

January 12, 2022

Via First Class, Certified, and Electronic Mail: 9214 8969 0099 9790 1420 8945 59

Scott Conant, Chief Financial Officer New-Indy Catawba LLC 3500 Porsche Way, #150 Ontario, CA 91764 Also via e-mail to scott.conant@new-indycb.com

Subject: Inventory Addition for DAMS 7, 8, and 9 at New Indy Facility

York County

Dear Mr. Conant:

The South Carolina Department of Health and Environmental Control has the responsibility and authority to regulate certain dams within South Carolina that meet the criteria set forth in the South Carolina Dams and Reservoirs Safety Act, S.C. Code Ann. 49-11-110, et seq., and Regulations 72-1 thru 72-9. A copy of these regulations can be found at https://scdhec.gov/sites/default/files/media/document/R.72-1 72-9.pdf. In general, dams that are twenty-five feet or greater in height from the natural bed of the stream or water course measured at the downstream toe of the dam, or twenty-five feet or greater from the lowest elevation of the outside limit of the dam, if it is not across a stream or water course, to the crest of the dam; have an impounding capacity at maximum storage elevation (i.e., at the crest of the dam) of at least fifty acre-feet; or dams located where failure may cause loss of life are subject to regulation in accordance with the regulations described above (see Reg. 72-2.).

Dam Safety Program staff routinely evaluate if dams in the state meet the size criteria for the regulations noted above. Dam 7, Dam 8, and Dam 9 (these are working names, please see attached Figure 1 for locations) with all three dams have an impounding capacity greater than fifty acre-feet at maximum storage elevation. Dam 7 has an impoundment storage of approximately 611 acre-feet, Dam 8 of approximately 2934 acre-feet, and Dam 9 of approximately 557 acre-feet.

Once it has been established that a dam meets one of the criteria for regulation described above, it then falls to the Department to assign a size classification and a hazard potential

classification to the dam in accordance with Regulation 72-2.B and C. Size classifications are assigned based on a dam's height and impoundment storage. Dam 7's impoundment storage of approximately 611 acre-feet and height of 17 feet places it in the small size category. Dam 8's impoundment storage of approximately 2934 acre-feet and height of 43 feet places it in the intermediate size category. And lastly, Dam 9's impoundment storage of approximately 557 acre-feet and height of 27 feet places it in the small size category.

Hazard potential classifications assigned to dams are based on the potential loss of human life or property damage in the event of failure or improper operation of the dam or appurtenant works, and Regulation 72-2.C provides criteria for Department staff to use in assigning hazard potential classifications. Department staff proposes that Dam 9 be classified as low hazard dam based on the fact that dam failure may cause minimal property damage to others and loss of life is not expected. Dam 9 would most likely fail into the impoundment created by Dam 8 and, therefore, it is not likely to cause damage to other properties.

Department staff propose that Dam 7 and Dam 8 meet the criteria of significant hazard dams in that failure of either dam will not likely cause loss of life but may cause interruption of use or service of relatively important public utilities. Specifically, Chester Metropolitan Sewer and Water District ("Chester Metro") has a raw water intake on the Catawba River downstream of the New-Indy facility (see Figure 2), and the Chester Metro water treatment plant has no off-stream storage such that raw water from the Catawba directly enters the treatment operations. Additionally, Chester Metro has no alternative sources of drinking water. A failure of either Dam 8 or Dam 9 is likely to cause an interruption in service of drinking water for Chester Metro.

Please be aware that the currently regulated dams, Bowaters Carolina Dams 1-6, also meet the above regulatory criteria for a significant hazard dam, as failure of any of these dams would likely cause an interruption of service for Chester Metro. At this time, Department staff are prevented from reclassifying dams from low hazard to significant hazard as a result of Joint Resolution S.231 (2018). The Department hereby notifies New-Indy Catawba, LLC, that while Dams 1-6 will remain Low Hazard Potential, the Department may still perform Preliminary Inspections of these dams in a similar manner and frequency as for Dams 7 and 8. Furthermore, while an Emergency Action Plan is not required for Low Hazard Dams, the Department recommends New-Indy Catawba, LLC, create a comprehensive site-wide Emergency Action Plan that accounts for failure of any of the dams that could cause an interruption of use or service for Chester Metro.

You are invited to submit any field surveys or other pertinent information that might impact the Department's final decision regarding the regulation of the dam. **The information must be received on or before March 14, 2022.** The Department's Dam Safety Program will make a final staff decision after this date.

Should you wish to do any repair work to the dams, approval will need to be obtained from the Department. Should you have questions regarding the content of this letter, or wish to discuss any of the findings, requirements, schedules, and/or deadlines contained herein, please feel free to contact me at (803) 898-0071, or by email at sabinms@dhec.sc.gov.

Sincerely,

Megan S. Sabin

Engineering Associate

Dam Safety Program, Bureau of Water

Mers

SC Dept. of Health and Environmental Control

cc: Ryan Sullivan, SC DHEC Office of Environmental Affairs, Midlands Region, Lancaster Office (via e-mail to sullivrd@dhec.sc.gov)

Dan Mallett, New-Indy, LLC (via e-mail to dan.mallett@new-indycb.com)

Tony Hobson, New-Indy, LLC (via e-mail to tony.hobson@new-indycb.com)

Randolph R. Lowell, Willoughby and Loefer, P.A. (via e-mail to rlowell@willoughbyhoefer.com)

