

# REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

**Tracking Number:** 7.

**Date of Request:** April 16, 2008

**Date Request Received:** April 29, 2008

**Board Meeting Date Requested:** May 5, 2008

**Board Meeting Date Assigned:** May 5, 2008

**Short Title:** Resolution Approving The Revised Scope And Cost Of Mill Creek Dredging, Phase 2 And Phase 3, Water Resources Grant.

- Request Status:**
- Request is proceeding to Board of Commissioners
  - More information is needed – see attached
  - Request on hold –no further information needed
  - Other:

**Background:** Several Homeowners Associations, along the AIWW and feeding inlets, have taken advantage of NC DENR Water Resources Grants. This program pays 80% of the cost of waterway clearing projects that enhance water quality while improving navigability and allowing for public access. Mill Creek Waterway Restoration, Inc. has been formed for the express purpose of undertaking this dredging project. NC DENR has already approved initial funding for this project in the amount of \$80,000, and a subsequent amount of \$195,000 (phase III), with the acknowledgment that, "this is only a portion of the funds required and that it is the intent of the State to fund the remainder during the Spring State-local grant cycle".

*(Administrative Use Only)*

The County provides NO funding for this project, however, the County is fiscally responsible as the pass-through agency for this project. The County has an agreement with Mill Creek Waterway Restoration, Inc., making them responsible for performance under the terms of this grant.

**CONTRACT TYPE**

- Renewal
- For Service(s)
- Intergovernmental – County as Grantee
  - Federal Grantor
  - State Grantor
  - Grant or
- County as Grantor
  - County Funds
  - Other Funds: Pass Through Funds
- Revision
- For Equipment

This project has increased in scope because the original spoils site was a subject of heir property and a new location had to be sited and negotiated. The largest problem encountered was the discovery, during the CAMA and Corps permit process that there was more materials to be dredged, thus increasing the cost. Mill Creek Waterway Restoration, Inc., has retained the Engineering Firm of Gahagan & Bryant Associates, who have verified the dredging volumes and anticipated cost increases. This project is now expected to cost \$892,123, of which, 80% or \$713,698 is requested in the form of a Water Resources Grant from NC DENR.

**PURCHASING** Budgeted Item:  Yes  No  
 Date Rec'd:  Reviewed and Approved  
 Comments on Reverse

Date Sent: \_\_\_\_\_ Signed: \_\_\_\_\_

**ATTORNEY**  Reviewed and Approved  
 Date Rec'd:  Legal Problem(s)  
 Comments on Reverse

Date Sent: \_\_\_\_\_ Signed: \_\_\_\_\_

**FINANCE** Sufficient Funds  Available  
 Date Rec'd  Not Available  
 Budget Amendment Necessary  
 Budgeted Amendment is Attached  
 Comments on Reverse

Date Sent: \_\_\_\_\_ Signed: \_\_\_\_\_

**Specific Action Requested:** The Board of Commissioners is requested to approve this revised application to NC DENR for the additional scope of this project.

**CLERK** Signature(s) Required:  
 Board Chairman/County Manager  
 Other:

Requested by: Melinda Knoerzer  
 Department: Pender Utilities Office  
 Title: Administrative Assistant  
 Contact Phone: 910.259.1521  
 Contact Fax: 910.259.1579

Date Rec'd Approved by Board:  Yes  No  
 At meeting on

**RESOLUTION FOR STATE ASSISTANCE  
FROM THE NORTH CAROLINA  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

***MILL CREEK WATERWAY RESTORATION, INC.,  
MILL CREEK DREDGING, PHASE 2 and PHASE 3  
Revised May 5, 2008***

**WHEREAS**, The Pender County Board of Commissioners desires to sponsor the Mill Creek waterway complex dredging project on behalf of MILL CREEK WATERWAY RESTORATION INC., to restore channel depths as approved by the Department of Environment and Natural Resources-Division of Coastal Management and

**WHEREAS**, this project will provide for less hazardous navigation, improve the water quality, and preserve small boat, low-tide access to homeowners, their guests, other members of the boating public including commercial fisherman throughout the Mill Creek complex.

**WHEREAS**, Mill Creek Waterway Restoration Inc. has entered into an agreement with Pender County Board of Commissioners whereby Mill Creek Waterway Restoration Inc. shall pay the sponsor's share of the projected cost, and

**WHEREAS**, Mill Creek Waterway Restoration Inc. has obtained suitable spoil disposal area as needed and will obtain all other easements or right-of-ways that may be necessary for the construction and operation of the project with out cost or obligation to Pender County or the State of North Carolina.

