US Army Corps of Engineers
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Inland Waterways Users Board Meeting No. 104

Hilton Garden Inn Reagan National Airport, Salons 1, 2, & 3
Arlington, Virginia

December 13, 2024

Minutes

The following proceedings are of the 104th Meeting of the Inland Waterways Users Board held on the 13th of December 2024, commencing at 9:00 a.m. This is the third meeting of the Inland Waterways Users Board held in 2024. Mr. Spencer Murphy, Chairman of the Inland Waterways Users Board presiding. Inland Waterways Users Board (Board) Members present at the meeting included the following:

MR. JUSTIN DICKENS, Board Member, Crounse Corporation.

MR. MARTIN T. HETTEL, Board Member, American Commercial Barge Line LLC (ACBL).

MR. DAMON S. JUDD, Board Vice Chairman, Marquette Transportation Company LLC.

MR. RICHARD C. KREIDER, Board Member, Campbell Transportation Company (CTC).

MR. W. SPENCER MURPHY, Board Chairman, Canal Barge Company, Inc. (CBC).

MS. CRYSTAL D. TAYLOR, Board Member, Ingram Barge Company. (*Virtual Attendance*)

MR. JEFF WEBB, Board Member, Cargill, Inc., Cargo Carriers, Cargill Marine & Terminal.

MR. W. MATTHEW WOODRUFF, Board Member, Kirby Corporation.

Eleven of eleven Board Members attended the meeting.

Also present at the meeting were the following individuals serving as observers of the activities of the Inland Waterways Users Board, designated by their respective Federal agencies as representatives:

MS. STACEY E. BROWN, Deputy Assistant Secretary of the Army for Civil Works, for Management and Budget, Headquarters, Department of the Army, Washington, D.C.

MR. CHARLES MAKINGS, Deputy Administrator, U.S. Department of Transportation, Maritime Administration (MARAD).

RDML BENJAMIN EVANS, Director of the Office of Coast Survey, National Oceanic and Atmospheric Administration (NOAA), U.S. Department of Commerce, Silver Spring, MD.

MS. ALEXIS HEYMAN, Economist, Transportation Services Division, U.S. Department of Agriculture (USDA).

MS. ASHLEY CHAPPEL, Executive Director, U.S. Committee on the Marine Transportation System (CMTS).

Official representatives of the Federal government responsible for conducting the meeting and providing administrative support to the Inland Waterways Users Board from the U.S. Army Corps of Engineers were as follows:

MAJOR GENERAL JASON KELLY, Users Board Executive Director and Deputy Commanding General for Civil and Emergency Operations, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

MR. PAUL D. CLOUSE, Executive Secretary and Designated Federal Officer (DFO), Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, Virginia.

MR. STEVE HILL, Chief of Operations and Regulatory Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

MR. STEVEN D. RILEY, Alternate Designated Federal Officer (ADFO), Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, Virginia.

MS. ALEXANDRA SCHAFER, Alternate Designated Federal Officer (ADFO), Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, Virginia.

MS. TIFFANY S. BURROUGHS, Chief, Navigation Operations, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

MS. DIANA NOLTON, Administrative Support, Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, Virginia.

Senior official representatives of the U.S. Army Corps of Engineers providing input were as follows:

MR. EDDIE BELK, Director of Civil Works, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

MR. THEODORE "TAB" BROWN, Chief, Programs Integration Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

U.S. Army Corps of Engineers program speakers in scheduled order of appearance were as follows:

Mr. Paul D. Clouse, Inland Waterways Users Board Designated Federal Officer (DFO) and Executive Secretary, U.S. Army Corps of Engineers, Institute for Water Resources.

MG Jason Kelly, Users Board Executive Director and Deputy Commanding General for Civil and Emergency Operations, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

Mr. Craig Moulton, Inland Waterways Program Manager, U.S. Army Corps of Engineers, Headquarters, Operations Division.

Ms. Elizabeth M. Burks, Chief, Integrated Project Office (IPO), U.S. Army Corps of Engineers, Nashville District.

COL Nicholas Melin, Commander, U.S. Army Corps of Engineers, Pittsburgh District.

Mr. Stephen R. Fritz, Chief, MEGA Projects Branch, U.S. Army Corps of Engineers, Pittsburgh District.

