



2013 Emergency Dredging Q&A

March 21, 2013

The FY13 proposed supplemental includes \$21 million for emergency dredging, of which \$11.5 million is General Fund and \$9.5 million is Waterways Fund. The FY14 Executive Budget includes \$9.4 million for emergency dredging from the additional revenue directed to the Waterways Fund from the transportation investment package.

■ Why is the need for dredging so severe? What are the indicators of that need?

- Current water levels of Lake Michigan and Lake Huron are at an all-time low
- Lake Michigan, Lake Huron and Lake St. Clair levels are 16 inches lower than from one year ago
- Lake Erie is 21 inches lower than its level from one year ago
- Lake Superior is 1 inch lower than its level from one year ago
- The levels of Lake Michigan, Lake Huron and Lake St. Clair are expected to continue dropping
- As lake levels decrease, dredging needs increase to allow boats to access harbors
- If dredging needs are not addressed, some harbors will close

■ How big (in dollars) is the need?

To estimate the cost of emergency dredging, a survey of all 83 public harbors (63 community harbors, 19 state harbors and one federal harbor) was conducted in January, of which 82 percent responded. Survey results show the following investments are needed to dredge public harbor channels and basins:

\$5,550,000	Federal areas of responsibility (Army Corps of Engineers)
\$749,700	State areas of responsibility
<u>\$14,661,320</u>	Local areas of responsibility
\$20,961,020	Total estimated dredging needs

■ How many communities are in need of dredging dollars?

Survey results show that 49 public harbors have emergency dredging needs. This does not take into account existing dredging needs at public boating access sites on various inland lakes.

■ Is federal funding available for dredging?

Yes, there are federal sources of funding that may be used toward dredging of federal harbors and channels. A federal tax on freight shipped at U.S. ports raises about \$1.5 billion a year for dredging and harbor maintenance. However, a large portion of these funds is diverted for other uses at the federal level. Due to limited resources made available for dredging and harbor maintenance, the U.S. Army Corps of Engineers (USACE) prioritizes its dredging efforts toward large and medium-sized ports used by commercial harbors rather than recreational harbors.

- **What mechanism will be used for getting this money to local communities (i.e., grants to those communities, contracts between the Department of Natural Resources [DNR] and dredging companies, and whether a local match will be required)?**
 - Of the \$21 million contained in the FY13 supplemental request, 70 percent of funds will be provided to local communities in the form of grants. Local communities won't be required to provide a match, as DNR will temporarily suspend the current match requirement of 50 percent.
 - Approximately 26 percent of funds will be used to enter into Memoranda of Understanding with the USACE for completing dredging projects in areas of federal responsibility. DNR will seek reimbursement from USACE for state funding used in federal project areas.
 - The remaining 4 percent will be used to enter into contracts with the Michigan Department of Technology, Management & Budget (DTMB) and dredging companies to complete projects in areas of state responsibility.

- **We need help in filling out the joint permit application form. Is there someone available to provide hands-on assistance covering both Michigan Department of Environmental Quality (DEQ) and USACE requirements?**
 - Yes, anyone needing assistance with completing the DEQ/USACE Joint Permit Application should contact their local DEQ office or District Representative for assistance. DEQ offers a pre-application meeting request process that can be used to meet with staff on-site to review the project, discuss alternatives and/or issues that may cause delays in processing the application, and our overall application process including how to complete the application form. We can also set up in-office meetings at your local DEQ District Office. The DEQ/USACE Joint Permit application and the Pre-Application request form can be found on-line at www.mi.gov/jointpermit

- **The \$2,000 application fee is a significant problem for our local government that is struggling with the costs of fundamental services. Given these extreme times and conditions, is there potential for these fees to be waived?**
 - The application fees are established in statute, and therefore any alteration of the fees would require a statutory amendment. The \$2,000 application fee applies to projects involving dredging of 10,000 cubic yards or more, new dredging or upland boat basin excavation in areas of suspected contamination, and other projects as listed in the statute. DEQ has developed a Minor Project category (MP22), requiring a \$50.00 application fee, covering maintenance dredging projects up to 5,000 cubic yards, and for projects involving no more than 10,000 cubic yards, if the dredging is being done within a USACE navigation channel.

- **Many harbors face similar engineering/maintenance challenges, including channel dredging as well as management of launch facilities. Can we identify experts who can work with multiple ports to provide assistance, perhaps reducing the overall cost and promoting information sharing regarding problem-solving methods? The challenges of how to extend the length of docks where there may be no solid footings or extending a ramp are common problems that could benefit from a shared solution.**
 - See response and information provided in next bullet. We would recommend local interest groups and governments pursue partnerships with ports, marinas, and dockage facilities.

- **If we need to respond to an emergency situation but don't have permits in place, what do we do? Who do we contact? What are the potential repercussions?**

- Contact your local DEQ district office or district representative to prepare for situations that may arise due to low water levels. DEQ has the ability to provide a timely response to emergency applications. Issues resulting from low water levels are apparent now, and will likely extend into late summer. Assistance in obtaining a permit for dredging work is available upon request. DEQ does not want to have compliance interactions for these projects; however, regulated activities occurring without a permit are subject to penalties, including after-the-fact application fees that are doubled from standard fees, fines, and potential restoration.

■ **Some initial engineering, surveying and/or sediment testing is required in order to obtain the information necessary to apply for dredging permits. Communities selected for emergency dredging grants have been told that any expenditures before the grants are appropriated will not be reimbursed. Should we wait until after the appropriation to do our initial engineering/testing?**

- It is true that any expenditures incurred for permitting or dredging before grant appropriations cannot be reimbursed. However, it may be in a community's best interest to pay out of pocket for initial engineering and/or testing to expedite the process from their end. This will involve using local funds, but should be regarded as a low-cost investment. Waiting to begin the planning and permit application process until after grant funds have been appropriated will likely result in not being able to dredge until later in the boating season.

■ **I have an existing permit to dredge but my permit prohibits dredging during certain times of the year. These dredging windows maybe a problem this year due to the low water levels or the availability of contractors, I have been told that some flexibility in dredging windows will be considered this year. How can I find out if that applies to my project(s)?**

- Contact your permit issuer in DEQ Water Resources Division (WRD) to discuss your specific case. WRD will work with existing permit holders on dredging windows as much as possible.

■ **I'm with a dredging company hoping to perform some dredging work. Do I need to register my business with the Bid4Michigan contracting system?**

- Many of the communities involved in dredging this year will be administering their projects directly and have their own contracting processes. However, some projects may be administered by the state, which uses Bid4Michigan (<http://www.michigan.gov/micontractconnect/0,4541,7-225-48677---.00.html>) to provide contractors with information regarding bid opportunities, vendor registration and tips for bidding. Vendor registration is required in order to do business with the state of Michigan. Some local communities may use the state's systems for posting bid opportunities. However, it's best to verify with the community on their contracting processes.