

Summary Minutes
Inland Waterways Users Board Meeting No. 76
Gaylord Opryland Hotel and Convention Center
Nashville, Tennessee
August 12, 2015

Inland Waterways Users Board Meeting No. 76 was called to order by Mr. Mark R. Pointon, Designated Federal Officer (DFO) of the Inland Waterways Users Board (the Board) at 9:00 a.m. The meeting was attended by approximately 60 participants, including Board Chairman Martin Hettel, Vice Chairman Matt Woodruff, and Board members Messrs. David Choate, Charles Haun, Jr., Mark Knoy, Scott Leininger, Robert McCoy, Daniel Mecklenborg, Bruce Reed, and Michael Somales.

Mr. Pointon provided opening remarks then invited Major General (MG) John W. Peabody, Deputy Commanding General for Civil and Emergency Operations, U.S. Army Corps of Engineers, and Executive Director of the Board to administer the oath of office to the current members of the Board who were all reappointed to serve another term.

Following MG Peabody's administering the oath of office to the Board members Mr. Pointon invited Mr. David Dale, Director of Programs of the Great Lakes and Ohio River Division (LRD) to provide welcoming remarks on behalf of Brigadier General Richard Kaiser, the LRD Commander, and Lieutenant Colonel Stephen Murphy, Commander of the Nashville District.

Following Mr. Dale's welcoming remarks MG Peabody provided his introductory remarks.

MG Peabody began his remarks by thanking the Nashville District for hosting the Users Board meeting and the tour of the Chickamauga Lock and Dam in Chattanooga on the preceding day, as well as hosting the Mississippi River Commission (MRC) during the Commission's week long low water tour of the Tennessee, Cumberland and Ohio Rivers. MG Peabody also thanked the Corps' project partners and stakeholders in the Tennessee and Cumberland rivers basins including the Tennessee River Valley Association (TRVA).

MG Peabody's remarks focused on the following areas: (1) the Corps' efforts to examine the internal processes for collecting and analyzing inland waterways system data as reported by the Corps' Lock Performance Monitoring System (LPMS); (2) the status of the Corps' efforts to develop a Capital Investment Strategy and longer term vision of what is required to maintain, operate, and recapitalize the inland waterways transportation system; and (3) the Corps efforts to complete the Fiscal Year (FY) 2017 Civil Works budget submission to the Office of Management and Budget (OMB).

MG Peabody also welcomed MG Edward "Don" Jackson, incoming Deputy Commanding General for Civil and Emergency Operations, who attended the meeting as well. MG Jackson will assume the role of the Executive Director of the Board upon MG Peabody's retirement from the Army.

At the conclusion of his remarks, MG Peabody invited the Federal Observers in attendance at the meeting to offer opening remarks.

Mr. Nicholas Marathon of the U.S. Department of Agriculture (USDA) thanked the Board for the opportunity to attend and observe the meeting and extended the greetings of Mr. Arthur L. Neal, Deputy Administrator of the Agricultural Marketing Service's Transportation and Marketing Program. Mr. Marathon indicated that the USDA has begun a project to measure the benefits to U.S. agriculture that could be derived from waterway improvements. The project was directed by Section 6206 of the Agricultural Act of 2014 (the 2014 Farm Bill, Public Law 113-79). The project will update the 2010 USDA report entitled "[Study of Rural Transportation Issues](#)".

Rear Admiral Gerd Glang, Director of the National Oceanic and Atmospheric Administration (NOAA) Office of Coast Survey and a Commissioner on the MRC thanked the Board for the opportunity to attend and participate in the meeting.

Ms. Lauren K. Brand, Associate Administrator for Intermodal System Development at the U.S. Maritime Administration (MARAD), thanked the Board for the opportunity to attend the meeting and to the discussion of issues impacting the inland waterways system, its important role in the movement of commodities and its contributions to the nation's economy.

The Honorable Ms. Jo-Ellen Darcy, Assistant Secretary of the Army for Civil Works, said the inland waterways system plays a vital role in the nation's transportation system and its contributions to the national economy and national security and thanked the members for their service on the Board and offered her congratulations to the Board members on their reappointment to the Board and looked forward to continuing to work with the Board to address the vital issues facing the inland waterways system.

