



City of Boiling Spring Lakes
Board of Commissioners
Citizens' Forum Minutes
September 15, 2022 at 6:00 pm
City Hall

1. **Call to Order - Mayor Jeff Winecoff**

Mayor Winecoff called the meeting to order at 6:00 p.m.

2. **Attendance:**

Mayor Jeff Winecoff	Commissioner Thomas Guzulaitis
Commissioner Kim Sherwood	Commissioner David Mammay
Commissioner Teagan Hall	Finance Director Suzanne Tungate
Chief of Police Kevin Smith	City Clerk Nancy Sims
Captain Brad Shirley	Interim City Manager Mike Hargett

Mayor Winecoff started the meeting by saying there has been a lot of rumors going around on social media and otherwise. All the money we are getting is designated for the dams and the lake. It cannot be used for anything else. If we don't use it for the dams we have to return every bit of it. We have been working so hard trying to get grant money and money from the County. We now have gotten 3 Million from the County and next Friday we should hear about the funding from the Department of Defense on their grant, which is 14.9 Million. The 14.9 Million will put us where we need to be. I met today with a large group from the American Flood Coalition. Every representative involved with the State of North Carolina was there. They all saw the lakes and they had no clue what they looked like. I told them our main goal in BSL is to put our City front and center. We don't want to be behind anyone, we want to lead the way when it comes to grant money and funding for the dams.

There has also been a lot of conversation about the bond referendum. If anybody has ever done construction or built a house, they have needed a construction loan. That is because you have to keep paying the contractor. FEMA does not give us the 19.8 Million they approved up front. It can take up to a year afterward for them to pay us. So, what we need is a bridge to get between that and when we get paid from FEMA, because the City doesn't have 3 or 5 Million for the initial draw. If we get the bond passed, which I am in support of, and we get this 14.9 Million we will use that money like a construction loan. When the contractor withdraws, we pay them and when FEMA gives us their money, we will pay everything off.

Also, remember with this bond we don't have to do anything for three years. Our whole intent, and as I said when I ran for Mayor, is the taxpayers should not have it on your backs to get these dams rebuilt. I have stayed with that. The board is in total support of not trying to raise the taxes. Our main goal has always been to get these dams built and these lakes back and to get the quality

of life back to our residents. That has been our whole mission. I will meet with anybody I can meet with because this is a team effort between us and the federal and state representatives. Representative Charlie Miller will be here tonight, he is running late as he got called back to Raleigh, but is on his way. I have also asked him for more money to help us out in case we need it. Representative Miller has been like an angel to BSL. When we needed something he stepped up to the plate. He is working on the same thing right now with Senator Rabon.

Again, that is our whole mission -- to get funding in place -- and that is what we will continue to push for. We don't have a plan to raise taxes, our plan has always been to get the money that we need. We will keep working hard for that. Like I said, if we get that 14.9 Million it will be time to say yes.

3. Presentation of Dam Project Status

Michael Hanson from McGill Associates presented the status of the dam project as of September 15, 2022 via the attached PowerPoint.

4. Citizens' Forum Comments and Questions

Tim Fullmer, 110 Pine Lake Road: Did you decide whether you are going to put a crew on North Lake, a crew on Pine Lake, and a crew on Sanford as that will expedite the process? I have built properties, cleared properties and put in two golf courses and it didn't take this long. **Mr. Hanson:** We have gone through and looked at a variety of ways to get a reduced schedule and to minimize the level of impacts for these projects. One of the things the City has done since the last meeting to make that more feasible is, they pursued the grant for the paving of Drayton Road and that project is now near completion. That paved road is a critical part of the maintenance of the traffic required for work to begin on Pine Lake and North Lake. With that road in place that can be used as part of a detour while those other projects are underway. We now have the ability to allow the contractor to choose, as they move forward, each dam or all four dams. We are setting up the contract to give the contractor the latitude to choose his means and methods. We are developing the contract language to indicate to them the City is interested in getting this done ASAP. We are working towards that expectation with the 8 pre-selected contractors we chose a year and a half ago. We fully expect that they will likely bring in multiple crews, and they will likely work on multiple dams. But I can't tell you today which dam they may work on first, or how many dams and at what time. I can tell you with some certainty that I believe any of the contractors will start on Sanford Dam. They will do most of the work in the first 6 to 12 months on Sanford Dam because that is the one that requires the most intense work to remove and reconstruct the dam. While that work is going on the contractor will have all his resources deployed to the site and they will not be working on that portion of the dam. So, it is highly likely they will be working on Upper Lake Dam, Pine Lake Dam, and North Lake Dam all at the same time. We anticipate that they likely will be working on at least 3 of the 4 dams at one time with Drayton Road paved now.

