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Jeffrey Epstein  
Erika A. Kellerhals  
Member  
Kellerhals Ferguson Kroblin PLLC  
9100 Port of Sale Mall Suite 15  
St. Thomas, VI 00802

Re: Great St. James Permitting New Dock/Potential Expansion of Existing Proposal

Dear Jeffrey and Erika,

This proposal addresses the location of a new dock location, evaluation of potentially extending the existing dock and permitting of a new dock or the extension.

#### Potential Dock Extension

Extending the dock is not going to really get any more water depth and 4ft is not suitable for a boat of any size. It would require a Major modification to the CZM permit and a modification to the COE permit. The COE permit would require consultation by the federal reviewing agencies National Marine Fisheries, Fish and Wildlife Service and EPA. There is seagrass and we will have impacts we will have to mitigate. We will need to justify and show that we are minimizing impacts to the greatest extent possible while making the dock practical and safe for use to service the existing compound. This would be a long process. There would be more room at the dock but little if any more depth.

We have completed surveys of the area and while there has been significant seagrass damage to the area over the last few months as the old owner left the property. The loss of seagrass is near the dock and while a hole was prop dredged it is still 4' seaward of the depression. This will help support the need for a new dock and is information we will use in the alternatives section of the EAR.

#### Additional Dock

We can justify another dock based on the fact the water depth at the other is so limited. I would like to take a look at several different spots to see if I can get you a better permittable location. As we discussed there is the old "historic" dock site in Christmas Cove which will get you depth quickly. I just need to see if there are many of the ESA listed corals there which would cause us issue if not, it would be a good solution. There may also be another site in the north facing bay which might be suitable. I would like to look at both.

#### Approach

We need to do the preliminary siting survey for the d new dock location. We have done an assessment of the resources seaward of the dock and there is little if any merit to a dock extension.

Once we have determined location and preliminary designs we should attend an Interagency Meeting with the U.S. COE in San Juan and a Pre-application meeting with CZM so that we can determine their issues and concerns. Then we need to complete the environmental studies and prepare the permit documents and then work through the review process with the agencies. As you are aware the CZM process is going to require a public hearing, a decisional hearing and a senate hearing.

The project will require a Major Coastal Zone Management (CZM) Water Permit., a U.S. Army Corps of Engineers (U.S. ACOE), reviewed by NMFS, Federal Fish and Wildlife Service (FWS) and the Environmental Protection Agency (EPA) and a Water Quality Certificate from the Division of Environmental Protection. The COE, NMFS and FWS all require special project information and very detailed alternative analysis of the project area and construction procedures. If either NMFS or FWS determine that the project may impact endangered species Formal Section 7 consultation will be required. We will locate the dock in the best possible location to avoid this.

Archeological surveys will probably not be required for the extension of the dock if we decided to go that way. I can ask David Brewer of VISHPO if one will be required for a new dock location and if we do not need a survey I will get a letter from him saying so. If we need an archeological study I can get proposals for you. If we have to do a study, once its complete we will request a clearance letter from the DPNR State Historic Preservation Officer (SHPO).

The Environmental Assessment Report will act as the main reference document for the Coastal Zone Management Permit application, the U.S. ACOE permit application, and the Water Quality Certificate and for any other approvals which may be required. Because the federal agencies require more detailed and in depth studies than CZM these will be incorporated in to CZM's EAR format so that only 1 document has to be produced and circulated. Below I have provided a Scope of Work associated with producing the Environmental Assessment Report and what services Bioimpact, Inc. is proposing to provide and where we will need assistance with. The sections that are self-explanatory I have not elaborated on. Once all the studies have been completed for the EAR it will take approximately 3 weeks to put the document together.

## ENVIRONMENTAL ASSESSMENT REPORT LAND AND WATER

- 1.0 Name and Address of Applicant
- 2.0 Location of Project
- 3.0 Abstract: This is an overview of the entire proposal, its impacts and mitigations.
- 4.0 Statement of Objectives: What are the objectives of the overall application. We will need to be provided information from the applicant on what the purpose of the application.
- 5.0 Description of Project: Detailed description of the project and how the proposal will be implement and how it will be used.
  - 5.01 Summary of Proposed Activity: Summary of construction activities again in detail.
    - 5.01a Purpose of Project: What the proposal hopes to accomplish (much like 4.0).
    - 5.01b Presence and Location of Any Critical Areas or Possible Trouble Spots:  
This section describes the potential environmental problems and issues which will arise in association with the project. We will address the federally required "Avoidance, Minimization and Mitigation" measures within this section.
    - 5.01c Method of Construction: We will need detailed information as to what kind of equipment will be used for the construction. We will need to be able to state whether anchors or spuds will be used and if necessary identify anchoring and spudding areas for barges.