Attachments: Figure 1 – New Indy Dams

Figure 2 – Chester Metro Source Water Protection Area

Inundation Maps

Dam Hazard Class Fact Sheet

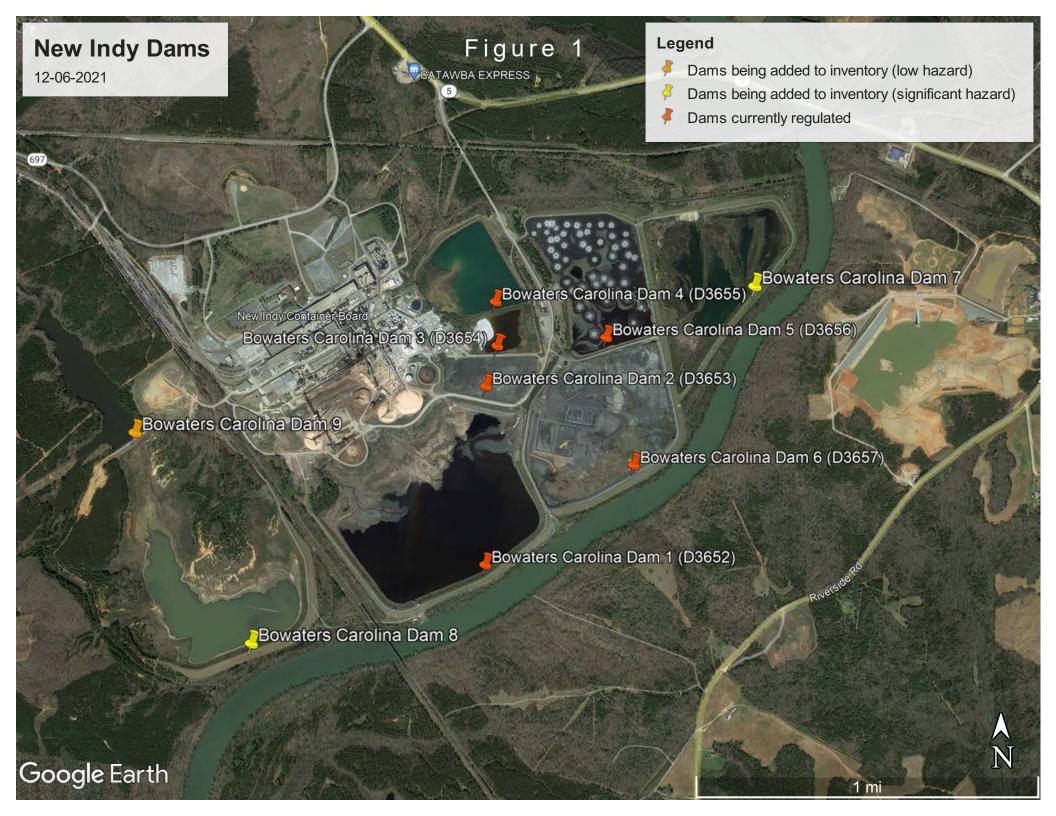
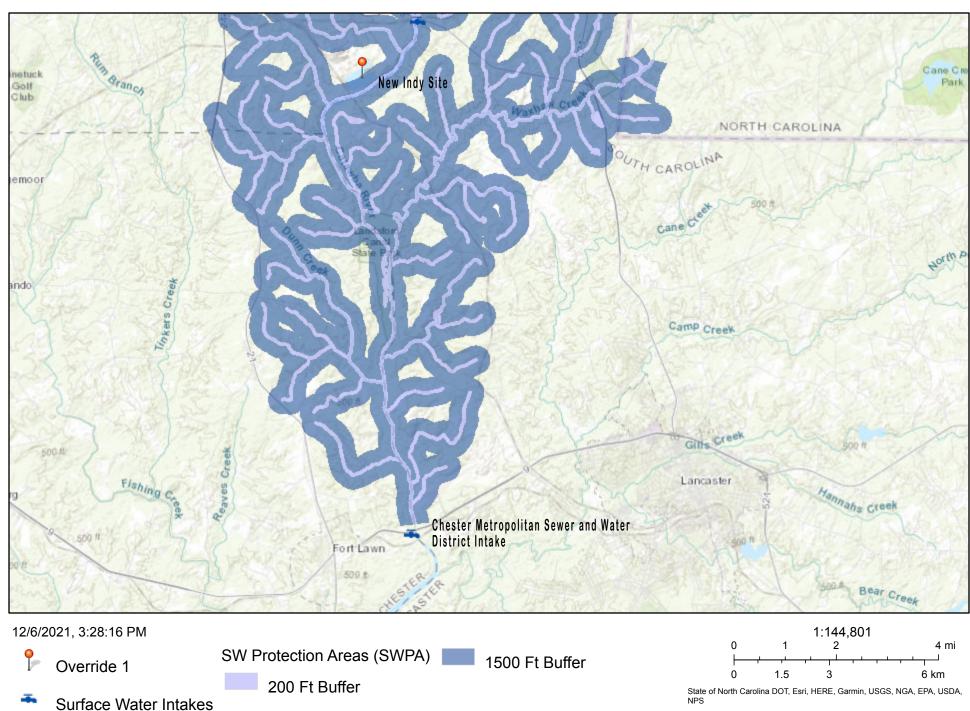
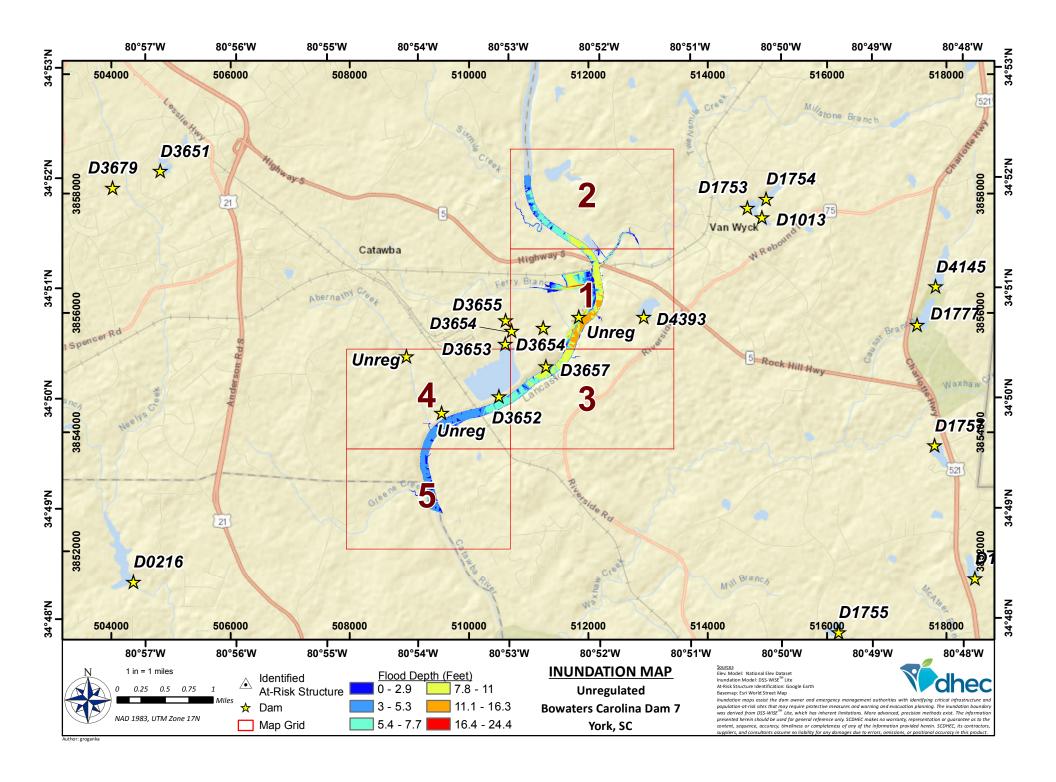
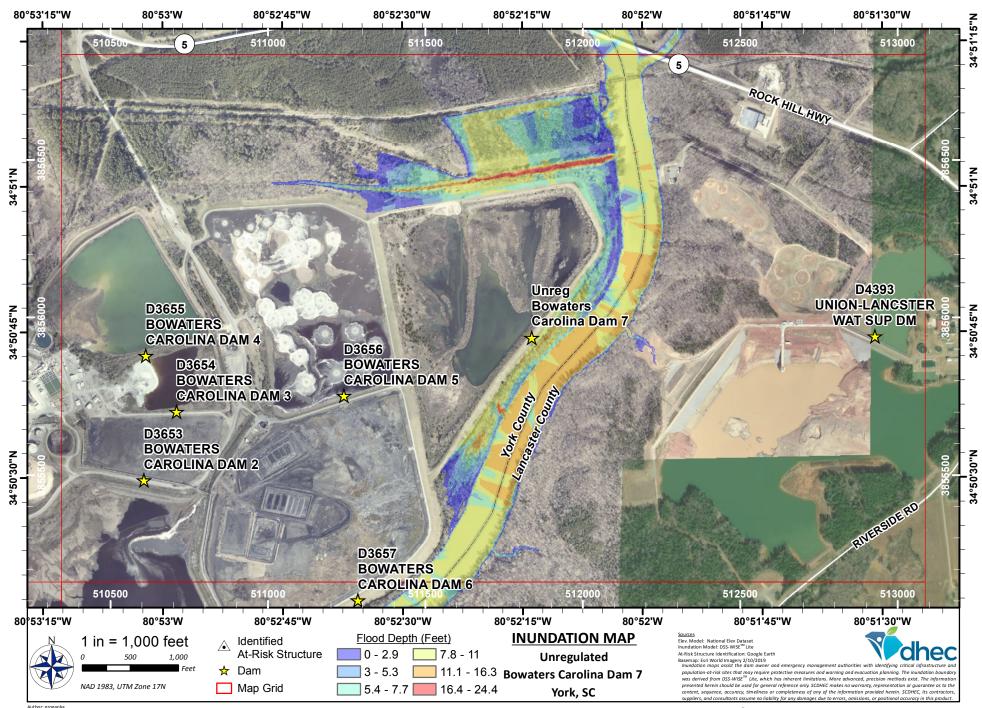