**NOW, THEREFORE BE IT RESOLVED THAT:**

1. The Pender County Board of Commissioners requests that the State of North Carolina provide assistance to Mill Creek Waterway Restoration Inc. for the Mill Creek complex dredging project in the amount of \$713,698 or 80% of the project cost, whichever is the lesser amount;
2. The Pender County Board of Commissioners assumes full obligation for payment of the balance of project costs;
3. The Pender County Board of Commissioners will obtain all necessary State and Federal permits;



**MILL CREEK DREDGING PROJECT BUDGET (Phase 2 and 3)**

**(Revised 4/28/2008-rev0)**

	Budget
<b><u>Spoil Site Approval &amp; Use.</u></b>	
Surveying, (completed)	\$ 6,600.00
Wet-land delineation study, (completed)	\$ 2,426.00
USACE Consent Agreement (completed)	
USACE Fees	\$ 1,550.00
GBA Engineering Fees for preparation, spoil material sampling & testing	\$ 4,332.00
Spoil site owner's dredging material disposal fee (\$0.50/CY)	\$ 14,360.00
<b><u>Construct Spoil Disposal enclosure( 6.9 acre site)</u></b>	
Design (PE) fees (complete)	\$ 7,240.00
Site clearance, construct dikes, spill-ways & piping, & erosion control, seeding,	\$ 135,000.00
<b><u>Dredge Channel Design</u></b>	
GBA Engineering Fee-Finalize Design (complete)	\$ 4,240.00
GBA Engineering Fee-Prepare Specifications (complete)	\$ 8,352.00
<b><u>Dredging Operation</u></b>	
Mobilization, De-mobilization and set-up.(incl.piping premiums)	\$ 130,000.00
Hydraulic excavation & pumping w/ booster station	
24709 CY @\$14.24 per CY excluding site #4A and 4B	\$ 351,856.00
2767 CY @ 25.14 per CY Site #4A-Horne Creek Extension*	\$69,562.00
1244CY @ 25.14 per CY Site #4B-Interconnecting Channel-Horne Creek *	\$31,274.00
Hydrographic surveys after dredging	\$ 19,500.00
<b><u>Construction Contract Preparation and Administration</u></b>	
Contract Procurement	\$ 5,960.00
Contract Management	\$ 20,640.00
<b><u>CAMA Major Permit</u></b>	
CAMA permit fee	\$ 875.00
Consulting Fees	\$ 2,087.00
GBA engineering fee-permit revision site 4A & 4B	\$ 11,000.00
Hydrographic surveys before dredging - all sites except 4B	\$ 17,400.00
Hydrographic survey before dredging - Site 4B	\$ 1,112.00
<b><u>Liability &amp; DnO insurance</u></b>	\$ 2,500.00
<b><u>Project administration costs</u></b>	\$ 1,500.00
<b><u>Legal fees</u></b>	\$ 1,462.00
<b><u>Tidal water quality testing (before and after dredging)</u></b>	\$ 5,295.00
<b><u>Contingency( increased dredging volumes from silting-up since surveys, etc)</u></b>	\$ 36,000.00
<b><u>Total</u></b>	<b>\$ 892,123.00</b>

\* Subject to approval of revision to CAMA Major Permit

MILL CREEK WATERWAY RESTORATION INC.

Explanation of revised budget for dredging project.  
April 28 2008

The dredging industry has been affected by the following cost increases in the last year:-

- Steel pipe cost per foot has more than doubled to \$28-30.
- Diesel fuel has increased from less than \$3/gal. to over \$4/gal.

The Mill Creek dredging project budget has been revised to take these cost increases into account as follows:-

- Mobilization/demobilization increased by \$30,000 to cover added piping & other costs.
- This budget includes the addition of dredge sites #4A & 4B Horn Creek Extension for which a revision to the CAMA major permit has been submitted.
  - Based on an engineering study by Gahagen & Bryant, the cost of dredging Sites #4A and 4B due to site conditions will now be a premium \$25.57 /CY including \$2.64/CY for the increased cost of diesel.
- For the other more readily accessible sites, the higher cost of diesel fuel will result in a \$1.19/CY increase to the dredging cost.
- In order to determine the effect of dredging on the water quality due to increased tidal flushing and the removal of bacteria laden silt, NCDENR DWR has agreed to the inclusion of \$5,295 in the budget for professional water quality sampling & testing before and after dredging by Aquaco Aquatic Analysis & Consulting LLC of Wilmington (including lab sample analysis by Envirochem of Wilmington, a DWQ certified laboratory.)
- And since in some cases due to project delays beyond our control, the hydrographic surveys are two years old, we have included a contingent amount of \$36000 against the possibility that there may (a) additional silting and hence additional dredging volume, plus (b) other cost factors as yet not firm.

The contract for the construction of the spoil disposal site has been finalized and its' costs are firm, as are most other project costs with the exceptions cited for dredging .

The revisions to the major CAMA permit to include the Horn Creek Extension sites #4A & 4B have been finalized in accordance with agreements reached during the pre-application conferences and submitted for approval (which we understand will not be withheld.)

MCWR Inc. is fully funded to pay for both the 20% of the revised project cost not funded by the Grant request plus the 10% of the Grant to be held back by the County.

Respectfully,

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Stuart Mossman, President, MCWR Inc.