

COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

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January 13, 2015

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

Subject: Invoices 1950145-R8-526 and 1950147-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 1950145-R8-526 reflects our efforts in completing 85.0% of the permitting and design scope of work as of December 1, 2014. The increase from the previously reported completion of 82.5% of the scope reflects CPE-NC's efforts during the month of November, 2014. These efforts are associated with project management and the development of environmental documentation.

Invoice 1950147-R8-526 reflects our efforts in completing 93.0% of the marine sand search investigation and borrow area design scope of work as of December 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 82.5% of the scope reflects CPE-NC's efforts during the month of November, 2014. These efforts were associated with data analysis and development of the offshore sand resource investigation and borrow area design report.

Permitting and Design:

Throughout the month of November we responded to all 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). The Batched BA and the Regional EFH were subsequently resubmitted to both agencies allowing them to initiate formal consultation with US Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS). We anticipate confirmation that USACE and/or BOEM has initiated formal consultation with either agency in the very near future. The Draft EA was updated in November with additional information regarding the engineered design of the project.

Marine Sand Search and Borrow Area Design:

During the month of November, CPE-NC staff worked on developing the offshore sand investigation report and reducing data collected during the detailed geophysical and cultural resource survey.

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