



TOWN COUNCIL MINUTES

REGULAR MEETING

June 17, 2019 @ 6:00 p.m.

The Kure Beach Town Council held its regular meeting on Monday, June 17th, 2019 beginning at 6:00 pm. There was a quorum of Council and the Town Attorney was present.

COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky
(MPT) David Heglar
Commissioner Joseph Whitley
Commissioner Allen Oliver
Commissioner John Ellen

COUNCIL MEMBERS ABSENT

None

STAFF PRESENT

Town Clerk – Nancy Avery
Finance Officer (FO) – Arlen Copenhaver
Building Inspector – John Batson
Police Chief – Mike Bowden
Recreation Director – Nikki Keely
Public Works Director – Jimmy Mesimer
Fire Chief – Ed Kennedy

Mayor Bloszinsky called the meeting to order at 6:00 pm. Reverend Williams gave the invocation and led in the Pledge of Allegiance.

APPROVAL OF CONSENT AGENDA ITEMS

1. Adoption of 2019 NC Records Retention and Disposition Schedule for Local Government Agencies
2. Approval of engagement letter with Bernard Robinson & Company, LLP for required audit of pension data at an estimated cost of \$5,000
3. Approve Budget Amendment 19-08 for Hurricane Florence related expenses for Administration, Police, Fire, and Public Works
4. Increase Shoreline Access and Beach Protection committee regular membership from 7 to 8 members
5. Appoint Ann Hughes to the Shoreline Access and Beach Protection Committee as a full member
6. Appoint John Kiwaha to the Shoreline Access and Beach Protection Committee as a full member
7. Minutes:
 - May 20, 2019 Regular
 - May 20, 2019 Public Hearing
 - May 20, 2019 Closed Session



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May 31, 2019 Special Meeting

June 10, 2019 Public Hearing on proposed FY19-20 budget

MOTION- Commissioner Oliver made a motion to approve the consent agenda as presented

SECOND- Commissioner Whitley

VOTE- Unanimous

ADOPTION OF THE AGENDA

MOTION- MPT Heglar made a motion to remove item number one under old business and approve the agenda as amended

SECOND- Commissioner Ellen

VOTE- Unanimous

DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

Resident Pam Jones stated:

- Lives at 145 Seawatch Way
- Has lived in Seawatch for the last 8 years as a part time resident
- Residents in Seawatch over the last few years have created their own 4th of July fireworks display
- It has grown into quite the show and has become highly dangerous
- Wanted to bring this forward to Councils attention so Police and Fire can pay special attention to this area

DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

1. Community Center Committee

Mayor Bloszinsky stated the August BBQ event is coming up and it's an event you won't want to miss.

2. Planning & Zoning Commission

- Recommendation from P&Z Commission to designate the P&Z Commission as the Kure Beach Historic Preservation Commission (HPC) in order to start examining the possibility of pursuing a Local Historic District Designation for part of the B1 District

Mayor Bloszinsky stated the recommendation from the P&Z commission is to designate the P&Z commission as the Historic Preservation Commission in order to start examining the possibility of pursuing a Local Historic District Designation for portions of the B1 District. This is a temporary request so that the commission can start setting up the process.



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P&Z Member Retha Deaton stated the P&Z commission will be the legal contact and do the study.

Commissioner Whitley commented this is for the commission to start the process of researching and gathering information as the commission doesn't know what they will be regulating.

MOTION- Commissioner Whitley made a motion to designate the P&Z commission as the Kure Beach Historic Preservation Commission

SECOND- Commissioner Ellen

VOTE- Unanimous

DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Administration

MOTSU lease renewal for JE Park and Assembly Water Tower

- a. Combine leases- \$13,400 cash annually/ \$67,000 over 5 year term
- b. Separate leases - \$1,050 cash annually (park) /\$5,250/ 5 years
\$16,100 in-kind annually (tower)/ \$80,500/5 year –must spend first year

Town Clerk Avery stated:

- In the Agenda packet is a memo regarding the renewal of two leases
- Was informed by Sunny Point that the Town could combine these two leases and save the Town \$3,750 a year
- Sunny Point referred the Town to pay using the in-kind service
- Was recently informed if the Town does the combined leases it won't be able to do the in-kind service
- Needs to know if she should continue with the combine lease payment or do the separate leases?
- Does Town Council want to try to do the in-kind service?

MPT Heglar asked did they say what the in-kind service could be? How much could be labor from the Public Works Department? His recommendation is for the Town to combine the leases for the savings. A lot of citizens don't prefer the fences and will not want in them in their backyard. Council wants to work with MOTSU but need to take the least expensive option for the Town.

