



**City of Boiling Spring Lakes
Board of Commissioners Dam Workshop
May 25, 2021
City Hall – 9:00a.m.**

PLEASE TURN OFF CELL PHONES

1. Call to Order ~ Mayor Craig Caster

Mayor Caster called the meeting to order at 9:00a.m.

2. Attendance ~

Mayor Craig Caster
Commissioner Teagan Hall
City Manager Jeff Repp
City Clerk Jane McMinn

Commissioner Tom Guzulaitis
Commissioner Dana Witt
Commissioner Bill Clark

Guest ~ Mr. Michael Hanson of McGill Associates

3. Mayor Caster turned the Workshop over to Mr. Repp for introductions and updates.

Mr. Repp explained the Workshop today would provide updates for the dams to our Board and our Citizens. Since January 2021, we have submitted our plans to the North Carolina Dam Safety along with design drawings. Mr. Michael Hanson of McGill Associates will update the Board on the status of that review. Mr. Repp explained there have not been many updates on the website primarily since we submitted all these plans for State and Federal Review due to lack of movement, not much has changed. Dam Safety is the one we are waiting on right now to complete their major review and submit the requested permit.

Mr. Hanson explained there will be updates on the Permitting, FEMA Funding, City's Potential Cost Share, USDA, Critical Path, Next Steps and Funding Alternatives.

That the McGill Dam Reconstruction Update Presentation is hereby incorporated by reference and made a part of these minutes.

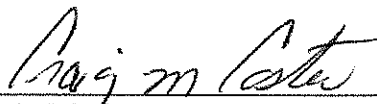
Mr. Repp reviewed the three Funding Alternatives along with Property Tax Effects without including the Middle Dam and with the Middle Dam, which is owned separately by Austin 512, LLC.

Commissioner Guzulaitis thanked the State Delegation for their guidance and Mr. Repp for the dedication and guidance he has shown for this large undertaking.

Questions from the Citizens were heard and responded in kind from Mr. Repp and Mr. Hanson.

4. Mayor Caster thanked everyone for joining in the Workshop.

The Board of Commissioners Dam Reconstruction Workshop was adjourned at 10:13 p.m.



Craig M. Caster, Mayor

ATTEST:



Jane McMinn, City Clerk



Date





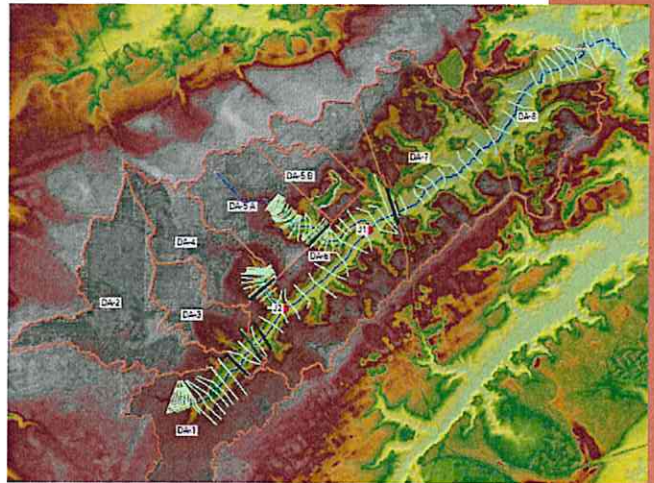
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Agenda

- Permitting
- FEMA Funding
- City's Potential Cost Share
- USDA
- Critical Path
- Next Steps
- Funding Alternatives