5.0ld Provisions to Limit Site Disturbance: The steps we are taking to minimize site disturbance and to mitigate for impacts that cannot be avoided. The minimization steps and mitigation plans will then be discussed in this section.

5.0le Sediment Control Devices to be Implemented: Unless shoreline trenching is necessary there should be minimal if any need for control devices. The offshore work will require sediment control devices for the construction work.

5.0lf Schedule for Construction Activities & Implementation of Sediment Control Measures: We will need to present the detailed schedule of each construction activity and subsequent activity. This does not have to be actual dates but time frames.

5.0lg Maintenance of Sediment and Siltation Control Measures: If we have to use turbidity barriers how will they be maintained.

5.02 Exhibits and Drawings: This project will require full sized drawings as well as drawing at an 8.5 x 11 format for the USACOE application. The USACOE drawings will need to include both profile drawing as well as site plan drawings. These drawings will need to be provided by the designing engineer or architect.

5.03 Project Workplan: A detailed discussion of the phases and subprojects and their timing in relationship to reach other.

6.00 Environmental Setting and Probable Project Impacts on the Natural Environment

6.01 Climate and Weather: Bioimpact will describe the climate and weather of the locale and how it will affect the proposed project. Both FWS and NMFS require that we state in the application what sea conditions we will construct and when the construction will be postponed.

6.02 Landforms, Geology, Soils, and Historic Land Use: Bioimpact describe the geology and sediments of the proposed locations and their impact on the project and the impact of the project on the geology and seafloor.

6.03 Drainage, Flooding and Erosion Control

6.03.A Impacts on Terrestrial and Shoreline Erosion: Bioimpact, Inc. will provide a detail description of how the proposed dock will impact the existing shoreline and their impact on terrestrial and shoreline erosion as well as impact on longshore currents and sediment movement.

6.03.B Relationship to the Coastal Flood Plain: Bioimpact will determine and then document the relationship of the dock to the coastal flood zones.

6.04 Fresh Water Resources: Bioimpact will describe the freshwater resources within the area and the project's impact on those resources (none).

6.05 Oceanography: Bioimpact will conduct the necessary field studies and research to adequately describe the project area. Marine water quality is addressed in this section. We will discuss the potential impact of sea conditions on the project and how it may affect the installation and use of the docks. We must also discuss under what sea conditions construction will be postponed.

6.06 Marine Resources: Bioimpact will conduct the benthic survey of the area and assess the project's impact on the benthic resource. We will have to provide detailed benthic survey map for the new dock and locate the coral and seagrass communities within the area. We will need to show where vessels might stop and what impact the vessels might have during construction. The survey will need to completely map the benthic resources within the area. We will address Essential Fish Habitat in this section of the EAR to meet the NMFS requirement.

6.07 Terrestrial Resources: The report will address the shoreline areas that will be potentially impacted during the dock access.

6.08 Wetlands: Bioimpact, Inc. will identify any wetlands near or adjacent to the dock site. Bioimpact will describe the potential impacts of the landing on wetlands.

6.09 Rare and Endangered Species: Bioimpact will identify any endangered species which may be impacted by the project. We will need to address sea turtles and marine mammals as well as the 7 listed coral species. We will identify and map the ESA listed corals and show their location in relationship to the dock.. We will list all step taken to avoid the corals and what measures will be taken during the dock construction to prevent impact to these species.

- 6.10 Air Quality: The impact on air quality during dock construction will be discussed.
- 7.00 Impact of Proposed Modification on the Human Environment
- 7.01 Land and Water Use Plans: Bioimpact will draft this section as to the projects compliance with federal and local statutes.
- 7.02 Visual Impacts: Bioimpact will describe the impact of any above water features.. We will have to discuss the appearance of the dock.
- 7.03 Impact on Public Services and Utilities: This should be negligible since it's an offshore cay.
- 7.04 Social Impacts: This should also be negligible since its and offshore cay.
- 7.05 Economic Impact: We will discuss submerged land fees that will be paid, and construction spending..
- 7.06 Impact on Historical and Archeological Resources: If needed , I will get archeological proposals and once complete will request a clearance letter from DPNR/SHPO. The first thing I will do is meeting with SHPO to see if we even need one.
- 7.07 Recreation Use: Bioimpact will describe the use of the project area for recreation and the impact of the project on recreational use.
- 7.08 Waste Disposal: We will discuss the disposal of any waste during construction.
- 7.09 Accidental Spills: We will discuss potential spills form equipment and vessels during the dock construction and what will be done to abate those spills.
- 7.09 Potential Adverse Effects Which Could not be Avoided: Bioimpact, Inc. will discuss the adverse impact that cannot be avoided and what is being done to minimize and mitigate for those impacts.
- 8.0 Mitigation of Impacts
- Bioimpact, Inc will produce the Water Quality Monitoring Plan and Environmental Monitoring Plan as well as any mitigation plans which may be required for the project.
- 9.0 Alternatives to Proposed Action; For the federal agencies we must provide very detail alternative analysis of different methods of meeting our primary goal and detailed analysis of different project sites. We will need to produce a weighted matrix.
- 10.0 Relationship Between Short Term and Long Term Uses of Man's Environment:
- Bioimpact will discuss the impact on man's short term and long term uses of his environment. We will discuss many of the secondary impacts as well as cumulative impact questions raised in the COE's EAs of (their internal permitting document) in this section.

