



The Town of Hilton Head Island Regular Public Facilities Committee Meeting

March 1, 2011

2:00 p.m. – Benjamin M. Racusin Council Chambers

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

- **Call to Order**
- **Freedom of Information Act Compliance**
Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- **Committee Business**
 1. Approval of Minutes
 - January 4, 2011
- **Unfinished Business**
- **New Business**
 - Request for Funding Assistance from CSA for Dredging Related Study
- **Adjournment**

Please note that a quorum of Town Council may result if four (4) or more of Town Council members attend this meeting.

TOWN OF HILTON HEAD ISLAND PUBLIC FACILITIES COMMITTEE

Date: January 4, 2011

Time: 2:00 P.M.

Members Present: Kim Likins, George Williams, Bill Harkins

Members Absent: None

Staff Present: Greg DeLoach, Scott Liggett, Nicole Dixon, Jill Foster, Heather Colin, Susan Simmons, Steven Markiw

Others Present: Bill Ferguson, *Councilman*, Frank Soule, *Island Recreation Association*, Tom Parker, *Lee & Parker Architects*, Barry Taylor, *The FWA Group Architects*, Paul Gibson, Paul Jacobson, Joe Buckingham, *Mission Resources Group*

Media Present: Tom Barton, *The Island Packet*

1. Call to Order.

The meeting was called to order at 2:00 P.M.

2. FOIA Compliance:

Public notification of this meeting has been published, posted and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Committee Business:

Chairman Likins advised there is only one person on the Committee that was present at the October 4, 2010 Meeting due to the recent turnover and asked Councilman Harkins to verify that the Minutes reflect what actually happened at the Meeting. Councilman Harkins stated he was in attendance at the Meeting and has read the Minutes thoroughly and they do reflect accurately what took place. Councilman Williams stated there was a typo on page 4 and asked that it be corrected. Councilman Harkins moved to approve the Minutes of October 4, 2010. Councilman Williams seconded. The Minutes of October 4, 2010 were unanimously approved.

4. Unfinished Business:

5. New Business

• **Wildhorse Road Right-of-Way Conveyance/Acceptance**

Scott Liggett advised staff recommends the Public Facilities Committee endorse the right-of-way transfer and recommend approval to Town Council.

The construction of improvements to Wild Horse Road by the Town as approved by the South Carolina Department of Transportation (SCDOT), the road's owner necessitates the reciprocal transfer of ownership of portions of road right-of-way.

The Town would be conveying land acquired for the purpose of establishing right-of-way for the realigned road and accepting land from SCDOT that contained the road in its former alignment. The area to be conveyed to SCDOT is 1.390 acres; the area to be accepted by the Town is .604 acres.

Councilman Harkins motioned the Public Facilities Committee forward this to Town Council with recommendation for approval. Councilman Williams seconded. The motion unanimously passed.

• **Island Recreation Center Enhancements/Feasibility Study**

Nicole Dixon, Senior Planner advised staff recommends Town Council endorse the findings and recommendation provided in the Feasibility Study prepared by Lee & Parker Architects, in a joint-venture with The FWA Group and Mission Resources Group regarding the financial implications of the proposed aquatics center and enhancements to the Recreation Center.

Should Town Council adopt the recommendations provided in the feasibility study, staff is also asking for approval to proceed with Phase II of the project which would be to hire a consultant to prepare a Master Plan.

Tom Parker, Lee & Parker Architects gave an overview of what was reflected in the Feasibility Study.

After lengthy discussion, Councilman Harkins stated he does not have to be convinced about the value of this as I think this is a tremendous asset today and it could be a much improved asset tomorrow. Councilman Harkins moved that staff, through Susan Simmons, determine and share with us their comfort level in the volume and fee structure plus their comfort level that we are optimizing all revenue sources and we are also optimizing or exploring the possibility of alternative revenue sources that are out there that we may not have even thought of. Councilman Williams would not second the Motion. Councilman Williams stated he thought those questions need to be answered when we get to the point where we have a Master Plan and we are sitting at a point where we are looking at this particular project and the other half dozen projects we are going to have to be looking at. I am not really sure that we are at the point here where we need to go into that much detail until we actually have a Master Plan and a funding decision to make. If we don't get this to Council with a concept of let's make a recommendation that we go forward with the money we have to get the Master Plan where we can take the Master Plan to Council answering your questions and then at that point we can decide on how does this stack up with all our other priorities and should we start looking forward with going forward with the design and spending the money on the design.

Councilman Harkins stated he doesn't take issue with Councilman Williams' comments, but he is concerned about how much we are going to spend to get to that point.

Councilman Harkins withdrew his Motion. Councilman Harkins moved that we proceed and request staff in conjunction with the consultants develop an outline of the feasibility process to be undertaken in the future. The end product of that is to

create a higher level of confidence. Councilman Williams seconded the Motion. Scott Liggett asked if it was the recommendation of the Committee that we proceed with the Master Plan or not. Councilman Harkins said he was not saying Master Plan. Staff is telling us this is a feasible project; the consultants are saying these projections are conservative. I would just like some confidence that the community is going to be behind us on this one. Over the next several months we are going to be doing things that a lot of people like, we are going to be doing things that a lot of people don't like and I think we have to have a cogent reason or platform for moving ahead. Councilman Williams withdrew his second.

