



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
TUESDAY, MAY 21, 2019 – 4:30 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, May 21, 2019 at 4:30 p.m. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners Mike Sullivan, Joe Butler and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; and Assistant Town Manager Christy Ferguson. Commissioner Pat Kwiatkowski was unable to attend the meeting.

Mayor Holden called the meeting to order.

**PUBLIC COMMENT**

No comments were made.

**POYNER SPRUILL UPDATE**

Mike McIntyre said the fiscal year 2020 appropriation process for the federal government is underway. It was delayed a little this year because of the government shutdown. Congress is currently in deep debate about appropriations. He talked about the current budget process and current bills in progress.

Mr. McIntyre said they were with Town Manager Hewett and Assistant Town Manager Ferguson in Washington, D.C. during the second week of March. They had excellent meetings with the headquarters of the Corps. They also went over to the Office of Management and Budget. He said they have been working with both of our senators and congressman from the coastal areas. They will continue that work and will probably make a return trip to Washington in the next couple of months.

Mr. McIntyre stated there have been a lot of discussions; after a long wait and a long stalemate they have seen a flurry of activity recently with the Corps. They know that they are watchdogging it and some things need to get done. They met with the higher ups in Washington and they are grateful for the response that they are now seeing. Within the last couple of weeks the Corps has confirmed that the sand from the next Intracoastal Waterway contract will go to Holden Beach. They will look at flipping it between Holden Beach and Oak Island for future projects. He said what can impact that is what the data says. There are great numbers in information that favor putting the sand on the Holden Beach side. Mr. McIntyre said they want to help promote that and advocate for that. There is a sediment transport analysis study that shows the east end of Holden Beach is approximately five times more erosional than the west end of Oak Island. The Corps said it costs about the same to place the sand on Oak Island as it does Holden Beach, but the other

concerns are a fact. The Corps is willing to work with the Town to make sure it is being done in the most cost efficient way that makes the most sense.

Mr. McIntyre said concerning the overall beach nourishment issues, as we look back the official Corps document about the Brunswick County Beaches included Ocean Isle, Oak Island, Caswell Beach and Holden Beach. There is a history that goes back to 1966. There was a plan of improvement to help the communities he just named. In 2001, the Ocean Isle project became separate. Caswell Beach, Oak Island and Holden Beach have continued to be under the same General Revaluation Report (GRR). In 2013, about \$8 million had been spent studying what to do and how to do it. The Corps got to the point that they said they spent the money and they need to look at if they are going to get a cost share to help finish this. \$550,000 is needed to complete the project. In light of the meetings and the discussions, the Wilmington Corps is now very focused to make sure we get a resolution. Mr. McIntyre said their job is to advocate for Holden Beach. The Corps has said a new GRR is needed, but the key is if it can be kept under the prior authorization. Mr. McIntyre said that Christine Brayman with the Corps has stated to their team that she will be in touch. They have the same opinion that we do not want to go back and get a new authorization. They will take the authorization given and focus it on how to get a new GRR done. The Corps now has a program where they look at getting things done in a three year block of time. It's a cost sharing opportunity. If they find the project is acceptable and they find a way to do it then they will work with you to share the cost and get it done. Mr. McIntyre said they are willing to work with the Town to complete a letter of intent. They are working with Town Manager Hewett. The Corps would like to see the Town is interested in moving forward. They would then respond with a cost and timeline. Mr. McIntyre said they would work with the Corps under the existing authorization so they can produce a new GRR to get current data and modeling. The Corps' idea on the three year increments is around \$3 million and it is a cost share, \$1.5 million each. It is a starting point. We will see what they actually propose.

Mr. McIntyre said today they met with USDA Rural Development representatives to talk about projects they could do. USDA explained their programs and projects. Town Manager Hewett shared with them information about the Central Reach Project. USDA normally helps with fire stations, water towers, water and sewer projects, etc., but they did a beach nourishment project in North Topsail Beach. That was a new step, but it qualified. They want to explore the possibility. The USDA is in the business of doing long-term, low interest loans.

Stephanie Miser, Earl Stockdale and Roger Gwinn from the Ferguson Group provided the Board with their backgrounds.

Mayor Pro Tem Fletcher asked if the status in Washington is changing in terms of the federal people passing responsibility down to the states, versus the federal people taking the jobs on themselves. Mr. McIntyre replied that generally the trend has been for the feds to pass it down to the states and local governments. He does not see a change in that trend so they want to make sure they are advocating everywhere you could qualify.

