina Greensboro

**Additional Information** – Serves on the board of the Apex Environmental Advisory Board, Vice President of community homeowner's association. Enjoys traveling on the coast, spending time outdoors and spending time with family.

**Jason Walser:**

**Resides** - Salisbury, N.C.

**Occupation** - Executive Director, Blanche and Julian Robertson Family Foundation

**Education** - B.S. in Business Administration, UNC Chapel Hill. J.D., UNC Chapel Hill

**Additional Information** - Former Executive Director, The Land Trust for Central N.C.

Board member of Smart Start Rowan, J.F. Hurley Y.M.C.A., Wil-Cox Bridge Advisory Committee, N.C. Natural Heritage Advisory Committee, and Rowan Jobs Initiative. Wife Tracy serves as business manager of Rowan County Chamber of Commerce. Son Ian is at East Carolina University and daughter Autumn is at Salisbury High School. Interests include hiking, fishing, public policy, and reading. Have travelled extensively across the United States and Europe.

**Darrel Williams:**

**Resides** – Charlotte, NC

**Occupation** – Architect

**Education** – Bachelor of Architecture, Southern University, Baton Rouge, LA

**Additional Information** – A founding partner and the owner of Neighboring Concepts, a multidisciplinary design firm located in Charlotte. Currently on the board of Charlotte Center City Partners and recently became board chair for The Harvey B. Gantt Center for African American Arts + Culture. In 2019, he completed his third term, with nine years on the board of The North Carolina Nature Conservancy. Mr. Williams also served four terms on the Mecklenburg County Board of Commissioners.

**David H. Womack:**

**Resides** - Greenville, N.C.

**Occupation** - Retired, former President of Womack Electric Supply Co.

**Education** - BA from the University of Virginia

**Additional information** - Serves on the board of Vidant Health Systems. Formerly served on the boards of East Carolina University Educational Foundation, Boys and Girls Club of the Coastal Plain, N.C. Aquarium Society, N.C. Chapter of the Nature Conservancy. David enjoys travel, hiking, golf and the outdoors in general.

**Annual Report Summary**

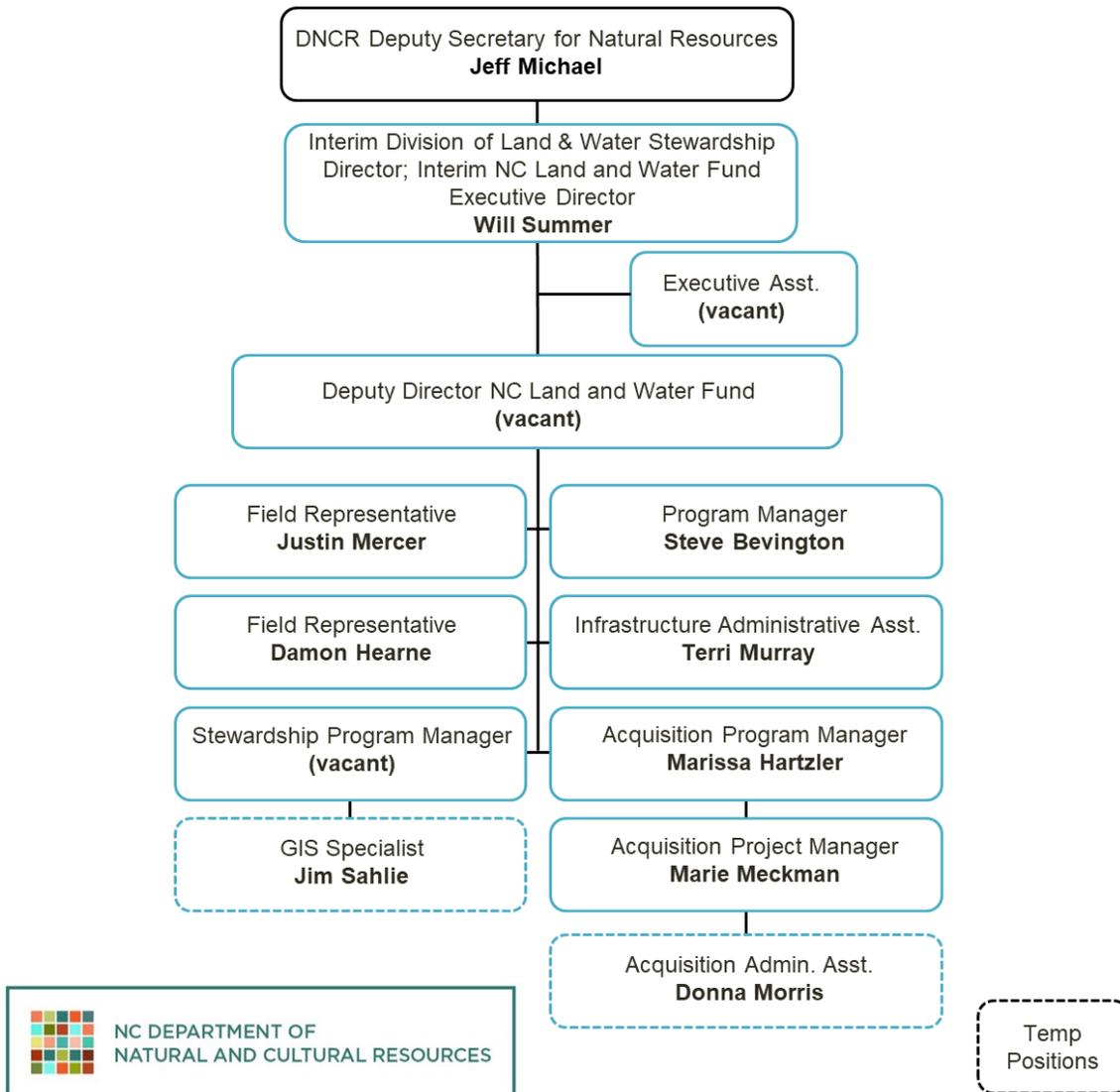
The NC Land and Water Fund plays a critical non-regulatory role in protecting our State's water resources and conserving natural and cultural resources. This protects and enhances North Carolina's vital economic engines including agriculture, tourism, recreation, and the military. The NCLWF staff and Board work diligently to provide efficiency, transparency and accountability regarding operating expenses and grant funds. By providing financial resources, the General Assembly helps protect and preserve our State's natural, historic, and cultural resources for our generation and generations to come.

