

SHORELINES – February 2006
As presented to the *Island Review Magazine*.

R.I.P. – Morehead City Section 933 Project in 2006

In last month's edition of *Shorelines*, we summarized the Federal appropriations for beach nourishment and waterway dredging contained in the FY 2006 Energy & Water Development Appropriations Bill that was signed into law with the President's signature on November 21, 2005. This annual spending bill totaled \$30.5 billion and funds the U.S. Army Corps of Engineers-Civil Works (Corps), the Department of Interior including the Bureau of Reclamation, the Department of Energy, and several Independent Agencies. Of this total, \$5.4 billion was allocated for the Corps to perform navigation, water supply, flood damage control (beach nourishment & shore protection), and host of other functions for the Nation.

It is important to note that since the last edition of *Shorelines*, Congress has approved an additional \$29 billion for hurricane recovery efforts along the Gulf and Atlantic coasts, with \$2.9 billion, or 10% of the bill slated for Corps structural and environmental repairs that were directly associated with *Katrina*, *Ophelia*, *Rita*, or *Wilma*. This package was attached to the contentious FY 2006 Defense Appropriation Bill that at one time included oil exploration provisions for ANWR.

However locally, the highlight of these appropriations was the \$3 million earmarked for the Morehead City Harbor Section 933 Project that would place sand dredged from the ocean bar of the Morehead City Harbor along the shorelines of Pine Knoll Shores (PKS). The ocean bar is dredged annually and we were successful in placing this material along the shorelines of Bogue Banks in 2004 (Indian Beach/Salter Path and the westernmost 2,200 feet of Pine Knoll Shores). The sediment quality was deemed excellent by just about everyone and Indian Beach constructed three new beach access facilities (with parking) for the common good and to fulfill Corps regulations regarding beach access, i.e., the Federal taxpayer that helped pay for the project shall have fair access to the beach.

This year's Section 933 Project was a long time coming. Initially PKS was to receive dredged material from the upland disposal facility of Brandt Island, located just north of Ft. Macon that serves as a temporary holding basin for shoal material dredged on a biennial basis from the inner harbor at Morehead City. Brandt Island essentially becomes "full" every decade and the island is "pumped-out" to the beaches of Ft. Macon and Atlantic Beach. During the planning stages for the last pump-out, a design was developed to share the sand among three provinces – Ft. Macon, Atlantic Beach, and PKS. In 2004, the first year of the planned "pump-out", the dredging bid was the source of a court case and the pump-out was stalled for a year thanks to legal proceedings. Last year the pump-out occurred, but a preponderance of the sediments encountered were mud or fine-grained sand that simply prevented the material from being pumped across the distance that was originally anticipated, and PKS was not nourished.

Project leaders returned to the chalkboard to develop a plan for 2006 and targeting the Outer Harbor (Ocean Bar) at Morehead City was an obvious and preferable choice considering that the sand dredged from the Ocean Bar is part of the sand sharing system that exists between adjacent beaches. And similar to Indian Beach in 2004, PKS was working diligently to secure additional public access points and parking spaces along the town's shoreline. The \$3 million secured in the FY 2006 Energy & Water Development Appropriations Bill mentioned above was a welcomed sign of relief subsequent to all of these efforts.

However in early December, the Corps received a lone bid from Bean Stuyvesant for the dredging solicitation that was structured to include; (a) dredging of the outer harbors

