



REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
WILMINGTON DISTRICT, CORPS OF ENGINEERS
69 DARLINGTON AVENUE
WILMINGTON, NORTH CAROLINA 28403-1343

February 13, 2014

Environmental Resources Section

The Honorable Walter B. Jones
United States House of Representatives
2333 Rayburn House Office Building
Washington, DC 20515

Dear Representative Jones:

This is in response to your February 5, 2014, letter which expressed concerns about the draft Morehead City Harbor Dredged Material Management Plan (DMMP). The U.S. Army Corps of Engineers, Wilmington has developed the DMMP in accordance with Engineering Regulation (ER) 1105-2-100 and 33 C.F.R. § 335.7, which require a 20-year dredged material disposal plan that includes disposal options that are least cost, environmentally acceptable, and engineeringly sound. This response will address those issues within the purview of our agency; we expect the National Park Service (NPS) to respond separately regarding its policies and considerations with respect to the DMMP.

As you noted in your letter, Carteret County sued the Corps in December of 2007 due to its displeasure with the dredged material disposal practices that had been in place for the Morehead City Harbor Project (MCHP). Please note, however, that the Corps' decision to prepare a DMMP for the MCHP was made before the lawsuit was filed. As the enclosed letter demonstrates, the Corps had committed effort and funding to this endeavor in advance of Carteret County's legal action, and has always recognized that creating a thorough plan for dredged material disposal is important to the long-term success of the navigation project and the port. While the settlement agreement we signed did include a commitment to complete the DMMP, there were no commitments made about where dredged material would be placed. As you can appreciate, the Corps must place dredged material in a manner that follows good long-term engineering practices, is environmentally responsible, and provides the lowest cost to the government.

Since the 1970's, the Corps has recognized that dredging of the Morehead City Harbor channel has detrimental effects on the natural sediment balance of the Beaufort Inlet Complex, which includes the ebb tide delta and beaches on both sides of the Inlet. For this reason, the Corps has always recommended that the beach-quality sediment dredged from the navigation channel be disposed of on Bogue Banks and Shackleford Banks. In the past, the NPS, who manages Shackleford Banks, declined the disposal of sand on Shackleford Banks. So, to date, all beach disposal of dredged material from the navigation channel has been on Bogue Banks.

Following review of the coastal analysis that was completed for the DMMP, the NPS, for the first time, requested that the Corps consider disposal of sand on Shackleford Banks as a potential alternative in the DMMP. The NPS indicated that this alternative represents a significant opportunity to address ongoing erosion issues at Shackleford Banks and protects vitally important natural and wilderness resources for future generations. As requested by the NPS, the Corps added this option to the alternatives analysis for the DMMP.

In order to clearly demonstrate that adequate dredged material disposal capacity is available for the next 20 years, the DMMP lays out a specific timetable for each year of the 20-year plan. To minimize the adverse effects of dredging the navigation channel, the DMMP attempts to keep as much beach-quality material in the system as possible, by balancing disposal on the adjacent beaches and nearshore placement areas. Based on the alternatives analysis, the current DMMP recommended plan is for the coarse-grained (≥ 90 percent sand) dredged material to be returned to the adjacent beaches and nearshore areas in ratios comparable to calculated sediment losses. Volumetric loss calculations show that 57 percent of the material is lost from the Bogue Banks side of the Inlet and 43 percent of the total losses come from the Shackleford Banks side. With this approximate 57/43 split of sediment entering the navigation channel from the west and east, material should be returned to the beaches in similar ratios during future beach disposal operations. Likewise, volumetric sediment loss calculations for the ebb tide delta indicate that 78 percent of the sediment losses are from the west lobe (the Bogue Banks side) while 22 percent of the losses are from the east lobe (the Shackleford Banks side). With this approximate 78/22 split of sediment entering the navigation channel from both the west and east lobes of the ebb tide delta, material should be placed in the nearshore areas in similar ratios during future placement operations. These ratios may be re-evaluated based on the performance of the material disposed of and beach disposal limits may be adjusted to maximize the benefits while minimizing costs and environmental impacts. Although the recommended plan would result in less sand being disposed of on Bogue Banks in the future than the currently-utilized Interim Operations Plan projects, the quantity of dredged material expected to be placed on the beaches of Bogue Banks is approximately 684,000 cubic yards every 3 years. This volume of dredged material more than offsets the Bogue Banks annual erosion rate of approximately 219,000 cubic yards per year within the area of inlet influence, which includes all erosion, not just erosion caused by maintaining the navigation channel. It should also be noted since 1978, over 16 million cubic yards of sand from the Morehead City Harbor navigation channel have been placed on Bogue Banks at 100 percent federal cost.