Mr. Fullmer: If you are putting the contract out there as the City, can't you tell the contractor that these people have lost the lake for 4 years and they want to get back to normal quickly? It should have happened years ago but there was some mismanagement in the City. As a builder I

have cleared 1,100 acres, put in water, sewer and curbing in less time than you are telling me it is going to take to build a little dam. **Mr. Hanson:** It is not a little dam, there is a very complex element of construction that needs to be done and there is a lot of work that needs to be verified as to how it is being done. That is the requirement of the State. There will be a lot of intense scrutiny looking at every element of the work that is being performed. More so than what you would expect on a project where you are doing mass land clearing. The mass land clearing on this project will go quickly, but there will also be very deep excavation. That requires a lot of additional water control and management of materials on the site to be able to work within the confines of what we are dealing with and building it back up very specifically to meet all the requirements.

Mayor Winecoff: FEMA will require every "I" dotted and every "T" crossed or they will not send any money to the City. So, everything will have to be inspected and it will take twice the amount of work to get this stuff done. That is just the way FEMA works. You can't take shortcuts.

Roger Samson, 651 Trevino Road: If we have all the grants and all the money listed, what is the bank funding? **Mayor Winecoff:** It is just like if you are building a house. If you don't have the money up front to pay for it you have to finance it through the bank as a construction loan. We do not have the money up front. FEMA does not give us their money up front. If we get this 14.9 Million grant we won't even need 20 Million. We will only borrow what we need. **Mr. Samson:** Has there been any estimate of the interest that will be due on all this financing? **Mr. Hanson:** That is actually included in all the numbers that have been brought up by the financial arm of the team. Looking at both the interest and overall, we have worked out a schedule of what we expect to draw from the start of construction though every month for the expected 3 years, as well as the following year as we are going through the finalization. **Mr. Samson:** What happens if the bond does not pass? Does everything go away? **Mayor Winecoff:** It will all be on hold. I have approached Representative Miller and asked him for the State's help with more funding, if needed. **Mr. Samson:** So, if the bond doesn't pass nothing happens? **Mayor Winecoff:** Not until we find out if we can get more money from the State.

Audience Question: All speed limits on the side roads are now 25 MPH but people still fly through doing 45. Why were they changed and why was there no big announcement? **Commissioner Hall:** The speed limit change was a lengthy process. Our police department was on hold with radar certifications due to COVID. We have now brought a number of our officers up to radar certification so we will have more certified officers throughout the city. 35 MPH on a side road is too dangerous. We had numerous complaints about the speed limit. My suggestion would be to call the police department and let them know where there are issues. **Audience Question:** Second, I would like to know while you are doing construction on the dam, where are all the alligators going to go, besides my backyard? **Commissioner Hall:** That is Fish and Wildlife.

Maryann Gregory: I do not live on the lake, but love it. We need to let people know we are here. Someone needs to be in the office of the State and Federal representatives every day. We need a core group of people working toward this. We need T-shirts. I am concerned it will not pass. The news can talk about the lakes. Dedicate your time to get the lakes back.

Tim Fullmer, 110 Pine Lake Road: I Came to BSL because of the lakes and I like the lakes. I have been patient about this, but I am confused about the grant. My thought is a grant is something given to us. **Mayor Winecoff:** We have not been awarded the grant. We have the State money, County money over 4 years and am waiting now to hear about the grant for 14.9 Million. FEMA will give us money but not up front. **Mr. Fullmer:** You referenced a construction loan from a bank. Why can't we go to a city bank and make a loan? **Mayor Winecoff:** The LGC, who oversees Cities and Towns money, said the voters have to approve a referendum before we can get any loan. It is not that simple.

Alicia Devereaux: It looks like there is a light at the end of the tunnel. I am very happy and thanks to those working hard. If we do not get our lakes back, our property will be devalued, especially those on the lake. It is estimated they could go down in value up to \$100,000 or more. When paying property taxes the City is not going to get as much revenue as now if there is no lake. Lakefront owners have paid for premium taxes for the last 4 years with no lake. We will not have people moving here or businesses coming. We will have lower revenue. We will have a tax increase and no lake to show for it. The lake benefits everybody. Also, the Impound permit can take up to 8 months, correct? **Mr. Hanson:** It can. As we work through the process the most work will be on Sanford Dam. To the degree that we can apply for impoundment earlier than we can for other dams, a lot of that will depend on how things work out in the end.