Town Clerk Avery stated MOTSU is looking at fencing for the in-kind service.

Commissioner Whitley stated from the previous meeting with MOTSU they want a fence in the buffer zone area. The Town would pay for the fence and start South of K or around the water towers as they want those more secured. The Town needs to continue to build the relationship with MOTSU.



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Mayor Bloszinsky stated there are two options in front of Council. The Town can either pay more over the 5 years to better improve Kure Beach or have the leases combined and save.

MOTION- MPT Heglar made a motion to approve the combined lease for JE Park and Assembly Ave Water Tower of \$13,400 cash annually/ \$67,000 over a 5 year term

SECOND- Commissioner Oliver

VOTE- Unanimous

2. Fire Department

MPT Heglar stated Council needs to discuss the fireworks as July 4th will happen before the next Council meeting. This is not the first citizen who has brought this concern forward to him.

Fire Chief Kennedy stated:

- As far as fire is concerned two injuries in the last 5 years
- Every year we always have brush fires because of the fireworks and have to clean up after it
- Defers to the Police Chief in regards to legal issues
- But as far as medical and fire we do have issues each year

Police Chief Bowden commented it might be a good idea for HOA communities to send out a letter to the residents.

3. Police Department

Mayor Bloszinsky asked did the Police Department have an active week on parking tickets? Do you believe the bumpers and enforcement are working for the visitors?

Police Chief Bowden stated:

- Not sure how many have been written this past week but 95 parking tickets have already been written for the year
- Last year was 107 for the whole year so already have surpassed last year
- Believes the bumpers are working but room for improvement and has a few ideas to help with that



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4. Public Works Department

Public Works Director Mesimer stated:

- Bring to Council attention the boardwalk down Atlantic is due for repairs after this summer season
- Might need to take into consideration hiring a contractor to replace the whole walkway as it needs major repairs
- Spoke with Engineer Brian Cox regarding the storm water assessment
- Engineer Brian Cox needs a better understanding of the scope of work that Council wants done
- Once the scope is received he can receive prices by the July Council meeting

MPT Heglar stated he has spoken with Public Works Director Mesimer and he will be sending Council a scope of work next week. Start with the presentation from Denise Hubbard and then Public Works Mesimer will add in areas he is concerned about.

5. Recreation Department

Recreation Director Keely stated:

- The Town online merchandise store has earned \$340 in commission for May
- The online store will have a special of 15% off this coming weekend

DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Town owned property at Sandman

MPT Heglar stated:

- He is going to discuss the HOA positions of Kure Dunes and Beachwalk
- Provide the options based on the discussions with both HOAs
- At the 2014 retreat – issues regarding MOTSU allowing the town to use the buffer zone area for the parking of town equipment on H avenue drove a discussion on town owned property and how it could satisfy the town's requirements.
- Town Council directed me to investigate the issues with the following directive:
 - The Town Council wants to determine and document the issues around the undeveloped town property on Sandman Drive that was formerly a retention pond. Issues around this property have occurred numerous times in the past – and the goal of this investigation is to document the issues around this property from the Town's perspective, the Kure Dunes HOA's perspective and the Beachwalk HOA's perspective to allow current and future Town Councils to make decisions regarding this land.



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- While the council has taken no action on the Sandman property regarding final disposition – discussions at the 2014 retreat initiated by concerns around MOTSU actions highlighted the following:
 - The property does not make sense for any public buildings – it is in a residential community removed from all other Town buildings. The town is taking action to ensure that it has adequate town owned property for any future issues on properties adjacent to the existing Public Works building. These actions are not dependent on a quick resolution regarding this property.
 - The council discussions saw no future path to making it a town park – with the existence of two parks owned and maintained by the town.
 - The Stormwater permits that were modified to close the pond and re-route the stormwater – support the sale of this property and conversion of it to residential properties. This would result in sales revenues to the town as well as ongoing tax revenues of the property.
 - The Council recognizes that there are concerns from both Beachwalk and Kure Dunes and wants to fully understand the issues to determine if there is a path forward that supports all concerned parties.