Councilman Williams motioned the Public Facilities Committee get this to Council for a full review with staff having an outline or something of what the Master Plan will include which should address some of Mr. Harkins issues. Your concerns can be answered as we go forward as all we are doing is saying we will go forward with the Master Plan. We are not saying we are going forward with the project, we are not saying the public is behind the project and we are not saying we are funding anything else besides what we have already funded. It is not new money; it is money that has already been funded to move this project forward. Councilman Harkins seconded. The motion passed unanimously.

6. Adjournment:

Councilman Williams moved to adjourn. Councilman Harkins seconded the motion. The meeting was adjourned at 3:45 p.m.

Respectfully Submitted,

Karen D. Knox
Senior Administrative Assistant



ADMINISTRATIVE OFFICES
OFFICE (843-) 671-1343
FAX (843) 671-4027
www.csaseapines.com

December 17, 2010

RECEIVED
DEC 20 2010
BY: _____

Mr. Steve Riley
Town of Hilton Head Island
One Town Center Court
Hilton Head Island, SC 29928

RE: Dredging Allocation

Dear Mr. Riley,

I am writing in follow up to your December 14, 2010 meeting with CSA's Executive Vice President, Mr. Cary Kelley. During the meeting Mr. Kelley provided the background on two Engineering studies that the Sea Pines Waterways Task Force, which he chairs, has indicated as necessary in helping Sea Pines find a the long term solution to dredging the waterways located within our community. CSA understands that the Hilton Head Town Council allocated \$25,000 earlier this year to be used towards helping to find a solution to dredging the Harbour Town and South Beach areas.

In support of the task forces work CSA has spent approximately \$25,000 in 2010 and the Baynard Creek Property Owners Association recently allocated \$6,000 to help. I respectfully ask that the Hilton Head Town Council authorize you to provide the \$25,000 already allocated towards the costs of the Engineering studies the Task Force recommends: one for the Calibogue Cay Spoil site and other for the South Beach areas.

CSA believes that keeping the waterways in these areas open and accessible has been and remains in the overall best interests of our community and the Town of Hilton Head at large. I truly appreciate your help with this and look forward to a positive response.

Sincerely,

John McLauchlin
President of CSA

TO-SCOTT
C: T/C
CHARLES



Engineering LLC

a member of **The GEL Group** INC

PO Box 30712 Charleston, SC 29417
2040 Savage Road Charleston, SC 29407
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www.gel.com

October 15, 2010

Mr. Cary Kelley
Sea Pines Plantation
Community Services Associates, Inc.
175 Greenwood Drive
Hilton Head Island, South Carolina 29928

Re: Proposal to Evaluate Calibogue Cay Confined Disposal Facility
Hilton Head Island, South Carolina

Dear Mr. Kelley:

GEL Engineering, LLC (GEL) appreciates the opportunity to submit this proposal to the Community Services Associates, Inc. (CSA) for services related to evaluating the Calibogue Cay Confined Disposal Facility (CDF). Outlined herein is a summary of the project information, a proposed scope of work, and a cost estimate to perform the services.

PROJECT INFORMATION

Our understanding is that CSA wishes to investigate the use of the Calibogue Cay CDF for deposition of dredged material from various venues on Hilton Head Island, including Calibogue Creek, Harbour Town Marina and portions of Braddock Cove and Baynard Cove Creeks. To determine which venues can be managed using the CDF, various data are needed as outlined in my September 21, 2010, letter to you. The drawings you subsequently provided me include some of the data while other data remains to be gathered or generated. Primary issues include:

- Acreage of Calibogue Cay CDF – The total acreage is approximately 29 acres of which 16 are upland and the balance is salt marsh. The CDF is constructed on the upland has an area of 7.5 acres measured from the toe of the interior dikes. Approximately 0.8 acre of the highland outside of the CDF is freshwater wetlands. Based on the location of these wetlands, not all of uplands or presently used for the CDF. If these were filled, the CDF could potentially be expanded by several acres.
- Based on the survey you provided, the CDF had approximately 34,000 yd³ of capacity as of September 23, 2009. At that time much of the CDF contained sediments.
- The total capacity of the CDF is approximately 97,000 cubic yards (yd³) when empty and assuming 8 feet of available vertical height plus 2 feet of freeboard. However, using conventional dredging, only about 50% can be used during a dredging event to account for the water used in the hydraulic process.

Therefore, the capacity at any given time is approximately 50% of the available space, or approximately 50,000 yd³ when empty.

- The CDF could potentially be emptied each year with careful management between dredging events to dewater the sediments, including ditching, management of the discharge structure, and working the sediment periodically. Thus the capacity on a 5 year cycle could be as high as 250,000 yd³. However, during wet years, emptying the CDF may not be practical. Therefore, assuming the CDF can be emptied 4 of every 5 years, it could have a running capacity of approximately 200,000 yd³ over each 5 year cycle.
- My understanding is that Calibogue Creek and Harbour Town require dredging approximately every 5 years and generate approximately 40,000 yd³ and 70,000 yd³, respectively, per event. Braddock Cove and Baynard Cove would generate over 200,000 yd³ depending on which areas are dredged. The frequency of required dredging for these venues is not well established.
- Given these volumes, the CDF could handle Calibogue Creek, Harbour Town Marina, and portions of Braddock Cove and/or Baynard Cove Creeks.