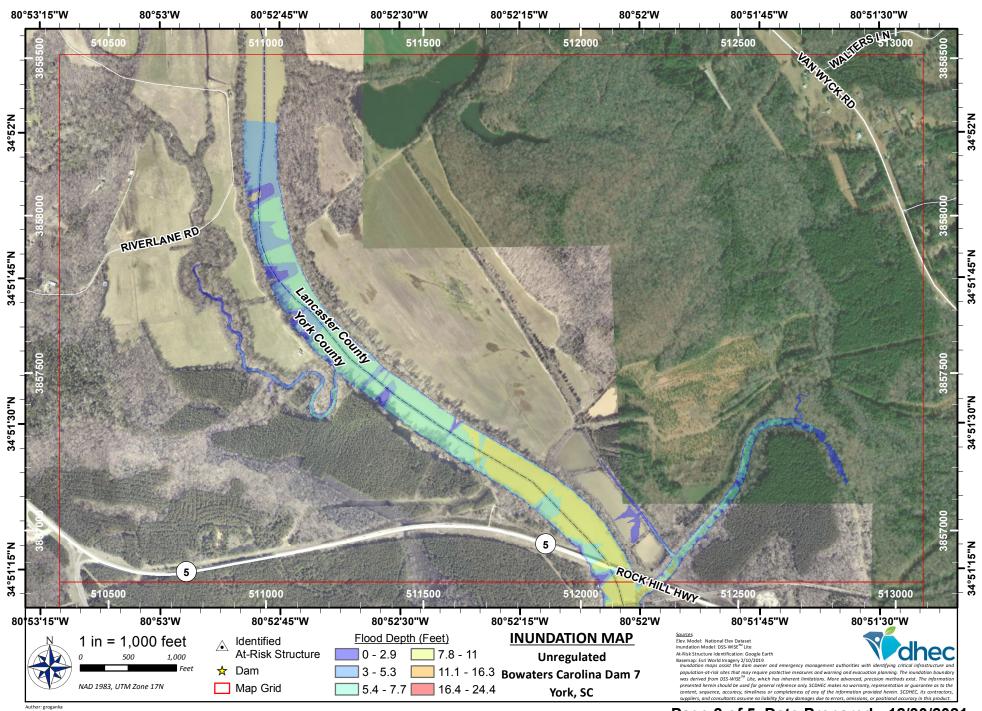
Figure 2



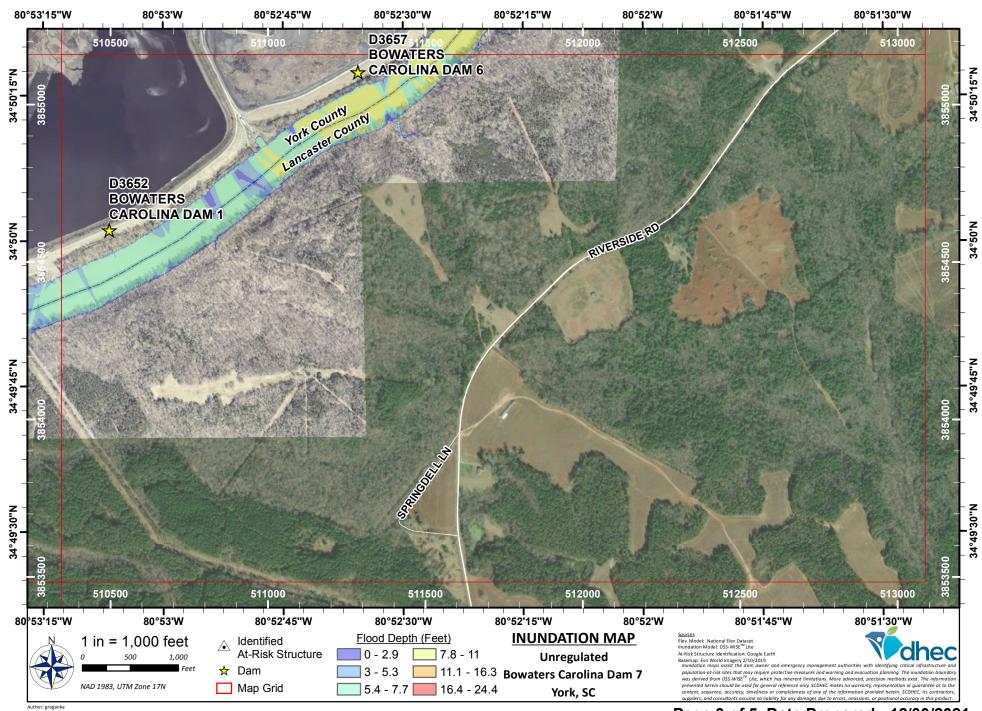




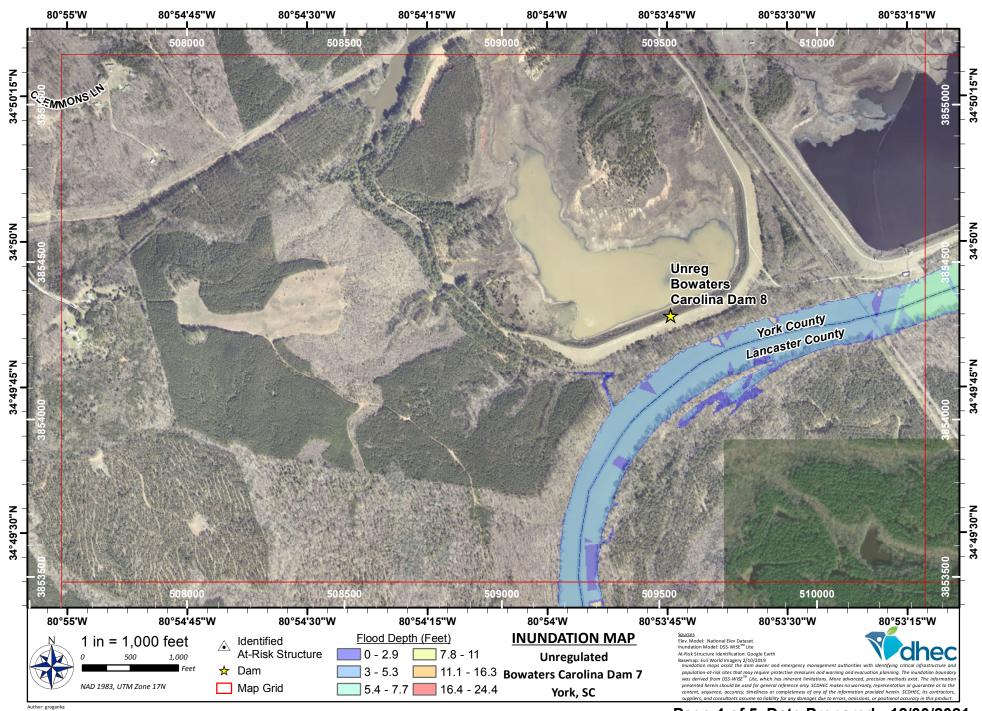
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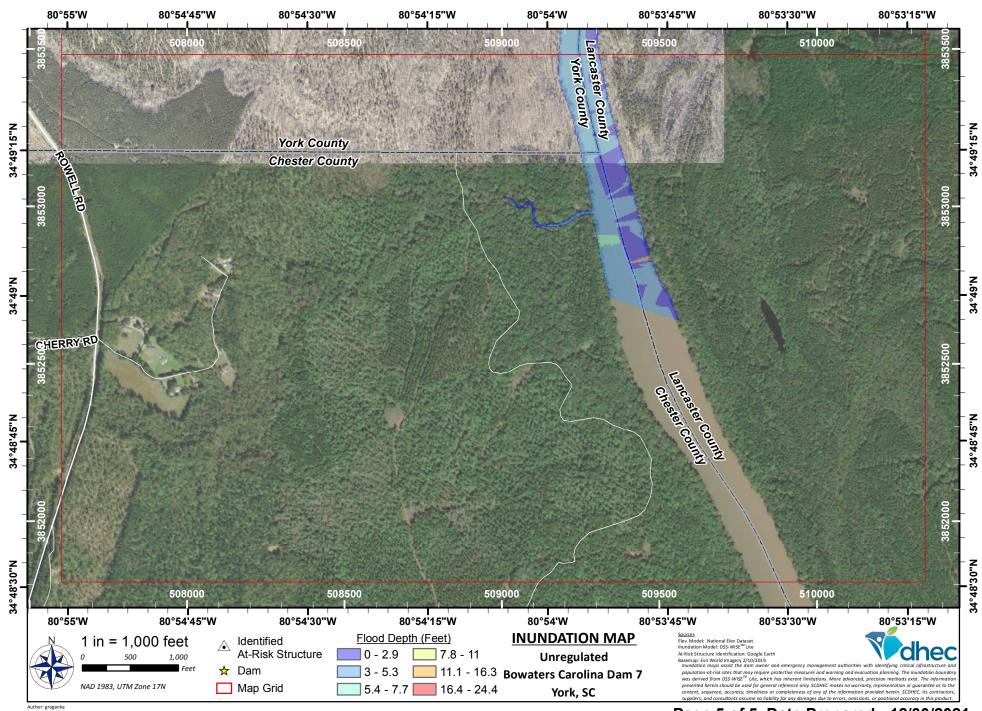