Kure Dunes Position:

- The Kure Dunes HOA is concerned about liabilities to Beachwalk regarding the sale/development of the town properties – and emphasizes that the release/indemnity agreement executed by the town is in full force. Putting aside the indemnity agreement, it is Kure Dunes' understanding that it paid the town for the run-off responsibilities at issue (by giving the town the detention pond parcel), that Beachwalk's developer assumed these responsibilities from the town, and that the issue of the Beachwalk's HOA responsibility for this runoff was one of the subjects of a lawsuit and settlement in 2003.
- The Kure Dunes HOA wants to ensure that any sale/development of the town lots would be subject to or at least consistent/compatible with the covenants and restrictions of the Kure Dunes Homeowners Association – as the land is in the KDHOA neighborhood.
- Kure Dunes has an interest in the property and wants to be involved in the decisions regarding the property.
- The Kure Dunes HOA does not, itself, yet have a firm, final, fully developed position regarding the development of Beachwalk's adjoining interior common element. However, it must be noted that most, if not all, of Kure Dunes' residents (and, the KDHOA believes – in good faith – MOST of the residents of the Town of Kure Beach overall, INCLUDING many Beachwalk residents) are presently VERY MUCH opposed to the town's granting an easement over taxpayer land to permit development of Beachwalk's interior common element, as they all have grave concerns that such an interior development scenario would NOT be safe (as any proposed access road would be hazardous to playing children and other pedestrians, and potentially inaccessible to



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emergency vehicles), would NOT be fiscally prudent (as it would require the sacrifice of a valuable town/taxpayer lot to enable an interior project which appears destined to cost more to develop than it could possibly garner in ensuing lot sales), would NOT be compatible with responsible stormwater runoff practices (as it would be replacing wet/low-lying porous soil with impermeable surfaces, in an already challenged district), and would NOT be consistent with the overall continuity of the Kure Dunes community (as it would thrust directly into the side of the neighborhood).

Beachwalk Position:

The sale and development of the property is seen as a potential problem to Beachwalk:

- Stormwater runoff from the previous pond represents a significant load on the currently permitted Beachwalk retention pond – which is the responsibility of Beachwalk. An estimate of 50% of the water going through the BW pond is from the previous pond was stated during discussions.
- BeachWalk had to spend significant money on maintenance of its Stormwater system – which supports a portion of the Kure Dunes community with no cost sharing from the Town or Kure Dunes.
- BeachWalk highlights that there is no agreement for cost sharing and does not see that this is fair or equitable treatment of the costs for managing the stormwater.
- Beachwalk property owners are being impacted by the issues with the current system. The permit was done based on capacity. The issue is not capacity – it is velocity during a large event – causing damage (erosion) of the pond.
- Our position has evolved from a better understanding our current Stormwater System (SWS). For the SWS, pond retention volume ("capacity") is sized to treat the first one inch (1") of runoff from impervious surfaces (roofs, driveways, roads etc.); please note that this amount of rain is time independent. However, the permit specifications were written 20 years ago--before most of the houses were built in Kure Dunes and Beachwalk. The unanswered question is whether Beachwalk's stormwater system is still properly sized for the as-built development. In other words, is our recently renovated stormwater system in compliance with the as-built structures around it? This should be determined before more impervious surfaces are created by five to eight (5-8) new houses. Secondly, the capacity of the stormwater system to handle high volumes of water from major storms is not even mentioned in our permit. The velocity of water flow through the system is slow, even at high water levels, because the downstream gradient is low. It is now Beachwalk's opinion that most of the erosion is triggered by the filling and draining of the ponds and ditches which cause the banks to collapse. When the banks crumble (or slough-off or slump) a slow current moves the debris downstream.
- Believe that there are issues with the current lots regarding subsurface water flows – the land may not be buildable based on the fill used to close the detention pond. The type of



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soil used to fill the pond was inadequate. There are homeowners that are saying that there is subsurface water flows from these lots. Surface water run-off issues.

- Sale and/or development of these lots potentially disrupts Stormwater permits for Beachwalk and Kure Dunes.
- If the property is sold – what covenants and restrictions will be placed on the properties that would satisfy the needs of both Beachwalk and Kure Dunes.
- Our current position now includes only the Sandman Lots as given in the written proposal and concept sketch defining the six (6) general parameters below:
- They are:
 1. No monies are paid/received by any of the three participants;
 2. TOKB retains maintenance of underground storm water piping systems and swale at rear of the Sandman Lot;
 3. Beachwalk retains collection of storm water runoff at Ditch D-1;
 4. Beachwalk provides HOA amenities to all eight (8) five (5) Sandman lots;
 5. TOKB retains engineering responsibilities for Sandman lots development;
 6. Only single family, multi-story structures are permitted to be built.