Next, Board Chairman Mr. Martin Hettel provided his introductory remarks. He began his remarks by thanking the Nashville District for hosting the Board meeting, and thanked the Mississippi River Commission members at the meeting for the opportunity to interact with the MRC. Chairman Hettel, in keeping with the goal of the Board to hold meetings throughout the various regions of the inland waterways system, said that the next Board meeting (No. 77) would be held in the St. Louis, Missouri area. This would allow the Board members the opportunity to visit Lock and Dam 25 on the Mississippi River and LaGrange Lock and Dam on the Illinois Waterway in conjunction with the meeting.

Chairman Hettel commented on the Chickamauga Lock and Dam noting that in order to perform a major rehabilitation of the existing lock chamber would cost on the order of \$360 million versus a cost of \$680 million to complete the efforts underway to construction a new, larger lock chamber. Chairman Hettel stated his thoughts were to continue construction of the new lock chamber.

With respect to the development of the Capital Investment Strategy (CIS), Chairman Hettel indicated that he and the members of the Users Board supported the scenario developed by the Corps of Engineers which maximized the utilization of the financial resources of the Inland

Waterways Trust Fund (IWTF) referred to by the Corps as the “Maximized Trust Fund” Scenario. This alternative would fully utilize the financial resources deposited into the IWTF annually and would result in the completion of the greatest number of capital improvement and major rehabilitation projects across the largest geographic distribution in the inland waterways system over the 20 year forecast period developed by the Corps of Engineers.

After Chairman Hettel concluded his remarks, Mr. Pointon next called for a motion to approve the minutes of Board Meeting No. 75, held on May 14, 2015, in Galveston, Texas. Board Chairman Hettel made a motion to approve the minutes of Meeting No. 75 and Board Vice Chairman Matt Woodruff seconded the motion. The Board members then voted unanimously to approve the minutes of Meeting No. 75.

Following the approval of the minutes from Meeting No. 75, Mr. Pointon invited Dr. Mark Sudol, Director of the Corps’ Navigation Data Center to provide an update on the Corps’ efforts to address the issue of recording of the time of arrival of vessels at locks and the lockage times as recorded in the Corps’ Lock Performance Monitoring System (LPMS) and the characterization of vessel delay times. Dr. Sudol indicated that the Corps will standardize the procedure used to determine when vessels arrive at a lock and how to compute vessel delay times at locks.

Following Dr. Sudol’s presentation, Chairman Hettel raised concerns about the veracity of the vessel delay times reported at the Bayou Sorrel Lock. It was his contention that the amount of time vessels are delayed at the Bayou Sorrel Lock are being underreported which has resulted in an underreporting of the benefits associated with the plan of improvement to the Bayou Sorrel Lock.

Mr. Jeff McKee, Chief of the Operations Navigation Branch at Corps Headquarters then provided the Board with an update on the status of the Inland Waterways Trust Fund (IWTF) and the status of the inland waterways projects either under construction or being rehabilitated. As of the beginning of FY 2015 (October 1, 2014) the beginning balance in the IWTF was \$24.66 million. During the period from October 1, 2014 to July 31, 2015, \$77.8 million was collected in fuel tax revenues and deposited into the IWTF. Interest earned on deposits in the IWTF was \$9,599. Total funds available in the IWTF as of July 31, 2015 were \$102.465 million.

With respect to funding allocations to various inland waterways projects during FY 2015, \$207.3 million has been allocated to the Olmsted Locks and Dam project, \$55.98 million was allocated to the Lower Monongahela River, Locks and Dams 2, 3, and 4 project, \$14.7 million was allocated to the Kentucky Lock project, and \$3.0 million was allocated to the Chickamauga Lock and Dam project.

Mr. McKee then provided an update on the status of inland waterways projects including the Lockport Pool Major Rehabilitation on the Illinois Waterway; the Inner Harbor Navigation Canal (IHNC) Lock replacement project on the Gulf Intracoastal Waterway (GIWW) in New Orleans, Louisiana; the Locks and Dam 27 Major Rehabilitation on the Mississippi River; the Emsworth Locks and Dam project on the Ohio River; the Kentucky Lock project on the Tennessee River; and the Chickamauga Lock and Dam project on the Tennessee River.