Ms. Catherine "Kate" Leese, NESP Mississippi River L&D #25 Project Manager, U.S. Army Corps of Engineers, St. Louis District.

Mr. Jonathan A. Gillip, Project Manager, U.S. Army Corps of Engineers, Little Rock District.

Mr. Peter Dodgion, Chief, Asset Management, U.S. Army Corps of Engineers, Headquarters, Operations Division.

There was one public comment made during the public comment period of the meeting, and no written public comments were submitted for the record.

Ms. Sandra Knight, U.S. Commissioner, World Association of Waterborne Transport Infrastructure (PIANC).

PROCEEDINGS

DFO CLOUSE: Good morning everyone, and welcome. Thank you for being here. Let's begin the Federal Advisory Committee meeting. My name is Paul Clouse. I am the executive secretary and designated federal officer for the Inland Waterways Users Board. I call to order the 104th Inland Waterway Users Board meeting at 0900 on Friday, December 13th, 2024. To my knowledge, this is the first Board meeting in Arlington, Virginia. However, the 2018 Army Corps of Engineers National Dredging Meeting was held in this facility. I'd like to thank the Institute of Water Resources staff and the Headquarters' audio-visual staff for

all the support to make this a successful meeting. I'd also like to thank Waterways Council for the refreshments and snacks. At this time, please ensure your phones are set to silent mode.

Before we begin, I am obligated to read for the record that the Users Board was created pursuant to Section 302 of the Water Resources Development Act (WRDA) of 1986, as amended. This is codified in Title 33 of the United States Code Section 2251. The Users Board provides the Secretary of the Army with independent advice and recommendations regarding inland waterways construction and rehabilitation priorities, feasibility studies, spending levels, and the development of a long-term capital investment program. The Board and I are subject to the rules and regulations of the Federal Advisory Committee Act of 1972 as amended. This is a Sunshine in the Government Act meeting, and as such is open to the public. The United States Army Corps of Engineers is the sponsor of the Board and provides the Executive Director, the designated federal officer, and all the normal activities related to the Board. Currently, there's one request to make a public comment before the Board, and no statements have been submitted for the record. If anyone wishes to make a public comment at the appropriate time or submit a statement for the record, please let me know at the break.

These proceedings are being recorded, and the minutes of this meeting will be available afterwards. Please ensure your microphone is on and state your name prior to making comments. A reminder that the public comment period is toward the end of the meeting. We do have a quorum of Board members present today. We also have an aggressive agenda today, so I'll do my best to keep this moving along. I'd like to welcome the Board members and federal observers. And a special welcome to Ms. Ashley Chappell, the Executive Director of the United States Committee on the Marine Transportation System. First, I will ask Major General Jason Kelly, the Executive D[irector of the Users Board, for his welcoming remarks. General Kelly.

MG KELLY: Thank you, Paul, and thank you all for joining us this morning. As Paul highlighted, we have a very aggressive agenda, so I shall be brief. I'm excited about this agenda and this being my first Board meeting. I'm excited about the opportunity, unprecedented opportunity, I might add, that we have to make a difference in the value we collectively deliver for our Nation. We're talking about rivers. We're talking about the movement of goods, the prosperity of our Nation, the security of our Nation. And I don't think there's anyone in this room that doesn't think we can do better. I'm a few months in this position, and it is my opinion that we can, and we have to do better. High expectations from the Nation for our group to sustain the infrastructure, the gift of those that preceded us. It is so important that we do better, and I think we collectively are committed to just that. And so today, I consider this opportunity to better understand what's happening in this moment. This time that we'll be together is but the beginning because I think the real work commences when we depart. And these things that we commit to as a result of this meeting, the opportunity for the public to share with us is important. And I'm excited that we do it this way. Look forward to the dialogue we'll have. Look forward to the updates. I hope that you all will join me in the excitement about what we're going to do together. Thank you so much, Paul.

DFO CLOUSE: Thank you, General Kelly. I will now ask Mr. Spencer Murphy, Chairman of the Inland Waterway Users Board for his opening remarks. Chairman Murphy.

