

Shore Protection Manager

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CARTERET COUNTY BEACH COMMISSION MEETING

Minutes

Emerald Isle Board Room

Remotely via Carteret County Zoom Account (<https://carteretcountync.zoom.us/>)

July 26, 2021, 2 pm

Attendance.

Commission Members Jim Normile (chair), John Brodman (vice-chair), Harry Archer (remotely), Larry Baldwin (remotely), Larry Corsello, Danny Navey, Tom Rule, Woody Warren (remotely), secretary Greg Rudolph, and the general public. Members Farrington, Guthrie, and Luther were absent.

- (1) **Call to Order.** – Chairman Normile welcomed everyone in attendance (both live and remotely) and proceeded to call the meeting to order.
- (2) **Approval of Minutes - Regular Beach Commission Meeting (June 28, 2021).** – Chairman Normile asked the Commission if there were any corrections, additions, or comments regarding the June 28th regular session minutes presented in the agenda packet. With no comments forthcoming, vice-chair Brodman subsequently made a motion to adopt the minutes as presented, which was seconded by member Navey and unanimously approved.
- (3) **Room Occupancy Tax (ROT) and “Beach Fund” Update.** – Secretary Rudolph mentioned the May 2021 collection results were provided to the Beach Commission via email earlier in the month but because the receipts were so shockingly high; they bear repeating again (see [Slides 1&2](#)). The previous May record was \$574,112 (2017), compared to \$1,129,887 for May 2021 (+97%). When we look at the occupancy tax from a calendar year perspective thus far (CY 2021), we are up by +190% for the first five months (\$2,906,823 in 2021 vs. \$1,002,560 in 2020). Our fiscal year tally (FY 2020-21) through 11 months is almost equally as staggering – \$9,326,562 vs. \$7,271,245 for the entire 12 months of FY 2019-20. June is a “million dollar month”, so we should easily eclipse the \$10 million mark for FY 2020-21. The secretary concluded by reviewing the nourishment reserve (a.k.a., “Beach Fund”) balance and summarized we should be close to the \$20 million mark at the end of the summer, which in itself is quite an accomplishment considering the balance was \$18.1 million just before hurricane *Florence* impacted the area in September 2018. Since then we have placed 5 million cubic yards of sand along Bogue Banks at a total cost of \$85 million. In that context, the reserve value we have now is even more impressive.

Member Warren added that we should continue to see very strong collections through the summer and well into the fall months. Vice-chair Brodman subsequently asked if the inventory has increased recently and if so, that could be a potential driver. Member Warren and the secretary replied that getting a clear inventory picture is difficult – especially in the wake of all the damaged

rentals that occurred because of *Florence* that went off line then repaired and back on-line. But again the scale of increase we are experiencing overwhelms any type of inventory issue so it is predominantly an increase in visitation causing the spike. Member Baldwin and chairman Normile both commented the recent wave of remote work that developed in response to the COVID-19 pandemic has also boosted our occupancy tax collection.

- (4) **Master Plan Sand Resource and Reserve Project (Contract & Fee Estimate)**. – Chairman Normile introduced the topic by noting that we tasked the Shore Protection Office to formulate a “Sand Search” contract and fee estimate based on our discussions over the course of the past few months. We often have discussed how the past members of the Beach Commission were visionaries and set the table for future success – this new sand search effort is doing the same and we should be proud that we are proactive and are moving forward so the next generation can be just as successful. Secretary Rudolph followed with a review of our efforts to date and a discussion concerning “good and bad” borrow source material (see [Slides 3-8](#)); but before then echoed the chairman by noting we have been developing a succession plan for the Shore Protection Office this entire year and this new Sand Search effort can also be considered as part of the succession plan. The secretary continued the presentation by reviewing the general workflow for the proposed Sand Search effort and subsequently repackaged the eleven workflow items into four tasks that are the root of the contract and fee-estimate. The largest item in terms of work load and cost is the geophysical component and to this end, Chris Freeman with Geodynamics, LLC is with us again to discuss and review this work task ([Slides 11-20](#)).

Mr. Freeman also performed a review of our efforts to date with respect to regional geology and went into more detail concerning the survey design. The overall philosophy is to; (1) “map once – use many times” in an effort to properly delineate the sand resources and reserves, (2) do so in an economically prudent manner, and (3) in a methodology that puts the County in the best possible position to leverage monetary resources with the federal and State and entities. With respect to cost, it is important to underscore a “worse-case”/“not to exceed” number was provided in the fee schedule in an effort to capture the unknowns that exist at this time. For instance, the endangered species protocols could either promote or limit 24-hour surveying, and/or how many endangered species observers are on board vessels, etc., etc. The level of technology required for identifying cultural resources is another unknown. Mr. Freeman continued by describing the seismic reflection methodology and what different equipment is used to “see” the desired depths. Because we are looking more at the structure of the shallow subsurface, our operations are not as grandiose and harmful to marine mammals as the oil & gas industry that wants to see the structure of the entire crust of the Earth. There are still impacts when employing shallow seismic reflection equipment but it is more on the harassment level, rather than on the debilitating damage or mortality level. In total there will be roughly 1,700 linear miles of track line within a 315 square mile footprint. And lastly there will be lessons learned from a current project near Frying Pan shoals that we hope can be applied with the similar proposed work at Cape Lookout.

