

**NC COASTAL RESOURCES COMMISSION (CRC)**

**February 6-7, 2013**

**UNCW**

**Wilmington, NC**

**Present CRC Members**

Bob Emory, Chair

Joan Weld, Vice Chair

Lee Wynns

Renee Cahoon

David Webster

Joseph Hester

Ed Mitchell

Scott Cutler

Larry Baldwin

**Present CRAC Members**

Ray Sturza, Chair

Tim Tabak, Vice Chair

Alan Holden

Kristen Noble

Bill Morrison

Webb Fuller

Debbie Smith

Spencer Rogers

Anne Deaton

Charles Jones

Tim Burgess

Wayne Howell

Harry Simmons

Tracy Skrabal

Joe Lassiter

Boyd Devane

**Present Attorney General's Office Members**

Mary Lucasse

Christine Goebel

Amanda Little

**CALL TO ORDER/ROLL CALL**

Bob Emory called the meeting to order reminding the Commissioners of the need to state any conflicts due to Executive Order Number One and also the State Government Ethics Act. The State Government Ethics Act mandates that at the beginning of each meeting the Chair remind all members of their duty to avoid conflicts of interest and inquire as to whether any member knows of any conflict of interest or potential conflict with respect to matters to come before the Commission. If any member knows of a conflict of interest or a potential conflict of interest, please state so when the roll is called.

Angela Willis called the roll. No conflicts were reported. Pat Joyce, Jerry Old, Bill Peele, Gwen Baker and Jamin Simmons were absent. Based upon this roll call, Chairman Emory declared a quorum.

Larry Baldwin and Ed Mitchell read their Evaluations of Statement of Economic Interest from the State Ethics Commission which indicated they did not find an actual conflict, but did find the potential for a conflict of interest. The potential conflicts identified do not prohibit service.

## **VARIANCES**

### **Review of CAMA Variance Procedures**

**Mary Lucasse**

Mary Lucasse reviewed CAMA statute 113A-120.1 which states that any person may petition the Commission for a variance granting permission to use a person's land in a manner otherwise prohibited by rules or standards prescribed by the Commission or orders issued by the Commission pursuant to this Article. There are four factors that the Petitioner must show in order for the variance to be granted. The Commission put together rules that set forth more specifics about the variance procedure. (15A NCAC 07J .0701, 7J .0702, and 7J .0703) If someone's request for a permit is denied or they receive a permit that contains conditions that they don't agree with then they come to the CRC and ask for a variance. Before seeking a variance, the petitioner must first seek relief from local requirements that may restrict their use of their property. Another prerequisite for seeking a variance is that there be no pending litigation. To initiate the process of seeking a variance, the Petitioner puts together a package a stipulated facts and photographs. The Commission does not take testimony. The Commission's decision is made based on stipulated facts. A staff recommendation is provided to the CRC which describes the property and how the property will be affected by the rules. The staff attorney and the Petitioner, or their counsel, make a presentation to the CRC. The CRC may ask questions following the presentations. To grant a variance the Commission must affirmatively find each of the four factors. A variance can be issued as asked for, the CRC can require conditions, or the CRC can deny a variance request. Once the final decision is signed by the Chairman it is sent out by certified mail to the Petitioner. Petitioner's receipt of the Final Decision triggers a thirty day period during which the Petitioner may appeal the Final Decision by seeking judicial review from the Superior Court.

### **Entrust Freedom (CRC VR 12-07) Holden Beach, buffer Christine Goebel**

Christy Goebel of the Attorney General's Office represented DCM staff. William A. Raney of Wessell & Raney L.L.P represented Petitioners on this variance request.

Ms. Goebel stated the Petitioner is an LLC which owns property adjacent to a man made canal in Holden Beach, Brunswick County. In June 2012, Petitioner applied for a CAMA Minor Permit with the Town of Holden Beach's LPO to construct a single family residence on an undeveloped lot. On July 25, 2012, the LPO denied Petitioner's CAMA permit application as part of the house and covered deck were located within the Commission's 30-foot buffer. Petitioner first sought and was granted a variance from the Town's street-side setback. Following that variance, Petitioner now seeks a variance from the 30-foot buffer rule to allow construction of impervious surfaces within the buffer. Ms. Goebel reviewed the stipulated facts for this variance request. Staff and Petitioners agree on all four variance criteria that must be met in order to grant the variance.

Bill Raney spoke and reviewed the stipulated facts which he contends supports the granting of this variance request. Mr. Raney stated he agrees with the Staff on all four statutory criteria.

**David Webster made a motion that strict application of the applicable development rules, standards or orders issues by the Commission will cause the Petitioner an unnecessary hardship. Renee Cahoon seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**David Webster made a motion that hardships result from conditions peculiar to the Petitioner's property. Lee Wynns seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**David Webster made a motion the hardships did not result from actions taken by the Petitioner. Ed Mitchell seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**David Webster made a motion that the variance request will be consistent with the spirit, purpose and intent of the standards or orders issued by the Commission; will secure the public safety and welfare; and preserve substantial justice. Renee Cahoon seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**This variance request was granted.**

**Gindes (CRC VR 12-10), North Topsail Beach, oceanfront setback  
Christine Goebel**

Christy Goebel of the Attorney General's Office represented DCM staff in this variance request. Petitioner, Mr. Jonathan Gindes, was present and represented himself.

Ms. Goebel stated that Staff and Petitioner agree on all four variance criteria which must be met in order to grant the variance request. The stipulated facts of this variance request show that Petitioner purchased this oceanfront property in North Topsail Beach, Onslow County last year. An inspection revealed that portions of the house were not built to code. The engineer hired by the Petitioner recommended installing a floor system in a two-story open area at the oceanward side of the home in order to provide better bracing for wind loads and to meet code. The project was completed last summer. The project increased the total floor area by 144 square-foot increase oceanward of the oceanfront setback. DCM staff concluded the project was development in an AEC undertaken without a CAMA permit and issued a Notice of Violation. Petitioner removed the floor to comply with the NOV restoration plan and now seeks a variance to reinstall the floor.

Jonathan Gindes stated that this variance request is designed to remedy a safety condition pointed out by his engineer. Initially, I did not understand that I needed a CAMA permit. I have remedied the notice of violation by removing the floor system and now request a variance to reinstall the floor system in my home to improve the safety of the home. DCM and Petitioner agree on all four factors.