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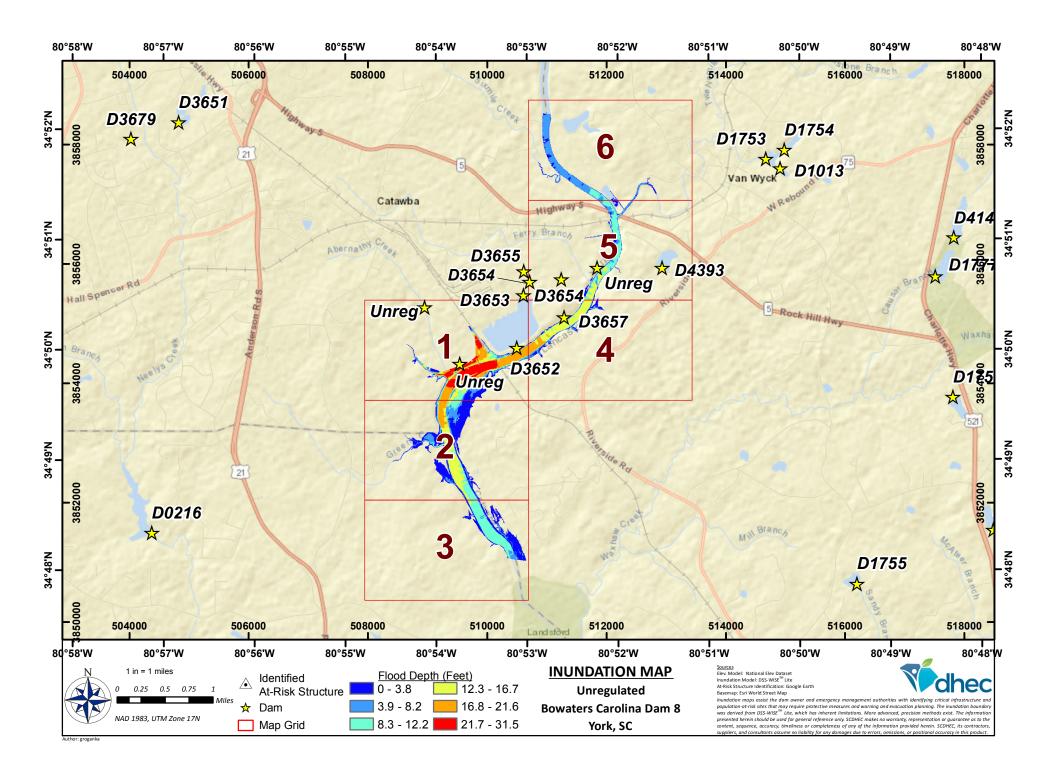
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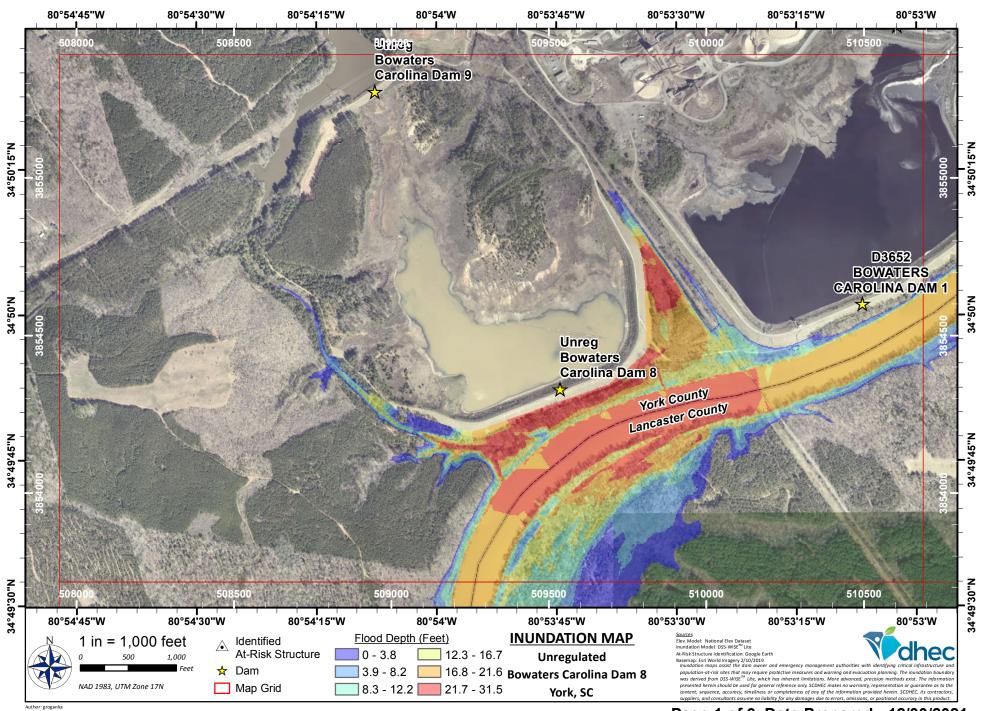