The capacity of the CDF could potentially be increased by using more of the high land or raising the height of the dikes. Increasing its size would require filling freshwater wetlands and increasing its height would require a feasibility evaluation as well as consideration of any height ordinances. If determined to be advantageous, these activities could be conducted in the future after initial use.

Another major consideration would be the location to dispose of the sediment when it is removed from the CDF by truck. If it could be placed on Hilton Head Island, at a location such as the Forest Preserve, there would be significant cost savings and the sediment would be available for non-structural fill purposes. Removal to an off island location would significantly increase the cost. If an on-island disposal site for the dewatered sediments could be used at no cost beyond management of the disposal area, projected costs for this alternative would be \$20-\$30/yd³. This cost would be refined as the project scope is better defined.

SCOPE OF WORK

Moving forward with this concept would require a number of activities that would include the following:

- Confirm the assumptions stated above about amount and frequency of disposal from Calibogue Cay.
- Evaluate the past history and experience with the CDF from Calibogue Cay's managers and technical support personnel.
- Confirm the assumptions made above concerning the amount of sediment that could be placed in the CDF. Survey the basin to determine current volume of sediment contained in it or confirm that the most recent survey remains

accurate. This task could be done in concert with Calibogue Cay's existing surveyor.

- Determine if the existing sediment is adequately dewatered to remove. If sediment from the last dredging activity has not completely dewatered, determine if the rate could be increased (i.e., ditched and actively manipulated to promote dewatering) and when can the site be made ready for use.
- Confirm, if necessary, the elevation of the water table and the type of soil underlying the CDF. These variables will affect the amount of sediment that can be placed in the CDF and how rapidly it is likely to dewater.
- Identify a site to place the sediment removed from the CDF. If disposed at a site with no existing design for accommodating the excavated sediment, design a means to control runoff from the sediment disposal area and acquire appropriate land disturbance permits.
- Obtain costs for performing the various work tasks such as dredging, dewatering and disposal so that project budgets can be developed.
- Determine the permit status of the CDF and modify if necessary to accommodate sediment from other venues.
- Modify the existing SIDA permit as needed to change disposal plans.
- Work with various stakeholders during all tasks outlined above as needed to bring this concept to fruition or determine it is unworkable.

In the event that use of the CDF by multiple venues moves forward, a unified dredged material management plan for the CDF should be developed. The plan will address, but not be limited to, the items listed below. When possible, a schedule will be included to recommend when the items should be performed.

- Dredging schedule
- Ditching/dewatering activities
- Dike repairs
- Dike raising
- Flashboard riser maintenance
- Flashboard riser monitoring to insure proper setting
- Maintaining flashboards between dredging activities to facilitate dewatering
- Dike vegetation control
- Site management and oversight during dredging activities
- Monitoring discharge pipe during dredging activities
- Dewatered sediment removal design and oversight
- Periodic surveys of the CDF
- Maintenance of the disposal location
- Transportation (trucking) planning to minimize impacts to roadways and residents

COST

The time and effort required to perform these activities cannot be readily determined based on the numerous unknowns, including whether the concept will move forward past the preliminary stages. Therefore, we suggest that you allocate \$10,000 to initiate this effort. When the project becomes better defined, we will provide an updated estimate with greater detail. We will work against this amount and keep you apprised of costs as the work progresses. If it is determined at any time during the project that CSA does not want to further pursue work for this site, CSA will be billed only for the costs expended on the project to that date.

CLOSURE

Again, we appreciate the opportunity to be of service to Community Services Associates, Inc. If you have any questions concerning this proposal or need additional information, please call me at 843-769-7378 or (843) 697-2200.

Yours very truly,

A handwritten signature in black ink that reads "Tom Hutto". The signature is written in a cursive, slightly slanted style.

Thomas D.W. Hutto, P.G.
Principal

cc: Mr. Jack Walker, GEL
Mr. Larry Setzler, GEL

fc: csai00110.101410.pr



Engineering LLC

a member of **The GEL Group** INC

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WORK AUTHORIZATION

GEL Engineering, LLC (GEL) appreciates the opportunity to be of service to Community Services Associates, Inc. We will execute the Scope of Work in accordance with the attached "Standard Terms and Conditions."

Your signature below will authorize GEL Engineering to proceed with the scope of work as described in the referenced proposal, and indicates that you agree with the attached "Standard Terms and Conditions." Unless instructed otherwise, we will submit all invoices to the addressee shown on the proposal. Please provide a purchase order number and any other invoicing instructions in the spaces below.

Proposal Title: Proposal to Evaluate Calibogue Cay Confined Disposal Facility

Date: October 15, 2010

Cost: \$10,000.00

Purchase Order Number: _____

Other Invoicing Instructions: _____

Acknowledged by: Community Services Associates, Inc.

