

Shore Protection Manager

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CARTERET COUNTY BEACH COMMISSION MEETING

Minutes

Pine Knoll Shores Town Hall

September 25, 2006, 2 pm

Acronyms:

EI – Emerald Isle

FEMA – Federal Emergency Management Agency

IB – Indian Beach

NCDCM – N.C. Division of Coastal Management

PKS – Pine Knoll Shores

USACE – U.S. Army Corps of Engineers

Attendance.

Commission Chair Buck Fugate, Vice-Chair William Donnelly, Commission Members Jack Goldstein, Jerry Huml, Joan Lamson, Ted Lindblad, Pat McElraft, Stewart Pickett, Jim Willis, secretary Greg Rudolph, and the general public. Members Eddie Dawkins and Jim Stephenson were absent.

- (1) **Call to Order.** – Chairman Fugate called the meeting to order.
- (2) **Approval of Minutes (Regular Beach Commission Meeting – August 28, 2006).** - Chairman Fugate asked the Commission if there were any corrections, additions, or comments regarding the minutes presented in the agenda packet. Member Goldstein noted a spelling error and member Huml subsequently motioned the minutes be approved with the noted correction. The motion was seconded by member Pickett and unanimously approved.
- (3) **Occupancy Tax and "Beach Fund" Update.** – Secretary Rudolph mentioned that the August occupancy tax report was attached to the Commission's agenda, which also included a year-to-date summary of the tax as a whole and a separate series of tables dividing the tax into collection sectors (condos, motels, and other). The collection reported for August 2006 was down by almost 2% compared to the August 2005 collection, although the collection for the year remains up by over 1% in this very early stage of the fiscal year. The secretary also noted the collection in August 2005 was up by roughly 24% compared to the August 2004 collection, so the August 2006 collection should be taken in context of a couple to few years. Also, this (August 2006) was the third consecutive month the hotel/motel sector was down compared to the year prior. Member Lamson commented the new condominium projects may not be constructed in enough time to absorb the overnight business loss in the wake of all the hotels that are being re-developed, and asked the Commission what type of impact this would have upon the collection rate. Member Goldstein replied this is a difficult question to answer but there are also new sources of revenue to take into account such as the movement of the school calendar to a later date and the collection of rental services, such as linens. Member Lamson further asked what type of decrease can be sustained by the Beach Commission and for how long of a period? Chairman Fugate responded

the Commission's long-term forecast includes a 3% annual growth rate for the occupancy tax, which has been eclipsed substantially each year, thus the Commission could incur a downturn in collections while maintaining our long-term budget goals. Member Lamson asked does the budget still include the 50-year Shore Protection Project. Secretary Rudolph answered the long-term budget presented to the Beach Commission earlier this year did not include the construction of the Shore Protection Project for the first time ever in a budget presentation. Based on this decrease in expenditures, the "Beach Fund" should have ~\$13 million by 2012.

Member Willis asked if the Commission could receive an expenditure report as well as the occupancy tax revenue that is customarily included with Commission agenda packets. Secretary Rudolph replied that expenditures, revenues, and balance can all be included in future Commission packets. Member Willis also posed the idea of utilizing the Beach Fund for current beach nourishment projects considering the Shore Protection Project is becoming more of an unreality. Chairman Fugate disagreed because even though the Shore Protection Project seems unrealistic, the legal angle the Beach Commission is taking towards Morehead City Harbor sand management issues will likely result in a court-ordered Bogue Banks wide project and there will be some compulsory local funding the Beach Fund will need to cover. Member Goldstein added that it would be dangerous to offer funding to one municipality because other municipalities would immediately develop expectations. Secretary Rudolph added that with State cost-sharing, the cost share formula is 65% Federal, 26.25% State, and 8.75% local, which if the Commission could get codified by a court-order, would be a very good template for the Commission, and one the Beach Fund could accommodate as well.

- (4) **Summary – Post *Ophelia* FEMA Sand Replenishment and Morehead City Section 933 Projects.** – Secretary Rudolph introduced the topic by mentioning the Shore Protection Office has been reluctant to keep the Commission apprised of all the issues regarding the two projects because they have been changing on an almost daily basis, which in turn creates more confusion and false expectations. However, the bid for the FEMA Project was issued last Wednesday (9/20/06) and the bid for the Section 933 Project should be issued tomorrow (9/26/06), and therefore many of the project parameters can be disclosed at this time as they are incorporated formally into these two documents. For the FEMA Project, FEMA will reimburse municipalities for replacing the sand lost during a Federally-declared disaster event such as *Ophelia* if the original nourishment project was financed by predominantly local funding, and if the communities developed and adhered to a beach maintenance and monitoring plan. EI, PKS, and IB have all met these requirements and according to the beach surveys that the Beach Commission sponsors, these towns lost ~1.1 million cubic yards of sand during *Ophelia*. The sand will be placed in the exact reach where sand was lost during *Ophelia* utilizing a total of six reaches that were developed for the locally-funded project in the late 1990s. A number of 20 cubic yards a linear foot was utilized as a minimum fill rate and this was combined with the parameters mentioned above to develop a total of 5 nourishment reaches planned for this year's FEMA Project. The dredging bids could be opened by October 13th.

