

STRUCTURE RENOVATION / REMOVAL PROCESS FOR RESERVOIRS OWNED AND MANAGED BY DUKE ENERGY

I. OBJECTIVES AND SCHEDULE

The following document depicts Duke Energy's process for renovation/removal of neglected structures within the project boundary of the company's reservoirs. The standard land-use article in our licenses specifies, "if a permitted use and occupancy violates any condition of this article or any other of the project's scenic, recreational, or other environmental values, or if a covenant of a conveyance made under the authority of this article is violated, the Licensee shall take any lawful action necessary to correct the violation. For a permitted use or occupancy, that action includes, if necessary, canceling the permission to use and occupy the project lands and waters and requiring the removal of any non-complying structures and facilities. The Licensee shall also ensure, to the satisfaction of the Commission's authorized representative that the uses and occupancies for which it grants permission are maintained in good repair and comply with applicable State and local health and safety requirements."

Considering the above and Duke's commitments to cost-effective management of safe and attractive lakes, Duke Lake Services initiated the Structure Renovation/Removal Process in 1996 to systematically meet the following objectives:

- 1) Maintain and improve lake user safety by eliminating potential hazards from man-made structures.
- 2) Manage Duke Energy costs for floating debris removal by ensuring that all structure owners take full responsibility for structure maintenance.
- 3) Ensure FERC license requirements are met.

This process was initiated on Lake James in 1996 as a pilot project. It is formalized here for application according to the following schedule:

1997	Wateree
1998	Hickory/Rhodhiss
1999	Fishing Creek
1999-2000	Lookout Shoals / Norman (Catawba and Lincoln Counties)
2001-2002	Wylie
2003-2008	Norman (Iredell and Mecklenburg Counties)
2009	Mountain Island/ Keowee / Jocassee
2010	Belews Lake / Gaston Shoals / 99 Islands

Note: Lake Summit is not planned since the property owners' association controls permitting per the lakebed lease. Bad Creek and the 3 retired hydro ponds are also not planned since Duke Energy does not authorize access to those lakes.

II. STRUCTURES IN NEED OF RENOVATION / REMOVAL

Structures in need of renovation/removal are lakeward structures /facilities that have become in such a state of disrepair that they pose a potential hazard to safety, navigation or public health. These structures/facilities include but are not limited to: pilings, stationary piers/docks, floats, boathouses, boat shelters, marine railways, ramps, seawalls and abandoned boats. This process will examine all lakeward structures (private, commercial, public, etc.) to identify exposed repair needs according to the basic guidance provided below.

A. REPAIR / REMOVAL GUIDANCE

Any structure, portion of a structure or abandoned boat that poses a potential hazard to safety, navigation or public health is a candidate for repair or removal. The determination of the need for repair / removal will be a judgment call on the part of Duke Energy Lake Services Representatives who have over 50 years cumulative experience in lake use permitting. As a general rule, if a Lake Services Representative is unwilling or unable to walk on, within or under a structure, because of concerns for their own safety and the safety of others, repair or removal will be required. Below is a list of more specific guidance:

- **All structures** (stationary piers, docks, floats, boathouses, boat shelters, etc.) without adequate sound decking should be repaired or removed from within the project boundary.
- **All floating structures** (piers, floats, and boathouses) without adequate flotation-enough to keep the structure level- should have flotation replaced with approved materials or the structure should be removed from within the project boundary.
- **Roofed structures** (boat shelters, boathouses, and gazebos) with roofs that are leaning or in danger of collapse should have pilings, joists, and/or the entire roof replaced, repaired or removed from within the project boundary.
- **Pilings** (wooden, concrete, and metal) within the project boundary that are not interconnected with sound joists and decking, and are not used as mooring structures, light/marker supports, etc. should be removed.
- **Enclosed structures** (boathouses or boat shelters) with wood, vinyl or metal siding must have the siding securely attached. Severely rusted or rotted portions should be replaced or removed from within the project boundary.
- **Unsecured/stranded structures** (unattached walkways, boathouses, floats, etc..) must be permanently secured to the main facility or removed.
- **Boats** that are not properly moored or anchored or are partially sunken must be re-floated and properly secured or removed from within the project boundary.
- **Boat ramps or marine railways** with large holes in the concrete or with rails that are not properly secured must be repaired or removed from within the project boundary.

- **Seawalls** that are severely leaning to the point of potential collapse or that have collapsed must be repaired, replaced with rip rap or bioengineering or removed from within the project boundary.

