STEWARDSHIP PROGRAM REPORT to EEP
Fiscal Year 2009-10, revised 12/8/10

Our mission is to ensure that the state-held conservation easements are managed to protect water quality, wildlife habitat, and provide open space.

Introduction

This is the Stewardship Program's report that covers activities during fiscal year 2009-10.

The Stewardship Program has three main goals:

1. Minimize violations through effective landowner communications,
2. Avoid unintentional impacts by educating the public about easements, and
3. Protect wetland functions through effective monitoring of easements to the extent possible with available funds.

Background

In 2006 the DENR Stewardship Program was implemented in the Department of Environment and Natural Resources (DENR). Through a renewable 3-year contractual Memorandum of Agreement, the Stewardship Program assumed responsibility for stewardship of 100 High Quality Preservation lands that have been acquired to date by Ecosystem Enhancement Program (EEP), and agreed to accept responsibility for closed-out restoration sites that were acquired for use as compensatory mitigation by EEP.

The pilot year for the DENR Stewardship Program ran from September 15, 2006 through September 14, 2007. An endowment was established by the Ecosystem Enhancement Program (EEP) to procure the use of environmental services from the land trust community and State agencies (Soil and Water Conservation Districts) to monitor conservation easements and for administrative and other support functions. Endowment funds of $14,000 / site were transferred for 86 properties. Fourteen conservation easements were transferred in a second batch with $20,000 per site as an endowment. A single restoration site was transferred in this fiscal year from the EEP program to the Stewardship Program with a $50,000 endowment. The list of properties and their endowment transfers are attached in **Appendix A**.

The Stewardship Program Director coordinates these monitoring activities, and is advancing several strategies that will increase the program's efficiency and effectiveness:

- Posting signs for property boundaries,
- Communicating no ATV use within easements to landowners and hunters with access to the properties,
- Partnering with state agencies such as Department of Agriculture & Consumer Services, Wildlife Resources Commission, Department of Cultural Resources, and Division of Water Quality for site monitoring,
- Creating a website interface to facilitate property monitoring and work with partners to track all conservation properties (http://ibeamdev.enr.state.nc.us), and
- Minimizing future easement violations by strategic enforcement of violations.

In 2009-10, the program managed 101 EEP properties totaling 12,780 acres. Conservation easements are currently on 99 properties and two properties are owned in fee simple. The program

works closely with EEP, Clean Water Management Trust Fund, State Property Office, Division of Soil and Water Conservation, and the land trust community to monitor properties.

Funding

The DENR Stewardship Program has a single employee that is funded by the Ecosystem Enhancement Program, and the Natural Heritage Trust Fund. Funds for operating come from separate accounts (75% EEP and 25% NHTF).

The Stewardship Endowment Account was established as Principal Fund 6704 and Interest Fund 6705 in Budget Code 64307, for monies solely dedicated to stewardship activities. These non-reverting funds are established for specific purposes through General Statutes which specify authorized uses of the monies (§113A 232). The State Treasurer administers this account. **Table 1** shows the balance and expenses for funds 6704, 6705 and 2410. Monies ($100,000) from fund 6705 were transferred into fund 6704. Discounting the $50,000 endowment transfer from EEP and the $100,000 transfer into the principal account, the program funds grew only $3,436 over the fiscal year.

Table 1: Stewardship Funds for 2009-10

	6704 (Principal)	6705 (Interest)	2410 (Operations)
Beginning Balance (7/1/09)	$1,442,675	$142,488	$29,716
Deposits (FY 09-10)	$50,000	$41,112	$74,011
Interest	$0	$30,775	$0
Management Fee Income	$0	$10,337	$0
Transfers (FY09-10)	$100,000	-$100,000	$24,356
Expenses (FY 09-10)	$0	-$25,367	-$110,675
Final Balance (6/30/10)	$1,592,675	$58,232	$17,408

2009/10 Activities and Cost Containment Measures

Property boundary signs were purchased and sent to the monitoring partners for installation during 2009-10. Two of the partners did not post the boundaries. This should be rectified during the upcoming fiscal year. A private contract was retained to post the signs for one of the land trusts.

Full implementation of the monitoring IBEAM software was unveiled in 2009 and was been met with great success. The US Fish and Wildlife Service and Wake County have asked to also utilize the program for their properties.

All properties were visited by the land trusts or the Stewardship Program between July 1, 2009 and June 30, 2010. Contracts for the monitoring totaled $37,824.60. This value is higher than normal because some of the invoices from the previous fiscal year came in late and were paid this fiscal year and the Program paid to have most of the property boundaries posted.

