BAY / LAGOON DREDGING UPDATE

September 26, 2014

The Administration continues to work on a number of parallel paths in order to implement a dredging project during the next available window of opportunity. Contingent on success with our ongoing permitting we will next be allowed to dredge on July 1, 2015. We are working on several parallel paths to pursue any and all viable disposal methods for the dredge spoils.

- Our engineering staff and project team attended another meeting with the
 permitting agencies in Trenton on August 25, 2014. The meeting included
 representatives with Federal and State level regulatory agencies including NJDEP,
 NJDOT, US Army Corps of Engineers and Fish and Wildlife. The agencies provided
 feedback on our various disposal options and asked for more information regarding
 our pending permit applications, which has since been supplied.
- 2. We continue to pursue approval to enlarge the undersized Route 52 Confined Disposal Facility (CDF) to significantly increase the capacity. This CDF is accessible by both trucks and barges and therefore would be easier to empty in the future to create additional capacity. This request is being met with resistance by the agencies primarily due to some wetland mitigation nearby that was a requirement of the Route 52 project.
- 3. We are exploring the acquisition of one or more properties in other communities that could be used as disposal sites. Any possible purchase would be contingent on obtaining permits to allow the construction of a Confined Disposal Facility (CDF).
- 4. We have been awarded a \$2.6 million grant from the United States Department of the Interior to use dredge spoils to create and stabilize wetlands. We have ongoing dialog with the NJDEP and Army Corps toward obtaining the required permits to do this. We are closely monitoring two similar pilot projects now underway in New Jersey.
- 5. We are pursuing all viable ways to empty Site 83 and create capacity for new spoils.
- 6. We are closely monitoring a project currently underway in Avalon where they are removing materials from a CDF and hauling it to sand mine in the lower portion of the county. They are undertaking this at a significant cost.
- 7. We are continuing to explore the viability of placing dredge spoils on our golf course. There are a number of permitting and logistical issues to explore further to make this a reality. This is not a short term option.

- 8. We have agreed to allow the State of New Jersey to remove dredge materials from two full city owned sites at the southern end of Ocean City. These sites have no practical use for Ocean City due to their distance from the lagoons. It is in Ocean City's best interest to allow the State to do this to evaluate if there is any viable beneficial reuse for the material. Following this we have asked the State to consider helping us empty Site 83 in exchange for some capacity for future dredging of the Intercoastal Waterway.
- 9. We continue to strive to increase public awareness of the negative economic impact of being unable to dredge our bay and lagoon areas.
- 10. We are working in partnership with other coastal communities to pursue changes in various state and federal regulations that make dealing with this situation so difficult.
 Representatives of Stockton State College are also involved in these efforts.

The overall objective remains to develop a long term sustainable plan for the dredging of our lagoons and bay front areas, just as we have for the maintenance of our entire beachfront.

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