Chris Sekula 1102 North Shore: Will there be a dedicated project manager to manage this project? **Mr. Hanson:** Yes. **Ms. Sekula:** Do you have to be a registered voter to vote on the referendum? **Mayor Winecoff:** Yes.

Jim Martin: Thank you for the work the BOC has done. Before the lake was a turn on, now it is a turn off. Although we question everything being done by the board, at least they have done something. I am proud to be a resident of lakefront property. I want to express my appreciation for a job well done.

Ruth Bek: I would like someone to explain how you got the 1.58 cost benefit ratio. I'm assuming somebody up here should know that. **Mr. Hanson:** The process we go through with FEMA is a back and forth process. The calculation is performed by FEMA. **Ms. Bek:** The way I understand cost benefit ratio is, we are going to get 58¢ for every dollar spent. **Mr. Hanson:** That is one way to look at it. They are typically looking at it more not from a value added perspective, but from an overall cost of the construction that is being done, versus the cost of the work. As you are looking at the cost of the project versus the end value of the project, the costs are added up to come up with what FEMA is expecting to be their overall cost of construction. Keep in mind FEMA costs are not the costs of the total construction, they are only a portion of that construction. They are only paying for the repair of the breach in each of the dams and there is significant amounts of work to be done to meet the dam safety requirements. It is not based on tax value. **Ms. Bek:** I also want to address this loss of value of \$100,000 for lots and houses on the lake. If we assume the \$100,000 and the 27 Million figures they talk about are correct, that actually translates at the current tax, to \$75,600 annually lost by the City. If we go for the 20 Million bond and not the 5 Million, with the interest on 20 Million, it will take 264 years at the current tax rate

to get that money back in the coffers. We can put Pine Lake and North Lake back, by your estimates, for less than 4 Million. I'm just saying sometimes we need to look at the bigger picture. You don't always get to have everything back the way it was. The next thing is the referendum is actually for a 20 Million bond, yes or no. **Mr. Hanson:** Yes. **Ms. Bek:** So let's say that we get the DCIP grant and we only need 5 Million. With water impoundment, the water leaks out; does that mean you guys will commit the other 15 Million of the bond to make that work so we still wind up with 20 million? Where is your guarantee you won't spend the full 20 Million regardless of what happens? You are talking about it only being 5 Million, but we are guaranteeing on this referendum your ability to spend 20 Million, not just 5 Million.

Carly Dissett, South Shore Drive: What is happening with the equipment for the lakebed and when will you start cleaning up the lakebed? **Mayor Winecoff:** We are still waiting for the equipment to come in. We are leaving it up to Public works on where to start. Hopefully, it will be soon.

Barbara Glidden, 402 North Shore Drive: If we have another hurricane after 2026, will the new dam be equipped so we are not in the same position? **Mr. Hanson:** Yes. Part of the design requirement is to update the spillway capacity of all dams. The old spillways, when the dam was breached, were capable of handling somewhere between a 10 and 25 year storm. The new spillway capacities are designed to handle the probable maximum precipitation. In the case of Sanford Dam that is on the order of 2 to 2 ½ times the capacity of what they had before. **Ms. Glidden:** Going back to the previous question; why not just fix Pine Lake and North Lake right now. As I understand it, Pine goes into Mid and North goes into the Big Lake. Where will it go then? **Mr. Hanson:** It will go into what is the drain of the Big Lake. You still have a creek that runs through that and the creek was there before the dams were built. That will flow. **Ms. Glidden:** A lot of new people in the City don't realize it is a system. In early 2000 the Conservancy used the Big Lake for a fire in the woods near the railroad. They came in with planes and got water from the Big Lake to help put out the fire. It is not just a recreation lake. We should put it back.