The State contracted for a small tree replanting effort on a portion of the Great Coharie tract. The adjacent owner expanded his pasture into the state-owned land. The Division of Forest Resources was paid $150 for barefoot seedlings and the contractor was paid $150 to pick up the trees and plant them. The Stewardship Program borrowed a sprayer from the Department of Agriculture. Privet along the roads was sprayed during a single day in January 2010 on the Great Coharie property. Most of the privet died from this spraying.

An adjacent property was timbered and the logger inadvertently took approximately 30 trees from the Great Coharie property. The logger self-reported the violation. The NC Forest Resources was consulted on the illegal harvest and the restoration plan. The State was reimbursed $200 for the timber. The logger agreed to apply a herbicide in May 2010 and will plant a combination of 50 oaks (cherrybark and willow) by February 28, 2011.

The NC Geodetic Survey was placed under contract to perform several surveying jobs at the Great Coharie property. A land swap with the Godwin Farm was negotiated so that their lagoon and the mobile home were no longer on state land. The exact acreages of swap will be determined by the final survey that will be completed in 2010-11. This transaction should close in fiscal year 2010-11.

The Barefoot Farm had been cultivating property near the Great Coharie Creek and Roanoke Road. Mr. Barefoot agreed to purchase the cultivated acreage at a value determined by the State Property Office. Mr. Barefoot will pay for the survey and all associated closing costs. Mr. Barefoot also agreed to abandon the pasture that he created on State property. This transaction should close in fiscal year 2010-11.

The Surveyors will also complete boundary revisions on the property adjacent to Mr. Trent Williamson in Sampson County. A small area has been cultivated by Mr. Williamson. There are two ponds that were expanded onto State property in 2010-11. Mr. Williamson agreed to purchase the three areas and pay for the survey/closing. This transaction should close in fiscal year 2010-11.

During 2009-10, the Program Manager hosted several meetings with other agencies that manage property. The goal of the Conservation Lands Working Group is to provide consistent responses to common problems and to learn from others' experiences.

A presentation to NCDOT and EEP was made this year. The presentation provided programmatic operating procedures and solicited feedback. The operating procedures will be taken to the Interagency Review Team (IRT) in the coming fiscal year.

The Stewardship Program was approached by volunteers wishing to treat privet in Durham County. Through coordination with the Triangle Land Conservancy, the New Hope Penny tract was chosen for management. The volunteers provided in excess of 40 man hours in cut-stump treatment of privet through June 30. The volunteers plan to continue their efforts next year.

Coordination with other agencies such as the Clean Water Management Trust Fund (CWMTF) to monitor adjacent properties during the same visit will occur in 2010-11. Coordinating schedules with the land trusts should result in additional cost containment and efficiencies.

<u>Changes to Endowment</u>: The largest issue affecting the Stewardship Program continues to be the lack of funds generated by the endowment. For most of the 2009-10 year, the interest rate was low

and the inflation rate was high, as was the case in 2008 and 2009. Even though the interest rates were extremely low, the endowment rates remained constant during the year. The endowment rates are shown in **Table 2**. The Program's expenditure policy is not to spend more that we receive in interest on the endowment.

Table 2: Endowment Rates	
Streams (property perimeter length in mi)	Endowment
Up to 2.5 miles	$25,000
2.5 miles to 6.5 miles	$50,000
Over 6.5 miles	Case by case
Wetlands or Nutrient Properties (acres)	
Up to 25 acres	$25,000
25 to 400 acres	$50,000
Over 400 acres	Case by case

As of July 2009, properties and easements donated to the NC Department of Environment and Natural Resources require a fee of one thousand dollars ($1,064) per acre at the time the land or easement is transferred to the Department. For properties that are less than one acre in size, the minimum payment shall be one thousand sixty four dollars ($1,064). The fees change each July. This charge applies only to properties and easements donated to the Department for the sole purpose of property or easement monitoring and management. This fee does not cover properties less than 15 acres.

Hunting leases are in their last year of a three-year term on the Great Coharie property. Approximately $10,000 was earned from the leases. This money was spent posting signs and documenting numerous violations. Three of the six lessees cut trees in violation of their lease agreements.

Concerns

Although the Great Coharie site was one of the original properties transferred to the Stewardship Program, approximately 13% of the boundary remains to be posted. The areas that need posting are in knee-deep water.

Several small easement violations identified on the Great Coharie property in previous years have either been corrected or are in the process of resolution.

In partnership with the NC Wildlife Resources Commission, the Coharie property was enrolled in the Deer Management Assistance Program (DMAP). The deer harvest data was submitted to the WRC.

