



**Board of Commissioners Special Meeting Minutes
Thursday, March 19, 2026, at 5:30 PM
City Hall**

A. Call to Order

Mayor Winecoff called the meeting to order at 5:30 pm.

Attendance:

Mayor Jeff Winecoff
Commissioner Kim Sherwood
Commissioner Todd Ausborn
Commissioner Justin Lovin
City Manager Gordon Hargrove
Police Chief Kevin Smith
Jim Stachura, Stormwater Engineer
Brandon Stevens, Finance Director
City Clerk Tanya Shannon
Absent: Commissioner Teagan Hall (excused)

B. Approval of the Agenda

Commissioner Sherwood moved to approve the agenda, amending it to include the item: Resolution on the City's Position Concerning Financial Responsibility for the Pine Lake Dam Design Error. Commissioner Ausborn seconded. **Vote 4-0; motion carried.**

C. Potential change order for Pine Lake Dam.

Mr. Hargrove took a moment to address widespread misinformation about the dams project and the Pine Lake (PL) revision. He clarified that the dams project is entirely grant-funded, with no BSL tax dollars being used for reconstruction.

Secondly, the City maintains that the current issues are the result of an engineering design error. The City fully intends to hold the design team financially responsible.

The Board of Commissioners (BOC) is meeting tonight to consider a change order to restart work on the Pine Lake Dam. After extensive discussions with both the BOC and the City Attorney, two primary paths have been evaluated. One option is to compel the engineering firm to pay for the revision up front. However, the firm has so

far been unwilling to discuss financial responsibility, and legal counsel advises that this approach would likely result in a lengthy court battle and significant delays, leaving E. Boiling Spring Road closed indefinitely.

The alternative is for the City to pay for the revision now to expedite the project, while simultaneously pursuing all legal means to recover these costs. Due to interest earned on the grant funds—which can only be used for this project—the City currently has sufficient capital to cover the revision without activating the bond.

As long as the City does not experience significant weather events that could potentially damage the dams, sufficient funds are available to complete both the project and the Pine Lake Dam revision.

Commissioner Lovin said there has been a lot of talk on social media about the revision, but only one person has reached out to him for information. Meanwhile, others are sharing misinformation online and stirring up frustration. He encouraged people to contact him directly to get the facts and details. He understands the frustration but wants everyone to know that the City Manager and the Board are doing all they can to reopen E. Boiling Spring Rd. They are sharing everything they can, but some legal matters must be handled with the city attorney to protect the city. He asked the community to trust that the Board is working with the city's best interests in mind and will keep providing answers—you just need to ask.

Commissioner Sherwood explained that, based on the contract language, when there is a change in the project, both the engineer and the contractor, Sequoia, must provide a recommendation on how to proceed with the revisions. She noted that differences in proposed prices led to McGill's hesitation to provide their recommendation. For example, if Sequoia recommends a certain action but the Town does not wish to proceed that way, it creates uncertainty. To address this, the attorneys were consulted to minimize any potential exposure.

Commissioner Sherwood emphasized that her recommendation is to keep moving forward and get the project completed. She stated that obtaining a recommendation from Sequoia, gathering opinions, and signing the change order will allow Sequoia to finish the job. She explained that the Town is at a critical point this evening, trying to move ahead. If they delay and wait for prices to be negotiated further, the project could be delayed by another six months or more. For these reasons, she supports the Resolution for the change order.

Mr. Hargrove explained that one of the main challenges in the negotiation was the contractor submitting a change order price, while the consulting engineering firm sought contractual validation that allowed for changes to the original contract prices. He noted that this issue was discussed extensively, but a consensus could not be reached.

To resolve the matter, Mr. Hargrove asked the city attorney to review the contract. Both the attorney and the mayor confirmed that Sequoia, the contractor, is entitled to

adjust the pricing—including unit prices and lump sum fees—because of changes in the project’s design. He emphasized that if the project had followed the original design, pricing could not have been changed. However, three years have passed since the initial estimates, and the Town is now being asked to adhere to prices from three years ago, despite increases in material costs, inflation, and labor.

Mr. Hargrove expressed his concern that no one should be surprised by the new price. He recalled that several months ago, the rough estimate for the change order was about \$2.1 million, which was only a preliminary figure. The new change order is now \$3,008,171.64, which is significantly higher.

Despite the increase, Mr. Hargrove stated that funds are still available to cover the cost without using the bond. He reiterated the intent to hold those responsible for the design error financially accountable, emphasizing that the citizens of BSL should not have to bear that burden.

Commissioner Sherwood made a motion to approve the change order for the Pine Lake Dam Repair Project. And seconded by Commissioner Ausborn. **Vote 4-0; Motion carried.**

D. Resolution on the City’s Position Concerning Financial Responsibility for the Pine Lake Dam Design Error.

Mayor Winecoff Read the Resolution:

**CITY RESOLUTION OF BOILING SPRING LAKES
RESOLUTION APPROVING CHANGE ORDER
FOR PINE LAKE DAM REPAIR PROJECT**

Dated March 19, 2026

WHEREAS in May 2023 the City of Boiling Spring Lakes (the “City”) and Sequoia Services, LLC (“Sequoia” or “Contractor”) enter into a contract entitled “Boiling Spring Lakes Dam Construction/Reconstruction” (the “Contract”), pursuant to which Sequoia agreed to restore the City’s storm-damaged dams, including Pine Lake Dam in accordance with design plans for the project provided by McGill Associates, P.A. (McGill”); and

WHEREAS McGill has had to re-design significant elements of the Pine Lake Dam after Sequoia substantially completed its work on Pine Lake Dam, such re-design made necessary by error(s) in the original design for the Dam; and

WHEREAS Sequoia has submitted a Change Order request seeking to adjust the contract amount due to the additional work, not contemplated at the time that its bid for the work was awarded and the Contract executed, that it has been asked to do to construct the Pine Lake Dam to the new, revised specifications provided to the City by McGill; and

WHEREAS Sequoia's Change Order request is consistent with Article 11 of the Contract, specifically Section 11.02.A.3, and the City has asked McGill for a recommendation regarding the Change Order request; and

WHEREAS the City must act on the Change Order request in order for the additional work on Pine Lake Dam to proceed without further delay; and

WHEREAS the City expressly reserves the right to hold McGill financially accountable for all expenses and damages the City may incur as a result of the additional work Sequoia must perform to complete the Pine Lake Dam construction/reconstruction necessitated consistent with the re-design of that Dam by McGill.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City of Boiling Spring Lakes Board of Commissioners on motion by _____, seconded by _____, that the City hereby authorizes and approves the Change Order dated _____, 2026 requested by Sequoia, a copy of which Change Order is attached to this Resolution

This the 19th Day of March 2026.

A motion was made by Commissioner Ausborn to approve the Resolution and seconded by Commissioner Sherwood. **Vote 4-0; Motion Carried.**

Commissioner Ausborn moved to adjourn and seconded by Commissioner Sherwood. **Vote 4-0; Motion Carried.**

Adjourn— 5:45 p.m.

Jeff Winecoff, Mayor

Tanya Shannon, City Clerk