CHAIR MURPHY: Good morning, and welcome to the 104th meeting of the Inland Waterways Users Board. Welcome, General Kelly, our new Executive Director and Deputy Commanding General for Civil Works and Emergency Operations. Look forward to working with you in your new role. And as you said, we've got a lot to do. I'd also like to welcome Deputy Assistant Secretary of the Army for Civil Works Ms. Brown, our members of the Board, our federal observers, and our assembled guests. This has been a very eventful year for the Inland Waterways. We've had several legislative victories in 2024 that have better positioned us and this construction program for future success. From increased funding in the Bipartisan

Infrastructure Law (BIL), to the enactment of a permanent cost share change in the WRDA [2024] bill that is moving through Congress, this will allow us to advance some of these ongoing projects. It is, however, unfortunate that these positive steps forward have been complicated by unplanned outages resulting in costly unscheduled closures. These infrastructure failures we've seen this year emphasize the need to quickly recapitalize our aging locks and dams, and the importance of ensuring redundancy in the system. When both Demopolis and the IHNC [Inner Harbor Navigation Canal] Lock went down at the same time this year, there was no way to go east of New Orleans on the inland system. The Nation simply cannot afford to wait decades to get these projects operational.

As the age of these antiquated locks continues to grow, so does the risk of failure. We find ourselves in the same place we were almost 20 years ago when frustrations grew over construction projects squarely exceeding their originally authorized cost and schedule expectations. At the request of this Board, the Corps and the navigation industry collaboratively developed recommendations for process improvements and the development of a 20-year Capital Investment Strategy (CIS). Despite the industry's successful advocacy to codify the CIS, change the required cost share of the trust fund, increase our own fuel taxes, and win additional appropriations, many of the recommended process improvements identified in 2010 and later enacted into law remain unfulfilled, and many of our same problems remain. In the last 15 years, we've seen only one new construction project become operational and completed only one major rehab. Even with additional appropriations and changes to the cost share, we are on an unsustainable and I would say unacceptable path. Drastic change is needed if we are going to complete any of these projects on a planned basis. I fear we are headed for a strictly fixe as fail program that will cause unknown damage to our industry, our mariners, and our economy. We must find a way to do better. I look forward to having a productive discussion on how we can do better and how we can successfully move this program forward and achieve our common goals of getting these locks modernized to meet the demands of a 21st century economy. Thank you.

DFO CLOUSE: Thank you, Chairman Murphy. Any other Board members wish to make an opening statement at this time? Seeing none. Next up, we have Ms. Stacey Brown from the Assistant Secretary of the Army for Civil Works Office. Ms. Brown.

MS. BROWN: Good morning, everyone. I'm pleased to be here today representing Mr. Jaime Pinkham, the Acting Assistant Secretary of the Army for Civil Works. This Administration has been very committed to the inland waterway system, recognizing how important it is to our Nation and what a jewel it is and how it sets us apart from many other nations. And look forward to hearing all the updates today and hearing what assistance folks need to do better because I agree that there's certainly room for improvement. So, I'm committed to helping move things along as best we can and happy to see everyone and look forward to the updates. Thank you.

DFO CLOUSE: Thank you, Ms. Brown. Next, we are going to move to the federal observers for opening remarks. We will start with the Department of Commerce, represented by Rear Admiral Benjamin Evans, Director of Coast Survey, National Oceanic and Atmospheric Administration. Admiral Evans.

RDML EVANS: Thank you, Mr. Clouse. Good morning, General Kelly, Chairman Murphy, Vice Chairman Judd, fellow members of the Board, fellow federal observers, and staff. For the record, my name is Ben Evans. I am the Director of the NOAA Office of Coast Survey, which has responsibility for surveying and charting U.S. waters, including some inland waterways. I also serve on the Mississippi River Commission. Ms. Heather Gilbert, who many of you know, sends her regards and her regrets. Heather was recently selected for the prestigious Presidential Management Council Interagency Rotation Program and is currently on a seven-month detail to the State Department. So, I'm very glad to be attending my first Inland Waterways Users Board meeting today. Timing of the meeting is fortuitous, as I've just returned from

Nashville, where the Mississippi River Commission hosted a delegation from the Mekong River Commission as part of the Mekong-U.S. Partnership. And during this engagement, we visited Kentucky Lock and Dam, where we received a tour of the new lock under construction from Colonel Rob Green and his team. So, this meeting is a fitting end of the week during which I've been focused more heavily than usual on the challenges of managing and optimizing our inland waterways.