The broader issue of long-term stewardship management for ecological values will continue to be addressed in the coming year. Invasive species management for the Great Coharie property is a priority because approximately 5% (230 acres) of the property has Chinese Privet (*Ligustrum sinense*),

bamboo, and Chinaberry (*Melia azedarach*). These invasive species will be an on-going management concern. The management expenses are covered by the hunting lease income.

All-terrain vehicle (ATV) trespass has occurred primarily on properties along the Tar River. A policy to address the ATV trespass is needed.

Plans for 2010-11

Year 2010-11 promises to bring challenges because interest income from the endowment fund from old properties is not enough to cover the monitoring expenses. Enforcement may need to receive more attention if the properties are going to continue to fulfill their mitigation goals.

The following policies and guidelines need to be developed:

- Reducing ATV trespass
- Participating in EEP close-out site visits
- Accepting mitigation bank easements into Program
- Invasive species treatment coordination with volunteers
- Develop Standard Operating Procedures and coordinate with the resource agencies , EEP and NCDOT
- Creating a predictable and sustainable Program given current return on endowments, and
- Coordinate with resource agencies to monitor the EEP properties transferred to them.

Future

In 2014, DENR plans to expand these stewardship activities to include monitoring 5,596 acres on 154 permanent conservation easements for the Conservation Reserve Enhancement Program (CREP) in the Division of Soil and Water Conservation.

Appendix A: Property Information and Endowment Transfers

Project No.	Project Name	SPO Number	County	Acreage	Endowment	Date Monitored
1	Great Coharie-TNC	pending	Sampson	4,858	$14,000	multiple
2	Beaver Dam-Drowning Creek II (Rankin Tract)	63-024.008	Moore	1,214	$14,000	22-APR-10
3	Rankin Tract	36-020.005	Gaston	506	$14,000	03-DEC-09
4	Len's Knob	86-014.001	Surry	459	$14,000	11-AUG-10
5	Alston Tract 1- Isinglas Creek near Shocco Creek	35-009.018	Franklin	31	$14,000	17-NOV-09
6	Alston Tract 2 - Isinglas Creek + Shocco Creek	35-009.018	Franklin	139	$14,000	18-NOV-09
7	Alston Tract 3- Shocco Creek	35-009.018	Franklin	93	$14,000	19-NOV-09
8	Alston Tract 4- Shocco Creek	35-009.018	Franklin	97	$14,000	19-NOV-09
9	Roanoke River-IP-Blue Sky Timber Tract 42-14	42-038.002	Halifax	329	$14,000	01-JUN-10
10	Roanoke River-IP-Blue Sky Timber Tract 42-15	42-038.003	Halifax	264	$14,000	27-MAY-10
11	Flat River-Horton Grove (Aslen Park LLC)	32-052.006	Durham	307	$14,000	04-DEC-09
12	MacNair Tract (Turpentine, LLC)-Aycock Creek	39-029.006	Granville	211	$14,000	06-JAN-10
13	IP/Alston Tract-Fishing Creek	93-016.006	Warren	179	$14,000	05-MAR-10
14	Bessemer Tract-Hyco Lake	17-015.001	Caswell	167	$14,000	14-JUL-10
15	Allen Tract	35-009.010	Franklin	147	$14,000	26-JUN-10
16	Bruchon Tract-Roan Massif	61-012.001	Mitchell	146	$14,000	02-JUN-10
17	Seagate Woods	16-165.010	Carteret	123	$14,000	06-APR-10
18	Guthrie Tract-Shelton Creek	39-029.002	Granville	111	$14,000	17-FEB-10
19	Elk-Shoals-Methodist Camp	05-015.002	Ashe	96	$14,000	13-MAY-10
20	Edwards Tract-Fishing Creek	64-014.003	Nash	87	$14,000	18-FEB-10
21	Davis Tract-Yadkin River	30-010.001	Davie	81	$14,000	03-NOV-09
22	Bishop Tract-Canal Branch	04-015.001	Anson	81	$14,000	30-APR-10
23	Tomlinson Tract-Little Shocco Creek	35-009.020	Franklin	78	$14,000	20-NOV-09
24	Camp Chestnut Ridge-Sevenmile Creek	68-041.031	Orange	60	$14,000	29-DEC-09
25	M. Speed Tract-Little Shocco Creek	93-016.004	Warren	45	$14,000	14-JAN-10
26	Lewis Tract, Little River	76-018.003	Randolph	44	$14,000	17-DEC-09
27	Hodges Tract-Tar River	35-009.014	Franklin	42	$14,000	15-FEB-10
28	Peterson Tract-Shelton Creek	39-029.001	Granville	41	$14,000	04-JAN-10
29	Shocco Creek LLC-Little Shocco Creek	35-009.008	Franklin	40	$14,000	20-NOV-09
30	Langley Site-Cypress Creek	35-009.007	Franklin	40	$14,000	24-NOV-09
31	Childers Tract North Pacolet	75-009.007	Polk	40	$14,000	07-APR-10
32	Crowther North-South Yadkin River	80-019.019	Rowan	39	$14,000	07-AUG-10