The NPS has the option at any point during implementation of the 20-year DMMP to decline disposal of sand on Shackleford Banks; however, the draft DMMP does not include information regarding the metrics that would be used by the NPS to decide whether or not the Service will decline sand. We agree that these metrics would benefit the final DMMP and will request input from the NPS to allow us to add this information to the final report if at all possible. Although the NPS option to decline sand at any point during the DMMP adds some uncertainty to the plan,

of greater concern is the Operations and Maintenance (O & M) budget which may result in significant uncertainty on an annual basis regarding the size and type of dredging operation that the Corps will be able to carry out to keep the port at Morehead City operating adequately. For this reason, the DMMP specifically states: “[t]he three year dredging cycle proposed for the DMMP assumes that funding will be available to dredge and monitor as planned, appropriate dredge equipment will be available, and that unexpected shoaling would not occur. The three year rotational cycle is the base plan, but must remain flexible and adjustable to meet the navigation needs of the Morehead City Harbor Navigation project, therefore, from time to time, the cycle may be adjusted, resulting in fewer dredging events and dredged material quantities that differ from those described in this DMMP. Nothing in this document should be read to suggest that material will be dredged for the purpose of disposal on the beaches or in the nearshore, or for any purpose other than addressing navigability priorities.”

Your concern regarding the average annual cost of the plan versus the annual O & M budget is valid, and an important concern for our agency as well. As documented in the DMMP, ER 1105-2-100 requires that federal navigation projects demonstrate sufficient dredged material disposal capacity for at least the next 20 years. To ensure that dredged material disposal capacity is adequate, all DMMP analyses, including sediment volumes and costs, are based on maintaining the Morehead City Harbor channel to its fully authorized dimensions regardless of whether or not adequate funding is available to do so. The high cost of the DMMP is due in part to the requirement to develop a plan that dredges the full channel dimensions, which results in an annual dredging volume of about 1.3 million cubic yards, higher than the historic amount of approximately 1 million cubic yards per year that our budgets have allowed us to dredge. Also, all cost estimates in the DMMP include a contingency of 26 percent. The highest DMMP costs are those associated with beach disposal. Although it would cost slightly more to go to the beaches of both Bogue Banks and Shackleford Banks than to go to one beach only, the cost difference (about 4 percent more than the cost to go to one beach only) is relatively minor, and continuing to return sand to one beach only, when both are losing sand, is not a good long-term engineering practice. We recognize that there is a discrepancy between the cost of implementing the DMMP and the annual funding provided to maintain the navigation channel. As you have requested, we will continue to investigate ways to reduce the cost of the DMMP, including all reasonable options regarding the timing and frequency of beach disposal.

The Morehead City Harbor DMMP is currently a draft document and no decision regarding the final recommended plan has yet been made. All comments received during the public review period will be considered during development of the final DMMP, which will also be circulated for public review.

I understand the importance of this DMMP to the beaches of Carteret County and appreciate your interest in this matter. We will strive to develop a final DMMP that considers the interests of all parties affected by maintenance of the Morehead City Harbor navigation project, while still upholding our mandate to dispose of material in the least cost, environmentally acceptable, and engineeringly sound manner.

If you need additional information, please contact me or have a member of your staff contact Ms. Jenny Owens, Environmental Resources Section, at (910) 251-4757.

Sincerely,

A handwritten signature in black ink, appearing to read 'SAB', is positioned above the typed name.

Steven A. Baker
Colonel, U.S. Army
District Commander

Enclosure



**DEPARTMENT OF THE ARMY
WILMINGTON DISTRICT, CORPS OF ENGINEERS**

P. O. BOX 1890
WILMINGTON, NORTH CAROLINA 28402-1890

IN REPLY REFER TO

August 15, 2007

Office of Counsel

Honorable Douglas W. Harris
Chair, Carteret County Board of Commissioners
P.O. Box 3006
Atlantic Beach, NC 28512

Dear Chairman Harris:

Thank you for the opportunity to meet with the Commissioners and other County representatives on July 9, 2007 to discuss your concerns regarding the Morehead City Harbor Project (MCHP). I understand that your goal is to have all of the beach quality material dredged during maintenance of the MCHP placed on Carteret County beaches. To that end, you have requested that the Wilmington District prepare a new Dredged Material Management Plan (DMMP) for the project, as well as a new National Environmental Policy Act (NEPA) document and a new consistency determination pursuant to the Coastal Zone Management Act (CZMA).

My staff and I explained at our meeting that the Wilmington District intends to complete a new DMMP for the project. The development of that DMMP may include a new NEPA document, and/or a new CZMA consistency determination, depending on what options are developed and considered viable within the DMMP process. At a minimum, I expect the new DMMP will address the issues of alternatives to our current disposal methods at Brandt Island, and an analysis of data collected on the movement of the nearshore berm.