Permitting

Dam Safety Review

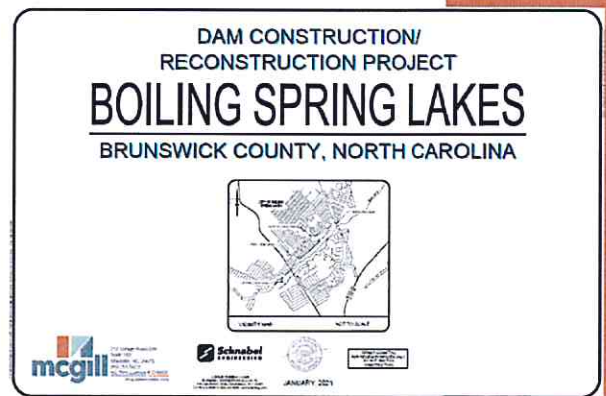
- Submittal on January 14, 2021
- Responding to staff inquiries since early April
- **Sent to Director's desk in mid-May**

Floodplain:

- CLOMR Submittal January 14, 2021
- NCFMP requested **60 additional days** on top of 90 days for review
- Floodplain permit within 30 days after CLOMR is complete

Erosion Control:

- No technical comments pending
 - Need approval from adjacent property owners for land disturbance activities
- *Easements in progress, 401/404 permits in hand**





Recent FEMA Coordination

Sanford Dam and Upper Lake Dam #68141

- Staff completed review of the Final Version of the Hazard Mitigation Proposal May 3, 2021
- McGill/City provided comment
- FEMA cited technical issue regarding CEF needed further review

Pine Lake Dam and North Lake Dam #126563

- McGill/City submitted Hazard Mitigation Proposal April 26, 2021
- Staff initiating review of the HMP on May 3, 2021





Projected City Cost Share

Description	Improved Project Cost ¹	Project Contingency	Engineering Costs ⁵	FEMA Eligible Cost w/CEF	Potential Mitigation ⁴	City's Share
SD ^{3,6}	\$ 25,000,264.20	\$ 2,380,903.92		\$ 8,089,462.00	\$ 6,578,062.00	\$ 12,713,644.12
ULD ^{3,6}	\$ 1,848,246.01	\$ 146,674.60		\$ 688,650.00	\$ 678,235.00	\$ 628,035.61
NLD ^{2,6}	\$ 1,410,560.89	\$ 113,106.09		\$ 14,264.32	\$ 830,539.31	\$ 678,863.35
PLD ^{2,6}	\$ 1,148,907.11	\$ 97,740.71		\$ 128,521.00	\$ 731,771.66	\$ 386,355.17
Utilities Relocate SD						\$ 750,000.00
Easement Plats			\$ - 12,000.00			\$ 12,000.00
Design and Permitting (TO 1)			\$ 2,018,908.00			\$ 2,018,908.00
ER and PER			\$ 21,416.50			\$ 21,416.50
Construction RPR			\$ 1,397,823.49			\$ 1,397,823.49
QA Testing			\$ 1,532,538.05			\$ 1,532,538.05
Construction Admin.			\$ 2,135,417.40			\$ 2,135,417.40
Post Const.			\$ 284,685.00			\$ 284,685.00
LOMR Prep & Submittal			\$ 16,302.00			\$ 16,302.00
LOMR Reveiws fees						\$ 15,000.00
Capitalized Interest (during construction)						\$ 1,320,000.00
Local Legal Fees						\$ -
Bond Council Fees						\$ 12,500.00
Owner Adm. Costs						\$ -
NC General Assembly contribution						\$ (12,000,000.00)
TOTAL	\$29,407,978	\$ 2,738,425.32	\$ 7,419,090.44	\$8,920,897	\$8,818,608	\$11,923,489