Project No.	Project Name	SPO Number	County	Acreage	Endowment	Date Monitored
33	Harris Tract-Tar River	39-029.005	Granville	39	$14,000	14-JAN-10
34	Walbourn Tract, Little River	76-018.005	Randolph	38	$14,000	29-APR-10
35	Winslow Tract-North Fork Upper Tar River (only A)	39-029.016	Granville	37	$14,000	14-JAN-10
36	Lynn Capps Tract-Fishing Creek	93-016.002	Warren	37	$14,000	25-NOV-09
37	Wimberley Tract-Nat's Creek	63-024.005	Moore	34	$14,000	07-JUN-10
38	Harper Tract-Swift Creek	35-009.013	Franklin	28	$14,000	01-DEC-09
39	O'Neal Tract-Little Shocco Creek (on county boundary)	35-009.005	Warren + Franklin	26	$14,000	21-NOV-09
40	Old Cove Tract-Green River-Burdett Property	75-009.006	Polk	24	$14,000	10-JUN-10
41	Faulkner Tract-Sandy Creek	35-009.016	Franklin	20	$14,000	25-NOV-09
42	Smitherman Tract-Tar River	39-029.004	Granville	20	$14,000	06-JAN-10
43	Lester Capps Tract-Shocco Creek	93-016.001	Warren	19	$14,000	11-JAN-10
44	William O'Neal Tract-Swift/Sandy Creek	35-009.006	Franklin	19	$14,000	23-NOV-09
45	A&P Timber Tract-Sandy Creek	35-009.015	Franklin	18	$14,000	22-NOV-09
46	Lambert Tract-Uwharrie River Bluff	62-021.008	Montgomery	18	$14,000	15-JUN-10
47	Tucker-Daniel 1 Tract-Shelton Creek	39-029.015	Granville	19	$14,000	04-JAN-10
48	Dutch Second Creek-Hill Tract	80-019.020	Rowan	17	$14,000	04-DEC-09
49	Newton Tract-White Pines	19-028.004	Chatham	16	$14,000	22-OCT-09
50	Green Tract-Fishing Creek	93-016.003	Warren	16	$14,000	07-JAN-10
51	Wheless Tract-Little Shocco Creek	35-009.012	Franklin	15	$14,000	18-NOV-09
52	Sturges Tract-Fishing Creek	35-009.017	Franklin	13	$14,000	19-NOV-09
53	D. Davis Tract-Shocco Creek	93-016.005	Warren	12	$14,000	15-FEB-10
54	Averett Tract-Tar River	39-029.008	Granville	11	$14,000	06-JAN-10
55	Slaughter Tract-Shelton Creek	39-029.017	Granville	35	$14,000	10-JAN-10
56	Pickler's Bluff	80-19.012	Rowan	11	$14,000	18-AUG-09
57	Baker Tract - Pisgah Covered Bridge, Little River	76-018.004	Randolph	10	$14,000	29-APR-10
58	Tucker-Daniel 2 Tract-Shelton Creek	39-029.003	Granville	3	$14,000	07-JAN-10
59	Wickliff Tract-Dutch Buffalo Creek	13-015.005	Cabarrus	3	$14,000	17-NOV-09
60	WalkerTract-Dutch Buffalo Creek	13-015.004	Cabarrus	34	$14,000	17-NOV-09
61	Parker Tract - Pisgah Covered Bridge, Little River	76-018.006	Randolph	34	$14,000	05-MAY-10
62	Hall Tract-Fishing Creek	33-019.006	Edgecombe	231	$14,000	28-DEC-09
63	Whatley Tract-Uwharrie River	76-018.007	Randolph	25	$14,000	28-APR-10
64	Parrish Tract-Sandy Creek	35-009.019	Franklin	33	$14,000	18-MAY-10