Investigation conclusions:

- Town has the right to sell/develop properties
- Both HOA's have expressed that they have serious concerns and potentially would take legal action to prevent sale
 - While this is a possibility – the town's position based on the facts is strong and current facts support that the town would prevail in a legal challenge
- Beachwalk HOA has property adjacent to the Town's property that is currently undevelopable – it only has a 10 ft easement from the South making it undevelopable
 - Beachwalk HOA has expressed interest in an easement – including working with town to have 5 vs 4 developable lots from the town's property based on facts
 - Currently the Beachwalk HOA does not have approval for development or easement request from its members
- Multiple individual property owners adjacent to the property have stormwater, safety and other concerns regarding any development
- Stormwater concerns that the town will be investigating could potential need this property for any proposed solutions
- Recommendation is that the town council make no decisions regarding this property until the Stormwater study that Public Works is requesting is completed and the town is sure that this property is not needed for any recommended upgrades to the stormwater system.

Commissioner Ellen asked is there a timeframe for this completed study?



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MPT Heglar commented he has to write the scope and then receive the bid. He hopes it have by the July meeting. The study will happen in the late fall and he believes it will take about 3 to 4 months. As he writes the scope Council will look at Settlers lane and the issues Denise Hubbard brought forward at a previous Council meeting.

Public Works Director Mesimer stated the survey may take up to 6 months.

Julie Ferris resident at 508 Fifth Ave N stated:

- The survey that will be conducted that includes the HOA ponds
- Will the surveyors look to see if the ponds are able to observe the amount of water necessary?
- In the budget for FY 19-20 it listed a storm water fund
- Is this what the money is used for?
- Can the Town include in the survey leaving the lot as a green space
- There are many health and environment benefits to keeping green spaces

MPT Heglar stated during the survey they will look into most of the North part of Town and look at the maintenance records for the ponds. The HOA's are responsible for the maintenance for the ponds and if issues come up they're required to report it to the state. The survey will look at existing system and is it suitable for what we have now.

Mayor Bloszinsky stated the Town doesn't know what the surveyors will tell Council. They may say the current system is fine at 1 1/2 inches and that no system is capable of handling hurricane overflow. The Town Council assumes the Town will be able to improve the system in certain areas. The surveyors could provide a variety of solutions and recommendations.

Bill Bryan, President of Beachwalk HOA stated thank you for allowing me the time to address you regarding the sale of the Sandman lot. Beachwalk's Board of Directors will support the sale of the Sandman lot only if the following conditions are met. We want to be assured the actual imperious areas located in Town of Kure Beach roads and Kure Dunes do not exceed that as delineated in our stormwater permit. We are concerned about the additional runoff water into our stormwater system, especially in view of Hurricane Florence we all experienced last September. The stormwater permits for Beachwalk and the neighborhoods to our north were written over 20 years ago before most of the houses were built in Kure Dunes and Beachwalk. We support the Town of Kure Beach in conducting a certified engineering analysis of the as built structures in the offsite areas our north. Again, we want to be assured the actual imperious areas located in TOKB's roads and Kure Dunes do not exceed that as delineated in our stormwater permit. We want any and all new homes built on the Sandman lot to be under the jurisdiction of Beachwalk HOA and subject to our dues. In the past 20 years, Beachwalk has received no monetary



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compensation for handling stormwater runoff from the TOKB or Kure Dunes. I believe the legal term is “unjust enrichment.” As stated in Beachwalk’s stormwater permit, more than half of the stormwater that flows through our system comes from other areas than our own: Kure Beach Dunes II and III contributes 40% and then TOKB contributes 13%, for a total of 53%. Less than half of the water we, Beachwalk convey comes from our own community. Two years ago, Beachwalk spent over \$335,000 to bring our stormwater system into compliance with NC State regulations. Each of our 85 homeowners paid \$4,000 for our stormwater system to be repaired. During the repair to our system, the TOKB contributed parts and labor which helped us immensely, and we thank you for this. We have a much better stormwater system because of your help. Conversely, and unfortunately, Kure Beach Dunes contributed nothing to us for the repair of our stormwater system. Needless to say, our homeowners are tired of paying the full burden for conveying everyone else’s stormwater. To be blunt, we are fed up with the freeloading. If new homes are built on the Sandman lot, Beachwalk strongly believes that these new homes should be under the jurisdiction of Beachwalk HOA. Dues paid to our HOA will provide us a minimum compensation for our expenses. If the TOKB awards the Sandman lot HOA rights to Kure Dunes, or if the TOKB withholds the HOA rights from Beachwalk, and we have to fund the additional stormwater from the Sandman lot, this would be tantamount to rubbing salt into our wounds. In conclusion, Beachwalk’s Board of Directors will support the sale of the Sandman lot only if the above two concerns are met by the Town of Kure Beach. The two concerns are 1. Stormwater runoff from the sandman Lot and 2. Beachwalk securing the HOA rights from the Sandman lot for us to offset the cost burden of handling additional stormwater runoff.