B. PRIORITY

Time and resource limitations may not afford handling all identification, notification, and follow-ups simultaneously. A priority methodology has been established to categorize structures. This will ensure that the structures with the highest priority are handled in a timely manner. Dilapidated structures, woody debris, and abandoned boats are categorized as either floating or stationary. For navigational safety reasons, **floating debris** should be rated the **highest priority** and receive the most immediate attention. Structures that have a **high likelihood** of portions of the structure **floating off during periods of high water** should be rated a **medium priority**. A **low priority** should be assigned for structures that overall are in **satisfactory repair, but a portion may require minor corrective action**. Partially sunken boats may fall in any of the three priority categories, depending on where they are located with regard to boating areas. Partially **sunken boats** that are **within areas that have no particular boating restrictions** (e.g. outside No Wake Zones), should be given the **highest priority**. Partially **sunken boats** that are **within areas with some restrictions but that are still boatable** should be given a **medium priority**. Partially **sunken boats** that are currently **within areas that are not boatable or that are secured to existing docks** should be **low priority**.

<u>Priority</u>	<u>Action Required</u>	<u>Standard Expectation for Property Owner Corrective Action</u>	<u>Examples</u>
High	Immediate Action by LS Representative to Secure Floating Debris (This action downgrades to Medium, but 45-day turnaround still applies).	45 days from first notification.	Any unsecured, floating debris large enough to create navigation hazard or unsecured/partially sunken boat outside restricted navigation area.

Med	Deferred Action	75 days from first notification.	Unattached float or decking that is touching the lakebed, unsecured/partially sunken boats within a No Wake Zone.
Low	Opportune Action	Complete before Aug. 31st unless specifically approved otherwise to ensure LS can remove before year's end with budgeted funding if required.	Replacement of a missing floatation billet, replacement of a single piling, repair of severely leaning seawall, patching of large boat ramp hole, removal of partially sunken boat tied to pier.

Note: On occasion, Lake Services Representatives may place a higher priority on dilapidated structures that have received complaints from neighbors or that pose potential environmental health risks. Corrective action turnaround times will not be extended, in general, beyond the above. However, if a structure owner identifies extenuating circumstances and provides Lake Services with a written plan and schedule that clearly justifies additional time, the Lake Services Representative may approve it.

C. PROPERTY OWNER NOTIFICATION

Duke has various methods for notifying property owners that a structure is in need of repair or removal. The methods for initial notification, in order of decreasing preference, are:

- On-site discussion with property owner and hand-delivery of the FIRST NOTICE (Notice 1).
- FIRST NOTICE (Notice 1) posted on the lake residence.
- FIRST NOTICE (Notice 1) posted on the lake structure.

Phone and face-to-face discussion with the property owner can be very helpful to ensure they understand their responsibilities and the required time frames. **Lake Services Representatives should always follow-up these verbal discussions with letters to the property owner whenever action plans or schedules are discussed.**

D. STRUCTURE OWNER RESPONSE TIMES

Allowable times for property owners to respond to Duke's notifications:

- **FIRST NOTICE** (Notice 1) - 15 days from the date the notice was left with the property owner, at the lake residence or on the lake structure to contact Lake Services and either disclaim ownership of the subject structure or discuss repair/removal plans and any permitting requirements.
- **SECOND NOTICE** (Letter F) - 15 days from the date on the letter to contact Lake Services and either disclaim ownership of the subject structure or provide Lake Services with a letter stating your plan and schedule to repair/replace or remove the structure.
- **FINAL NOTICE** (Letter B-certified mail) - 15 days from the date on the letter to contact Lake Services and either disclaim ownership of the subject structure or provide Lake Services with a letter stating your plan and schedule to repair/replace or remove the structure.
- **EXPIRATION NOTICE** (Letter D – certified mail) – Provides notification that Duke Energy is proceeding to remove the structure and that no future construction approvals will be considered for that lot until Duke Energy's expenses are fully recovered.

Note: A letter of intent to comply from the property owner, including an acceptable completion date, will eliminate the need for any further notifications.

III. COMMUNICATION

A. Internal

1. Advance notice of the planned schedule should be made to the Senior Lake Services Representative and the Lake Services Manager at least 30 days prior to the planned start of structure identification.
2. Advance notice of the planned schedule and the types of structures that will get identified should be made to the applicable District Manager(s), GEHS-Communications Manager, Duke Media contact, Duke Energy Communications Manager, manager of any applicable nuclear station visitor center, the applicable Hydro Manager, VP of any applicable steam stations (nuclear and fossil), GEHS-Environmental Engineering Director and the GEHS-Scientific Services Director at least 3 weeks prior to starting the identification process.
3. Status updates should also be supplied to the same individuals once initial identification is complete and again once all corrective actions are complete.