Bruce Sharotte, North Shore: I moved here a year ago. You never answered the question about the excess money from the bond; that is a lot of money. Everyone knows when it comes down to it, it is the taxpayer who pays for everything. You are not answering what you are going to do with that excess money. Second, I have been looking around and don't see any public access to the water. **Responses from audience:** Not distinguishable. **Commissioner Guzulaitis:** The board is looking at the GO bond as a last ditch resort for funding. During 3 years of construction we will continue to lobby for money. We will try not to have a tax increase, but there is no guarantee. You need to decide if the community is better off with the lake for a reasonable tax increase if we don't get all the money. The LGC controls the money for municipal governments and will not allow us to spend that money on anything but the dams. The LGC controls the money we get. **Mr. Sharotte:** Can we get a guarantee from the LGC that they won't take the money and put it in the city coffers? **Commissioner Guzulaitis:** It is not done that way. **Commissioner Sherwood:** The LGC won't allow us to do that.

Tim Fullmer, 110 Pine Lake Road: After 4 years of no water in the lake and then we clean the lakebed with dozers, what is the surface beneath the lake like? Is it altered; is it feasible to put water in there? **Mr. Hanson:** As part of the design process we did extensive drilling in the dam and seismic testing in the lake because we looked at what the history of the lakes had been and recognized that there were identified sinkholes that had caused partial draining of the lake in the past. We needed to address all of those and identify how that is going to be dealt with during construction. That is part of the reason why we now have a cut off wall that goes from one end of the dam to the other to stop potential seepage. That is one element of the work that is being done. The State requires a belt and suspenders approach. You put in something to stop the seepage then you put in something else downstream just in case. **Mr. Fullmer:** Does that mean you are taking the lake down to negative 15? **Mr. Hanson:** No, the lake bottom will remain the same. He explained how that will work. **Mr. Fullmer:** Also, is it true that excavator equipment was purchased, but no trailer? **Mayor Winecoff:** No they did not get a trailer, but they are looking for a used one that is reasonable.

John Burdette, South Shore Drive: If we pass the referendum and get 20 Million, will it be a line of credit for the City to use at its discretion, without oversight, or for specific use of any excess funds? **Mayor Winecoff:** the LCG will be overseeing everything the City does.

Bob Jessup, Esquire: I am an attorney and work with the City on the bond referendum. If the referendum passes, the LGC will ask the City to come before them to show them their budget. The City's budget will either be for 5.1 Million or 20 Million. The LCG will only let the City use it for the dams. People think that if you vote for the referendum on November 8, on November 9 the City gets a wire transfer for 20 Million. It doesn't happen that way. It will be given in around February and for only whatever is needed for the project. The City cannot get any more money out of that 20 Million authorization without the board's and the LGC's approval. That would only come if there was another dam project that was needed, for 7 years. So, that is the oversight. It has to be used for these dam projects and, of course, the lender is going to make sure it goes into the project that they are funding. There is no pot of extra money that could be used either for the dam project or for anything else.

Representative Miller: First, I am happy to be the official representative for BSL now. Two years ago the Mayor and some BOC members came to Raleigh and asked myself and Senator Rabon for 14 Million. We delivered 14 Million. From what I see here tonight the worst case scenario is you are going to need 20 Million more, or you are going to need around 6 Million more. I have been texting with Senator Rabon this whole night and we are committed to asking for 20 Million in our State budget, which we start a session in January. I can't promise you we will get a penny. Let me say that this board has been to Raleigh and has been meeting with us. They inherited this and they are doing all they can to keep from raising your taxes. Three months ago I was in a helicopter with the Speaker of the House Tim Moore. I made them divert and we came over here and flew over the dams. I showed him what it looked like and I got his commitment to help us. It will take everybody. I and Senator Rabon are on your side. Just know that we are working for you. It all hinges on the Governor signing the budget. Last year was the first time in five years he signed the budget. It will take letters to the Governor, your Congressman and Senators. I was

born and raised in Southport and went to South Brunswick High School. I used to skip school and go to the lakes. You have my commitment. Hopefully we will get the DCIP grant that will make it a lot easier to get 6 million as opposed to 20.

Mayor Winecoff: I am proud to be part of this Board because we moved forward and we have moved at a fast pace since we got here. We decided to put the Grants Committee in place with three goals, dams, roads and stormwater. They have received 2 out of 3 grants so far and we are hoping it will be 3 out of 3. I would like the Grants Committee members to stand up because we really appreciate their work. It has been a team effort from day one and we will keep fighting until we have all the money we can get to build these lakes back.

Thanks to everyone who came out tonight. We appreciate your input.

5. Adjourn

Consensus to end the meeting at 7:15 p.m.