Project No.	Project Name	SPO Number	County	Acreage	Endowment	Date Monitored
65	Crews Farm-Roy Crews Tract-Tar River	39-029.010	Granville	10	$14,000	16-JAN-10
66	Betty Crews Tract-Tar River	39-029.009	Granville	32	$14,000	15-JAN-10
67	Ward Tract-Green River	75-009.008	Polk	15	$14,000	24-MAY-10
68	Thorp Tracts-Shelton Creek	39-029.011	Granville	52	$14,000	11-JAN-10
69	Morton Tracts-Shelton Creek	39-029.007	Granville	6	$14,000	11-JAN-10
70	Grissom Tract-Barnes Creek	62-021.010	Montgomery	56	$14,000	05-NOV-09
71	Pitts Tracts-Tar River	39-029.012	Granville	27	$14,000	15-FEB-10
72	Sherman Tract No. 1-Tar River	39-029.014	Granville	16	$14,000	11-JAN-10
73	Sherman Tract 2-Tar River	39-029.013	Granville	28	$14,000	11-JAN-10
74	Tar River Dean	39-029.018	Granville	63	$14,000	13-JAN-10
75	New Hope Creek Penny	68-041.033	Orange	20	$14,000	12-OCT-09
76	Shearin Tract-Fishing Creek	93-016.007	Warren	70	$14,000	28-NOV-09
77	Perry Tract-Cedar Creek	36-020.016	Franklin	162	$14,000	08-MAR-10
78	Gardner Tract-Big Pond Bay	26-045.002	Cumberland	31	$14,000	28-JUN-10
79	Johnston Tract-Reedy Creek	93-016.010	Warren	65	$14,000	07-JAN-10
80	Beaver Dam-Drowning Creek Phase II	63-024.008	Moore	59	$14,000	23-APR-10
81	Oakley Tract-Tar River	39-029.019	Granville	13	$14,000	13-JAN-10
82	Harrell Tract-Chowan River	21-021.011	Chowan	111	$14,000	09-NOV-09
83	Capps Forestry Enterprises-Fishing Creek	93-016.008	Warren	23	$14,000	27-NOV-09
84	Bingham Tract-Uwharrie River	62-021.012	Montgomery	562	$14,000	28-APR-10
85	Capps Farms Inc.-Fishing Creek	93-016.009	Warren	39	$14,000	01-DEC-09
86	Boyer Tract-Green River	75-009.009	Polk	31	$14,000	24-MAY-10
87	McKean Tract-Deep Creek-Sandy Creek	63-024.011	Moore	95	$14,000	23-MAR-10
91	Pories Tract-Tar River	74-039.008	Pitt	37	$20,000	02-JUN-10
92	McDonald Tract-Hitchcock Creek	77-028.006	Richmond	40	$20,000	09-JUN-09
93	Mullen Tract-Sandy Creek	35-009.025	Franklin	29	$20,000	22-NOV-09
94	Cochran Tract-Little River	62-021.014	Montgomery	19	$20,000	24-JUN-10
95	Luthi Tract-Skyuka Creek	75-009.011	Polk	20	$20,000	20-MAY-10
96	Young Tract-Sandy Creek	35-009.022	Franklin	72	$20,000	30-NOV-09
97	Cochran Tract-Uwharrie River	62-021.013	Montgomery	15	$20,000	26-JUN-09
98	Jordan Tract-Deep River (Paschal)	63-024.012	Moore	156	$20,000	17-JUL-09
99	Paschal Tract-Glendon Slate Creek	63-024.010	Moore	15	$20,000	23-JUN-09
100	M. Paschal Tract-Deep River	63-024.009	Moore	75	$20,000	29-JUN-09
101	Jordan Tract-Deep River (Singleton)	63-024.013	Moore	12	$20,000	10-JUL-09
102	Fisher River-Fisher Peak	86-014.007	Surry	151	$20,000	16-MAR-10

Project No.	Project Name	SPO Number	County	Acreage	Endowment	Date Monitored
103	Mill Creek Steele	86-014.008	Surry	15	$20,000	11-MAY-10
104	Trinity School-New Hope Creek	63-024.011	Orange	27	$20,000	12-OCT-09
117	Payne Dairy	02-009.001	Alexander	40	$50,000	Will monitor in 2011

TOTAL	$1,548,000
Initial start up costs for 2410	$81,379
Principal in fund 6704	$1,466,621

Appendix B: Program Finances Since Inception

Table 1: Stewardship Funds Since Inception			
	6704 (Principal)	6705 (Interest)	2410 (Operations)
Beginning Balance (10/06)	$968,621	$0	$81,379
Deposits	$624,054	$183,599	$251,518*
Expenses	$0	$125,367	$315,518
Final Balance (6/30/10)	$1,592,675	$58,232	$17,408

* The deposits are contract reimbursements by the Natural Heritage Trust Fund and the EEP to cover operating expenses.