2. MOTSU and Storm Water Drainage

Commissioner Whitley stated the MOTSU land use plan will be held here next Monday night at Town Hall.

3. Resolution R19-07 Adopting Local Water Supply Plan

MPT Heglar commented this plan is required to be updated regularly. It captures all of the Towns water sources and shows the prior 12 months average usages.

MOTION- MPT Heglar made a motion to approve the Resolution R19-07 adopting the Local Water Supply Plan

SECOND- Commissioner Oliver

VOTE- Unanimous

4. Water Conservation

Mayor Bloszinsky stated:

- The Town recently had volunteer water conservation notices sent out on the website



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- It is this Town Council's view to follow the Cape Fear Public Utility Authority's direction on shortages and droughts
- It is a good practice during the summer when the Town has a higher population to pay attention to your usage
- In the future if Cape Fear Public Utility Authority issues a notice the Town will follow suit

5. Adoption of the FY19-20 Proposed Budget Ordinance and Fee Schedule

Financial Officer Copenhaver stated:

- In the Agenda packet is the proposed FY 19-20 fee schedule and budget ordinance
- No changes made to the budget since the May Council meeting
- The general fund is \$5,559,748
- The water & Sewer fund is \$2,424,390
- The storm water fund is \$335,225
- The Powell fund is \$66,450
- Total budget amount of \$8,477,733

Mayor Bloszinsky stated the Town has held four budget meetings and held a public hearing. The budget was published on the website for viewing.

MOTION- MPT Heglar made a motion to approve the FY19-20 Budget Ordinance and Fee Schedule as presented

SECOND- Commissioner Oliver

VOTE- Unanimous

DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. Discussion on the use of beach wheelchairs

Mayor Bloszinsky stated:

- The Town has free wheelchairs that are provided to handicap individuals
- Fire Department has 5 for the entire Town population
- Town Council has not provided the Fire Department with a set of guidelines on who may rent the wheelchairs

Ed Kennedy stated:

- Island Women and SLABP committee donated the wheelchairs



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- Currently no time limit on the rental period
- Longest the department has rented one out was for 3 weeks
- Doesn't feel the department needs a policy
- Currently only need to provide a copy of a valid driver's license to rent a wheelchair
- Need better clarification on the website on the use of the wheelchairs
- In the summertime the wheelchairs are rented out 50% of the time
- Citizens are very grateful for this service

MOTION- MPT Heglar made a motion to make the term of renting the wheel chair to one week

SECOND- Commissioner Whitley

VOTE- Unanimous

2. Traffic changes at K and Fort Fisher Blvd
 - Golf cart entrance - eliminate parking spaces in front of right turn and replace the area with a yellow hatched smaller area marked for commercial unloading only
 - Paid parking use - open the second entrance and make it a right turn only exit FF
 - Remove the Trolley Stop sign
 - Move the parking space south to allow a clear view for the turn onto FF
 - Place a sign at 3rd and J Ave. that says 'No Left Turn' at 3rd and K

Mayor Bloszinsky stated:

- Reviewed the area with Police Chief Bowden to maximize safety
- Eliminate two parking spaces and replace the spaces with a hatched yellow space for commercial unloading
- Paid Parking use to keep down the dust at K and 3rd where you can only make a right hand turn creating confusion in traffic
- Open the second entrance and remove the Trolley stop sign
- Reduce one parking space from that area to easily be able to make the turn
- Recommend placing a sign at 3rd and J ave that states no left turn on 3rd and K to prevent people from going down 3rd street

Commissioner Ellen stated he suggest making the two turns out of the Kwik Mart right turns only.

Mayor Bloszinsky stated that isn't a bad idea but we would need to investigate it more and speak with the owner of the Kwik Mart.