Jeff Winecoff, Mayor

ATTEST:



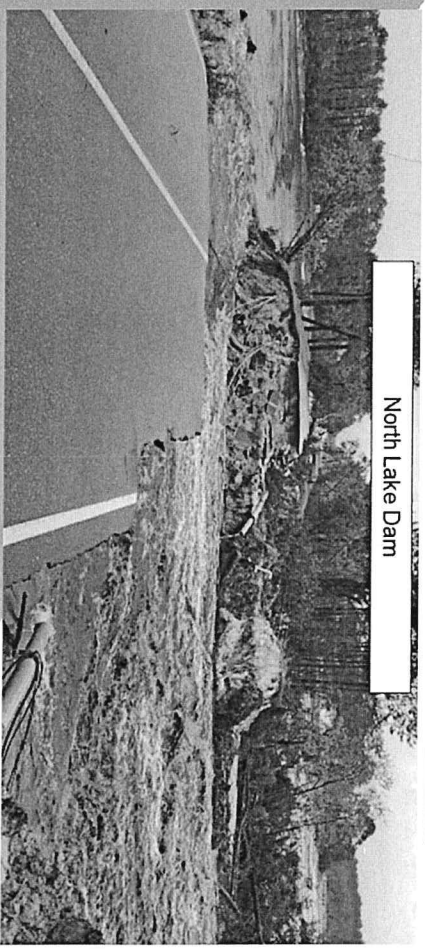
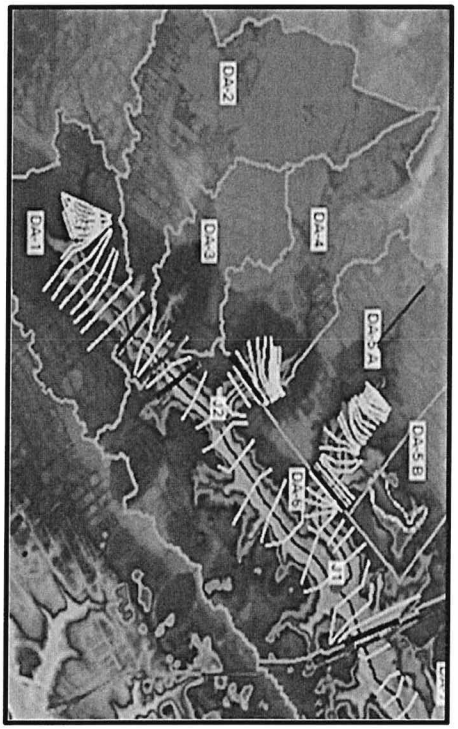
Nancy Sims, City Clerk

11/1/2022

Date



Project Status September 15, 2022





Permitting

ALL PERMITS ARE IN HAND

Dam Safety Review

- Permit to Construct 1/13/22

Floodplain

- CLOMR approval 2/28/22

Environmental Permitting

- MOTSU ROE approved
- E&SC approval 4/26/22
- 401/404 approval 4/26/21, renewal 5/16/22

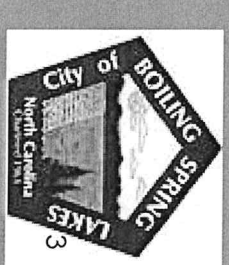


DAM CONSTRUCTION/
RECONSTRUCTION PROJECT
BOILING SPRING LAKES
BRUNSWICK COUNTY, NORTH CAROLINA

mcgill THE TRUMP GROUP
10000 WOODBINE DRIVE
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JANUARY 2021





Recent FEMA Coordination

Sanford Dam and Upper Lake Dam #68141

- HMP approved May 3, 2021
- In EHP for final approvals

Pine Lake Dam and North Lake Dam #126563

- HMP approved July 1, 2021
- In EHP for final approvals

Both Projects Combined

- EA development completed 7/15/22
- EA advertisement completed 8/15/22
- Anticipated FONSI for EA 9/15/2022?
- Cost Adjustment 9/30/22?
- Project Obligation 10/15/22?