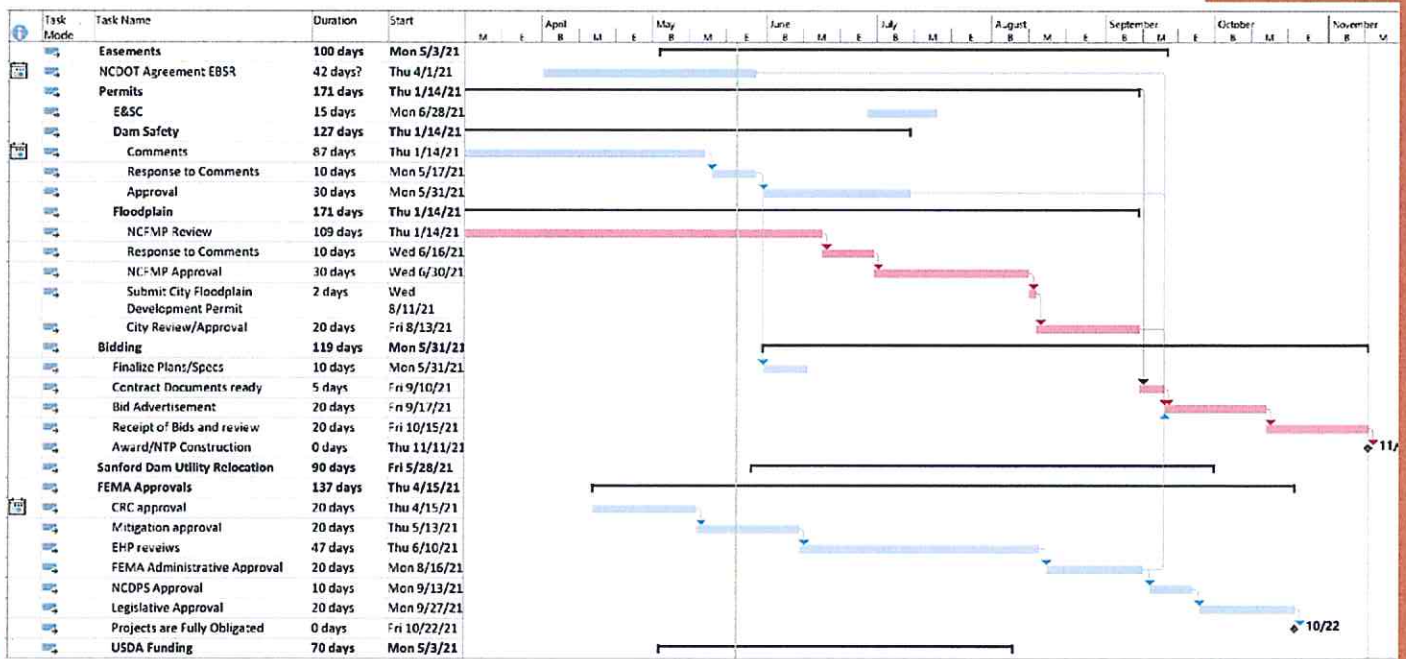
USDA

Required Document	Status
Eight Steps documentation	<ul style="list-style-type: none">• Submitted 3/9/21• Pending comments
Preliminary Engineering Report	<ul style="list-style-type: none">• Submitted 3/9/21• Revised 4/26/21• 2nd Revision 5/21/21
Environmental Report	<ul style="list-style-type: none">• Submitted 4/9/21• Pending comments
Draft Engineering Services Agreement	<ul style="list-style-type: none">• Submitted 5/21/21





Critical Path





Near Term Next Steps

- EBSR resolution adoption
- Obtain easements and complete E&SC permitting
- Complete preliminary USDA submittals
- Agree on final funding obligation with FEMA
- Authorize next Engineering Services Task Order
- Determine fate of Legislative earmark and Disaster Relief Bill rider





Funding Alternatives - #1 “Legislative Fix”

“Legislative Fix” Alternative

- 1) For 2021, a likely range of 13 to 20 named storms (winds of 39 mph or higher), of which 6 to 10 could become hurricanes (winds of 74 mph or higher), including 3 to 5 major hurricanes (category 3, 4 or 5; with winds of 111 mph or higher) is expected.
- 2) Congress includes rider to a supplemental appropriations bill to FEMA for storm damage that would require FEMA to return to repair of storm damage to **“current codes and standards”** as opposed to November 2020 change of **“pre-storm condition plus mitigation”** standard that has caused funding gap.
- 3) Interim financing required to cover gap financing pending 25% of FEMA funds withheld until project closeout.
- 4) No USDA borrowing needed since all costs covered 75% by FEMA and 25% by NC.