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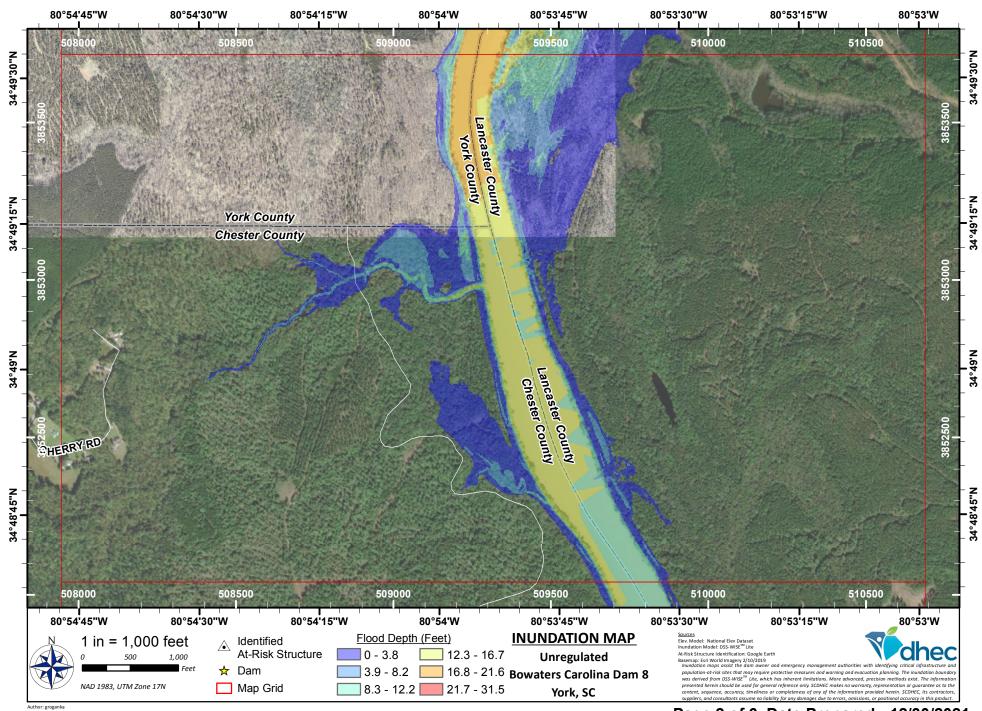