Of note regarding the Lockport Pool Major Rehabilitation project, it is expected that the repair of the forebay wall will be completed by the end of FY 2016. The project has been fully funded and it is not anticipated that the project will draw any more funds from the IWTF.

With respect to the IHNC Lock replacement project, the New Orleans District continues its efforts to re-evaluate the project and develop a shallow draft alternative to the existing project. The Corps Headquarters has provided funding to the District in the FY 2015 work plan to initiate the General Reevaluation Report (GRR) for the IHNC Lock and the GRR is scheduled to be completed in December 2017.

With respect to the Mississippi River Locks and Dam 27 Major Rehabilitation, this project was completed in May of 2013 and the Corps is in the process of closing out the remaining contracts and completing the Operation and Maintenance manuals.

With respect to the Emsworth Locks and Dam Major Rehabilitation project on the Ohio River physical completion of all construction activities will occur by the end of December 2015 and the project will be fiscally closed out during FY 2016.

With respect to the Kentucky Lock and Dam project, \$14.7 million has been allocated to the project during FY 2015 and work continues on the upstream lock monoliths.

For the Chickamauga Lock and Dam project, in June Assistant Secretary Darcy informed Congress that \$3 million would be allocated to the project. Those funds will be used to perform grouting of the foundation of the cofferdam at the project.

In the subsequent discussion of the Chickamauga Lock and Dam project, the Board members indicated a desire on the part of the Board for the Corps to complete the new Chickamauga Lock in as expeditious manner as possible and indicated that in the Capital Investment Strategy scenario that maximizes the use of the IWTF funds, the Chickamauga project could be completed by 2026. The Board members did not support funding of a major rehabilitation of the existing Chickamauga Lock.

Then Mr. McKee provided the Board an update on the status of Fiscal Year 2015 navigation appropriations work plan based on funding received in the Corps FY 2015 appropriations (Public Law 113-235, "Consolidated and Further Continuing Appropriations Act of 2015", signed December 16, 2014). The FY 2015 work plan contained an additional \$523 million directed towards navigation related projects to a total of \$2.34 billion.

Of the \$523 million in additional funding for navigation projects, \$15 million is directed to Investigations, \$207 million is directed to Construction projects, including \$112 million going towards Inland Waterways Trust Fund funded projects, \$295 million directed towards Operations and Maintenance projects, and \$6.4 million going towards Mississippi River and Tributaries projects.

Based on the latest allocations from Corps Headquarters, the Olmsted Locks and Dam project received an additional \$2.3 million to a total of \$207.3 million, the Lower Monongahela River,

Locks and Dams 2, 3, and 4 project remained at \$58 million, the Kentucky Lock project received an additional \$700,000 to a total of \$12.7 million, and the Chickamauga Lock and Dam project received \$3.0 million.

The total amount of project funding for the four projects to be derived from the IWTF is \$67.945 million.

Following Mr. McKee's presentation, Mr. Edward Belk, Chief of the Operations and Regulatory Division at Corps Headquarters provided the Board an update on the status of the Capital Investment Strategy (CIS). Mr. Belk indicated the CIS report is under review by OMB and the Corps continues to work with the Office of the Assistant Secretary of the Army for Civil Works and OMB to address their questions and comments.

Following Mr. Belk's presentation, Mr. David Dale, Programs Director for LRD, provided the Board an update on the status of two ongoing construction projects: the Lower Monongahela River Locks and Dams 2, 3, and 4 Replacement project and the Olmsted Locks and Dam project on the Ohio River.

For the Olmsted project, Mr. Dale indicated that construction is progressing well at the project site and indicated that all of the shells for the tainter gate portion of the dam are set in place and that work is progressing on the navigable pass portion of the dam. The first tainter gate of the dam has been installed and the second tainter gate was delivered to the project site in July. For the navigable pass portion of the dam, the first two of 12 navigable pass shells have been set and it is expected that the third navigable pass shell will be set in September. It is anticipated that all 12 navigable pass shells will be set by the end of the low water construction season in 2017, one year ahead of the original schedule. It is anticipated that the dam will be operational by October 2018. Mr. Dale indicated that if construction progresses on schedule at the project site and if there are no unforeseen difficulties, the Olmsted project should be completed at a total estimated cost of \$2.873 billion or less. The project is currently carrying a contingency of \$226 million in costs.

