

TESTIMONY

Good Day,

I am Amy Claire Dempsey, President of Bioimpact, Inc. and I did the environmental work associated with Frenchman's Reef Renewal CZT-9-14W and will be presenting today on behalf of DiamondRock Frenchman's Owner, Inc. Here today with me is Aleshia Shorter, Director of Finance for Frenchman's Reef Marriott and Morning Star Beach Resort here in St. Thomas. DiamondRock Frenchman's Owner, Inc. is requesting the approval of CZT-9-14W and its associated submerged land lease.

The scope of the previous Major Coastal Zone permit No. CZT-12-90W which superseded Submerged Land Permit 196 was as follows:

- The legalization of the placement of 8,500 cu. yds. of soil and rock, 750 cu. yds. of boulder rip-rap on the south shore of Muhlenfels Point; the existing 40 ft. long x 4 ft. wide floating pier; a 28 ft. long x 19ft. wide building; and the 143 ft. long x 10 ft. wide triangular area occupied by the tennis courts on the south shore of Muhlenfels Point in St. Thomas.
- The use of existing 18,576 sq. ft. of filled submerged lands and the existing intake and outfall pipes for the Desalination Plant located seaward of Parcel No . SA Estate Bakkeroe, St. Thomas, Virgin Islands.

On March 11, 2011 CZT-12-90W was modified to significantly modify the existing dock and to remove the existing 40' x 4' finger pier. The new pier design considered of a twelve-foot (12') wide standalone pile dock along the perimeter of the filled land area. The modification also allowed for the installation of a 300ft. fourteen-inch (14") diameter intake line, and a 488 square feet pump house for the new seawater chiller system.

The permit now before you allows the Permittee the continued use and occupancy of the dock and intake line and the submerged lands adjacent to the dock and on the southern side of the property adjacent to the tennis courts.

The seawater intake was installed. However, the applicant chose to reconstruct the dock in its present layout, did not to install the 12' wide dock and did not remove or alter the small fixed pier which extends off the eastern side of the dock. This dock was modified from a floating dock to a fixed dock after hurricane Marilyn. According to Diamond Rock Frenchman's Owner, Inc. representatives a rebuild permit was received to reconstruct the dock as a fixed dock but permit CZT-12-90W was not modified to reflect this change. Documentation of this permit has not been found therefore DiamondRock Frenchman's Owner, Inc. would like the existing fixed finger pier to be brought into compliance as a part of this permit application.

The dock was reconstructed in the footprint of the existing dock. The activity was monitored and no environmental impacts were noted.

Muhenfels Point area has sensitive marine and terrestrial environs. The marine environment offshore of the property has scattered diverse hard and soft coral communities. Including scattered *Acropora palmata*, *A. cervicornis*, *Orbicella annularis*, *O. franksi*, *O. faveolata* and *Dendrogyra cylindrus* all listed on the federal endangered species list. The nearshore area abutting the reverse osmosis building and over which the intake crosses and the area to the west of the dock is a hardbottom habitat protected as

a critical habitat for acropiod coral. At the time of the modification a single *Acropora palmata* had been located immediately off shore of the reverse osmosis plant site and in fairly close proximity to the intake line. The intake line to Johnson Bay was laid out to avoid all corals and then cross across a uncolonized area of sand.

The installation of the pipeline was monitored and no impacts occurred during the construction of the intake. However Tropical Storm Isaac in August 2012 moved the intake line due to issues with the anchoring. The pipeline shift did not result in impact to the reef but later actions trying to stabilize the pipeline to ensure it did not move again resulted in some damage to a few of the coral specimens there. After several attempts to stabilize the pipeline it has been stabilized and there is no longer a danger of its movement.

The new chillers result in the potential increase in effluent temperature over ambient temperatures. In order to minimize the mixing zone size and to avoid impact to coral habitat, an additional 1090 gpm of seawater can be drawn as necessary from the sea and mixed with combined effluent to minimize temperature effects when discharge levels exceed TPDES parameters (TPDES permit VI0039829). As another measure to minimize environmental effects the new intake has a 2mm screen and a 0.5 fps intake velocity (0.5 fps current) to limit impingement and entrapment of small fish and invertebrates and marine larvae.

The TPDES permit for the increased discharge was issued in late July 2012 and the discharge was placed in operation. Since that time Frenchman's has been able to stay within the required temperature guidelines. And since the time of the increase discharge, improvements to the WWTP and overall improvement of discharge water quality the density of algae in the nearshore has diminished and corals are recruiting into the area including 19 *Acropora palmata*. The changes undertake have notably increased the water quality in the nearshore area and improved the habitat. I would like to show a few pictures showing the intake and the area before and after the change in discharge.

(Go through slides)

Thank you very much for your time today.