While NOAA does not provide navigation products and services for all U.S. inland waterways, NOAA's broader suite of services, including the National Spatial Reference System, weather, and water forecasts, and more are relevant everywhere. Furthermore, our hydrographic surveys, coastal water level and current data, and nautical charts allow inland navigation to connect to the world. I'm glad to have this opportunity to share updates from NOAA and learn more about inland requirements to ensure seamless interoperability between our navigation products and those of the Army Corps and other agencies represented here today.

The data and product interoperability would not be possible without a strong partnership between NOAA and the Army Corps, Coast Guard, and other federal agencies. One example of this collaboration is the Trident, a forum of NOAA, Army Corps, and Coast Guard focused on navigation issues. We've recently held the annual flag level meeting of this body, hosted by General Kelly. Outcomes of that of particular interest to this group include our agreement to dig into harmonization of vertical datums across our agencies, and commitment to increasing coordination and communication on dredging projects, which will improve updates to Coast Guard aids to navigation and NOAA hydrographic surveys after dredging is completed. Also, of interest to many here will be the news that on the Lower Mississippi River, we are transitioning bridge heights from low water reference plane to zero at the nearest Army Corps gauge. This is the preferred datum of the pilots. The heights will be referenced to low steel, but in the near future we will be adding a picture to the chart which shows both the low steel and center span heights. Operators will be officially informed of this via Coast Guard notice next week.

However, by far the biggest news from Coast Survey is the cancellation of the last traditional paper charts on December 5th, last Thursday. Our Electronic Navigational Charts (ENC) are now the sole NOAA product. While it's bittersweet to discontinue the product that was our flagship for most of our 217-year history, it is necessary to focus on Electronic Navigational Charts as required by the IMO. The good news is, is that paper charts aren't really going away. Users who would like a hard copy product to augment the ENCs can produce their own ENC-derived paper charts using the NOAA Custom Chart tool.

Lastly, I want to highlight the role of our navigation managers. This is our network of stakeholder engagement specialists who are stationed around the country, specifically to address customer needs for NOAA navigation services. For instance, after Hurricanes Helene and Milton, it was our Gulf Coast navigation managers who coordinated with the Coast Guard and Army Corps and local authorities to provide emergency hydrographic surveys to confirm Tampa Bay's channels were free of debris and allow the ports to reopen quickly. If you don't know who your local navigation manager is, please refer to our website or contact me, and I'll be glad to put you in touch. Thank you again to the Board, Chairman, General Kelly, for the opportunity to provide these updates. This concludes my remarks.

DFO CLOUSE: Thank you, Admiral Evans. Next, we'll go to the Department of Transportation. Ms. Chromey, would you do the honors?

MS. CHROMEY: Thank you, General Kelly, Chairman Murphy, and members of the Board. I am pleased to join you today on behalf of Secretary Buttigieg and Maritime Administrator Phillips. For introductions and for the record, I am Tretha Chromey, Deputy Associate Administrator for the Office of Ports & Waterways. The Associate Administrator for Ports & Waterways, Bill Paape, could not join you today and sends his regards. However, I am very pleased to introduce the Maritime Administration Deputy Administrator

Charles Makings, who was sworn in on October 7th, 2024. Charles will provide the opening remarks for the Maritime Administration today.

MR. MAKINGS: Thank you, Tretha. For the record, I am Charles Makings, the Deputy Administrator for Maritime Administration. Administrator Ann Phillips sends her regards for not being able to attend today. However, I'm excited to join everyone here today. When I looked at the agenda and the meeting materials, I found a lot of overlap with the work that MARAD does with a lot of the organizations here. This leads to the focus of my comments. Collaboration and engagement with this Board is critical. How can MARAD staff work with all of you more? At the Maritime Administration, we promote developing and maintaining a resilient maritime transportation system, including ports, by providing grants for the infrastructure projects, technical assistance, and support for port security initiatives. The Marine Highway Program awards grants to implement projects or components of projects that provide a coordinated and capable alternative to landside transportation, mitigation or relief land side congestion, and more. The Ports & Waterways planning team is working on multiple efforts to maximize the system and improve the infrastructure related to inland waterways. This system provides flexible capacity during supply chain disruptions and national emergencies, a critical component of a resilient transportation system.