Mr. Dale indicated that even after the completion of the navigable pass portion of the Olmsted project, there still remains work to remove the physical features at Ohio River Locks and Dams 52 and 53. Mr. Dale indicated that the Corps is continuing to investigate the options available to remove those locks and dams. The Corps continues to engage the U.S. Coast Guard and the navigation industry so as to determine a best path forward with respect to removal of the locks and dams.

With respect to the Lower Monongahela project, Mr. Dale indicated that at present it is anticipated that construction of the riverward lock chamber at Lock and Dam 4 (Charleroi, PA) will be completed in 2022. Completion of the riverward lock chamber will generate approximately 90% of the benefits associated with the project. Currently construction will continue on the riverward lock chamber, however construction of the landward lock chamber at Charleroi will be deferred until sometime in the 2050 time period, and the raising of the Port Perry Railroad Bridge will not be implemented at this time. The cost of completing the project with the riverward lock chamber currently under construction, but without constructing neither

the landside chamber nor the relocation of the Port Perry Railroad Bridge is \$1.22 billion, which includes contingency costs of \$151 million.

After Mr. Dale's presentation, Mr. McKee gave an update on the status of the Corps efforts to standardize the process for coordinating and communicating closures on the inland waterways system including portions of the open rivers and the locks on the inland waterways system. Mr. McKee indicated that the Corps will continue to coordinate closure of locks and portions of the river system with members of the inland waterways transportation industry and other stakeholders as well as other federal agencies, including the U.S. Coast Guard. The Corps will post notices of closures to the Corps "Notices to Navigation Interests" website at <http://ntnnotices.usace.army.mil/>.

After Mr. McKee's presentation, Mr. Mike Wilson, Deputy District Engineer for Project Management in the Nashville District gave a presentation on the role that the Cumberland and Tennessee Rivers play in water management in the Ohio River Basin. Mr. Wilson indicated that the dams on the Cumberland and Tennessee Rivers are very effective at controlling water during both times of flood and drought, in that the dams can hold back water in times of flood and release water during times of drought. The Corps of Engineers, who has responsibility for managing the dams on the Cumberland River, works very closely with the Tennessee Valley Authority who has responsibility for managing the dams on the Tennessee River.

Mr. Wilson described the events surrounding the historic flood event of May 2010 that affected the Cumberland River basin. A record rainfall fell on the Nashville and surrounding areas and due to the location of the rain event, the water control structures in the approximate area near Nashville did not have storage capacity to hold back the record rainfall.

Following the May 2010 flood event, the Nashville District has worked with the local communities to develop emergency flood evacuation plans, flood warning systems, and is conducting flood risk management studies on the Harpeth and Cumberland rivers.

In 2011, when rain caused flooding in the Mississippi River area, because of where the rain fell in the Cumberland River basin area, the reservoirs on the Cumberland River were able to hold back twice as much water as during the 2010 flood event and thus reduce the extent of flood damages experienced downstream.

During the drought of 2012, the release of water from the Cumberland and Tennessee Rivers water control structures were able to provide 40 percent of the water that flowed in the Mississippi River south of the Ohio River.

After Mr. Wilson completed his presentation, Mr. Pointon opened the public comment period of the meeting. There were two commenters.

First, Mr. James Stark from the Gulf Intracoastal Canal Association (GICA) spoke. He said that GICA was very pleased to see the Board and the Corps of Engineers discuss issues of concern to GICA as they affect the movement of cargo on the Gulf Intracoastal Waterway. Mr. Stark was pleased to see the Corps address the issues of data reporting in the LPMS and the reporting of

vessel delays at the Brazos River floodgates. Mr. Stark said the GICA looks forward to working with the Corps to addressing these issues.

Mr. John Doyle of Jones Walker LLP complemented the members of the Board and the Corps for the high quality of the discussions at the Board meetings in recent years and recognized the leadership of the current Board Chairman, Mr. Hettel, and the Executive Director, MG Peabody, for having established an environment which allows for open and candid discussion of the issues concerning the inland waterways infrastructure needs of the nation.

Mr. Pointon adjourned the meeting at 12:55 p.m.