The Section 933 Project on the other hand, is a Federal/non-Federal cost sharing program that pays for the delta cost of placing shoal material dredged from the outer harbor at Morehead City along and the beach of PKS rather than dumping the material in offshore disposal sites. This project has been planned for four years now. The Federal funding for the Section 933 Project includes a carry-over of Federal funds secured last year that were not expended because the only

bid received for the project was well above the government estimate. The local constituency went back to Congress this year to ask for additional funding, and although the final appropriation bills has yet to been passed, the Corps feels that the Senate language is strong enough to fund the complete Section 933 Project. The bid for the Section 933 Project contains no options – just one base bid to place the dredged shoal material along the shoreline of PKS. The County has also been requested to execute a Project Cooperation Agreement amendment and to provide the non-Federal match, which are all positive signs.

Secretary Rudolph continued by noting there is roughly 2 million cubic yards of beach nourishment to be conducted this winter that will likely entail two different companies, two different contracts, two different sets of field crews, two different sets of pipe, two different sets of heavy equipment, and an overlap of beach nourishment zones in PKS. Member McElraft asked if one company could perform all the work. The secretary responded that each project will require either two small hopper dredges or one large capacity dredge, or a minimum of two or maximum of four for both projects. That equipment requirement might be too much for one company to encumber. Also, it was planned to conduct the FEMA work first, beginning in November to complete PKS initially and continue working west, then followed by the Section 933 Project starting in January. However the USACE has expressed concern the FEMA Project may adversely affect the regional turtle take for the Southeast Atlantic hopper fleet and therefore both the FEMA and Section 933 Projects will be conducted in the January to April 2007 timeframe. Thus because PKS will likely receive Section 933 sand, the FEMA Project will start in EI and progress eastward, and with a little luck, the Section 933 Project will be completed in PKS before the FEMA Project arrives.

Chairman Fugate noted the USACE has a 35 loggerhead turtle take for the Southeast Atlantic and this number was a guess, and even the shrimpers in Pamlico Sound have a higher take. This is a travesty considering how much turtle habitat is restored by beach nourishment, especially considering commercial fisherman took 14,500 turtles in a ten year period – hopper dredges took 100 during the same period.

- (5) **Public Comment.** – Member Willis disclosed although he admitted last month his prediction regarding the sand placed at the Point in EI was incorrect, he wanted another year before making an apology. However based upon a recent visit to the Point, he now officially apologizes and miscalculated the addition/transport of sand from the Channel Drive area.
- (6) **Other Business.** – Member Huml mentioned the N.C. Beach Inlet & Waterway Association meeting in November (13th and 14th) and it was agreed that the Secretary would register any Commission member who wished to attend, and would subsequently file reimbursements. Member McElraft also mentioned the University of N.C. Law School's one-day seminar on October 27th.

Member Lindblad referenced the term “sand wars” that was printed in a Shore Protection Office news piece, and asked if there were any legislation available to prevent other governments from using sand that adjoins a particular County or municipality. Secretary Rudolph replied that Broward and Dade Counties in Florida have been battling over a shoal that lies offshore in Broward County, and pursuing legislation to this effect might be worth examining. Member Lindblad also asked how the proposed NCDCM rules regarding sediment criteria for beach nourishment would affect Bogue Banks. Secretary Rudolph replied the rule is a compromise trying to balance

incompatible projects from occurring while not precluding good sources of sand. The Shore Protection Office had a lot of input to the rule and would give the rule a subjective measure of seven out of ten, with ten being the highest, best-case scenario. The Commission was also prompted by Member Lamson to discuss impact and transfer fees and its possible relation to beach nourishment, but never reached any consensus.

- (7) **October 2006 Meeting Date (October 23, 2006 – proposed)**. – It was agreed upon that the October Commission meeting would be held on October 23rd at 2:00 pm.
- (8) **Adjourn**. – Chairman Fugate asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.