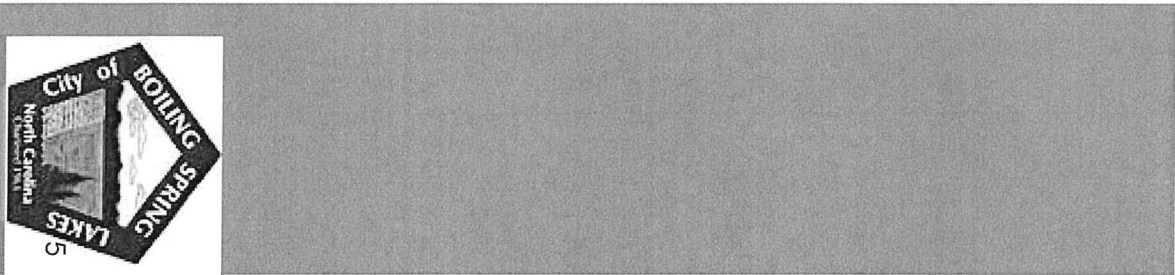


Funding

Anticipated Funding Sources

- FEMA \$19.9M?
- NC Legislature \$14M
- Brunswick County \$3M
- BSL GO Bond \$20M

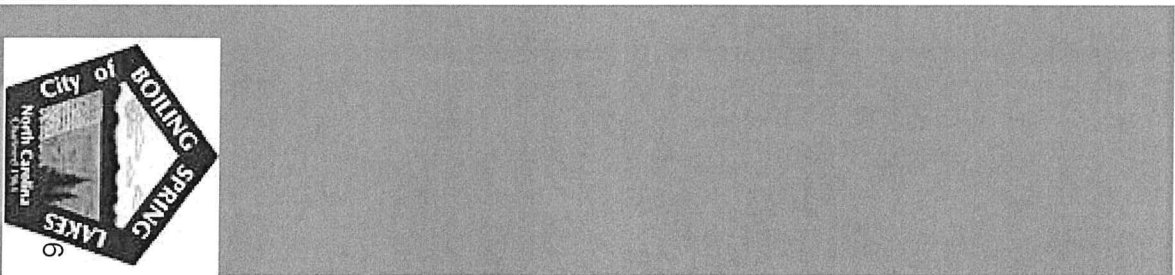
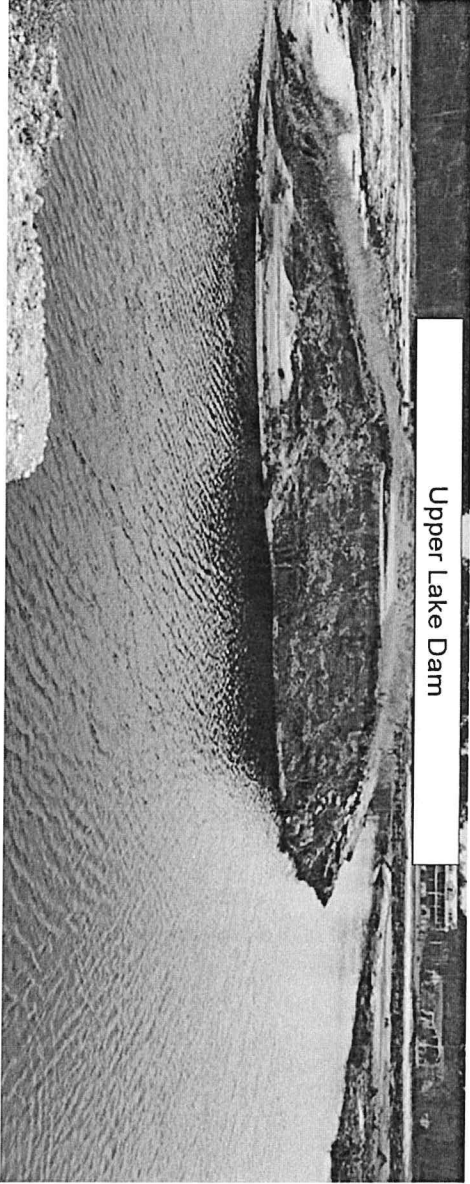
Total \$51.9M + \$5M contingency



Potential DCIP Grant

Alternate Funding Scheme

- FEMA \$19.9M?
 - NC Legislature \$14M
 - Brunswick County \$3M
 - Potential DCIP Grant \$14.9M
 - Reduced BSL GO Bond \$5M
- Total \$51.9M + \$5M contingency**



Near Term Next Steps

- Referendum on Nov 8, 2022
- Secure interim financing
- FEMA Admin Approval
- Board approval of FEMA funding obligation
- NC Legislature (procedural approval)
- Bidding
- LGC authorization
- Authorize McGill Construction Management Services Task Order
- Start Construction



Questions ?