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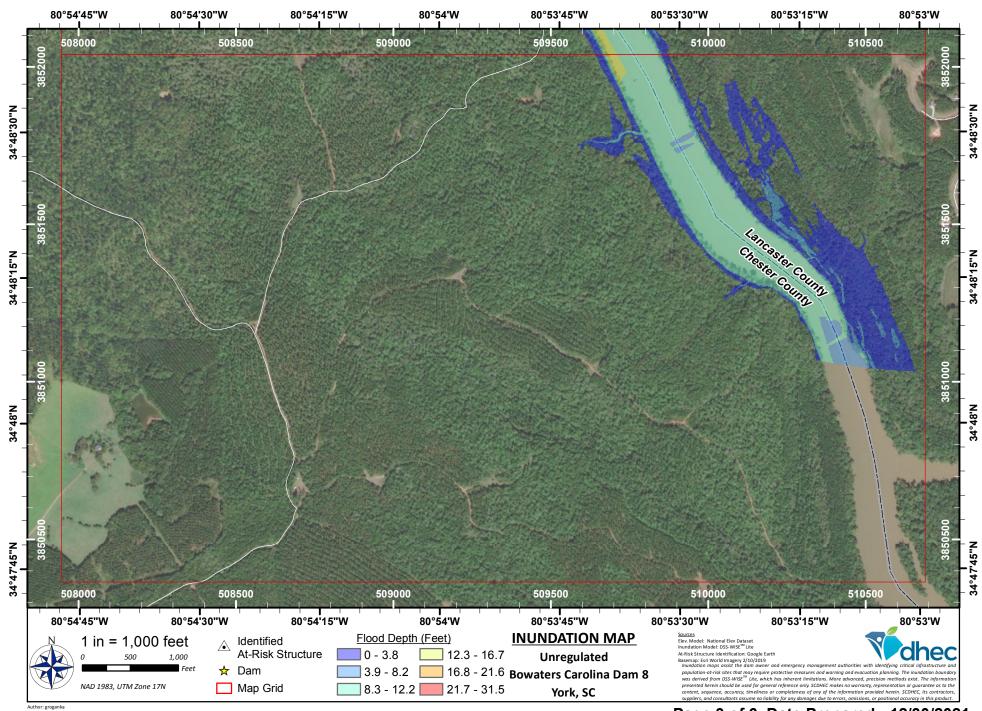