Signature

Date

Please FAX this authorization to (843) 769-7397 and mail the original to:

Tom Hutto
GEL Engineering, LLC
Post Office Box 30712
Charleston, South Carolina 29417

GEL Engineering, LLC
STANDARD TERMS AND CONDITIONS
For Technical Services

1. DEFINITIONS:

GEL Engineering, LLC, "GEL", and "Client" have agreed that GEL will provide certain services as defined in the agreement between the parties. That agreement includes these Terms and Conditions, any proposal or confirmation letter prepared by GEL, and any other documents assigned by GEL and Client and incorporated herein.

2. RESPONSIBILITIES OF GEL

A. GEL shall perform services for Client using that degree of care and skill ordinarily exercised under similar circumstances by members of our profession. **THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED.** If any portion of our services fails to comply with this warranty obligation and GEL is notified in writing within one year of the date of completion or our services, GEL will promptly reperform such portion of the services, or if reperformance is impracticable, refund the amount of compensation paid to GEL for such portion of the services.

B. In connection with the performance of the services, GEL may deliver to the Client one or more reports or other written documents reflecting services provided, the results of such services, or GEL evaluation of the results of such services. All such reports or other written documents shall become the property of Client upon delivery; however, all original data gathered by GEL and work papers produced by GEL in the performance of the services are, and shall remain the sole and exclusive property of GEL.

C. Subject to any requirement or obligation GEL may have under applicable law or regulation, GEL agrees to release information relating to the services only to its employees and subcontractors in the performance of the services or to the Client's authorized representative and to persons designated by the authorized representative to receive such information.

D. GEL shall take reasonable safety precautions with respect to the performance of the services contained in any project safety plan agreed to by the Client and GEL or an equivalent document, including modifications thereto. The presence of field personnel at the site will be for the purpose of providing observation and field testing of specific aspects of the services. GEL shall not be responsible for site safety and shall have no right or obligation to direct or stop the work of Client's contractors, agents, or employees.

E. GEL will, upon request, provide certification of GEL's insurance coverage to the Client or Client's authorized representative. Client acknowledges that GEL's compensation is not commensurate with the potential for liability involved in the performance of services and that such risks cannot adequately be covered by liability insurance currently available. In order to induce GEL to undertake the performance of services, Client agrees to limit GEL's liability to Client or to any third party in respect to or in connection with any claim, cause of action, or losses arising from or out of the performing of such services, such that the liability of GEL for any and all losses, damages and costs (including, without limitation, attorney's fees) resulting from GEL's negligence, professional or otherwise, shall not exceed GEL's fees.

F. In the event of termination, or suspension for more than one (1) month, prior to completion of all reports contemplated by this Agreement, GEL may complete such analyses and records as necessary to complete its files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of GEL in completing such analyses, records, and reports. Client shall

assume full responsibility for site restoration, and GEL shall have no liability or responsibility therefore.

3. RESPONSIBILITIES OF CLIENT:

A. The Client agrees to provide GEL, its employees and subcontractors full and uninhibited access to the site and a safe working environment for performance of the services.

B. Client agrees to notify GEL in writing of any potentially hazardous material known to exist or which may be present on or in the ground at the site. If any known hazardous materials at the site are disclosed to GEL after the execution of the Agreement, or if any such materials or unforeseen conditions are discovered by GEL after commencement of the services, the scope of services and other provisions of the Agreement shall be modified in a manner to be agreed upon by Client and GEL and all obligations of GEL under this Agreement will be suspended pending such modification.

C. The Client agrees to notify GEL of any discrepancies between the actual conditions at the site and the description of the physical discrepancies as known to Client. If all or part of the services are to be performed in an area in which man-made chemical compounds, dust, fumes, gas, noise, vibrations and other particulate or non-particulate are in the atmosphere or the ground and raises a potential health hazard or nuisance to the persons performing the services or others in the general vicinity, the Client shall notify GEL in writing of such nuisance or health hazards as soon as such is known to Client.

D. The Client agrees that it will assume full responsibility and liability for any hazardous materials existing at the site of GEL's work. The Client also agrees that it will indemnify and hold GEL harmless from any property damage, personal injury, economic loss, consequential damages or any other damages of any sort arising out of or resulting from violations of applicable environmental regulations or in any other way arising out of the existence of hazardous materials at the site.

E. It shall be the responsibility and obligation of the Client to notify the appropriate federal, state, or local public agencies as required by law, or otherwise, to disclose in a timely manner any information that may be necessary to prevent any danger to health, safety, or the environment.

4. TERMINATION OF CONTRACT:

The Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, GEL shall be paid for services performed to the termination notice date plus reasonable termination expenses.

5. FORCE MAJEURE:

Should completion of any portion of the services be delayed beyond the estimated date of its completion beyond control of or without fault or negligence of GEL, the parties shall mutually agree on the terms and conditions upon which the services may be continued. Force majeure includes unforeseeable causes beyond the control and/or without the fault or negligence of GEL including, but not restricted to, acts of God, or the public enemy, acts of government of the United States or of the several states, or any foreign country, or any of them acting in their sovereign capacity, acts of Client's contracts, fires, floods, epidemics, riots, quarantine restrictions,

GEL Engineering, LLC
STANDARD TERMS AND CONDITIONS
For Technical Services

strikes, civil insurrections, freight embargoes, and unusually severe weather.