Our Nation's inland waterway system is essential to efficiently transporting goods and commodities to key regions across the United States. The work you all do is critical to our work, and more importantly, is vital to the American people. One of MARAD's most critical missions is to collaborate across multiple lines of effort and promoting our Nation's waterway resources. We ensure maritime stakeholders are reflected in the U.S. Department of Transportation policy, planning efforts, and funding programs. As you may know, MARAD and U.S. Department of Transportation continue working hard to deliver on the commodities of the Bipartisan Infrastructure Law and all other authorities. MARAD and all across the department have completed the grant review process and the Secretary of Transportation has awarded recipients. On December 3rd, 2024, MARAD awarded $4.85 million in grants to five Marine Highway projects across the Nation via the United States Marine Highway Program. These awards included a planning grant for the Port of West Virginia to support service development on the M-70 and the M-79, an equipment grant for the Central Louisiana Regional Port on the M-49 in Alexandria, Louisiana, and a Tidewater Barge Line operating on the M-84 in the Pacific Northwest.

On November 22nd, 2024, the Secretary of Transportation and the Administration awarded 11 large projects totaling over $392 million and 20 small projects at small ports totaling over $184 million for the Port Infrastructure Development Program. Of these ports, three are for inland port projects. The three are a $38.6 million grant to support the village of Hennepin, Illinois for its barge terminal and soybean logistics asset project; a $9 million grant to the village of Hardin, Illinois for its river terminal elevator project; and an $11.25 million grant to the Ports of Indiana for the Mount Vernon Port transload and rail yard project. Before the end of the year, MARAD will release the Notice of Funding Opportunity (NOFO) for $450 million for the Port Infrastructure Development Program. This will be the fourth year of funding made available in the Bipartisan Infrastructure Law. The NOFO will be amended to include provisions in the FY [fiscal year] 25 NDAA [National Defense Authorization Act] when it becomes law and to incorporate any additional funding made available through the FY25 annual appropriations act. In closing, I am pleased to be here with you today, and although I can't stay for the entire meeting, I am available anytime to answer any questions. Thank you again for the opportunity to provide this update. Thank you.

DFO CLOUSE: Thank you, Mr. Makings. Next, we have the Department of Agriculture represented by Ms. Alexis Heyman, economist from the Transportation Economics Division. Ms. Heyman.

MS. HEYMAN: Thank you, Chairman Murphy, General Kelly, Board members, and other attendees at today's meeting. For the record, my name is Alexis Heyman. It is an honor to be here on behalf of the U.S.

Department of Agriculture. USDA continues to acknowledge the importance of barge transportation to facilitate export and domestic shipments of agricultural and related products, and the need for continued construction and rehabilitation projects to maintain and enhance river transportation infrastructure.

Year to date, 27 million tons of grain, that is corn, soybeans, and wheat moved southbound through the locks on barges to the Gulf for export. That number is nine percent higher than last year and 18 percent lower than the previous five-year average. Corn is up by 15 percent and soybeans are up two percent while wheat is up 18 percent. Most of the increase can be attributed to the increase in shipped export sales compared to last year. According to USDA's most recent modal share analysis from 2022, 48 percent of corn exports and 48 percent of soybean exports are shipped via barge to the Gulf for export.

For marketing year 2024-2025, year-to-date shipped export sales are 25 percent higher than marketing year 2023-2024, with corn export sales up 31 percent from the previous marketing year. Mexico, whose shipped export sales of corn is up 11 percent from last marketing year, has become the largest importer of U.S. corn. Most, if not all, of U.S. exports of corn to Mexico are shipped via rail, not barge. Colombia's shipped export sales of corn are up 38 percent, and Japan shipped export sales of corn are up 21 percent. Soybean export sales are up 19 percent and wheat was up 32 percent.

Despite extreme water levels over the last three years, both floods and droughts, the navigation system continues to provide agricultural producers an efficient and environmentally friendly option to move their products to market. Looking ahead, according to the Department's latest World Agricultural Supply and Demand Estimates December report for marketing year 2024-2025, though not location-specific, USDA projects the United States will export 62.9 million metric tons of corn, 18 percent of which has been shipped, up eight percent from last year, and 49.7 million metric tons of soybeans, 44 percent of which has been shipped, up eight percent from last year, from September 2024 to August 2025. Roughly, almost half of all grain shipped to export markets goes by barge annually.