Funding Alternatives - #2 “Group Funding”

“Group Funding” Alternative

- 1) FEMA Contribution - \$ 17,739,505
- 2) NC Contribution - \$ 12,000,000
- 3) City Share - \$ 11,923,489
 - 1) Possible Other Funding Sources
 - 1) 2021 Federal Infrastructure Bill
 - 2) “Earmark” appropriation from Federal representatives
- 4) Local Government Commission may allow borrowing by City without bond referendum
- 5) If referendum not required, then no delay in project
- 6) Interim and permanent financing (USDA) will be required

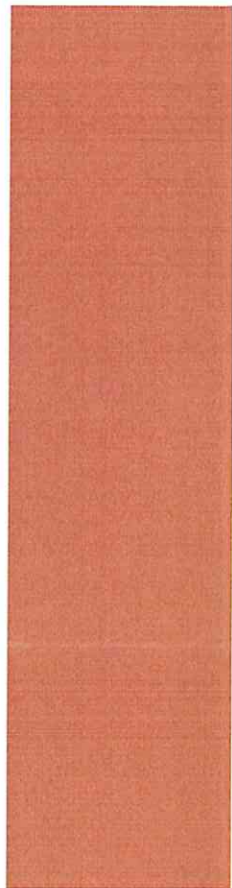




Funding Alternatives - #3 “Go It Alone” Funding

“Go It Alone” Alternative

- 1) FEMA Contribution - \$ 17,739,505
- 2) City Share - \$ 23,923,489
 - 1) Possible Other Funding Sources
 - 1) 2021 Federal Infrastructure Bill
 - 2) “Earmark” appropriation from Federal representatives
 - 3) Local Government Commission ***will*** require the City to hold a bond referendum to borrow funds.
 - 4) Would delay project until after May 2022 vote on bond referendum
 - 5) Interim and permanent financing (USDA) will be required





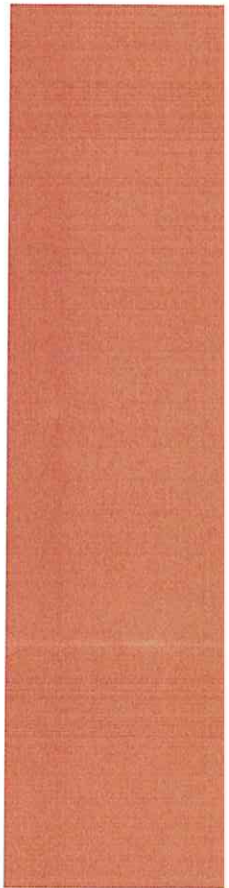
Property Tax Effects

- Without Middle Dam (\$ 2,103,474)

Assumes \$ 0.01 property tax generates \$ 49,000

2.5% Interest Rate

	Loan Amount	Loan Term (Years)		
		30	35	40
Legislative Fix	-	-	-	-
Group Funding	11,923,489	\$ 0.115	\$ 0.104	\$ 0.096
Go It Alone	23,923,489	\$ 0.231	\$ 0.209	\$ 0.193





Property Tax Effects

- With Middle Dam (\$ 2,103,474)

Assumes \$ 0.01 property tax generates \$ 49,000

2.5% Interest Rate

	Loan Amount	Loan Term (Years)		
		30	35	40
Legislative Fix	2,103,474	\$ 0.020	\$ -	\$ -
Group Funding	14,026,963	\$ 0.136	\$ 0.123	\$ 0.113
Go It Alone	26,026,963	\$ 0.252	\$ 0.228	\$ 0.210