6. SUBTERRANEAN STRUCTURES:

A. The Client shall have the responsibility for identifying all subterranean structures or utilities which exist at the site to any work being performed by GEL. GEL has no liability to Client and shall be indemnified by Client against claims of any and all parties for damage or injury resulting from damage to subterranean structures or utilities which are not called to GEL's attention and correctly shown in the contract documents or otherwise furnished to GEL in writing by Client. The Client agrees that its authorized representative will review all proposed boring locations in the field and either approve such locations or designate alternate locations.

B. Reasonable precautions will be taken to minimize damage to the property from GEL's activities and use of equipment. The Client accepts that the performance of services included in this Agreement may cause alteration or damage to the property and that this is inherent in the work. The Client will not look to GEL for reimbursement or hold GEL liable or responsible for any such alteration or damage. If the Client is not the owner of the property where GEL's work is to be performed, then Client must provide the written consent of the Owner of the property for GEL to perform its services. That written consent must include an acknowledgement by the property owner that there is a possibility of unavoidable alteration and damage to the property. The Client further agrees to indemnify, defend and hold GEL harmless from any claims arising out of or relating to any such alteration or damage, whether such claims are asserted by the owner of the property or any other person in possession of the property.

C. "Hazardous Materials" shall mean any materials at the site and any leachate or other substances produced or resulting from such materials which contain constituents, have characteristics, or are present in quantities that materially increase the risk or hazard to human health, property, or the environment.

7. SUBCONTRACT:

GEL may at any time, upon written notice to Client, delegate, orally, or in writing, subcontract the performance of the services, or any portion thereof.

8. DISPOSAL OF HAZARDOUS OR POTENTIALLY HAZARDOUS SAMPLES:

Unless requested by the Client, the samples for analysis will be disposed of after the completion of the analysis. In the event that samples contain or may contain hazardous materials, GEL shall, after completion of testing and at Client's expense, (a) return such samples to Client, or (b) arrange for disposal in a manner which complies with all applicable regulations. Client recognized and agrees that GEL is acting as a bailee and at no time assumes title to said samples.

9. AUTHORIZED REPRESENTATIVE:

Promptly following the execution of this Agreement, each party shall designate an authorized representative to represent and act for it with respect to matters relating to this Agreement. Each party may, from time to time, designate a new authorized representative by providing the other party by written notice of such change.

10. LAW TO APPLY:

The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of South Carolina.

11. SEVERABILITY:

If any of the provisions of this Agreement are held to be invalid or unenforceable in any respect, the remaining terms shall be in full effect and shall be construed as if the invalid or unenforceable matters were never included in it. No waiver of any default shall be a waiver of any future default.

12. PAYMENT TERMS:

A. The Client agrees to pay for services provided by GEL in accordance with the terms of this Agreement between the parties, including any additional services in excess of those stated in this Agreement as specifically authorized by Client. Payment is due within 30 days of the date of the invoice.

B. Past due amounts are subject to interest at 1 ½ percent (1.5%) per month.

C. GEL will stop work and withhold any submittals and/or other forms of project deliverables when payment is not received within 60 days of invoice date, or when invoice totals exceed \$50,000 unless exception has been mutually negotiated.

D. The Client's obligation to pay for the services contracted is in no way dependent or conditioned upon the Client's ability to obtain financing, approval of government or regulatory agencies, or upon the Client's successful completion of the project.

E. The Client agrees to compensate GEL for our services and normally reimbursable expenses if GEL is required to respond to legal processes related to GEL's services for the Client. Compensated services include hourly charges for all personnel involved in the response and attorney fees reasonably incurred in obtaining advice concerning the response, the preparation of the testifier, and appearances related to the legal process.

13. ENTIRE AGREEMENT:

This Agreement, including the contract documents, constitutes the entire agreement between the Client and GEL and supersedes all prior agreements. Any term, condition, prior course of dealing, course of performance, understanding, purchase order conditions, or other agreement purporting to modify, vary, supplement, or explain any provision of this agreement is of no effect unless placed in writing and signed by both parties subsequent to the date of this agreement.

All disputes arising out of or relating to the agreement between the parties shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the dispute arises. Any reward rendered by the arbitrator or arbitrators shall be final and judgment may be entered upon it in accordance with South Carolina law.

November 9, 2010

Mr. Cary Kelley
Sea Pines Plantation
Community Services Associates, Inc.
175 Greenwood Drive
Hilton Head Island, South Carolina 29928

Re: Proposal to Evaluate Access Alternatives for Braddock Cove and Baynard Cove
Creeks and a Confined Disposal Facility in the Forest Preserve
Hilton Head Island, South Carolina

Dear Mr. Kelley:

GEL Engineering, LLC (GEL) appreciates the opportunity to submit this proposal to the Community Services Associates, Inc. (CSA) for services related to evaluating the access alternatives for Baynard Cove and Braddock Cove Creeks, as well as the opportunity to construct a Confined Disposal Facility (CDF) in the Forest Preserve. Outlined herein is a summary of the project information, a proposed scope of work, and a cost estimate to perform the services.