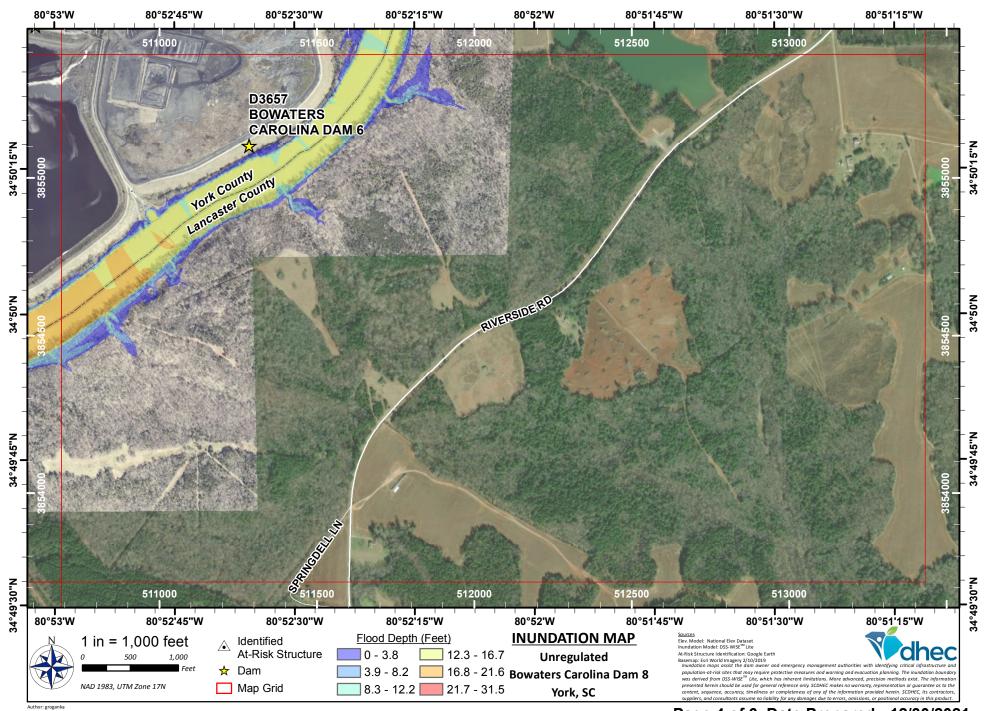
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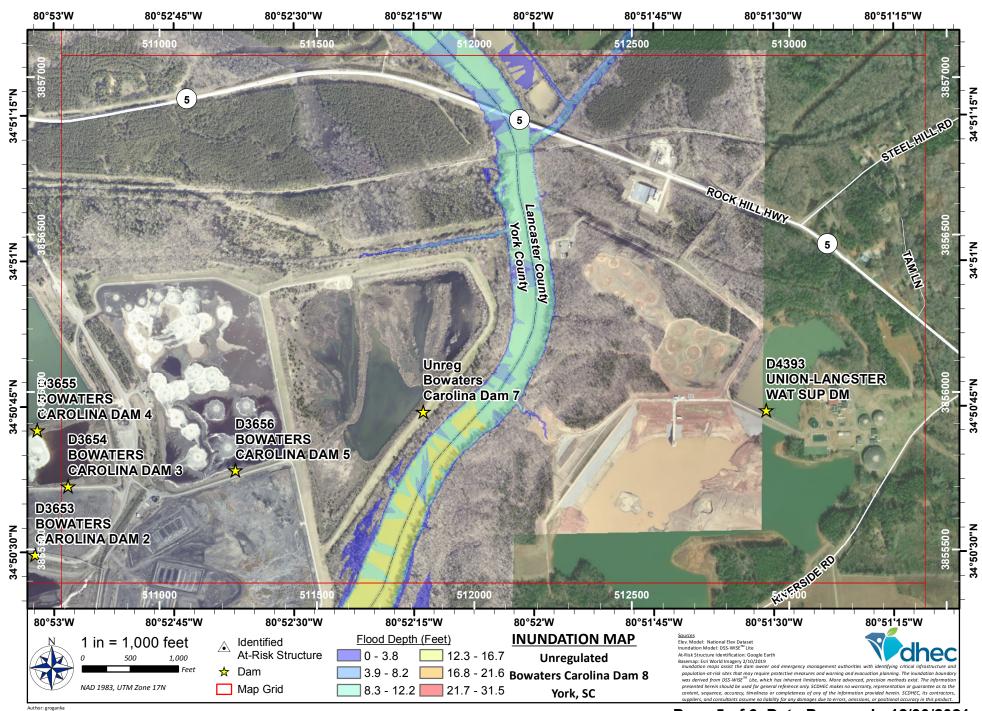
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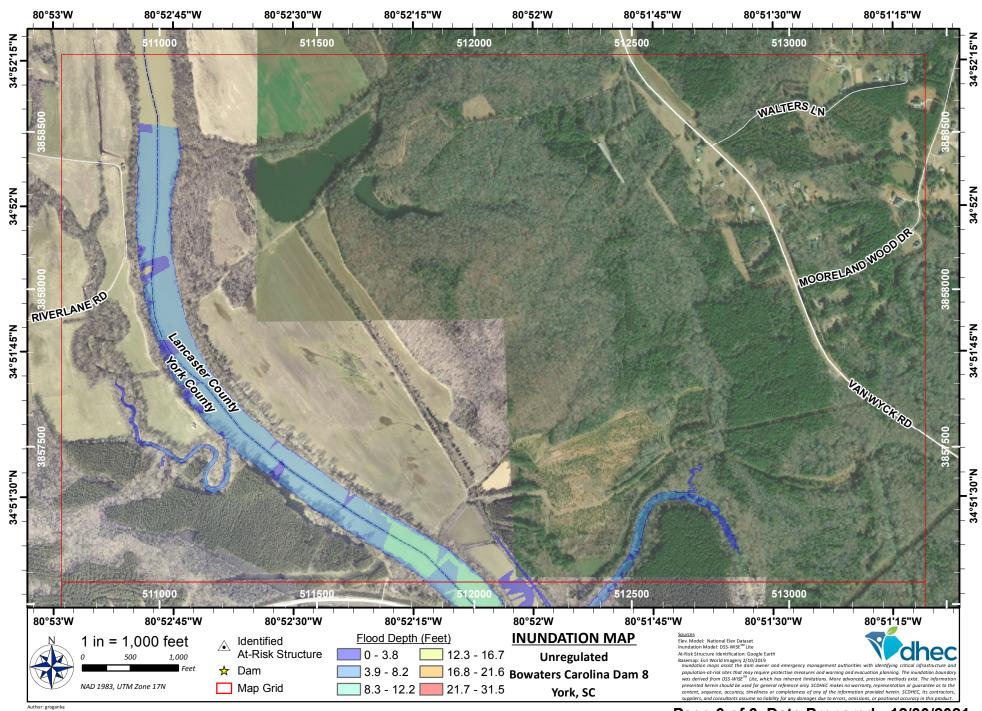
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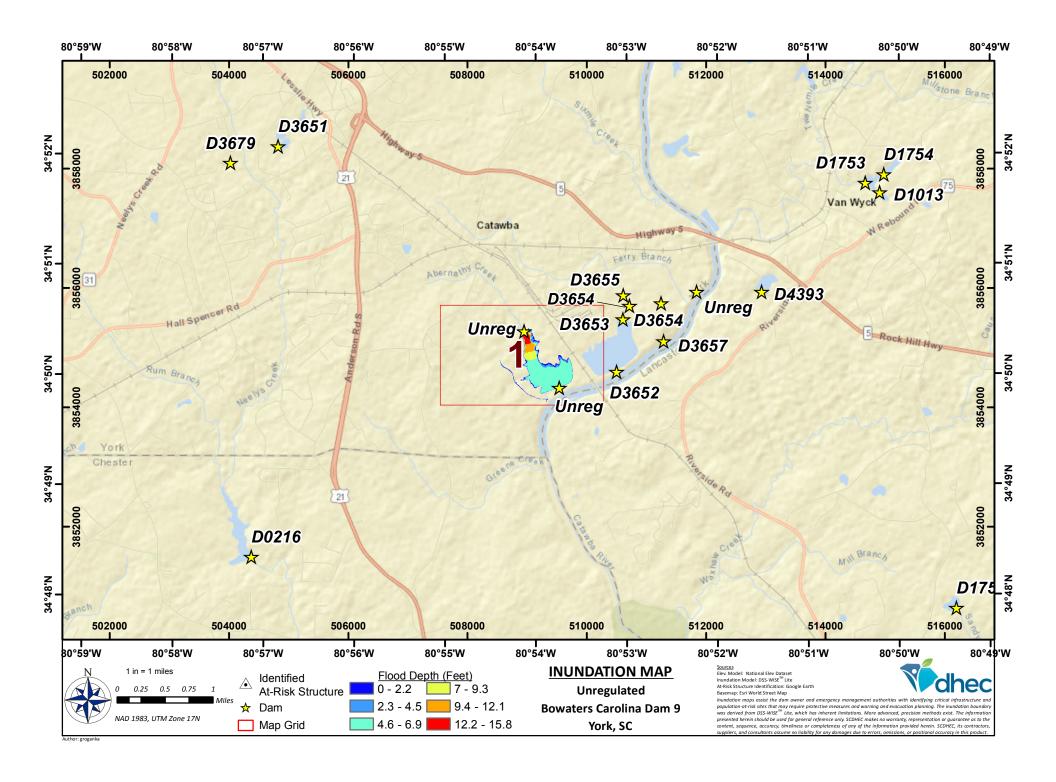
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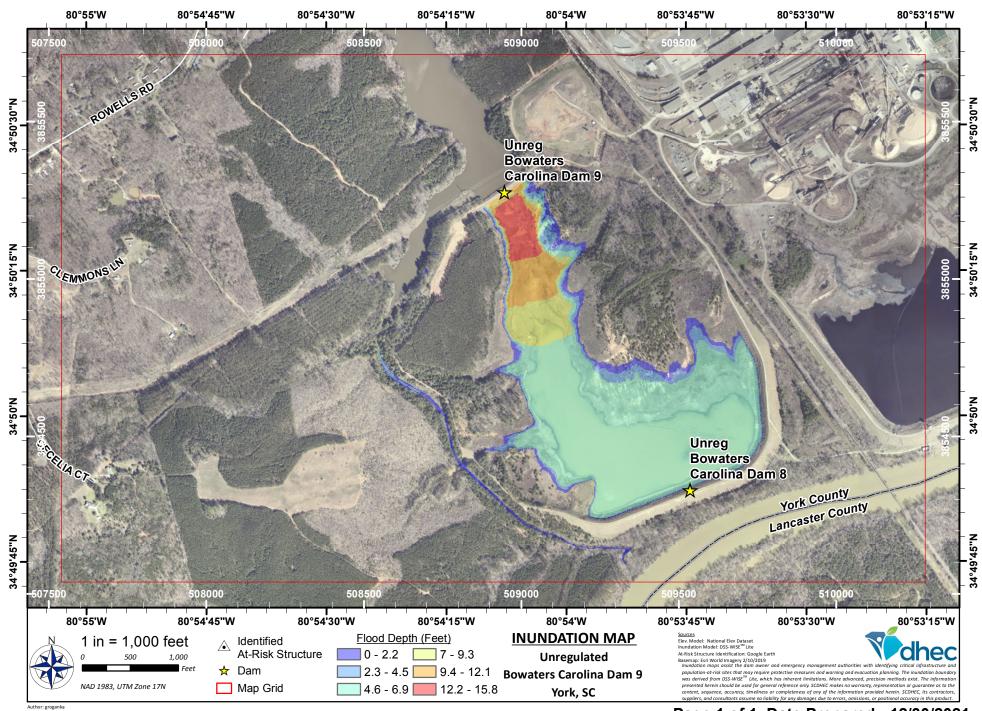


