

Memo To: Holden Beach Board of Commissioners

16 May 2023

RE: Emergency Dredging of the Lockwood Folly Inlet

From: Town Manager

Navigation in the Lockwood Folly Inlet has reached emergency status due to severe shoaling of the inlet which has prohibited use of the federal dredges normally used for this purpose. The inlet is so shoaled in that the US Coast Guard has pulled the navigation buoys.

Staff has coordinated with Dare County, Brunswick County, the Oregon Inlet Task Force, EJE Dredge Service and required regulatory agencies to obtain permissions and capability required to attempt an emergency dredging of the LWF Inlet. Final dredge corridor approval is pending and will be required before commencement of emergency maintenance dredging.

The total cost of the project is scoped at a not to exceed amount of \$850,000 with NCDWR providing 75% grant funding and Brunswick County/Holden Beach splitting the other 25% match.

Emergency dredging could begin by week's end with Board approval.

#### RECOMMENDATION

Approve EJE MOA and associated budget amendment for emergency dredging of LWF Inlet.

**MEMORANDUM OF AGREEMENT  
BETWEEN  
TOWN OF HOLDEN BEACH, NORTH CAROLINA  
AND EJE DREDGING SERVICE, LLC  
“EMERGENCY DREDGING OF THE LOCKWOOD FOLLY INLET”**

This **MEMORANDUM OF AGREEMENT**, hereinafter referred to as the "MOA" or "Agreement," made and entered into the day of \_\_\_ May, 2023, between the Town of Holden Beach, North Carolina, hereinafter referred to as "Town," and EJE Dredging Service, LLC, hereinafter referred to as "EJE."

**RECITALS**

**WHEREAS**, S.L. 2018-5, Section 13.7., found that “the maintenance of the State’s shallow draft navigation channels in a manner that keeps those channels navigable and safe and minimizes their closure or degradation is a vital public purpose and proper governmental function and that declines in federal funding and dredging activity have significantly and adversely impacted the ability of the federal government to maintain these channels in a timely manner”; and,  
**WHEREAS**, The N.C. General Assembly further found that “the resulting deterioration in these channels damages the significant portion of the economy of the State’s coastal regions that is dependent on the use of the navigation channels by watercraft. Therefore, it is the policy of the State to support and, when necessary to meet the public purposes set forth in this subsection, to supplement federal maintenance of the navigational channels”; and,  
**WHEREAS**, S.L. 2018-5, Section 13.7.(a-h), appropriated a grant to Dare County, N.C., to partner with a private partner for the construction of a shallow draft hopper dredge for the maintenance of the shallow draft channels located in the State; and,  
**WHEREAS**, Dare County, N.C., and EJE partnered on the ocean certified, shallow-draft, split-hull hopper dredge to provide dredging services for Oregon Inlet, Hatteras Inlet, their surrounding waterways, and the other shallow draft inlets and waterways of North Carolina as directed by the Oregon Inlet Task Force (“OITF”) in conjunction with Dare County; and,  
**WHEREAS**, The Dredge Vessel (“Miss Katie”) is a 156’ x 35’ self-propelled, split-hull hopper dredge that has been specifically developed and designed to ensure the capability to safely navigate the channels and inlets of North Carolina; and,  
**WHEREAS**, As the newest state-of-the-art hopper dredge in the United States, the Miss Katie was delivered and christened in the Fall of 2022, and shortly thereafter was selected by WorkBoat Magazine as one of the “10 Most Significant Boats of 2022” for around the Globe; and,

**WHEREAS**, On March 31, 2023, the Town of Holden Beach, N.C., submitted a formal request to the OITF for use of the Miss Katie, and as such, the OITF voted in the affirmative authorizing a dredging project at the Lockwood Folly Inlet during its monthly meeting held on April 11, 2023; and,

**WHEREAS**, The OITF approval is for a maximum of 30 dredging days contingent upon the conditions of the channels at Oregon and Hatteras Inlets and at EJE's discretion; and,

**WHEREAS**, During Fiscal Year 2021-2022, the U.S. Army Corps of Engineers ("USACE") dredge Murden, which is the USACE dredge plant most similar to the Miss Katie, operated in the Lockwood Folly Inlet from 12/16/2021 - 12/18/2021 (3 days), and removed 3,245 cubic yards at a cost of \$68,400, resulting in a per cubic yardage rate of \$21.08.

**NOW, THEREFORE**, the two entities hereto, each in consideration of the promises and undertakings of the other, as herein provided, do hereby covenant and agree, each with the other, as follows:

- 1) The USACE Wilmington District recently stated that the Lockwood Folly Inlet is not scheduled to be dredged because it has become too shallow. As such, EJE reserves the right to pull out and demobilize from the project, if the condition of the Inlet is too impassable and not safe for the Miss Katie to operate. That said, EJE will not charge for any mobilization and/or any sidcasting that will be necessary to create a pilot channel for the vessel to hopper dredge. EJE will only bill for material that is hopper dredged.
- 2) EJE is responsible for all liabilities associated with the dredge and its operation.
- 3) During the term of this Agreement, the parties agree that EJE will charge a rate of \$17.01, per cubic yard of material that is hopper dredged from the Lockwood Folly Inlet. This cost will include hydrographic surveying for the purpose and use of the dredge vessel.
- 4) Total cost of the emergency dredging of Lockwood Folly Inlet will not exceed \$850,000 without specific written amendment(s) to this agreement.
- 5) EJE will provide the following information and data with each invoice:
  - A. Month, year and location of dredging;
  - B. Total dredge and haul time;
  - C. Daily dredge and haul time, including breakdown time for pumping, to and from wharf or anchorage, transit to and from dump site, and cubic yardage breakdown per dredge and haul hour;
  - D. Total cost for each day;
  - E. Total cost for the entire invoice period;
  - F. Daily dredging summary reports;
  - G. Daily quality control reports;
  - H. Daily production reports via manual soundings for each load;
  - I. Daily cubic yardage production;
  - J. Daily number of loads;
  - K. Start and stop time for each load;
  - L. Transit time to dump site for each load;
  - M. Cubic yardage for each load;
  - N. Dredging area and disposal area for each load; and

**O.** Daily weather conditions, including temperature, visibility, and wind.

- 6) Town will approve or make objection to any invoice received within 10 business days after receipt. Within 15 days after receipt, the Town will remit payment unless the invoice is contested.
- 7) Town is responsible for obtaining all environmental permits necessary to dredge and dispose of the material dredged, including coordinating, and submitting any necessary plans to State and Federal regulatory agencies.

**IN WITNESS WHEREOF**, the parties have executed this AGREEMENT on this the \_\_\_ day of May, 2023.

**ATTEST:**

**TOWN**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EJE**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

Ordinance 23-10

An Ordinance Amending Ordinance 22-14, The Revenues and Appropriations Ordinance for Fiscal Year 2022 - 2023 (Amendment No. 16)

**PURPOSE:** To provide funding for emergency navigational maintenance dredging of the Lockwood Folly Inlet.

**SECTION I. Beach, Parks, Access, Recreation & Tourism Fund**

	Description	Account	Amount	Action
<b><u>Revenues</u></b>				
	NCDWR Grant (New)	50.0356.0000	637500	Increase
	Transfer from Beach and Inlet Mgmt CRF	50.0398.0300	106250	Increase
	Miscellaneous BPART	50.0336.0000	106250	Increase
		<b>Total</b>	<b>850000</b>	<b>Increase</b>

**Expenses**

	Description		Amount	Action
	Lockwood Folly Dredging	50.0710.7200	850000	Increase
		<b>Total</b>	<b>850000</b>	<b>Increase</b>

**SECTION II. Beach & Inlet Management Capital Reserve Fund**

The Finance Officer is authorized to transfer an amount up to \$106,250 from the Beach & Inlet CRF to the Beach, Parks, Access, Recreation & Tourism Fund (BPART) in accordance with Section II above.

This the 16th day of May, 2023.

\_\_\_\_\_  
J. Alan Holden, Mayor

ATTEST:

\_\_\_\_\_  
Heather Finnell, Town Clerk