Secretary Rudolph continued by remotely welcoming three representatives from the Bureau of Ocean Energy Management (BOEM), who subsequently introduced themselves – Doug Piatkowski, Ashley Long, and Leighann Brandt and proceeded by providing a presentation to the Beach Commission ([Slides 21-37](#)). BOEM’s presentation centered on; (a) An overview of the BOEM’s Marine Minerals Program and overall philosophy/rules of engagement, (b) the National Offshore Sand Inventory (NOSI) – the science and management of the resources, (c) the Marine

Minerals Information System (MMIS), which is the enterprise GIS system that is available for both BOEM's internal use and the public's use as well, and lastly, (d) Collaboration moving forward. The MMIS is really helping BOEM identify potential conflicts – sand sources, transmission line locations, military interferences, and who owns the resources. Moreover, and it was highlighted many times that BOEM's focus is very much of resource management while other agencies such as the U.S. Army Corps of Engineers or local governments are more into the “use” business. It is positive to have that steward of the resources.

Member Baldwin commented our Sand Search is a grand opportunity for a local-State-federal partnership to collect a complete inventory of Northern Onslow Bay that can be used for many, many uses beyond beach nourishment. Accordingly, cost-sharing would make a lot of sense and we probably can (and should) work towards that goal. Vice-chair Brodman asked the BOEM representatives what are the uses of sand and gravel leased through the agency? Mr. Piatkowski responded that beach nourishment is the primary use, with gas or energy pipelines and transmission lines conflicts, commercial fisheries/habitat conflicts as sort of a secondary “use” of the leasing program. Member Corsello followed by asking is there any commercial uses of OCS sand/gravel? Mrs. Brandt replied not yet although there has been interest but no formal application(s). Mr. Piatkowski added that the commercial use of sand/gravel would require a competitive lease process, while nourishment (public benefit) requires a negotiated lease as the County is very familiar with by now.

Member Rule asked who owns the sand if someone like the County fiscally sponsors the development of the resource? Mrs. Brandt responded that technically speaking, the federal government owns the sand in the OCS. Secretary Rudolph and Mr. Freeman added that there are indeed “sand wars” (competition) for OCS sand in places like Florida between local governments but fortunately for Bogue Banks; we are flanked on both sides by undeveloped islands so we can avoid this type of conflict.

Member Corsello asked if it would be more prudent to develop the survey plan first and resolve all the unknowns operational wise and lock-in funding partners first before authorizing the full not-to-exceed contract amount of almost \$3 million? Also, we do have sand available for the next nourishment project so there is not huge rush. Secretary Rudolph initially replied that we have several potential funding avenues ([Slide 38](#)) and in order to obtain the federal permits to conduct the seismic surveying, we have to scope the project and all of that takes significant dollars, which we consequently use to leverage for cost-sharing. It is kind of the chicken or the egg type of situation as you (member Corsello) intimated, but if we delay; then the sequencing can fall apart and that could put us in a worse situation. For instance, we really can't go to the resource agencies and ask for their thoughts if we don't have our targets resolved, which requires the fieldwork. Mr. Freeman and Mr. Piatkowski added that the data we collect would be proprietary as well, so the potential funding partners couldn't just sit back and wait, not participate, and use the data. Chairman Normile disclosed he is not in favor of a piecemeal approach because we could add a lot of time and perhaps cost, which may run afoul of a not-to-exceed, comprehensive contract. Member Rule added that ultimately, we will own the data in a worse case scenario and that in itself is powerful. Member Navey added that if you look at the money we spent on nourishment and 1/3 of sand has been used; we sure don't want to be here five years from now with 2/3 of the sand used. Thus we need to proceed so we don't get caught off guard years down the road. Member Corsello agreed it was a good concept to move forward and to do so desiring to

secure as many cost-share partners as possible. Chairman Normile thanked member Corsello for his question and lines of thought, and vice-chair Brodman followed by making a motion to approve the contract and fee estimate as presented for the County Board's consideration and approval. The motion was seconded by member Navey and unanimously approved.

- (5) **Public Comment.** – None.
- (6) **Other Business.** – Secretary Rudolph disclosed we have been waiting for roughly five to six years for the U.S. Fish and Wildlife Service (USFWS) to designate Red Knot Rufa shorebird critical habitat subsequent to listing the species as threatened in late 2014. And true to form with a new Administration, the proposed Red Knot Rufa critical habitat was released late last week ([Slides 39-44](#)). The Red Knot makes an annual journey from the southern tip of south America to the northern tip of North America, and their primary food source are horseshoe crab eggs. Our written position at the time of the listing focused on the fact that Carteret County (or North Carolina) does not possess major spring stopover areas, and therefore contended the County should not be included in the upcoming critical habitat designation. If the County's shorelines are to be designated as critical habitat for the Red Knot, then we requested the exact overlays already in place for the piping plover be utilized to meet the Red Knot's critical habitat needs because the piping plover overlays have yet to cause major permitting or land use issues. Unfortunately and akin to our experiences with the loggerhead, the USFWS ignored our comments and factual arguments and are proposing to designate all of the Bogue Banks oceanfront and Core Banks/Shackleford Banks as critical habitat. At a minimum the critical habitat designation provides another item for us to address during permitting – at the worse, we could see tangible permit stipulations related to the Red Knot critical habitat. Accordingly, the Shore Protection Office has already contacted our legal counsel and collectively, we are planning to prepare a detailed response with respect to the critical habitat proposal.
- And lastly we're pleased to report House Bill [735](#) was signed into law by the Governor last week, which eliminates the 3-bid requirement for dredging contracts. This has become a problem for us, especially for the larger beach nourishment projects considering there are only four companies in the United States that can do the work in the first place. Representative McElraft was one of the primary sponsors of the bill and advocated for its ultimate approval.
- (7) **August 2021 Meeting Date (August 23, 2021).** – It was agreed upon that the next Beach Commission meeting would be held on August 23rd at 2:00 pm, Emerald Isle Board Room and remotely.
- (8) **Adjourn.** – Chairman Normile asked for any additional comments and with no additional comments forthcoming, the meeting was adjourned.