**Joan Weld made a motion to support Staff's position that strict application of development rules, standards or orders issued by the Commission cause the Petitioner unnecessary hardship. Larry Baldwin seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**Joan Weld made a motion to support Staff's position that hardships result from conditions peculiar to Petitioner's property. Ed Mitchell seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**Joan Weld made a motion to support Staff's position that hardships do not result from actions taken by the Petitioner. Ed Mitchell seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**Joan Weld made a motion to support Staff's position that the variance will be consistent with the spirit,, purpose and intent of the rules, standards or orders issued by the Commission; will secure the public safety and welfare; and preserve substantial justice. Larry Baldwin seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**This variance request was granted.**

**Allis Holdings LLC (CRC VR 12-11) Duck, buffer  
Amanda Little**

Amanda Little of the Attorney General's Office represented Staff in this variance request. Crouse Gray represented Petitioner.

Ms. Little reviewed the stipulated facts and stated that Petitioner proposes additions to an existing restaurant to include a 20-foot by 26-foot wooden pergola over an elevated wood deck and a 4-foot by 4-foot elevated wood ramp and a second set of stairs on its property located in Duck. The Town of Duck LPO denied Petitioner's application based on the proposed development being inconsistent with 15A NCAC 07H .0209(d)(10). Petitioner seeks a variance from this rule to allow construction of the proposed development within the 30-foot buffer of the Estuarine Shoreline AEC. Staff agree with Petitioner on two of the four variance criteria which must be met in order to grant the variance request. Staff agrees with Petitioner that strict application of the 30-foot buffer rule would cause Petitioner an unnecessary hardship. Staff disagrees with Petitioner that hardships result from conditions peculiar to the property. Staff contends that this property is typical of properties located within and adjacent to the estuarine shoreline AEC along the coast of North Carolina. Staff also disagree with Petitioner on the third criteria and contend that any hardships are a result of actions taken by the Petitioner. Staff argues that Petitioner has an alternate location available for the proposed development. Staff agreed with Petitioner on the fourth variance criteria as long as conditions be added to the permit. Since the mailout, Staff has received an engineer-designed stormwater management plan. This plan provides for the construction of stormwater measures to manage the first 1 ½ inches of runoff. Provided Petitioner incorporates the stormwater management plan into any construction, staff agrees that Petitioner has met the fourth variance criteria.

Crouse Gray, attorney for Petitioner, reviewed the stipulated facts which he contends supports the granting of this variance request. Mr. Gray stated we can't put what we want to the north because it is still within the 30-foot buffer. There is no space to put the proposed development anywhere else due to a topography issue on the property.

**Lee Wynns made a motion to support Staff's position that strict application of the applicable development rules, standards or orders issued by the Commission cause the Petitioner unnecessary hardship. Larry Baldwin seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**Lee Wynns made a motion to support Petitioner's position that hardships result from conditions peculiar to Petitioner's property. Ed Mitchell seconded the motion. The motion passed with six votes in favor (Mitchell, Cahoon, Wynns, Hester, Cutler, Baldwin) and two opposed (Webster, Weld).**

**Lee Wynns made a motion that hardships do not result from actions taken by Petitioner. Ed Mitchell seconded the motion. The motion passed with five votes in favor (Mitchell, Cahoon, Wynns, Hester, Baldwin) and three opposed (Webster, Weld, Cutler).**

**Lee Wynns made a motion that the variance request including the storm management plan will be consistent with the spirit, purpose and intent of the rules, standards or orders issued by the Commission; will secure the public safety and welfare; and preserve substantial justice. Ed Mitchell seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Cutler, Baldwin).**

**This variance request was granted.**

### **PUBLIC HEARINGS**

15A NCAC 07I .0401 Program Costs – Rule Amendment  
15A NCAC 07I .0406 Application Fees – Rule Amendment  
and Fiscal Analysis

Mike Lopazanski stated these rule amendments apply to the local implementation and enforcement programs. CAMA makes provisions for local governments to participate in our permitting program through Minor Permits. The intention is to facilitate expeditious processing of permits for projects that don't require a General or Major Permit. There are 10 counties and 26 municipalities that participate in the Minor Permit program. We train town employees to be local permitting officers and hold annual workshops and reimburse them for attendance. In compliance with Executive Order 70 we have reviewed our rules. Since 1993 we have been reimbursing local governments \$200.00 per LPO for up to 3 LPOs. 7I .0401 currently states that reimbursement rates are \$150.00 per LPO. Making this correction will update the CRC rules. In 7I .0406 the fee states \$25.00 when the actual application fee for a Minor Development permit is \$100.00 (7J .0204) and has been in place since 2000. The fiscal analysis addresses the inconsistency in the Commission's rules and the amendments won't affect or change any existing policy or procedures, but will alleviate some confusion for those in the regulated community. It has no affect on NCDOT or DCM's permitting practices.

No public comments were received.

### **MINUTES**

**Renee Cahoon made a motion to approve the minutes of the November 2012 Coastal Resources Commission meeting. Larry Baldwin seconded the motion. The motion passed unanimously (Weld, Wynns, Cahoon, Hester, Mitchell, Cutler, Baldwin) (Webster absent for vote).**

## **EXECUTIVE SECRETARY'S REPORT**

DCM Director Braxton Davis gave the following report.

Good morning and welcome to our new Commissioners. I look forward to having an opportunity to meet with each of you soon to discuss the work of the Division of Coastal Management. In your information packets you will find a DCM Update Memo that covers our recent permitting, enforcement, rule development, planning and Coastal Reserve activities. You'll find an update on the Commission's currently proposed rules, as well as some non-regulatory program efforts being led by DCM's Policy and Planning section, including an update on efforts related to the Beach and Inlet Management Plan, land use planning, and estuarine shoreline mapping. You'll also see an update on our Coastal Reserve program, including information on recent workshops and a note about the recent fish kill at Masonboro Island that you'll be hearing more about later today.

Since this is our first meeting of 2013, I wanted to provide a brief recap of some of the Division's activities in 2012. First, we have just over 30 permitting and enforcement staff spread across our four district offices. In 2012, they handled 160 Major permit actions and over 1800 General permits. Many of the General permits were related to storm damage from Hurricanes Irene and Sandy, and staff did a great job in helping people recover as quickly as possible. Staff also issued 141 Minor permits, along with our local government partners who issued an additional 771 Minor permits. In 2012, 94% of the CAMA permits issued coast-wide were either General permits or Minor permits, and these permits are issued within a matter of a few days up to a few weeks, respectively. In addition, the processing timeline for Major permits was reduced from 86 days (2011) to 75.5 days (2012). As a reminder, these are "umbrella" permits wherein staff guides applicants through reviews and authorizations by as many as 10 state agencies and 4 federal agencies in order to find a project design that meets the applicant's needs and is in compliance with state and federal regulations. The fact that in 2012, we had only one Major permit denial and very few permit withdrawals, and that these permits were issued within a 75-day time window, is a major accomplishment and a significant part of our approach to customer service.