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MOTION- MPT Heglar made a motion to approve the 5 traffic changes and direct the Public Works Director Mesimer to paint the sign appropriately

SECOND- Commissioner Whitley

VOTE- Unanimous

3. Additional crosswalks at all beach accesses

Mayor Bloszinsky stated:

- Requires more study
- There have been traffic occurrences in neighboring Towns at the crosswalks
- How many crosswalks should we have in our Town
- Do they cause a false sense of security?
- Several in north and south part of Town
- Public Beach accesses in the south part of Town

Commissioner Oliver stated it would be smart to see what NCDOT will allow the Town to do and then decide on the crosswalks.

Audience Comments:

A couple concerns regarding the Crosswalks. The Crosswalks in Carolina Beach have the flashing lights. Twice last week at the crosswalk in Kure Beach near the post office as she was waiting to cross the vehicles didn't stop. If you get flashing lights it will deter the vehicles to stop. The Town needs to improve the crosswalks we currently have.

Mayor Bloszinsky stated the Town needs to receive permission from the State and they're very expensive. The Town definitely has work to be done in this area.

COMMISSIONER ITEMS

MPT Heglar stated does Council want to give guidance to the Fire and Police Departments on the Fireworks? Does Council want to advertise to citizens?

Commissioner Oliver commented it would be wise to send out a letter on the website to citizens.

Commissioner Ellen stated regarding Seawatch this is not an HOA sponsored event. It is one individual who invites friends over and set them off.

Mayor Bloszinsky stated he agrees he will write a letter to citizens defining the state statutes regarding the fireworks.



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MOTION- MPT Heglar made a motion to adjourn the meeting at 8:03pm

SECOND- Commissioner

VOTE- Unanimous

ATTEST:

Mandy Sanders

Mandy Sanders, Deputy Town Clerk

Craig Bloszinsky

Craig Bloszinsky, Mayor

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. A recording of the meeting is available on the town's website under government>council.

Honorable Mayor, Town Council Members, Attorney Canoutas:

My name is Bill Bryan, and I am the President of Beachwalk HOA.

Thank you for allowing me the time to address you regarding the sale of the Sandman Lot.

Beachwalk's Board of Directors will support the sale of the Sandman Lot **ONLY** if the following two conditions are met:

1. We want to be assured the actual imperious areas located in TOKB's roads and Kure Dunes do not exceed that as delineated in our stormwater permit.

We are concerned about the additional runoff water into our stormwater system, especially in view of Hurricane Florence we all experienced last September.

The stormwater permits for Beachwalk and the neighborhoods to our north were written over 20 years ago--before most of houses were built in Kure Dunes and Beachwalk. We support the TOKB in conducting a certified engineering analysis of the as-built structures in the "offsite" areas our north. Again, we want to be assured the actual imperious areas located in TOKB's roads and Kure Dunes do not exceed that as delineated in our stormwater permit.

2. We want any and all new homes built on the Sandman Lot to be under the jurisdiction of Beachwalk HOA and subject to our dues.

In the past 20 years, Beachwalk has received no monetary compensation for handling stormwater runoff from the TOKB or Kure Dunes. I believe the legal term is "*unjust enrichment.*"

As stated in Beachwalk's stormwater permit, more than half of the stormwater that flows through our system comes from other areas than our own: Kure Dunes II and III contributes 40% and the TOKB contributes 13%, for a total of 53%.

Less than half of the water that we, Beachwalk, convey comes from our own community.

Two years ago, Beachwalk spent over \$335,000 to bring our stormwater system into compliance with NC State Regulations. Each of our 85 homeowners paid \$4,000 for our stormwater system to be repaired.

During the repair to our system, the TOKB contributed parts and labor which helped us immensely, and we thank you for this. We have a much better stormwater system because of your help.

Conversely, and unfortunately, Kure Dunes contributed nothing to us for the repair of our stormwater system.

Needless to say, our homeowners are tired of paying the full burden for conveying everyone else's stormwater. To be blunt, we are fed up with the freeloading.

If new homes are built on the Sandman Lot, Beachwalk strongly believes that these new homes should be under the jurisdiction of Beachwalk HOA. Dues paid to our HOA will provide us a minimum compensation for our expenses.

IF the TOKB awards the Sandman Lot HOA rights to Kure Dunes, or if the TOKB withholds the HOA rights from Beachwalk, and we have to fund the additional stormwater from the Sandman Lot, this would be tantamount to rubbing salt into our wounds.

In conclusion, Beachwalk's Board of Directors will support the sale of the Sandman Lot **ONLY** if the above two concerns are met by the TOKB.

The two concerns are: 1) stormwater runoff from the Sandman Lot; and 2) Beachwalk securing the HOA rights from the Sandman Lot for us to offset the cost burden of handling additional stormwater runoff.

Thank You.