Attachment 1. Organizational Chart



## Division of Land and Water Stewardship

11/2021



**Attachment 2. 2021 Grant Cycle Awards to Date**

**2021 NCLWF Awards - September 15, 2021**

NOTE: Acquisition awards will be made at the next meeting on December 1st.

Summary of Funded Projects	
Restoration	\$2,310,638
Innovative Stormwater	\$350,000
Planning	\$464,567
<b>Total</b>	<b>\$3,125,205</b>



Note: "Provisional Awards" are made pending revenue that may become available before July 1, 2022

Application Number and Project Name	Award	Provisional Award, Order	County
<b>RESTORATION PROJECTS</b>			
2021-404 - Carteret County - Carrot Island Living Shoreline	\$400,000		Carteret
2021-410 - Mainspring Conservation Trust - Aquatic Organism Passage - Big Laurel Creek	\$75,000		Swain
2021-414 - North Carolina Coastal Federation - Fort Macon Living Shoreline	\$400,000		Carteret
2021-408 - Haywood Waterways Association - Chestnut Park - Hominy Creek	\$177,910		Haywood
2021-421 - Resource Institute - UT to Cape Fear River Ph2	\$400,000		Cumberland
2021-417 - New River Conservancy - Green Valley Park - South Fork New River	\$43,000		Watauga
2021-415 - North Carolina Coastal Federation - Living Shorelines Ph2	\$400,000		Carteret
2021-402 - Blue Ridge RC&D - Bakersville Creekwalk - Cane Creek	\$152,728		Mitchell
2021-419 - Resource Institute - EQIP Restoration - Boylston Creek	\$262,000		Henderson
2021-416 - New Bern - Urban Stream Restoration		\$150,000	1 Craven
2021-401 - Apex - UT to Beaver Creek		\$400,000	5 Wake
2021-405 - Conserving Carolina - Pleasant Grove Floodplain - French Broad River		\$400,000	6 Henderson
2021-411 - Morganton - Bethel Park - East Prong Hunting Creek		\$400,000	7 Burke
2021-403 - Blue Ridge RC&D - Mayland CC Campus - Holley Branch		\$162,000	8 Avery
2021-412 - North Carolina Division of Soil & Water Conservation - CREP 2021		\$343,523	9 Vance

<b>INNOVATIVE STORMWATER PROJECTS</b>			
2021-1001 - Durham County SWCD - Riverside HS Innovation	\$250,000		Durham
2021-1002 - North Carolina State University - Monitoring Flow-through Wetlands	\$100,000		Wilson

<b>PLANNING PROJECTS</b>			
2021-810 - North Carolina Coastal Federation - Newport River Estuary Plan	\$74,737		Carteret
2021-807 - Dan River Basin Association - Dan River Recreation and Stewardship Plan	\$51,500		Rockingham
2021-801 - Albemarle Commission - Albemarle Water Management Plan Ph2	\$72,710		Chowan
2021-811 - Sound Rivers - Jacks Creek Watershed Plan	\$43,500		Beaufort

Note: "Provisional Awards" are made pending revenue that may become available before July 1, 2022

Application Number and Project Name	Award	Provisional Award, Order	County
2021-808 - Hendersonville - Restoration Assessment - Upper Mud Creek	\$24,620		Henderson
2021-809 - Mountain True - Restoration Plan - Hominy Creek	\$12,500		Buncombe
2021-802 - Cape Fear Resource Conservation & Development - Pages Creek Watershed Restoration Plan	\$75,000		New Hanover
2021-803 - Cary - White Oak Creek Restoration Plan	\$40,000		Wake
2021-806 - Carolina Wetlands Association - Stony Run Watershed Restoration Plan	\$70,000		Harnett
2021-804 - Cerro Gordo - Cerro Gordo Stormwater Assessment		\$49,600 2	Columbus
2021-805 - Currituck County Soil & Water Conservation District - Currituck County Watershed Protection Plan		\$39,600 3	Currituck
2021-812 - Statesville - Free Nancy Branch Restoration Plan		\$30,000 4	Iredell