I also want to highlight the compliance assistance efforts at DCM. Our staff look for potential violations early in project construction so that permittees can be guided toward compliance with the Commission's rules and avoid enforcement actions. We apply a three-tiered approach to enforcement, with a focus on compliance assistance, restoration of impacted resources, and graduated enforcement actions where necessary. What often goes unseen is the routine work of DCM staff in providing guidance for projects that may or may not require a CAMA permit, and their efforts to continue monitoring permitted projects in order to offer compliance assistance. During 2012, staff conducted more than 2,000 compliance monitoring inspections and more than 1,500 permit inspections. The division had a 98 percent compliance rate of inspected permitted projects, one of the highest in the department.

I certainly don't mean to leave out the important achievements of our Coastal Reserve staff and our Policy and Planning staff, who do such a great job in so many areas of our program. For the sake of brevity, I won't be able to cover their accomplishments in detail today. But I will say that 2012 was a very busy year, and 2013 looks to be as well, and I truly appreciate the hard work that they are putting into a program that they all care very much about.

We want to extend our gratitude to Dr. Webster for working closely with us and UNCW to host this meeting. As usual, we also worked with the Executive Committee to develop today's agenda, which this time starts off with a "Local Issues Forum." Building on the strong local engagement we had at

our last meeting in Plymouth, we'd like to begin this and future Commission meetings with a discussion of the coastal issues unique to our meeting location. We really appreciate today's participation of Wilmington's Mayor Pro Tem, Dr. Earl Sheridan, as well as Mr. Adam Lisk, to hear about how this city and region are approaching coastal issues and interacting with the Division of Coastal Management. We also have Mr. Layton Bedsole, who will kick off a beach management session with a discussion about the New Hanover County Beach Commission and beachfront management issues in this region. We'll also be discussing terminal groin issues during that session, and we are pleased to have Robin Hammond and Sara Shippee here from the State Treasurer's Office to provide some key information on financial instruments used by local governments in North Carolina. Then we will address ongoing and proposed rule development efforts and consider a land use plan certification. Later this afternoon we'll have an in-depth discussion on the Commission's Science Panel on Coastal Hazards, and discuss specific studies that they've been asked to work on this year. Finally, you'll hear an update on efforts related to agricultural drainage issues following on our last meeting in Plymouth.

We now have set dates for Commission meetings throughout 2013. Locations will largely be budget-driven but we plan to be back in Carteret County for our next meeting.

### **CRAC REPORT**

Ray Sturza stated the CRAC continued to focus on grant programs that are available to give the public access to our coastal resources. The most popular is the ocean access program, but there are also estuarine access programs and programs that provide for riverine access. We have been trying to raise the profile to make sure the Advisory Council members take the information back to their local governments, but also to emphasize the fact that North Carolina's CRC and DCM are more than just a regulatory agency. We also got into a discussion on some issues that relate to municipal authority on public trust beaches. Most of the local governments have been adopting a template resolution that found its origin in Carteret County asking the General Assembly for a clarification on what authority municipalities have in conducting certain police powers on the shoreline. There are a number of issues related to regulatory activities that are occurring as our beaches become more popular. We also heard a presentation from Charlan Owens about the National Flood Insurance Community Rating System program. If you and your community do certain things then you can secure adjustments in your rate structure that reduce your premiums. Each municipality that has chosen to participate has found that there is a reduction in their premium rates. DCM is now undertaking activities that will allow for its activities to bond onto those of municipal governments and give policy holders additional reductions in their premiums. The other side of the presentation detailed the fact that rates are rising significantly in some cases for certain structures that were in existence prior to the adoption of flood insurance rate maps. We also welcomed two new members yesterday, Mr. Alan Holden from Brunswick County and Tim Burgess that represents New Hanover County.

### **CHAIRMAN'S COMMENTS**

Bob Emory welcomed Commissioners Larry Baldwin and Scott Cutler. Gwen Baker is also a new appointment, but she couldn't make it to the meeting today. The Mayor of Plymouth attended our last CRC meeting and we were able to incorporate a field trip in Hyde County to see some of the problems people were having with salt water inundation and agricultural drainage. It was a fascinating field trip and I hope that we can incorporate field trips in the future. I will be participating in the Shape of the Coast program, which is continuing education for attorneys. "Coastal issues" is one of the tracts. I will give an update on what the CRC and DCM have been doing. I am always very proud to give this update. Senate Bill 10 could affect the make-up of the

CRC and CRAC. The CRAC would be appointed by the CRC and the number would be reduced from 45 to 20. There is a requirement that half of the 20 live on the coast. Current members of the CRAC terms would expire on June 30. There is to be a new CRAC named by July 1<sup>st</sup>. All current terms of CRC members would expire when the bill becomes law. The areas of expertise have been changed. The members would be reduced from 15 to 11. The appointing authority will also change. The Chair and Vice Chair would be elected by the Commission.

## **PRESENTATIONS**

### **City of Wilmington – Welcome**

#### **Earl Sheridan, Mayor Pro Tem**

Earl Sheridan welcomed the Commission back to Wilmington on behalf of Mayor Saffo and the Wilmington City Council. As a faculty member at UNCW, I also want to extend my own personal welcome to our University which is intricately involved in the social, political, economic and ecological well being of our region. Southeastern North Carolina has benefited over the years by the guidance provided by the Coastal Area Management Act and it has allowed us to be good and balanced stewards of the migration of people and development that has occurred in our fragile ecosystem. Our area has grown and changed substantially over the years. We have become more interconnected with one another as we are no longer simply a port or group of beach communities. What happens to our riverfront or to our beaches or to our waterways impacts all of us. The City of Wilmington is highly engaged in protecting and enhancing our historic riverfront area. This is an area that has transformed over the past 30 years. We have moved from an industrial based riverfront to one that is predominantly reliant on consumer spending and tourism. Our Riverwalk is now the center attraction to our downtown. You will see that we are not only expanding it with the hope of getting it from bridge to bridge, but are also putting significant amounts of funding into projects that are designed to maintain and enhance existing portions of the Riverwalk. There are plans to improve Riverfront Park. We are also in the midst of updating our riverfront development plans. We are finding that we have accomplished much of what was laid out for the turn of the century and we must now plan for the future. In doing so we recognize that much of what we have accomplished and much of what we will accomplish in the future must be done in concert with many different groups, including not only the public sector, but also the private sector. Later you will be discussing the Masonboro Island fish kill. This incident epitomizes the interconnectivity of our region. Regardless of the reason for the fish kill, the occurrence of such an incident in a region that is so dependent on its beautiful environment for its economic well being it is a cause of great concern. We recognize the impact of area development on our fragile ecosystem and are working through programs that are designed to encourage all of us to be better ecological stewards. Thank you for the work that you are doing.

### **Riverfront Marina – CAMA Involvement**

#### **Adam Lisk, Vice President of Operations, USA InvestCo**

Adam Lisk stated this is a unique opportunity for us. We are a CAMA Major Permit holder. The DCM representatives spend a lot of time with us. The effort that they make to try to lead us in the right direction to prevent compliance issues and in the permitting sector is telling because what they have done for us is substantial to help guide us through the process. As you will see, the site is exceedingly difficult and it has all sorts of challenges and issues that come with it which can create compliance issues. They have helped guide us through the process and for that I thank the CRC for



giving them the direction to make sure they do those things. Because of the complications with the site it also presents problems when it comes to permits because you have to maintain compliance with all these agencies. To date there isn't an agency that we don't have a permit from and by the time the project is done I believe we will have every permit from every agency in the State.

The site is roughly 34 acres. It sits adjacent between both of the bridges. The site was a shipping terminal with heavy industrial utilization. We are in the process of excavating the marina which will be roughly 10.7 acres of submerged land. The riverfront is roughly 2,600 linear feet. To date we have spent roughly 18 million dollars. We have driven almost 1.75 million pounds of steel. We have excavated in excess of 300,000 cubic yards. We have reclaimed about a million board feet of wood. We have recycled no less than 300 tons of steel that we have pulled out of the site as debris. We have utilized 80,000 gallons of diesel and 40,000 man hours of labor. Some of the notable permits that we have are CAMA, EPA, Army Corps, Inactive Hazardous Waste, State Stormwater, City Stormwater, and Sediment and Erosion Control. That is part of what CAMA has done so well for us as the lead agency is to help balance the permit requirements. To navigate the process is complicated and it is fabulous that CAMA has developed this process where they bring all of the pieces together. At the end of the process we will have in excess of 90 permits to finalize the project. This site has been used for the past 300 years as an industrial site. This site will have a 200 slip marina and we are renovating the old shipping pier to return it to public use. There will be two portions of Riverwalk that will complete the Riverwalk for the City. We are partnering with the Arts Council for one portion that will feature art along the walkway and will be an Art Walk. We are partnering with the NC Aquariums for the other portion that will be the Nature Walk. There will also be two restaurants, a 126 room hotel, 24,000 square feet of retail space, substantial stormwater projects, and associated parking and roadway. There are future conceptual plans for another hotel. We anticipate the restaurants to be open and operational in the fourth quarter of this year. The CRC has given the authority to the staff to push these permits along and without that it holds up a project like this. It is very beneficial for us and allows us to get the permits that we need.

### **Coastal Reserve Monitoring & Masonboro Island Fish Kill**

#### **Byron Toothman, Research Specialist**

Byron Toothman stated I work with the Research Staff at the North Carolina Coastal Reserve. One of the things we do is the System-Wide Monitoring Program (SWMP). This is a three phase program where we look at abiotic monitoring, biotic monitoring, as well as tracking watershed and land use changes. There are four water quality stations in the southern sites area. The data we are collecting are wind, temperature and direction speed for weather. For water it is salinity, temperature, dissolved oxygen, pH, and turbidity. This information is collected every fifteen minutes, 24 hours per day, and 365 days per year. This is a large dataset that has been collected since the late 1990's. It has proven useful on long-term scales and also on small scales. The Coastal Reserve has ten properties across coastal North Carolina. I work in the Southern Sites office here in Wilmington. Most of my work is done at Masonboro Island and Zeke's Island. The Coastal Reserve is a part of the National Estuarine Research Reserve system.

On January 8 we were scheduled to do research on the north end of Masonboro Island and there had been some reports that there had been a fish kill in that location. We have a research station on Loosin Creek. We saw lots of dead menhaden. Most of the menhaden we saw were sprinkled along the beach and a majority were underwater in large piles where they had been collected by the tide. We followed the trail of fish south towards Loosin Creek and we didn't see anymore fish once we got to the mouth of the creek. We also partnered with DWQ and took a look at the fish kill

several times. On January 9 and 10 we saw piles of fish under the water. Since the water was cold it slowed the decomposition and slowed them from floating to the surface. Almost all of the dead fish were menhaden. The fish were in pretty good shape. There were no sores and they weren't damaged. There were no obvious problems with the fish. We started ruling out the possibilities. The first thought was an algae bloom. But we didn't think it was an algae bloom because the water wasn't discolored. It is winter time and cold water will hold more oxygen. There could have been a harmful algal bloom, but we didn't see any evidence of that. We couldn't rule out pollution or poison, but we were pretty sure that wasn't the case because the location was pretty close to the inlet and is very well flushed. Hypoxia, or low oxygen in the water, was the next possibility. How could something happen in an area like this? On a trip out with DWQ we had enough time to take a look at the data. When we looked at the data on the computer we observed that the dissolved oxygen and pH drops at 2:30 a.m. This told us that it was a hypoxic event. The data from the Loosin Creek station indicated a respiration signal. Anything that's alive is going to respire and consume oxygen. When it consumes oxygen then it expels carbon dioxide. When you expire carbon dioxide and put it in the water there is a chemical reaction that causes it to form carbonic acid. Carbonic acid is acidic and caused the pH in the water to drop. All of this happened at high tide. The fish came in with the high water and got trapped in some small areas and couldn't figure their way out. They sucked up all of the oxygen and died. The effect of them consuming all of the oxygen in the water and adding carbon dioxide to the water and causing the pH to decrease at the exact same time. The tide is ebbing out by about 8:30 a.m. and bringing non-fish kill water deeper in the bay and the respiration signal goes away. That left us with a couple of more questions. We saw the fish in a broad, deep area where the water is well mixed and it is close to the inlet. How did the number of fish that we saw cause a respiration signal like that? It seemed like we were missing some fish because there is too much water for that to occur. The second issue was that it happened downstream of our water quality monitoring station and if the tide was going out then the water was going toward the inlet. How would the respiration signal get past the water quality station? The idea we came up with was perhaps the fish came in further to where the water quality station is and got into the small areas, died and then the signal washed passed the station as the tide was ebbing. We went at low tide and saw shallow bays. There we saw a lot of fish. The fish we saw in the previous few days made us think that there were tens of thousands of fish. When we got into the small bays we were seeing millions of fish. That day DENR had a plane ready to go. Aerial photographs were taken and we found that what we had seen was only part of an even larger scale fish kill.

**New Hanover County Beach Commission**  
**Layton Bedsole, New Hanover County**

Layton Bedsole stated coastal communities are diverse and New Hanover County is no different. Mason Inlet to our north is managed by the County. Masonboro Inlet is managed by the Corps. Carolina Beach Inlet is managed for navigation. There are 26 miles of AIWW within New Hanover County with three crossings. Our fourth inlet that occasionally comes and goes is Corncake Inlet. We have been very fortunate in New Hanover County to have had three federal coastal storm damage reduction projects. Within those coastal storm damage reduction projects there has been a contract between a non-federal sponsor and a federal sponsor through a project cooperation agreement. In that agreement percentages of participation for these projects are laid out. That process has worked well for years. In the 2002-2003 timeframe the federal government's priorities changed. We started looking at participating beyond our percentage of cost-sharing. There was a contributing authority clause that allowed the non-federal sponsor to contribute more than what their project cooperation agreement had allowed. We went on a quest to have the legislation

changed. About 18 months ago we were fortunate and had the legislation changed so now these coastal storm damage reduction projects have contributing authority capability. Kure Beach, which is getting sand this winter, got no federal dollars and no state dollars. We have been fortunate that the Corps district has done a good job of putting us back into our percentage of participation. Carolina Beach's project turns 50 in 2014. It will no longer have access to federal dollars. We have been working this issue for about six years now. We will continue to try to figure out a path for re-authorization. We started making calls to DCM staff, the Corps and other resource agencies about 18 months ago. About 12 months ago we had a pre-application meeting where we brought forward a suggested path that New Hanover County could retain the authorization that the Corps has been given for 49 years. On December 22, 2012, a CAMA Major Permit to implement Carolina Beach's coastal storm damage reduction project was received. I want to thank everyone in the room. In three years if we haven't been capable of getting Carolina Beach re-authorized then we have a mechanism now. This brings flexibility to Carolina Beach that could be useful at Kure and Wrightsville Beaches. I am going to make a recommendation to the County Commissioners that we move in that same path for Kure Beach and then Wrightsville Beach. The last option is a holistic, programmatic approach where we look at Mason's Inlet to Corncake. How do these systems or system interact? How do we manage them? Are we managing them as we should? With that knowledge then we can assess the viability of our borrow source material.

### **Terminal Groins – Financial Instruments**

**Doug Huggett**

Doug Huggett stated Senate Bill 110 was passed by the Legislature in 2011. The bill modified CAMA to allow for the permitting of up to four terminal groins in North Carolina. The bill includes a lot of specific requirements that will apply to the permitting decision process and the application process before a terminal groin permit can be issued. Under the Statute an applicant for a permit for the construction of a terminal groin shall submit information that demonstrates that a structure or infrastructure is imminently threatened by erosion and that non-structural approaches to erosion are impractical. The next requirement is a NEPA or SEPA document and an environmental impact statement. The third part requires a list of property owners and local governments that may be affected by the construction of the groin and its beachfill project and proof that all property owners and local governments in the area have been notified of the application to allow them the opportunity to comment. The fourth is the plan for the construction and maintenance of the terminal groin and its accompanying beach fill project and the plan has to be prepared by a professional engineer licensed to practice in the state of North Carolina. The next requirement is the plan for the management of the inlet and the estuarine and ocean shorelines adjacent to the inlet and under the influence of the inlet. That management plan shall describe the post construction activities that will be undertaken to monitor the impacts of the project, define the baseline for assessing when adverse impacts are reached and thresholds for when these adverse impacts must be mitigated for, provide for mitigation measures to be implemented if the adverse impacts reach thresholds defined in the plan, and provide for modification or removal of the terminal groin if the adverse impacts cannot be mitigated. The applicant must provide proof of financial assurance in the form of a bond, insurance policy, escrow account, or other financial instrument that is adequate to cover the cost of the long-term maintenance and monitoring of the groin, implementation of mitigation measures in the management plan, modification or removal of the terminal groin, and restoration of any public, private or public trust property that the groin has an adverse impact on. The legislation closes by saying that the Commission shall issue a permit for the construction of a terminal groin if you can't find another reason in the rules to deny an application and all of the following findings can be made. The applicant must have demonstrated that structures or

infrastructure is imminently threatened. Non-structural approaches to erosion, including the relocation of threatened structures, are not practical. The terminal groin will be accompanied by a beachfill project to pre-fill the groin. There has to be a finding that the construction and maintenance of the terminal groin will not result in significant adverse impacts to private property or the public recreational beach. In making the determination of significant adverse impact, it allows us to factor in the various mitigative measures that are in the inlet management plan that may offset the significant adverse impacts. There must be a finding that the inlet management plan is adequate for the purposes of monitoring the impacts of the proposed groin and for mitigating any adverse impacts. There is a requirement that the project must comply with all other state guidelines for coastal development adopted by the CRC.

The proof of financial assurance is the component that DCM staff felt like they had the least amount of experience. One of the first things that staff did was to sit down with members of local governments and other potential sponsors of potential terminal groin applications to get their perspective on difficulties and potential solutions to meet this requirement. The first thing that came out was the bond, insurance policy or escrow account within the confines of how local governments work. The idea was that it would be extremely difficult to obtain any of these things. The difficulties revolve around the unique aspects of a terminal groin project. We haven't done terminal groin projects in this State so we haven't experienced figuring out the areas of impact of a groin. The inlets are extremely dynamic. The groin legislation mandates that the project area for a terminal groin project be cautiously large to make sure you include any properties that may be impacted by the construction of a groin. We believe the intention of the Legislature was to change the law to allow these projects to go forward if properly done and Staff believes the term "other financial instrument" was an attempt to allow flexibility between the staff and the local governments to develop a functional financial assurance. We believe the flexibility of allowing each local government to tailor a financial assurance plan to the specifics of their project and to the specifics of the way their government is set up and financial capabilities will be critical to allow us to tailor a plan that can be implemented. We would work with the applicant on an agreement between the state and the local government. Staff has talked with Department legal counsel, other agencies that implement these, as well as the Treasurer's Office and we believe the current rule as written gives us enough flexibility to be able to implement this.

### **The "Local Government Test"**

**Robin Hammond and Sara Shippee, Department of State Treasurer**

Sara Shippee, Assistant Director for Fiscal Management, and Robin Hammond, Assistant Legal Counsel for the State and Local Government Finance Division, discussed the Local Government Commission (LGC) and oversight of local governments. The Local Government Commission is made up of nine members and is chaired by the State Treasurer. The LGC meets the first Tuesday of each month. The Executive Committee meets six times per year and the full Commission meets six times per year. Occasionally there are special meetings called. All local governments and public authorities are subject to General Statute Chapter 159 which is the Local Government Budget and Fiscal Control Act. There are approximately 1300 governments that are subject to these Statutes. There was a lot of pain in North Carolina after World War I. The debt was increasing to about 700% and there were legitimate issues with roads and schools and who would pay for them. There was not a lot of statutory control. By 1931 the Great Depression hit North Carolina. There were about 200 bank failures by the mid 1930's. Counties responded by cutting their budgets and there were many defaults throughout the state. There were 62 counties, 152 municipalities, and 200 special tax districts across the state in default. The 1931-1933 session of the General Assembly

