



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
October 17, 2012**

TO: Mayor and City Council

FROM: Mitch Austin, Recreation Manager
Tim Tucker, City Engineer

SUBJECT: 2012 Marina Dredging Project *Item Continued from 10/3/12 Council Meeting*

DATE: September 28, 2012

RECOMMENDATION:

Adopt Resolution authorizing \$65,000 of Assigned Marina Project funds to complete the permitting process for the 2012 Martinez Marina Maintenance Dredging Project.

Introduction:

The City and Anchor QEA continue to work with the U. S. Army Corp of Engineer's (USACE) and the U. S. Fish and Wildlife Service (USFWS) to obtain the necessary permits to perform the dredge this fall. The USACE changed their earlier decision on whether or not to consult with the USFWS regarding the potential project impacts to the Salt Marsh Harvest mouse, which is a federally listed endangered species.

The area of concern is the existing pickleweed plant within Dredge Disposal Pond #2 which makes up the suitable habitat for the endanger Salt Marsh Harvest Mouse(SMHM). As a result of the USACE's late decision to consult with USFWS, the project permits are not expected to be issued until November. Their decision to study the project impacts has resulted in additional permitting costs and planning costs. Attached is a map showing the Disposal Ponds.

BACKGROUND:

At the February 1, 2012 council meeting, Council authorized Anchor QEA to perform consulting services to provide permitting and design services for the dredging project. Anchor QEA completed the plans, specifications and estimates (PS&E) and the project was advertised for constructions bids on June 30, 2012. Draft permit conditions from permitting agencies were included in the PS&E, since the actual permits were not expected to be issued until after the advertising period.

Sealed bids were opened by the City Clerk at 2:00 p.m. on Tuesday, July 17, 2012. At the September 5, 2012 City Council meeting, the City Council awarded the \$250,000 construction contract to California Dredging Company, as the lowest responsible bidder. The contractor has submitted the construction contract, bonds and insurance documents. Staff is currently reviewing the documents before forwarding to the City Manager for execution.

The contract calls for dredging of 22,505 cubic yards at locations shown on the attached dredge plan. The four areas shown on the plan to be dredged include: 1) the entrance (8,400 cy); 2) the main fairway (2,200 cy); 3) the end of B and C docks (4,000 cy); and 4) under the missing portion of C Dock (5,100 cy). Due to the recent decline of funding from East Bay Regional Park to use Measure WW Funds to improve C Dock the dredge footprint needs to be changed. Staff is exploring the option of revising the dredge footprint to include some of the slip area on east side A Dock and the Guest Dock area instead Areas 3 and 4. A contract change order would be issued to incorporate the change of scope.

Discussion:

Permitting for 2012 Dredge

The USFWS recently made a preliminary determination on the required mitigation for the temporary impacts to the pickleweed which has been determined habitat for the Salt Harvest Marsh Mouse (SMHM) a fully protected endangered species. The mitigation determination is not only for the current dredging project, but potentially for periodic projects through the year 2032. USFWS has indicated that they will allow the City to proceed with the dredge this fall if we agree to the mitigation requirements. The required mitigation including the Mitigation Plan can occur after the dredge. The Mitigation Plan is normally required to be completed prior to issuance of permits, but due to time constraints the USFWS is allowing us to do the Mitigation Plan after the dredge. The Mitigation Plan will define the scope of the mitigation measures and monitoring required for not only this project, but for future projects as well. Once the plan is completed we will have a better idea of the costs associated with meeting the mitigation requirements.

The mitigation requirements for this year's dredge will be at a 1.1 to 1 ratio of required mitigation area to disturbed SMHM habitat area. Per this formula it means the City will have to provide approximately 4 acres of off-site improvements. The proposed improvements will likely include spraying for invasive plants and planting vegetation that enhances Salt Marsh Harvest Mouse habitat. It is proposed that the improvements be implemented at the Martinez Regional Shoreline. The Mitigation Plan and implementation of the mitigation measures will be required to be completed within the next year. The City will also be required to monitor and report for two to three years on the status of the mitigation improvements.

A 3:1 ratio or approximately 12 acres total will be required for the future dredges. The City will get credit for the 4 acres mitigated with this year's project. This higher ratio is being applied because the USFWS have determined that repeated dredges will have a permanent impact to the SMHM habitat which requires a higher ratio of mitigation. The additional 8 acres will need to be improved prior to the next 2015 dredge, if the City uses their disposal ponds. The completion of these mitigation measures would allow for 20 years worth of use of the ponds.

The California Department of Fish and Game has issued an Incidental Take Permit for the project which covers potential impacts to the Longfin and Delta Smelts. The permit requires several mitigation measures during construction to minimize the risk of a take and it also requires the City to purchase \$12,500 of Covered Species credits from an approved conservation bank. This cost is already included in the project budget.

The additional permitting costs associated with mitigation for the impacts related to the Salt Marsh Harvest mouse are estimated to be \$65,000. The costs include \$35,000 for additional permitting and \$30,000 for the preparation of the Mitigation and Monitoring Plan. At this time,

before the Mitigation Plan is completed it is difficult to estimate the potential cost of the required mitigation measures. The preliminary estimates range from \$50,000 to \$150,000 for the improvements and an additional \$25,000 to \$50,000 for the preparation of annual monitoring reports and annual maintenance of the mitigation area for 4 acres of improved SMHM habitat. As noted above, if the City chooses to use the upland disposal basins in the future, then the additional 8 acres of mitigation will need to be completed. The mitigation costs for the 8 additional acres may be double the initial cost for 4 acres shown above. However, more accurate costs will be able to be determined after the Mitigation Plan is completed and after the 4 acres of improvements are completed. No additional mitigation for the Salt Marsh Harvest Mouse is anticipated for subsequent (after the 2015) dredges through year 2032. This would cover approximately 6 dredge episodes.