B. External

1. The *Catawba Currents* newsletter is the primary vehicle for long-term advance notice and a schedule for 1998-2001 was included in the Fall 1997 issue.
2. Once the above internal notifications are complete, the leadership of any key lake stakeholders' groups should be notified face-to-face or via phone call of the planned schedule at least 14 days in advance of the planned start of structure identification. As a minimum, any applicable marine commissions (both the Chair and Executive Director), lakewide homeowners' associations (President), the Riverkeeper and the lead individual within any city or county agency that issues permits for lake structures should be notified of the planned schedule and the types of structures that will get identified.
3. Pier construction/removal contractors should also be considered for notification, particularly if the lake is very large.
4. A news release should also be considered if determined necessary by GEHS-Communications or Duke Media Relations. Any news release should come out at least 7 days prior to start of structure identification.
5. Status updates should be provided at marine commission meetings once initial identification is complete (including the number of structures identified) and once the corrective actions are complete. Other external contacts (see B.2) should also be updated once initial identification is complete. A summary article should also be considered for *Catawba Currents* and local news media once the corrective actions are complete.

Note: It is possible that sensitive activities (e.g. high water, media events, etc.) could impact the prudent scheduling of dilapidated structure identification. Lake Services Representatives should consider any recent sensitive activities before establishing structure identification schedules.

IV. CONSEQUENCES FOR NO-ACTION

Failure for a structure/abandoned boat owner to take corrective action within the specified time frame may result in one or more of the following:

1. An action being brought against the owner by Duke Energy for the expense of removal (trespass judgment).
2. Sterilization of the property- denial of any new construction requests until payment is made for the expense of removal.

The expense for removal by Duke Energy will include a mandatory \$1000.00 administrative surcharge and legal fees in addition to the ordinary costs of removal. Ordinary removal charges include but are not limited to - labor, equipment (i.e. boat, loader, dumptruck, barge, chainsaw, etc.), travel expenses, mileage and landfill charges.

V. PROCEDURE

1. COMMUNICATION AND PREPARATION (execute in order) (total time req. 5%)

- a. Advise the Senior Lake Services Representative and Lake Services Manager at least 30 days in advance of the day you expect to start structure identification. Coordinate schedules to ensure that the last Lake Services Representative II that conducted this process will help with the identification.
- b. Complete notification of all the individuals listed in the COMMUNICATION section, part A.2. at least 21 days in advance of the day you expect to start structure identification.
- c. Advise applicable lake-wide agencies or groups, including all those listed in the COMMUNICATION section, part B.2. at least 14 days in advance of the day you expect to start, along with a brief description of the types of structures that will get identified. Use the elected leaders of these organizations as much as possible to spread the word. May need to get on the agenda for their regular meetings (e.g. marine commissions). Also, get articles in their newsletters or radio shows if possible.
- d. Verify workforce availability with lake construction/debris removal contractors.
- e. Work with Duke Media support to get news releases in appropriate newspapers. News releases should come out at least 7 days prior to starting the structure identification process.
- f. Assemble necessary materials, prepare databases and coordinate schedules so that the last Lake Services Representative II that conducted the process, as a minimum, will be in the boat with you for the first two days of structure identification.
- g. **Review this document in its entirety and ensure you follow it. Any deviations from this established process require prior approval from the Senior Lake Services Representative.**

2. IDENTIFICATION AND FIRST NOTICE TO PROPERTY OWNER (total time req. 20%)

- a. Obtain copy of official project boundary map (Exhibit K or G) from the Hydro Licensing Group to ensure you survey the entire project boundary.
- b. Survey entire project boundary from a boat and look at **all** structures and abandoned boats (private, commercial, public, seawalls, ramps, etc.). Identify all structures/boats meeting the REPAIR \ REMOVAL GUIDANCE on page 2.
- c. Fill out FIRST NOTICE (Notice 1) on Duke Energy letterhead and hand-deliver to property owner (preferred), leave at lake residence or leave on lake structure.
- d. Complete Debris Removal Form (Form 394990) for each dilapidated facility/abandoned boat.
- e. Photograph dilapidated facility/abandoned boat & attach to Debris Removal Form (Form 394990).
- f. Prioritize per definitions on pages 3 & 4.

- g. Record the following On-Site:
- (1) Grid & Section Number
 - (2) Debris Removal Identification Number Assigned
 - (3) Pier Permit Number, if available
 - (4) Electric meter number
 - (5) Boat registration number, if available

3. RECORD INFORMATION ON GPAL (Structren-rem.xls) (total time requirement 5%)

- Location
- Facility type and problem
- Permit #
- Owner (address, phone #)
- Meter Number
- Priority
- Tracking dates (1ST Notice, 2nd Notice, Final Notice, follow-up inspections, application close-out, Expiration Notice)
- Boat Registration Number

4. PROVIDE STATUS UPDATES (total time requirement 5%)

- a. Provide required internal notice of completion of the identification phase with the number of structures identified to all individuals per COMMUNICATION section, part A.3.
- b. Provide required external notice of completion of the identification phase with the number of structures identified to all individuals per COMMUNICATION section, part B.5.