determined that the state would be responsible for roads, schools and prisons. The income tax increased, sales tax passed to be the general revenue that would fund county operations. To assist the local governments the Local Government Commission was formed. The LGC was given the authority to review, approve, and conduct sales of all proposed bond issues by local governments. The LGC was also authorized to mandate the enforcement of sinking fund requirements. The LGC as authorized to directly intercede with operations of a unit of government if need arose. There were also other changes that came from the 1931-1933 session. Each unit of government was required to have a finance officer. Uniform budgeting and bookkeeping was also established. A calendar and schedule of deadlines was developed and the Fiscal Code (chart of accounts) was established. By 1946 the local government debt was reduced from \$350 million to \$241 million. The war was over and the economy was good. Revenues increased due to increasing property values. Today the LGC is the only agency of its kind in the United States. We are contacted regularly by other states and the Governmental Accounting Standards Board and Government Finance Officers Association for our thoughts and current practices. There have been no defaults of general obligation bonds since the Depression. In the 1990's, 25% of all AAA rated governments were in North Carolina. Other units in the state are highly rated. Fitch and Standard & Poor's write articles about us frequently. The LGC results in lower interest rates for the local governments which allow them to set lower tax rates and lower user fees in their water, sewer and electric operations. In GS 159 there is an enforcement statute and violators of the statute are guilty of a misdemeanor and the LGC can remove officers or employees from office. The LGC may assume the role of the governing board in all fiscal matters if the unit has or is about to default on its debt or if the unit fails to comply with the General Statute after a warning to comply. The LGC has the ability to amend budgets, raise taxes, levy supplemental taxes, raise utility rates, and appoint finance officers for local governments. We have assumed control of finances only five times in the post-depression era. There have been three instances of takeover of a small town due to the failure to comply with General Statutes and weak finances. In those cases control has been returned to the small town in less than two years. We currently have one in process. One instance was when a town refused to pass an annual budget. Another instance was due to electrical utility workers going on strike. We took over and helped resolve that issue. There was another instance with a public authority about to default on its debt. The County stepped in, purchased the system and paid the debt once rates were set to a level required to pay the debt service. The fiscal management section is the group of people that work specifically to look after these 1320 units. All of these units have to submit their audits to us each year by October 31<sup>st</sup>. We review the annual audited financial statements and compliance reports prepared by independent CPAs. We assist units with financial difficulties and provide a phone support line for local government assistance in fiscal matters. We provide technical assistance to units and auditors on accounting, financial reporting, deposits and investments. We monitor secondary market disclosure requirements for debt issuing units, prepare financial sections of official statements for general obligation bond issues, and use the website to disseminate information quickly. The goal of our audit review process is to determine the financial standing of the unit, determine if their report is in compliance with generally accepted accounting principles, determine if the unit is in compliance with GS 159, and determine if the unit complies with grant requirements. The result of the audit review process is concerned about finances and internal controls communicated in writing to elected officials. If a unit is seeking debt approval, a copy of our unit letter and the unit's written response go to the Commission. Troubled units are assigned to individual staff members to monitor. Units with more severe troubles are more closely monitored. Units are visited and there is follow up reporting. The LGC can investigate any unit's internal controls and require modifications in those controls. The LGC can issue rules and guidance having the force of law concerning the internal control procedures over funds.

What the CRC is interested in is financial assurance and whether what is in your Statute can be fulfilled by the Local Government Financial Test. You are not quite there yet. The Solid Waste Statute that sets up a financial test for landfills explicitly says that you can use the Local Government Test to find financial assurance. Senate Bill 110 does not say that. It may have to be tweaked a little bit in order to do something that is not a financial instrument. What it looks like you might be left with are general obligation bonds. The drafters of the legislation wanted the public to have some input on where the money was going to come from to set up the fund that is going to be required. DCM staff is talking about having negotiated agreements designed for each project. Depending on the terms of those agreements, the agreement might be considered a financial instrument. These would have to go before the LGC for approval. The other thing we can do is to consult with DCM staff on particular financial issues of the local government in question. We can give an opinion on their financial status. However, that is not a financial instrument.

### **PUBLIC INPUT AND COMMENT**

No public comments were received.

### **ACTION ITEMS**

**Approve for Public Hearing 15A NCAC 07H .0312**

**Sediment Criteria and Fiscal Analysis (CRC 13-02)**

**Tancred Miller**

Tancred Miller stated the Commission adopted the sediment criteria rule in 2007 initially to ensure that the sand used for coastal storm damage reduction projects closely matches sand on the existing beach. These amendments will provide financial relief for sampling related costs in routine borrow areas. There are savings to federal, state and local governments. The reduced sampling protocols for federally maintained navigation channels would be expanded to include all maintained navigation channels as well as sediment deposition basins in the active nearshore region and the inlet shoal system. We can also reduce the sampling in the ODMDS areas. If there is an area that has been sampled twice and we have had a nourishment project in between and the two sampling events have shown compatible material then it can be used in the future and no sampling would need to be done. The estimate of local cost savings is about \$18,000 per year. If there is an ODMDS project involved then the savings would be about \$86,000 in local government savings. The State savings would be the same. The federal savings would be \$66,000 for channel projects and \$320,000 for an ODMDS project. DENR has approved the fiscal analysis and OSBM concurs with our findings.

**Larry Baldwin made a motion to send the rule amendment and fiscal analysis for 7H .0312 to public hearing. Ed Mitchell seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Baldwin) (Cutler absent for vote).**

**Summary of Public Comments and Adoption –**

**15A NCAC 07H .0308 and 7H .1705 Sandbags (CRC 13-03)**

**Mike Lopazanski**

Mike Lopazanski stated the current sandbag rules have a time limit of two years for structures that are less than 5,000 square feet and five years for structures that are greater than 5,000 square feet. We have an existing provision that the sandbags can stay in place for five years if you are located in a community that is pursuing a beach nourishment project and eight years if it is in an inlet hazard area and in a community that is pursuing inlet relocation. The sandbags can only be used once per

structure. In the inlet hazard area you are eligible for an additional eight years if the structure becomes imminently threatened and the community is pursuing inlet relocation. We made these changes in 2009. The current amendments to the rule would mirror what we did for the inlet hazard areas in the ocean hazard areas. It would extend the sandbag permit to eight years if the structure is located in an ocean hazard area and the community is pursuing a beachfill project. We are also removing the one-time per structure limitation if the structure becomes imminently threatened again and the community is seeking a beachfill project. We are also including inlet stabilization, in accordance with the terminal groin bill, as an activity that is eligible if the community is pursuing it. The public hearing was held November 15, 2012. There was one speaker at the hearing and we received 33 written comments. Of the 33 written comments 28 were co-signers on a single letter. All of the comments were in favor of the amendments.