Commissioner Freer said it sounds like great news with the new GRR. He asked if that is what was referred to as the 50-Year Plan. Mr. McIntyre replied yes. Commissioner Freer said he was under the impression there was a catch-up payment. He asked if that is now not the case. Mr. Stockdale said when we talk about the GRR and the Holden Beach component of the Brunswick Beaches Project what we are really talking about is trying to advance toward construction of a portion of an already authorized project. That

authorized project has preset legal requirements regarding cost sharing. Those requirements are fixed by statute and will not change. When the old GRR was being pursued it first was pursued under requirements which allowed the federal government to pay all of the costs. That rule and policy changed midstream. There became a requirement for non-federal interests to pay 50% of the costs. At one point the study costs were at about \$8 million. The Corps estimated it would cost \$500,000 more to complete the study. There was discussion about balancing the books. Part of the good news is the idea that we will now start a new GRR, which will be designed to be completed on an accelerated basis, within three years at a total cost of \$3 million, which would be a 50/ 50 cost share expense, assuming it cost the full amount. Mr. Stockdale stated with respect to the former \$8 million, as they understand it there would be no obligation to catch up. It would be resetting the ground work. Mr. McIntyre explained that all of the old costs are now being revisited and are potentially being reset. Town Manager Hewett stated what is envisioned here is to peel Holden Beach out as our own separate GRR. Mr. Stockdale explained what the GRR is intended to do is to identify a plan of improvements to provide storm protection to the community and to keep the beach healthy and stable. This plan would identify an on the ground construction solution which would be undertaken initially and then you always will have out year maintenance obligations associated with that. The point of this is that the original plan of improvements was arrived at many years ago in connection with a 1966 authorization. What the Corps is doing through this GRR is bringing everything up-to-date. It will focus on a plan for the Town. Mr. McIntyre said they are not inhibiting other towns, they just want to move Holden Beach forward.

Mayor Pro Tem Fletcher asked if there is some reason the Town wouldn't get county or state support. Mr. McIntyre replied that would be a conversation to have with the county and state officials. They are looking at what to do with the Corps' funding. Commissioner Butler said over the last year he has been concerned about the interaction the Town has had with the Corps. What they are saying now is that we have gone the extra step. We have worked hard to identify what the current needs are and are looking also at long-term. He is encouraged to hear this group talk about the right things. He knows in 1998, there was a house on the end of the island with sand bags over it, with water overlapping the bags. Commissioner Butler said if you look at it now you see a different picture. He said science is an important factor. It is important that we advance ourselves and work together to educate ourselves. The more education we have, the better we will be able to enlighten the Corps. Commissioner Butler said of course Holden Beach wants the sand, but let's put why we want the sand into logical sense. He said Town Manager Hewett has done a great job and he has probably been discouraged with the meetings also. Commissioner Butler's thrust would be educate, science, test and modeling. He said we are all working together and the plan sounds great. He explained he is concerned about short-term and long-term.

Mr. Gwinn stated he thinks the Town is in a good spot with the Corps. The new GRR offers tremendous benefits in terms of savings of time and money. He explained the numbers in terms of time and money for the expedited review process that the new GRR will be completed under are caps. It could be less. They will work with staff and consultants. In terms of the letter going back to the Corps initiating the process, there has been a willingness on the Corps' part to work collaboratively with the Town on that. Mr. Stockdale added the letter of intent is not a binding document. Its purpose is to allow the Town to approach the Corps to say we want to move this component of the project forward. We are prepared to participate as required under applicable law. The Corps has to come back to the Town with a plan that would identify what will occur, on what schedule and at what cost. It's a communication tool for everyone to understand what is necessary to move forward. Mr. Stockdale said they have been talking to the Corps regularly. Ms. Brayman has already sent Town Manager Hewett a sample letter to use to kick off the

process. The letter needs to be fine-tuned. The Corps has offered to look at the letter in draft form. The short-term objective for them is to work on the letter with the Town, fine-tune it and share it with the Corps.

Commissioner Butler said the Town lost a significant amount of sand during the storms. If we didn't have the Central Reach Project in place, our beach would have been devastated. He said the project is a positive thing and it works. Commissioner Freer said in regards to the east end dredging he thinks we need a plan. We need to correct that every year we need to figure out what the Corps is going to do with dredging. Commissioner Sullivan asked if they have any impression on what types of projects they are talking about pertaining to the three year block. Mr. Gwinn said the 3 x 3 x 3 process is across the board regardless of the project type. It is just a commitment by the Corps to work with non-federal sponsors to minimize the cost to get to a project that could be delivered to address the community's needs. In this instance they hope it will be less than three years and less than \$3 million. Town Manager Hewett said that is a good segue into when Ms. Brayman comes down to meet with the Board to brief them on the specific, technical aspects of the 3 x 3 x 3 process and what the Wilmington District's piece of the action is. Mr. Gwinn said the 3 x 3 x 3 is congressionally directed.

Mayor Holden said he is proud we have the A team on our side. He appreciates everything they have done so far.

## **ADJOURNMENT**

*Motion by Mayor Pro Tem Fletcher to adjourn at 5:31 p.m.; second by Commissioner Butler; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk