

COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

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December 8, 2014

Christopher Layton
Town Manager
Town of Duck
P.O. Box 8369
Duck, NC 27949

Subject: Invoices 1927842-R8-526 and 1927840-R8-526: Project Update

Dear Mr. Layton:

This letter serves as an update to you and your staff on CPE-NC's progress with regards to the Permitting and Design Services for the Town of Duck Beach Nourishment Project.

Invoice 1927842-R8-526 reflects our efforts in completing 82.5% of the permitting and design scope of work as of November 1, 2014. The increase from the previously reported completion of 81.0% of the scope reflects CPE-NC's efforts during the month of October, 2014. These efforts are associated with development of environmental documents and coordination with the Town, County, and other 2 Towns.

Invoice 1927840-R8-526 reflects our efforts in completing 82.5% of the marine sand search investigation and borrow area design scope of work as of November 1, 2014. Note that the invoice distinguishes between the base cost of the sand search and the contingency associated with vibracores that may or may not be needed. The increase from the previously reported completion of 75.0% of the scope reflects CPE-NC's efforts during the month of October, 2014. These efforts were associated with planning and conducting the final geophysical/cultural resource survey, which was conducted in late October.

Permitting and Design:

Throughout the month of October we continued to address comments received from the Bureau of Ocean Energy Management (BOEM) and the U.S. Army Corps of Engineers (USACE) on the Environmental Assessment (EA), Biological Assessment (BA), and Essential Fish Habitat assessment (EFH). Borrow area composite characteristics were finalized in mid-October and were incorporated into the Final BA and EFH at the end of October. These two documents were submitted to the BOEM and USACE on October 29th, which start the 12 month estimated clock for informal consultation with the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS). We also attended a meeting of the 3-Towns and the County on October 2nd to provide project updates.

To date, we have submitted our draft EA to the USACE and BOEM. BOEM provided comments back on the document and those comments have been incorporated into the Draft EA. We are still awaiting comments back from the USACE on the Draft EA.

Marine Sand Search and Borrow Area Design:

The first half of the month of October was spent finalizing borrow area composites based on vibracores and preliminary geophysical survey results. Composite information was finalized in mid-October. Area A was found to contain approximately 17.0 million cubic yards of beach compatible sand. Area C was found to contain approximately 2.7 million cubic yards of beach compatible sand. All of this material meets the state sediment criteria standards.

During the second half of the month staff primarily focused on planning and conducting the detailed geophysical and cultural resource survey. The survey was conducted between October 20th and October 29th. The survey included the collection of bathymetric, magnetometer, sidescan sonar, and subbottom profiler

data along 30-meter spaced lines. The data is being used to finalize borrow area designs and to determine the presence/absence of any culturally significant resources in the borrow area that must be avoided.

Please feel free to contact me anytime for further clarification or explanation of the project.

Very truly yours,

COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

A handwritten signature in black ink, appearing to read 'K. Willson', is written over a light gray rectangular background.

Kenneth Willson
Project Manager