**Renee Cahoon made a motion to adopt 15A NCACA 07H .0308 and 15A NCAC 07H .1705. Larry Baldwin seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Baldwin) (Cutler absent for vote).**

#### **Staff Review of CRC Rules – Executive Order 70 RMIP (CRC 13-04) Braxton Davis**

Braxton Davis stated DCM is required to do an annual review of the Commission's rules under the Administrative Procedures Act. There are two things required. The first is for DCM to look at the rules we are implementing and suggest rules that are unnecessary, unduly burdensome or inconsistent with the principles laid out in the Act. The second is the Rules Modification and Improvement Program which sets up a public comment process where the public can submit comments on rules that they find to be unnecessary, unduly burdensome or inconsistent. The Department then responds to the comments. This year as part of this process we wanted to reach out to the staff to see what they are finding while they are implementing the rules. Today we are looking for the Commission's approval to move forward with the rulemaking process on the six rule amendments that we have prioritized from staff's recommendations. The first recommendation is to streamline the General Permit for docks and piers (7H .1200). This General Permit currently allows docking spaces for up to two vessels for individual piers. We are finding there is an increasing use of personal watercraft. For the typical property owner that is constructing a dock for personal use we are finding that the General Permit is becoming less useful because we tend to see more than two docking spaces. We are recommending going back to what used to be allowed under the General Permit which was up to four docking spaces under this GP. The second idea is to streamline the General Permits for boat ramps (7H .1300). Currently a lot of boat ramp projects involve three different GPs under the Commission's rules (the ramp, the access pier and any bulkhead or riprap). The idea is to modify the GP to allow a modest launching pier and associated shoreline stabilization to protect the ramp. There are other types of coastal projects that require multiple GPs and we are recommending putting a cap on General Permit fees where you have multiple GPs on a single project. The next recommendation deals with shallow draft inlets. We have routine dredging projects going on, but because they are often done under a new permit we require some of the same environmental studies. We have been talking about finding a solution to help streamline this. We are working with the Division of Water Resources and a number of stakeholders to talk about some ideas. We are looking to develop a programmatic application for Major Permits that are based on historic environmental studies and integrating those studies, where possible, for inlets in the AIWW crossings and be able to issue multiple permits under a general programmatic application within CAMA. The next recommendation reduces burdens regarding beachfill projects (7H .0312). Sand compatibility for beachfill projects can be rigid in different

situations. The CRC is currently working on this rule change. The requirements for the technical standards related to the way samples are collected are too rigid for every project. Beyond what is currently being worked on we want to take another look at this and work with the community on figuring out if we need to streamline it further or make it more flexible for different projects. There is another piece to this to look at monitoring conditions associated with coastal storm reduction projects and looking at the physical and biological monitoring requirements to make sure that they are meaningful. They are expensive and we want to make sure we are using the data to inform future project decisions. The environmental monitoring permit conditions are not all tied to CAMA, they are also tied to federal agency requirements as well. The next recommendation is to streamline public notice and adjacent property owner notifications for Minor Permits (7K .0208). Minor Permits issued by the local governments require a public notice via newspaper. Because the Minor Permit fee is only \$100.00 and newspaper fees capture most of this fee, the local government is barely covering the newspaper notice fee. In addition, in some places the newspapers are irregularly published and depending on the timing of the permit, CAMA can be the slowest part of a building permit process. Most of these activities don't present a public resource concern and we feel it would be more appropriate to give adjacent property owners notice and standardize Minor Permit and General Permit notice requirements. Minor permits could be issued a lot faster than they are now and the local permitting programs will be a lot more attractive as they can retain the Minor Permit fee. The last recommendation is for wetland, stream, and buffer mitigation projects (7H .2600). This has been limited to DENR's Ecosystem Enhancement Projects or NC Wetlands Restoration Program. Based on staff experience we recommend that we expand this General Permit to include private sector mitigation projects. These projects are closely evaluated by an inter-agency review team before they move forward.

**Ed Mitchell made a motion to approve the recommendations presented by staff and directed staff to bring back rule language reflecting these recommendations. Larry Baldwin seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Baldwin) (Cutler absent for vote).**

#### **Land Use Plan Certifications and Amendments**

##### **Town of Cedar Point Workbook Land Use Plan Certification (CRC 13-05)**

**John Thayer**

John Thayer stated the Town of Cedar Point has been a part of the Carteret County Land Use Plan but they have chosen to prepare their own plan. Staff has reviewed their workbook plan and has determined that it exceeds the substantive requirements and recommends certification. No comments were received.

**Joan Weld made a motion to certify the Town of Cedar Point Land Use Plan. Renee Cahoon seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Baldwin) (Cutler absent for vote).**

#### **CRC Science Panel Updates**

##### **Science Panel Origin (CRC 13-06)**

**Mike Lopazanski**

Mike Lopazanski stated DCM develops a strategic plan every five years. NOAA provides money to states in the form of enhancement grants to make the coastal programs better by pursuing a variety



of topics; coastal hazards being one of them. Prior to 1995 we didn't make coastal hazards a high priority for our strategic planning efforts because we were already considered a leader when it came to coastal hazards. Things changed in 1996 when we were developing a new strategic plan. We saw that there were some advances in the understanding of coastal hazards, we wanted to take advantage of GIS and technological improvements, and had back-to-back hurricanes. We wanted to make coastal hazards a focus of our strategic planning efforts. We hired a coastal geologist and the focus was to study our ocean hazard AEC rules and policies. We also wanted to utilize an advisory scientific task force to help with the analysis of the rules and policies. Governor Hunt formed a disaster recovery task force and they assembled a list of recommendations. One of the recommendations focused on the CRC's hazard mitigation rules, primarily the ocean hazard AEC. The recommendations wanted us to look at delineation methods for ocean hazard areas, inlet hazard areas and high hazard flood areas. They also recommended looking at erosion rates and associated setback requirements. To address these recommendations the CRC looked at a general overview of the ocean hazard AEC rules. Staff assembled a panel discussion. There was a recommendation from the panel that the CRC form a barrier island erosion task force that would have regular involvement with the Commission. They also wanted to start a general discussion of the need to bring scientific knowledge in the discussions of the Commission. The CRC was looking for scientists that were actively involved in coastal research and had an understanding of the coastal program. This would help bridge the gap between scientific information and policy discussions. The advisory panel was named the CRC's Science Panel on Coastal Hazards and the original members were assembled by DCM staff in consultation with the Commission. The charge to the Panel tracked along the recommendations of the disaster recovery task force. The Commission had a specific task for the Science Panel to develop a series of short-term and long-term recommendations that address the studies that were needed to better describe the coastal processes. The Science Panel that was assembled met monthly through 1998. They developed recommendations that were accepted by the Commission. Many of the short-term recommendations have been incorporated into the CRC rules and policies as well as influenced the methodologies that we are currently using to address coastal hazards. Some of the concepts that were included in the long-term recommendations also found their way into the various rules and policies such as inlet hazard areas designations and presentations on how we establish the erosion rates and setback factors. Over the years the CRC has assigned a number of tasks to the Science Panel. The current Panel is comprised of coastal engineers, coastal geologists, marine biologists, and any vacancies have been filled by recommendations from the Division as well as the Science Panel members and approved by the CRC Chair.