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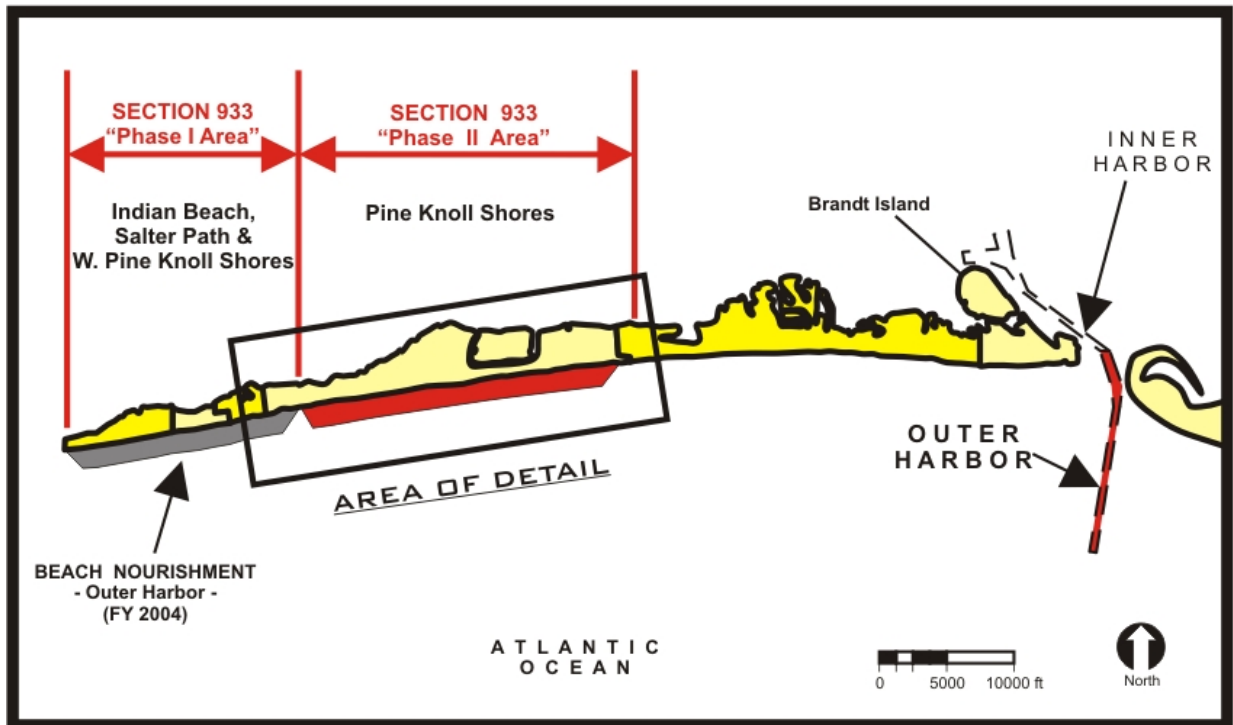
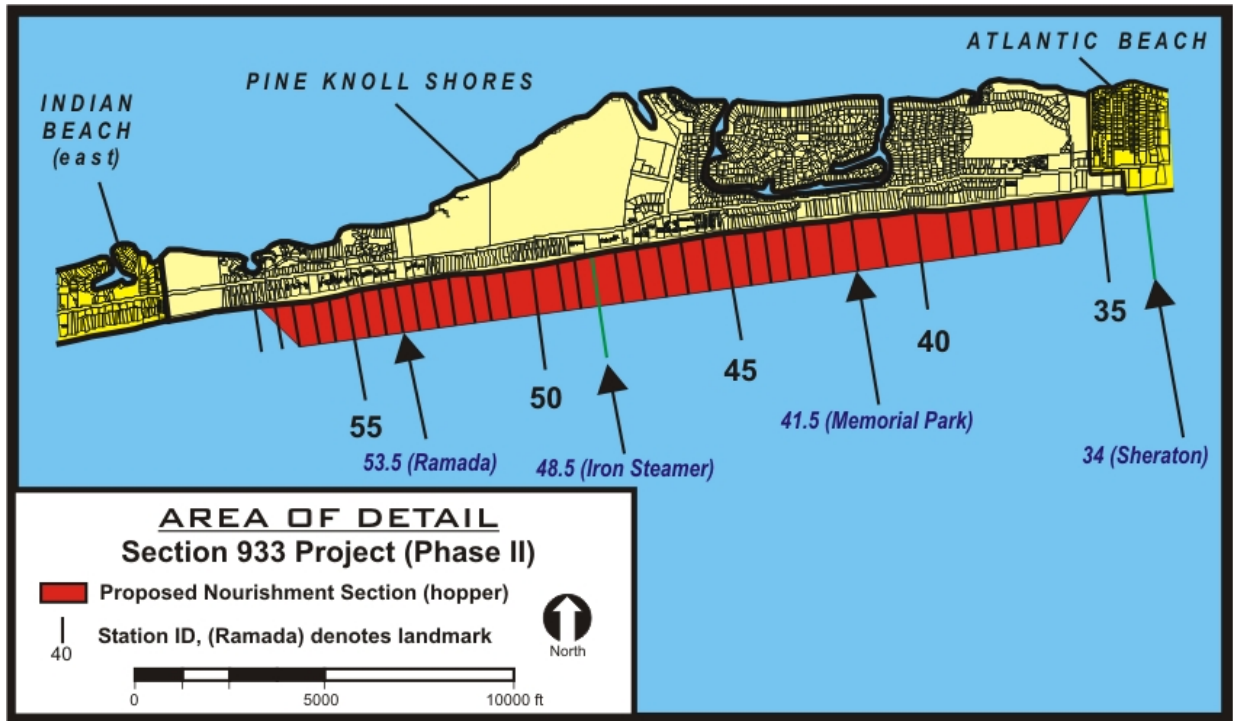
and offshore disposal at **both** the Morehead City and Wilmington Harbors as the “base plan”, and (b) an all important option for Morehead City to place sand along the shorelines of PKS rather than disposing the material in offshore disposal sites. The option represents the incremental cost of placing sand along the beach rather than dumping the material in approved offshore disposal sites, and is essentially the Section 933 Project. All the work outlined above entails the use of a hopper dredges(s) and the total cost outlined in the bid for the Wilmington, Morehead City Harbor Base Plan and Section 933 option was \$15,488,436; the government estimate was \$9,715,600. If the Section 933 cost is isolated for PKS, the bid received was \$9,712,500; the government estimate was \$4,253,500. That’s well above the 25% margin of error that the Corps has to abide by in order to award a bid. There were also last minute attempts to gain additional funding in the hurricane supplemental package that was passed with Defense Appropriation Bill in late December, but these efforts failed as well.