PROJECT INFORMATION

CSA is evaluating means to facilitate dredging waterways in Sea Pines Plantation, including Harbour Town Marina, Braddock Cove Creek and Baynard Cove Creek. The Calibogue Cay CDF has been identified as a potential site for disposal of some dredged materials. However, it has limitations with respect to volume of sediment it can handle and/or venues that are able to obtain permission for its use. Therefore, other alternatives are being evaluated for Braddock Cove and Baynard Cove Creeks. In particular, we have discussed whether the volume of dredged material required to maintain deep water access can be reduced by accessing the creeks closer to the center of the channel. We have also discussed the feasibility of construction of a CDF in the Forest Preserve to provide a long-term site for sediment disposal.

SCOPE OF WORK

We will perform the following Scope of Work to evaluate the items discussed above.

- Evaluate the potential to provide deep water access closer to the channels of Braddock Cove and Baynard Cove Creeks – Presently several of the key access points along these creeks are from the Community Dock area on Baynard Cove Creek and from the Gull Point and South Beach Marinas on Braddock Cove Creek. All three of these areas were constructed by excavating vegetated marsh and/or uplands adjacent to the creeks. As a consequence of being remote from the main creek channels these areas require

additional dredge volume and frequency to maintain adequate water depths since they silt in more quickly than the channel. Therefore, this task will include an evaluation of alternatives to provide access closer to the creek channels, including the potential to permit these alternative access points with the regulatory agencies. Based on this evaluation, we will also determine if a dredging plan requiring less overall dredging is feasible. From that information, we will use the existing hydrographic surveys to determine what the projected dredge volumes would be based on the new design.

The deliverables from this task will be: 1) a report evaluating access alternatives from the perspective of both physical access and regulatory agency acceptability, and 2) a dredge design reflecting any reduction in the volume of dredged sediments, including the new calculated volume.

Please note that this evaluation will be preliminary in nature and will rely on information reasonably ascertainable from a site visit and from property configurations shown on the Hilton Head and/or Beaufort County websites along with any information provided by CSA. The dredge design and calculated volumes will rely on the most recent hydrographic surveys.

Previous evaluations of means to dispose of dredged materials have determined that a CDF is the most cost effective and most accepted means of dredged material disposal. There are no existing CDFs near either creek except the Calibogue Cay CDF, which is not presently available due to existing restrictive covenants, as well as potential size limitations. Therefore, an area of the Forest Preserve will be evaluated for a CDF. This preliminary evaluation will include the following:

- Capacity of the CDF based on the designated area
- Preliminary evaluation of the presence of freshwater wetlands
- Availability of soil to construct the dikes since this can be a significant cost item
- Location and feasibility of a pipeline route from the dredge areas to the CDF
- Location and feasibility of the effluent discharge from the CDF
- Representative drawings of the proposed CDF and construction cost estimates based on the gathered data

This evaluation assumes that CSA personnel will provide us maps of the identified site and will assist us with their site knowledge to determine potential piping routes and discharge locations.

The deliverables from this task will be: 1) a report detailing the feasibility of a CDF at the designated area in the Forest Preserve. The report will include: 1) a drawing of the locations of the CDF, pipeline route and discharge location, 2) representative drawings of the CDF, 3) identification of potential

challenges such as wetlands and tree impacts, 4) estimates of the capacity of the CDF, and 5) preliminary costs estimates for complete design and construction of the CDF.

An executive summary will be prepared to unify the information gathered in tasks 1 and 2. This executive summary will evaluate the feasibility of a CDF in the Forest Preserve to meet the dredging needs of the two creeks.

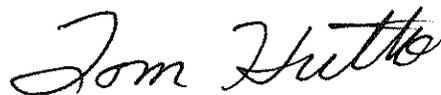
COST

The cost to perform these tasks is estimated to be \$16,270. Costs will be charged on a time and materials basis, and will not exceed this amount without your authorization. If it is determined at any time during the project that CSA does not want to further pursue work for this site, CSA will be billed only for the costs expended on the project to that date.

CLOSURE

Again, we appreciate the opportunity to be of service to Community Services Associates, Inc. If any aspect of this proposal needs to be modified to better meet your needs, please inform us, and we will make every effort to amend the proposal accordingly. If you have any questions concerning this proposal or need additional information, please call me at 843-769-7378 or (843) 697-2200.

Yours very truly,



Thomas D.W. Hutto, P.G.
Principal

cc: Mr. Joe Ervin, GEL
Mr. Jack Walker, GEL
Mr. Larry Setzler, GEL

fc: csai00110.110810.pr



a member of **The GEL Group** INC

PO Box 30712 Charleston, SC 29417
2040 Savage Road Charleston, SC 29407
P 843.769.7378 F 843.769.7397

www.gel.com

WORK AUTHORIZATION

GEL Engineering, LLC (GEL) appreciates the opportunity to be of service to Community Services Associates, Inc. We will execute the Scope of Work in accordance with the attached "Standard Terms and Conditions."