#### **Draft Science Panel Charge from CRC (CRC 13-07)**

##### **Braxton Davis**

Braxton Davis showed the Commission the two page charge to the Science Panel. The Science Panel has seen it and made comments. The first part of the charge shows the focus of the Panel is coastal hazards processes. Membership is addressed. Currently there are 13 members and there is a desire to try to be more inclusive, but the idea is that on individual studies the membership could be expanded at the discretion of the Chair. Appointments will be made by the CRC Chair. Given the public participation that has grown over time we want to ensure that each meeting includes time for public comments. Meeting notes and other records from the meetings will be kept by DCM and notes can be made available upon request. The Panel has been working in a consensus based approach. We can enhance that approach. We will also be releasing Panel reports for public comment. Often it will create good dialogue.

After discussion, the Commission recommended adding language that indicates that nominations to the Science Panel should be submitted to the CRC Chair. There was also interest in staggered terms for Panel members. The Commission wants to review any draft reports before they go out for public comment.

### **Draft Sea Level Rise Report Scope of Work (CRC 13-08)**

**Tancred Miller**

Tancred Miller showed the Commission the Charge from the 2010 study. This time around the format will be very similar. The CRC needs to give the Science Panel some very specific guidance. There is additional information that we need for this study because of legislative direction in House Bill 819. We have crafted a new set of questions that we believe the bill requires. The purpose of this assessment is not to define rates for regulation. We have heard from Commissioners that there isn't an interest in a regulatory rate. We have come up with a list of questions to go into the draft scope of work. (1) Based on the comprehensive review of the peer-reviewed scientific literature, characterize the level of agreement among climate scientists about projected sea-level change. (2) What does the available scientific data indicate about historic sea-level change in North Carolina? (3) What are the assumptions and limitations of predictive modeling that is used to predict future sea-level scenarios? (4) How do sea-level measurements compare to predictive models? (5) What is the potential range of future sea-level change in North Carolina at multiple timescales and geographic regions? The CRC will issue the Charge to the Science Panel. As in the 2010 report, we will use the Science Panel and invited co-authors for this report to utilize all of the available expertise. We also propose an expert review period on the draft report. Before it is delivered to the ERC it would have expert review as well as public comment. DCM will coordinate the work of the Panel, work on the economic and environmental study, and coordinate the expert and public review process.

**David Webster made a motion to approve the draft Sea Level Rise Report Scope of Work. Joe Hester seconded the motion. Larry Baldwin offered an amendment to include a discussion in the report of how confidence intervals were used and if they weren't used, then why. Commissioners Webster and Hester accepted the amendment. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Baldwin) (Cutler absent for vote).**

### **Draft Inlet Hazard Area Study Scope of Work (CRC 13-09)**

**Matt Slagel**

Matt Slagel stated the Science Panel is meeting in two weeks and they will be discussing the inlet hazard area study. Like the Sea Level Rise Assessment Report that is required in H819, there is another study required on the inlet hazard areas. Within the ocean hazard system of areas of environmental concern there are the ocean erodible area, the high hazard flood area, the inlet hazard area and the unvegetated beach area. The inlet hazard area is defined within the rules as natural hazard areas that are especially vulnerable to erosion, flooding and other adverse effects of sand, wind and water because of their proximity to dynamic ocean inlets. This area extends landward from the normal low water line a distance sufficient to encompass that area within which the inlet shall, based on statistical analysis, migrate. It shall also consider factors as previous inlet territory, structurally weak areas near the inlet, and external influences such as jetties and channelization. The existing inlet hazard areas that we have now were adopted by the Commission in 1979. For the



last five years the Science Panel has been working on updating the inlet hazard areas. They proposed draft areas in 2010 for the State's 12 developed inlets based on new shoreline data that is available and mapping capabilities. Those proposed inlet hazard areas were tabled until the statewide erosion rates could be adopted. Those rates were adopted on February 1, 2013.

H819 requires the CRC to determine the feasibility of eliminating the inlet hazard area and incorporating appropriate development standards adjacent to the State's developed inlets. The Bill requires the CRC to consider eliminating the boxes and instead develop tailored shoreline management strategies including looking at erosion rates, setback factors and other development standards that could be used in inlet areas instead of relying on box delineations. When doing this the Commission should take into account historical and ongoing dredging, beachfill and engineered structures. The CRC is also required to collaborate with local governments and landowners to identify regulatory concerns with the existing boxes and develop strategies for accomplishing hazard reduction in inlet areas. A report is due to DENR, the Governor and the General Assembly by January 31, 2015. A draft report should be available for review in the summer of 2014. This will allow time for public comment. The draft scope lists three questions that the Science Panel is tasked with answering. (1) How are hazards different in inlet areas compared to other beach areas? (2) What is the best method to delineate the areas at greatest risk in inlet areas? (3) How should dredging, beachfill projects, and groins or jetties be accounted for in the delineation of risk areas near inlets?

**Joan Weld made a motion to approve the Inlet Hazard Area Study Scope of Work and send it to the Science Panel. Ed Mitchell seconded the motion. The motion passed unanimously (Mitchell, Cahoon, Webster, Weld, Wynns, Hester, Baldwin) (Cutler absent for vote).**

#### **OLD/NEW BUSINESS**

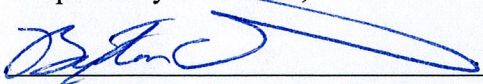
##### **Follow up from November 2012 Meeting**

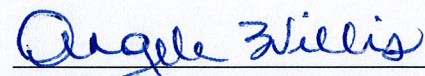
##### **Hyde County Drainage Issues Follow Up (CRC 13-10)**

Chairman Emory stated that due to the late hour in the day and since Bill Peele and Jamin Simmons weren't able to attend this meeting, a full presentation will be scheduled at a future CRC meeting. Steve Trowell stated the next step is DCM will continue to coordinate with NRCS and Soil and Water Staff to develop a survey to hand out to different farmers and get input on what their experiences have been in tackling some of the drainage issues.

With no further business, the CRC adjourned.

Respectfully submitted,

  
Braxton Davis, Executive Secretary

  
Angela Willis, Recording Secretary