



Memo *Streets & Stormwater Department*

Streets & Traffic • Stormwater • Natural Resources

**TO: Chairman Doane and Members of the East Naples Bay
Advisory Committee**

FROM: Gregg R. Strakaluse, Director

DATE: January 27, 2015

SUBJECT: Dredge & Rock Removal Update

Staff would like to provide this written update to Committee Members on activities related East Naples Bay dredging.

Permit Status

Mr. Bryan Flynn has prepared the attached memorandum which summarizes his efforts to communicate with the permitting agencies to extending the Florida Department of Environmental Protection (FDEP) and U.S. Army Corps of Engineers permits that allow the City to complete its dredge project within the canal system of East Naples Bay. It's important to note that permit extensions are only required if the intent is to cut through bedrock, remove rock and achieve the -5.4' NGVD canal depths allowed for in the permits. When the project is completed to either the permit conditions, any future maintenance dredging would be exempt from needing FDEP or USACE permits as long as the maintenance returned the canals to the same conditions as certified by the Engineer of Record. FDEP and the USACE would need to be notified prior to maintenance dredging, but a permit is not required. At this time, between 1,400 and 2,275 cubic yards of bedrock still exists above the permitted depth throughout canals and is preventing this project from being deemed 100% complete.

Financial Summary

In 2012/13, Energy Resources was paid \$1,832,182 for work done to remove approximately 22,000 cubic yards of sediment and rock. Liquidated damages were assessed in the amount of \$17,088.10 for late completion. \$30,361 has been paid to the Engineer of Record (Atkins) to assist the City in modifying the plans and specifications to rebid the project as a Rock Removal Phase II project that received only three bids from companies deemed "unqualified". Funds generated for the project are through the East Naples Bay Special Taxing District. The District is estimated to generate \$223,550 in revenue. The District currently has a \$1.6 million interfund loan with the City to repay expenses associated with the recent dredge project. The interest rate on the loan is established annually based on the May 1st Bloomberg 10-year Municipal Bond Rate, which for 14-15 is 2.31%

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Canal Conditions

Throughout the 2012-2013 dredge project, the majority of East Naples Bay residents were cooperative and understanding. The dredge project had caused significant disruption and delay for boaters, vibration and noise to residents, and some property damage that has since been repaired. A dredge operation can be an inconvenience to property owners for many reasons. A rock removal operation has significantly more issues of concern for property owners since the removal operation proceeds much slower than a sediment dredge operation and requires loud equipment to chip away at bed rock, thereby causing vibrations that can penetrate a home. Besides the inconveniences to the public, there are also increased risks from the operation.

Since the Phase I Dredge Project wrapped up in 2013, staff has received only one notification about inadequate canal depth. That is in the Curlew Canal. The notification came from Mr Scott Hopkins of the Naples Bay Resort on March 20, 2014. At this time there is approximately 77 cubic yards of rock that still exists above the -5.4' design depth. Some of this rock was noted as problematic to members of the resort. Mr. Hopkins offered to assist in finding a rock removal company, however, there have been no results from this effort. Staff has not received any other notifications regarding inadequate canal depths or navigation issues in East Naples Bay.

Going Forward

Staff has identified two options for the Committee's consideration:

1. Modify the permits for a 2-5 year extension with the intent of completing rock removal within that time period. There has been no indication that a regional company with the necessary experience and qualifications exists that can or desires to perform this work. Over the past year, staff has inquired among industry representatives such as Quality Enterprises, Gator Dredging and C&M Dredging; however, these companies have expressed little interest in removing the bed rock within East Naples Bay. Much of the remaining rock exists in canals with old sea walls, around pilings and boat docks. The potential damage to private property adds to the complexity and cost for contractors.

Permit modifications and rebidding Phase II Rock removal again is estimated to cost approximately \$25,000 in Atkins services. Rock removal construction costs for the remainder of this project is estimated between \$650,000 and \$975,000 (possibly higher considering the rebounding economy). Additionally, construction engineering and inspection, as performed by Atkins, is estimated at \$60,000. **Total estimated costs for this option is \$1,060,000**, not including City staff time.

2. Certify the project complete "as is". Existing bedrock remains and all future sediment dredging is then exempt from permitting to the canal depths certified by the engineer in 2013. This option allows for sediment and loose rock to be removed from canals as part of ongoing maintenance with only notification to FDEP or USACE. Project close out requirements with the permitting agencies is estimated to cost \$10,000 through Atkins.

If you have any questions on this matter, please contact me at this office. Thank you

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