If the “base plan” costs are isolated that include dredging with offshore disposal only, we see that the bid was \$5,775,936; the government estimate was \$5,462,100. This is within the confines of the government estimate and the contract for the base plan at Morehead City and Wilmington Harbors should be awarded by the time this edition of the *Island Review* goes to press. There will be no Section 933 Project for 2006.

Interestingly and almost just as discouraging, the Wrightsville Beach Renourishment Project that would utilize a pipeline a dredge also received only one bid (Great Lakes Dredge & Dock) and it was also greater than 25% above the government estimate. There are numerous factors at play to explain the high bids North Carolina is experiencing this year, but obviously the workload thrust upon the dredging industry in Florida and the Gulf in the wake of the 2004 and 2005 hurricane seasons is creating a huge demand with only so much equipment (supply) to meet the National need. Couple this overlying factor with rising fuel costs, rising steel prices, the timing of the bid solicitation, and the bid structure itself; which equates to a real conundrum for beach nourishment (and making final arrangements for beach access) along Bogue Banks and the State this year, and maybe into 2007.

So what’s next? Back to the chalkboard armed with the fact we should; (a) expect higher dredging/pumping costs, (b) it would behoove the Corps/local sponsors to solicit bids for 2007 as soon as possible, and (c) manage the Federal funds previously appropriated for this project that the local constituents has lobbied intensely for in a manner that will flex with changing conditions.

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Schematic depicting the FY 2006 Morehead Section 933 Project that included outer harbor maintenance with concurrent beach nourishment along the shorelines of Pine Knoll Shores. High dredging costs has suspended the project until FY 2007.