As you are aware, from the mid-1970's until 2005, both beach quality material and material unsuitable for beach disposal (unsuitable material) dredged from the Inner Harbor of the MCHP was placed in the Brandt Island upland disposal site. Every eight to ten years the suitable material was taken from Brandt Island and placed on approximately 25,000 linear feet of beach from Fort Macon State Park to Atlantic Beach. In 2005, the Wilmington District attempted to place material from Brandt Island along Bogue Banks beaches beyond the 25,000 linear feet pursuant to a Section 933 project. At that time, we discovered that the beach quality material in Brandt Island had become mixed with unsuitable material, and could not effectively be placed on the beach. Since that time, beach quality material from the Inner Harbor has been placed directly on the beach at Fort Macon, and unsuitable material has continued to be placed in Brandt Island. Because we have not removed material from Brandt Island for several years, Brandt Island has reached capacity, and is currently unavailable for disposal of unsuitable material. The Wilmington District therefore should and will consider alternate disposal methods for the disposal of both suitable and unsuitable material from the Inner Harbor.

The Wilmington District will also review the data it has collected on the nearshore berm, which you believe has not been moving toward shore as predicted in our August 1994 Environmental Assessment (EA). We intend to determine, to the extent possible and practicable, what has happened to the material since placement in the nearshore berm, and consider whether our current practice of placement of material in the nearshore berm should be modified.

My staff is currently engaged in preliminary work on a new DMMP that would include the evaluation of options for the disposal of material from the MCHP. Completed work includes a full geotechnical analysis of the entire project with a look at where suitable and unsuitable material has historically been located within the project limits, a topographic survey of Brandt Island, and some preliminary feasibility designs for the possible expansion of Brandt Island. Our coastal engineering staff is currently working on a shoaling model that will predict the amount of project material we can expect to dispose of over the next twenty years.

The District currently intends to reserve and expend \$500,000 in federal funds in fiscal year 2008 to further the DMMP. The tentative schedule for the DMMP is to complete the scope of work for the DMMP by October of this year and reach the Alternative Formulation Briefing milestone by July 2008. A more complete schedule for the completion of the DMMP will initially be developed by the Project Delivery Team (PDT), subject to approval by the District Commander, as well as our South Atlantic Division and Headquarters. I reiterate my invitation to appoint a County employee to serve as a member of that PDT, and participate fully in the development of the DMMP. We also propose to hold regular quarterly meetings with a larger group of public participants, which could include Commissioners, to discuss progress on the DMMP.

Really
think this
will help
us all.

Current Corps policy is that the disposal method for navigation projects be the "least costly alternative, consistent with sound engineering practices and selected through the 404(b)(1) guidelines or ocean disposal criteria [the Federal Standard]." 33 CFR Section 336.1(c)(1). We currently compare the cost of disposal alternatives simply by comparing the cost of dredging using those alternative disposal methods. I am willing, as part of the DMMP process, to explore the idea of considering costs of disposal alternatives from a more holistic, and perhaps a regional, standpoint, as well as to take a very hard look at what constitutes sound engineering practices within the context of the Federal Standard.

The Federal Standard is the disposal option that will be funded with Navigation Operations and Maintenance funding. We discussed at our meeting opportunities, such as the Section 933 authority, for placing dredged material on the beach, where at least some of the difference in cost between the Federal Standard and beach disposal is paid by a local sponsor. Please feel free to call me or a member of my staff if you wish to discuss those opportunities.

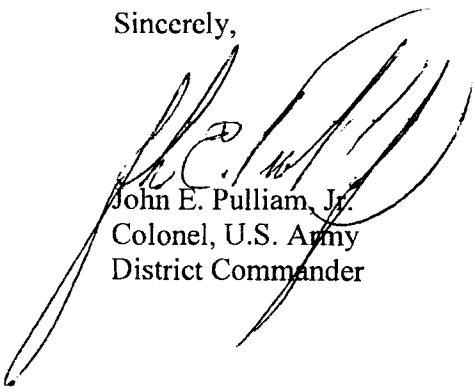
As you are aware, Section 2037 of the WRDA 2007 agreed to by the House and Senate conferees, if passed and signed into law, may impact decisions made in the DMMP process.

Through your attorney, you have provided a draft Memorandum of Agreement in an effort to resolve this matter. I have explained to you what I will direct my staff to do with regard to preparation of a DMMP, subject to receiving the necessary funding to do this work. I will, however, not agree to execute this Memorandum of Agreement (MOA). The MOA requires that the District complete work on the DMMP within prescribed timelines, and includes as a consequence of our inability to do that work your right to enforce the Agreement in Federal court. While I fully intend that the District perform the work outlined in this letter, I am not willing to create what you intend to be a contractual obligation to do so.

I look forward to working with Carteret County on these issues.

*Please feel free to
call any time to
discuss.*

Sincerely,



John E. Pulliam, Jr.
Colonel, U.S. Army
District Commander

Copy Furnished:

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