Your signature below will authorize GEL Engineering to proceed with the scope of work as described in the referenced proposal, and indicates that you agree with the attached "Standard Terms and Conditions." Unless instructed otherwise, we will submit all invoices to the addressee shown on the proposal. Please provide a purchase order number and any other invoicing instructions in the spaces below.

Proposal Title: Proposal to Evaluate Access Alternatives for Braddock Cove and Baynard Cove Creeks and a Confined Disposal Facility in the Forest Preserve Hilton Head Island, South Carolina

Date: November 9, 2010

Cost: \$16,270.00

Purchase Order Number: _____

Other Invoicing Instructions: _____

Acknowledged by: Community Services Associates, Inc.

Signature

Date

Please FAX this authorization to (843) 769-7397 and mail the original to:

Tom Hutto
GEL Engineering, LLC
Post Office Box 30712
Charleston, South Carolina 29417

GEL Engineering, LLC
STANDARD TERMS AND CONDITIONS
For Technical Services

1. DEFINITIONS:

GEL Engineering, LLC, "GEL", and "Client" have agreed that GEL will provide certain services as defined in the agreement between the parties. That agreement includes these Terms and Conditions, any proposal or confirmation letter prepared by GEL, and any other documents assigned by GEL and Client and incorporated herein.

2. RESPONSIBILITIES OF GEL

A. GEL shall perform services for Client using that degree of care and skill ordinarily exercised under similar circumstances by members of our profession. **THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED.** If any portion of our services fails to comply with this warranty obligation and GEL is notified in writing within one year of the date of completion or our services, GEL will promptly reperform such portion of the services, or if reperformance is impracticable, refund the amount of compensation paid to GEL for such portion of the services.

B. In connection with the performance of the services, GEL may deliver to the Client one or more reports or other written documents reflecting services provided, the results of such services, or GEL evaluation of the results of such services. All such reports or other written documents shall become the property of Client upon delivery; however, all original data gathered by GEL and work papers produced by GEL in the performance of the services are, and shall remain the sole and exclusive property of GEL.

C. Subject to any requirement or obligation GEL may have under applicable law or regulation, GEL agrees to release information relating to the services only to its employees and subcontractors in the performance of the services or to the Client's authorized representative and to persons designated by the authorized representative to receive such information.

D. GEL shall take reasonable safety precautions with respect to the performance of the services contained in any project safety plan agreed to by the Client and GEL or an equivalent document, including modifications thereto. The presence of field personnel at the site will be for the purpose of providing observation and field testing of specific aspects of the services. GEL shall not be responsible for site safety and shall have no right or obligation to direct or stop the work of Client's contractors, agents, or employees.

E. GEL will, upon request, provide certification of GEL's insurance coverage to the Client or Client's authorized representative. Client acknowledges that GEL's compensation is not commensurate with the potential for liability involved in the performance of services and that such risks cannot adequately be covered by liability insurance currently available. In order to induce GEL to undertake the performance of services, Client agrees to limit GEL's liability to Client or to any third party in respect to or in connection with any claim, cause of action, or losses arising from or out of the performing of such services, such that the liability of GEL for any and all losses, damages and costs (including, without limitation, attorney's fees) resulting from GEL's negligence, professional or otherwise, shall not exceed GEL's fees.

F. In the event of termination, or suspension for more than one (1) month, prior to completion of all reports contemplated by this Agreement, GEL may complete such analyses and records as necessary to complete its files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of GEL in completing such analyses, records, and reports. Client shall

assume full responsibility for site restoration, and GEL shall have no liability or responsibility therefore.

3. RESPONSIBILITIES OF CLIENT:

A. The Client agrees to provide GEL, its employees and subcontractors full and uninhibited access to the site and a safe working environment for performance of the services.

B. Client agrees to notify GEL in writing of any potentially hazardous material known to exist or which may be present on or in the ground at the site. If any know hazardous materials at the site are disclosed to GEL after the execution of the Agreement, or if any such materials or unforeseen conditions are discovered by GEL after commencement of the services, the scope of services and other provisions of the Agreement shall be modified in a manner to be agreed upon by Client and GEL and all obligations of GEL under this Agreement will be suspended pending such modification.

C. The Client agrees to notify GEL of any discrepancies between the actual conditions at the site and the description of the physical discrepancies as known to Client. If all or part of the services are to be performed in an area in which man-made chemical compounds, dust, fumes, gas, noise, vibrations and other particulate or non-particulate are in the atmosphere or the ground and raises a potential health hazard or nuisance to the persons performing the services or others in the general vicinity, the Client shall notify GEL in writing of such nuisance or health hazards as soon as such is known to Client.

D. The Client agrees that it will assume full responsibility and liability for any hazardous materials existing at the site of GEL's work. The Client also agrees that it will indemnify and hold GEL harmless from any property damage, personal injury, economic loss, consequential damages or any other damages of any sort arising out of or resulting from violations of applicable environmental regulations or in any other way arising out of the existence of hazardous materials at the site.

E. It shall be the responsibility and obligation of the Client to notify the appropriate federal, state, or local public agencies as required by law, or otherwise, to disclose in a timely manner any information that may be necessary to prevent any danger to health, safety, or the environment.