## Timing

We are available to start preliminary surveys for the dock location. It will take 2 weeks because of variable weather and sea conditions to narrow down the potential sites. We can conduct the detailed benthic surveys while the designs are being finalize and then once we have final designs we can have the Environmental Assessment Report, and all monitoring and mitigation plans prepared for your review in about 3 weeks. At present applications can only be submitted to CZM the first 5 working days of the month. CZM then has 15 working days to deem the application complete. There are usually 2 rounds of questions before being deemed complete. Being deemed complete is however at the whim of the agencies and seldom is anything they ask for truly an incomplete item. Usually incomplete items are legal in nature. Once deemed complete CZM has 60 days to set a public hearing and then 30 days to render a decision on the application. Hearings are usually held in 40 to 45 days and the decision hearing is usually between 2 and 3 weeks after the hearing. Once the decision has been rendered the permit is prepared and the submerge land lease(s) negotiated. The permit will then be forwarded to the Governor for signature who then sends the permit to the legislature for approval. At present the permit is first presented to the Committee on Environmental Protection and then if approved by the committee forwarded to the Body of the Whole. We may be required to appear at both hearings. The timing on the gubernatorial and legislative approval is dependent on lobbying.

The USACOE application will be submitted concurrently. COE publishes a Public Notice once they feel they have all the information they need to evaluate the proposal. The Public Notice runs for 30 days and within that time frame the federal reviewing agencies (NMFS, FWS, and EPA) comment on the project. At the end of the 30-day period the COE puts together the comments and we are asked to respond. The federal reviewing agencies usually forward me their comments as a courtesy as soon as they are written. I usually communicate directly with NMFS and FWS to address their concerns before responding through the COE to minimize time. If we answer the questions which are raised to the COE's satisfaction and to that of the reviewing agencies an Intent to Issue Letter is issued. Once we have a Coastal Consistency Letter (written when the CZM permit is granted) and a Water Quality Certificate (which will be requested by CZM during the process), the COE issues the permit. If there are issues with endangered species the federal reviewing agencies may require an informal or formal Section 7 Consultation and may require the production of a Biological Assessment. All the information for a Biological Assessment should be contained with the EAR and it should only require reformatting for this document.

#### COST:

##### Preliminary Site /Location Assessment

Bioimpact, Inc. is proposing to find the best dock locations, we estimate that it will take 2.5 days of dive survey to cover the area and find a suitable landing site.

Finding the right dock location \$9,750.00.

##### Environmental Assessment Report/Permit Applications:

###### Including

- All necessary terrestrial and marine surveys and the compilation of all environmental data for permit document.
- Preparing a draft EAR for review
- Preparation of the final EAR and application forms
- Response to deficiency items and Requests for additional information
- Follow through with agencies to expedite the permit process
- Attendance at Pre-Application Meeting, Interagency Meeting, Meetings with NMFS, FWS, COE, CZM as necessary, Public Hearings and Senate Hearings

This does not include drafting of a Biological Assessment (BA) if Formal Section 7 Consultation is required by NMFS or FWS, if the dock site and route can be laid out to avoid endangered species this may not be necessary. All information should be contained with the EAR and the BA should only require the re-formatting of the document.

This does not include reproduction cost of the document or cost of public notices. These will be billed at cost.

The Lump Sum Cost of the Environmental Assessment Report, COE, CZM and WQC applications and associated studies, meetings and hearings will be \$ 30,000.00. Cost for work on the EAR and for additional services will be billed monthly as work progresses.

I look forward to working with you. I look forward to your earliest response. Please do not hesitate to call if you have any questions or concerns.

Respectfully submitted,



Amy Claire Dempsey, M.A.  
President, Bioimpact, Inc.