5. SECOND NOTICE TO PROPERTY OWNER (total time requirement 20%)

- a. On-site discussion with property owner and written follow-up from either the Lake Services Representative or property owner, confirming corrective action plan and time frame for completion. Enter corrective action plan dates on GPAL database.
- b. If property owner discussion does not occur within 15 days of leaving Notice 1 with property owner, at the residence or on the structure, complete SECOND NOTICE (Letter F) on Duke Energy letterhead and mail to property owner (owner info. from- meter #, pier permit #, realtor, boat registration #, or county tax records).
- c. Obtain compliance plans from all structure owners, including filing of necessary application forms and fees.

6. REMOVAL/REPAIR VERIFICATION (total time requirement 5%)
 - a. On-site inspection conducted by LM I/II, surveillance contractor or application close-out inspector.
 - b. Application close-out conducted on structures that have been rebuilt or expanded by LM I/II or close-out inspector.
 - c. Update permitting data base (Visual Basic) with close-out information on structures that have been rebuilt or expanded or that have been removed and will not be replaced. Update GPAL database as needed also.

7. FINAL NOTICE (total time requirement 10%)
 - a. Verify remaining property owners that haven't taken action with tax information.
 - b. Call property owner if possible.
 - c. Notify property owner with a FINAL NOTICE via certified letter on Duke Energy letterhead. (Letter B – Certified Mail)

8. FINAL REMOVAL/REPAIR VERIFICATION (total time requirement 5%)
 - a. On-site inspection conducted by LM I/II, surveillance contractor or application close-out inspector.
 - b. Application close-out conducted on structures that have been rebuilt or expanded by LM I/II or close-out inspector.
 - c. Update permitting data base (Visual Basic) with close-out information on structures that have been rebuilt or expanded or that have been removed and will not be replaced. Update GPAL database as needed also.

9. EXPIRATION NOTICE (total time requirement 5%)
 - a. Call remaining structure owners. Utilize PROPERTY ACCESS AUTHORIZATION letter on Duke Energy letterhead (either with or without removal fee, see Structure Ren-Remltrs.doc) as necessary if demolition access across a property owner's lot is allowable.
 - b. Review remaining uncorrected structures with Senior Lake Services Representative and Lake Services Manager to ensure buy-in to removal plans. Advise all the internal contacts (see COMMUNICATION section, part A.2) plus Legal of removal plans, including identification of structure owners that will be getting expiration notifications.
 - c. Send EXPIRATION NOTICE on Duke Energy letterhead via certified mail (Letter D – Certified mail) to remaining structure owners.

10. NON-COMPLIANCE ACTION (total time requirement 10%)
 - a. File trespass judgment request with Legal.
 - b. Contract for removal either with lake construction/debris removal contractor.

11. CLOSE -OUT THE PROCESS ON THE LAKE (total time requirement 5%)

- a. Update GPAL database with tracking information (arranged removal date, actual removal date, etc.) and print out a final copy of the GPAL database for historical reference.
- b. Apply any removal cost re-reimbursement checks to the applicable account and note what it's for on collection receipt.
- c. Maintain a file documenting any lots that are now sterilized (i.e. no additional permits) until removal costs are repaid. Ensure that the Lake Services Representative II, Lake Services Representative I and Senior Lake Services Representative are aware of where these lots are. Work with the Senior Lake Services Representative to get a visual indicator placed on the GIS SMP map showing the location of these lots so permits will not be mistakenly issued. Make a special entry in the Visual Basic permitting database for each of the sterilized lots.
- d. Complete a very brief written summary of the Structure Renovation Process for each lake using the summary format (see pages 13-14), including as a minimum:
 - Complete table.
 - Total labor hours required (from Timetrac or Timesheets).
 - Total contractor dollars spent by Duke Energy (from FMIS or invoices)
 - Total legal expenses (from Legal)
 - Listing of Section / Lot #, address and owner's name of lots that were sterilized.
 - List lessons learned.
- e. Print-out of final GPAL tracking database.
- f. Average Duke Energy labor hours per structure identified as needing repair (hrs/structure)
- g. Average non-labor removal cost per structure identified as needing repair (\$/structure), not counting any potential reimbursements.
- h. Incorporate lessons learned into this process document and the notices and letters electronic files as appropriate. Save the electronic files on GPAL and route a hardcopy for the review of the Senior Lake Services Representative and approval by the Lake Services Manager

12. PROVIDE STATUS UPDATES (total time requirement 5%)

- a. Update all the required internal contacts per the COMMUNICATION section, part A.3.
- b. Update all the required external contacts per the COMMUNICATION section, part B.5.