4. TERMINATION OF CONTRACT:

The Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, GEL shall be paid for services performed to the termination notice date plus reasonable termination expenses.

5. FORCE MAJEURE:

Should completion of any portion of the services be delayed beyond the estimated date of its completion beyond control of or without fault or negligence of GEL, the parties shall mutually agree on the terms and conditions upon which the services may be continued. Force majeure includes unforeseeable causes beyond the control and/or without the fault or negligence of GEL including, but not restricted to, acts of God, or the public enemy, acts of government of the United States or of the several states, or any foreign country, or any of them acting in their sovereign capacity, acts of Client's contracts, fires, floods, epidemics, riots, quarantine restrictions,

GEL Engineering, LLC
STANDARD TERMS AND CONDITIONS
For Technical Services

strikes, civil insurrections, freight embargoes, and unusually severe weather.

6. SUBTERRANEAN STRUCTURES:

A. The Client shall have the responsibility for identifying all subterranean structures or utilities which exist at the site to any work being performed by GEL. GEL has no liability to Client and shall be indemnified by Client against claims of any and all parties for damage or injury resulting from damage to subterranean structures or utilities which are not called to GEL's attention and correctly shown in the contract documents or otherwise furnished to GEL in writing by Client. The Client agrees that its authorized representative will review all proposed boring locations in the field and either approve such locations or designate alternate locations.

B. Reasonable precautions will be taken to minimize damage to the property from GEL's activities and use of equipment. The Client accepts that the performance of services included in this Agreement may cause alteration or damage to the property and that this is inherent in the work. The Client will not look to GEL for reimbursement or hold GEL liable or responsible for any such alteration or damage. If the Client is not the owner of the property where GEL's work is to be performed, then Client must provide the written consent of the Owner of the property for GEL to perform its services. That written consent must include an acknowledgement by the property owner that there is a possibility of unavoidable alteration and damage to the property. The Client further agrees to indemnify, defend and hold GEL harmless from any claims arising out of or relating to any such alteration or damage, whether such claims are asserted by the owner of the property or any other person in possession of the property.

C. "Hazardous Materials" shall mean any materials at the site and any leachate or other substances produced or resulting from such materials which contain constituents, have characteristics, or are present in quantities that materially increase the risk or hazard to human health, property, or the environment.

7. SUBCONTRACT:

GEL may at any time, upon written notice to Client, delegate, orally, or in writing, subcontract the performance of the services, or any portion thereof.

8. DISPOSAL OF HAZARDOUS OR POTENTIALLY HAZARDOUS SAMPLES:

Unless requested by the Client, the samples for analysis will be disposed of after the completion of the analysis. In the event that samples contain or may contain hazardous materials, GEL shall, after completion of testing and at Client's expense, (a) return such samples to Client, or (b) arrange for disposal in a manner which complies with all applicable regulations. Client recognized and agrees that GEL is acting as a bailee and at no time assumes title to said samples.

9. AUTHORIZED REPRESENTATIVE:

Promptly following the execution of this Agreement, each party shall designate an authorized representative to represent and act for it with respect to matters relating to this Agreement. Each party may, from time to time, designate a new authorized representative by providing the other party by written notice of such change.

10. LAW TO APPLY:

The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of South Carolina.

11. SEVERABILITY:

If any of the provisions of this Agreement are held to be invalid or unenforceable in any respect, the remaining terms shall be in full effect and shall be construed as if the invalid or unenforceable matters were never included in it. No waiver of any default shall be a waiver of any future default.

12. PAYMENT TERMS:

A. The Client agrees to pay for services provided by GEL in accordance with the terms of this Agreement between the parties, including any additional services in excess of those stated in this Agreement as specifically authorized by Client. Payment is due within 30 days of the date of the invoice.

B. Past due amounts are subject to interest at 1 ½ percent (1.5%) per month.

C. GEL will stop work and withhold any submittals and/or other forms of project deliverables when payment is not received within 60 days of invoice date, or when invoice totals exceed \$50,000 unless exception has been mutually negotiated.

D. The Client's obligation to pay for the services contracted is in no way dependent or conditioned upon the Client's ability to obtain financing, approval of government or regulatory agencies, or upon the Client's successful completion of the project.

E. The Client agrees to compensate GEL for our services and normally reimbursable expenses if GEL is required to respond to legal processes related to GEL's services for the Client. Compensated services include hourly charges for all personnel involved in the response and attorney fees reasonably incurred in obtaining advice concerning the response, the preparation of the testifier, and appearances related to the legal process.

13. ENTIRE AGREEMENT:

This Agreement, including the contract documents, constitutes the entire agreement between the Client and GEL and supersedes all prior agreements. Any term, condition, prior course of dealing, course of performance, understanding, purchase order conditions, or other agreement purporting to modify, vary, supplement, or explain any provision of this agreement is of no effect unless placed in writing and signed by both parties subsequent to the date of this agreement.

All disputes arising out of or relating to the agreement between the parties shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the dispute arises. Any award rendered by the arbitrator or arbitrators shall be final and judgment may be entered upon it in accordance with South Carolina law.