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Dam Safety Hazard Reclassification

Hazard Classification of Dams

The Dams and Reservoirs Safety Act Regulations (R. 72-1 through 72-9) require the South Carolina Department of Health and Environmental Control (Department or DHEC) to classify regulated dams based on their hazard potential. DHEC Dam Safety Program staff assign the appropriate hazard classification based on the potential loss of human life or damage to property and infrastructure that may occur in the event of failure or improper operation of a dam or reservoir. It is important to note that the hazard classification assigned to regulated dams has no relationship to the condition of the dam; it is solely related to what may be located downstream of the dam. South Carolina, like most states, classifies dams as High, Significant or Low Hazard, with definitions as follow:

High Hazard Dams – Dams located where failure of the dam <u>will</u> likely cause loss of life or serious damage to homes, industrial and commercial facilities, important public utilities, main highways or railroads.

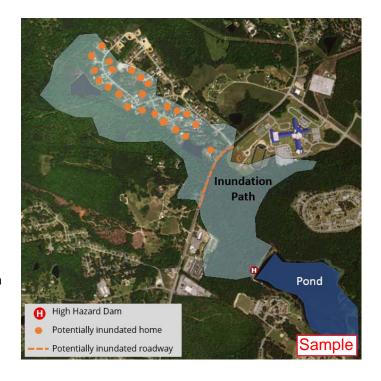
Significant Hazard Dams -Dams located where failure of the dam <u>will not</u> likely cause loss of life but may damage homes, industrial and commercial facilities, secondary highways or railroads, or cause interruption of use or service of relatively important public utilities.

Low Hazard Dams -Dams located where failure of the dam may cause minimal property damage to others, and loss of life is not expected.

Assessing Hazard Classification

It is necessary for DHEC to review the hazard classification of regulated dams. Department engineers perform Classification Inspections to determine if development or infrastructure is located downstream of a dam which may be impacted if the dam were to fail. Classification Inspections can often be performed through a desktop analysis of aerial photography combined with inundation maps. The Department routinely uses field investigation to confirm the location of structures (homes, businesses), roads and utilities which may justify reclassification of a regulated dam.

The image to the right demonstrates an example of an inundation map generated for a High Hazard Dam. Inundation maps show where, based on volume of water in the pond or lake and the topography of the area downstream, that water would flow in the event of dam failure.



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Reclassification Process

Reclassification of a regulated dam is a two-step process:

Step 1 – Preliminary Determination – The Department notifies the owner(s) of a regulated dam by letter of staff's intention to reclassify a dam. The notification letter, which may be sent in conjunction with the results of an inspection of the dam, provides the owner the opportunity to submit their own inundation study prepared by a S.C. Licensed Professional Engineer or other pertinent information that the Department may consider in its reclassification decision. Dam Safety Program staff carefully considers information that is submitted by dam owners.

Step 2 - Final Reclassification – Once Dam Safety Program staff has reviewed any additional information provided by the owner(s) and determined that reclassification is still appropriate, or if no relevant information was submitted, then a second letter is mailed to the dam owner notifying them that the reclassification of the dam has become a final staff decision. Should the owner wish to challenge staff's decision, then the owner may request that DHEC's Board review the staff decision. All other decisions become final agency decision after 15 days. Information on Requests for Review is available here: http://www.scdhec.gov/Agency/BoardofDirectors/GuidetoBoardReview/

Frequently Asked Questions Regarding Reclassification

Q: How often will DHEC inspect my dam now that it has been reclassified?

A: If a regulated dam is reclassified to a High or Significant Hazard from a Low Hazard, DHEC engineers will perform a preliminary inspection of the dam every two years for High Hazard dams and every three years for Significant Hazard dams. These inspections will look at operation, maintenance, and repair of the dam and may generate needed actions by the dam owner such as lowering of water level, removal of trees, cleaning of spillways, etc. The Department typically only performs hazard classification inspections every 5 years on Low Hazard dams.

Q: Why am I just now being reclassified when the homes/road/buildings have always been there?

A: DHEC's Dam Safety Program strives to stay current with hazard classification evaluations. This requires the use of significant resources including trained staff, aerial photography, topographic mapping, and inundation mapping programs. Improved access to these resources is allowing us to assess the hazard classification of dams more efficiently and more frequently. In addition, since 2016 the Department considers roadways with Annual Average Daily Traffic (AADT) count of 400 cars per day or greater to be "main" highways. This approach is consistent with that adopted in North Carolina, Virginia, and other states to protect against the likely loss of life.

Q: Now that my dam has been reclassified from a Low Hazard to a Significant Hazard do I need an Emergency Action Plan?

A: Yes, all High and Significant Hazard dams are required under the South Carolina Dams and Reservoir Safety Act and regulations to develop an Emergency Action Plan to guide you through emergency situations at the dam. DHEC has developed a template for the plan that you may use.

Q: Will I need to immediately upgrade spillways at the dam to pass higher flows?

A: The Department does not require that spillways of regulated dams be immediately upgraded to pass the design floods contained in Table I of the South Carolina Dams and Reservoir Safety Act Regulations (R.72-1 through 72-9). Spillway upgrades will be required when a repair to the spillway structure is deemed necessary by the Department or the dam owner's consulting engineer. This typically happens when pipes and risers reach the end of their design life and begin to show evidence of cracking, spalling, separation, etc.

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