Permits from the Regional Water Quality Control Board and the Bay Conservation and Development Corporation are expected to be issued pending issuance of the Army Corp of Engineer's permit issuance. The Army Corp of Engineer's permit issuance is dependent on completing the USFWS consultation and permitting. A commitment to the mitigation and creation of a mitigation plan is necessary for the City to receive USFWS permits to allow for dredging this year.

Exploration of Other Options

In light of the unexpected mitigation costs associated with using our upland disposal ponds, staff investigated the option for utilizing alternate disposal sites for this dredging episode. Staff looked at the costs for both in-bay disposal and also disposal at Winter Island near Pittsburg. Costs at the Winter Island site were significantly higher than the costs for both our ponds or in-bay for disposal. In-bay disposal is estimated to cost between \$80,000 to \$135,000 more than using the upland ponds during the 2012 dredge.

More importantly the dredge would not be able to occur until next August or September at the earliest. At this time, based on the overall lower costs and the fact that the dredge can still be implemented this fall, staff recommends proceeding with the current project despite the additional mitigation requirements. Additional discussion of long term dredging costs will be presented at a future Council meeting along with the overall operations, fiscal impacts and approaches to future operation of the marina. It is important to note that additional mitigation, estimated at up to \$300,000, will be needed to be completed prior to the next dredge, but that it will cover the next five dredge cycles through 2032. Staff will continue to explore the cost effectiveness of in-bay disposal for future dredge episodes, which in the short term, given the uncertainty of the mitigation costs may be the most economical option. These options will be vetted with the City Council before proceeding with implementation of the mitigation measures.

Schedule:

The usual window for dredging at the marina is August 1 through November 30. This period minimizes the potential impacts to the various species of smelt and salmon. The agencies may occasionally allow work into the first part of December. The nesting season for the Salt Marsh Harvest Mouse extends into November, so the USFWS is expected to require the dredge operation to be performed in the latter parts of November and extending into December. Depending on the weather and tides the contractor should be able to complete the dredge within a two to three week period.

The USFWS, the USACE and the other permitting agencies indicate that they are committed to issuing the necessary permits so that the dredge can be completed this fall.

FISCAL IMPACT:

The project was previously budgeted under Account No. C8008 and is funded with the Shell donation. The additional funding needed to complete the permitting process and prepare the Mitigation and Monitoring Plan is \$65,000. Staff proposes that Council allocate the additional funds from the Assigned Fund Balance (Marina Project Fund) account. There is currently \$350,000 remaining in the account. Staff will return to Council with a request for additional funds to cover the mitigation costs after the Mitigation Plan has been completed. As stated above these costs are uncertain at this time, but are estimated to be between \$75,000 and \$200,000. The project funding and budget detail is presented below.

Funding:

Current Funding		Proposed Funding	
Shell Donation	\$500,000	Marina Projects Fund	\$500,000
		<i>Marina Project Fund</i>	<i>\$65,000</i>
Total	\$500,000	Total	\$565,000

Budget:

Current Budget		Proposed Budget	
Design/Permitting	\$180,000	Design/Permitting	\$180,000
Construction Support	\$25,000	Construction Support	\$25,000
CDFG Mitigation Fee	\$15,000	CDFG Mitigation Fee	\$15,000
Surveys	\$15,000	Surveys	\$15,000
Construction	\$250,000	Construction	\$250,000
Const. Mgmt./Insp.	\$15,000	Const. Mgmt./Insp.	\$15,000
		Additional Permitting	\$35,000
		Monitoring Plan	\$30,000
Total	\$500,000	Total	\$565,000

ACTION:

Adopt Resolution authorizing \$65,000 of Assigned Marina Project funds to complete the permitting process for the 2012 Martinez Marina Maintenance Dredging Project.

Attachments:

- Resolution
- Dredge Plan & Disposal Pond Plan

APPROVED BY:



City Manager

RESOLUTION NO. -12

AUTHORIZING \$65,000 OF ASSIGNED MARINA PROJECT FUNDS
TO COMPLETE THE PERMITTING PROCESS FOR THE
2012 MARTINEZ MARINA MAINTENANCE DREDGING PROJECT

WHEREAS, the Council allocated funds for the 2012 Martinez Marina Maintenance Dredging Project on February 1, 2012; and

WHEREAS, the City advertised for bids from general engineering contractors; and

WHEREAS, on July 17, 2012, bids were publicly opened; and

WHEREAS, on September 5, 2012, the construction contract was awarded to California Dredging Company; and

WHEREAS, the United States Fish and Wildlife Service has imposed unanticipated mitigation requirements; and

WHEREAS, there are insufficient funds to complete the required mitigation; and

WHEREAS, an additional \$65,000 is required to complete the permit process and prepare mitigation plan; and

WHEREAS, it is deemed in the best interest of the public and the City to implement the 2012 Martinez Marina Maintenance Dredging Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez that \$65,000 of Assigned Marina Project funds are hereby authorized to 2012 Martinez Marina Maintenance Dredge Project for additional permit related costs.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 17th day of October, 2012, by the following vote:

AYES:

NOES:

ABSENT:

RICARDO G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