USDA has been working with the Department of Transportation's Volpe Transportation Center to update and expand upon an earlier study on the importance of the inland waterways to U.S. agriculture, which was released in 2019. Volpe has completed stakeholder outreach and using that information is in the modeling process. The updated report should be complete by the end of fiscal year 2025. On October 10th, USDA added Columbia Snake River System barge freight rates and grain volumes to the grain transportation report and added per ton grain barge rates from multiple locations along the Mississippi River System to its Agricultural Open Data Transportation Platform. A fertilizer dashboard is also now available on the Agricultural Open Data Transportation Platform, which includes production, imports, prices, rail rates and volumes, and barge volumes. Thank you again for the opportunity to participate in today's meeting.

DFO CLOUSE: Thank you, Ms. Heyman. Next on the agenda is the approval of the minutes from the Users Board meeting number 103, which was held in St. Charles, Missouri, on August 1st, 2024. A copy of the transcript was sent electronically to the members of the Board. May I receive a motion to approve these minutes?

MEMBER WOODRUFF: So moved.

DFO CLOUSE: There is a motion to approve the minutes of the 103rd Users Board meeting. May I have a second to the motion to approve the minutes?

MEMBER RASE: Second.

DFO CLOUSE: Is there any discussion related to the approval of the minutes from the 103rd Users Board

meeting? All in favor of approving the minutes of the 103rd meeting, say aye.

(Chorus of aye.)

DFO CLOUSE: Any nays? Hearing none, the minutes of the 103rd meeting are approved. These will be posted on the Users Board website. Thank you.

Without any further ado, we're going to start into the presentations. And as usual, I am the first one up to go over the Inland Waterways Trust Fund. I want to point out a change on the summary slide from the last meeting. After many discussions with the Corps Finance Center, it was determined the most accurate calculation for available balance to use is remaining budget authority. This number represents our maximum remaining dollars that we are authorized to request a transfer from the trust fund. This number is only updated when there's a new appropriations bill or a transfer has been made. Transfers typically occur twice a year, once in June and once in September. Remaining budget authority does not equal unobligated balance.

The trust fund balance and available balance continue to grow. At the current available balance at the 35 percent cost share, the maximum appropriations are a little over $824 million. If the 2024 Water Resources Development Act is passed with the cost share changed to 25 percent, the maximum appropriation is over $1.15 billion. That would be an increase of $329 million.

The interest rates continue to decline so subsequently, the year-over-year comparison shows a decrease. The daily interest rate for the month of November averaged around 4.6 percent. The fuel taxes collected so far is outpacing last year but is consistent with the five-year averages.

Since there's not been an appropriations bill for fiscal year 2025, there's nothing to report on this slide.

And lastly, here are the changes in unobligated balances from June 30th of this year with most projects obligating funds. Remember, unobligated does not equal remaining budget authority. Pending any questions, I'll move to the next topic.

CHAIR MURPHY: Paul, just quick question. The $4.6 million on Olmsted, is there a plan for that?

DFO CLOUSE: The last I had from that from LRD was they were still going to do a little bit of closeout. There's still the little closeout work to do, and we'll get you an answer for that. I'll take that as a due out, sir.

CHAIR MURPHY: Thank you.

DFO CLOUSE: In an effort to improve project communications with the Board, the purpose of this presentation is to give a background and current status and to solicit feedback from the Board. The authorization of the Users Board includes a few sections on information exchanges. First, is that a Board member is assigned as an advisor to the project development team (PDT). Second is quarterly communications and providing copies of feasibility reports. And lastly, the appointed advisor may be a signatory to the project management plan.

The current appointed advisors are shown here, and I discovered when I was pulling this together that the Tennessee-Tombigbee deepening study has not had an advisor assigned. I did a survey of the current communications and discovered a lack of consistency. Some projects communicate more frequently than others, and the communication occurs in different formats.

So, at this time, I want to open the floor to the Board members so we can have a short conversation of what the Board would like to see focusing on what to communicate, the format, and the frequency. And I want to hold this to about a five-minute discussion.

CHAIR MURPHY: This is Spencer, and I'll open it up to the Board for their comments. But I would just say from my perspective, the way that this was set up is that the Board should be acting as a non-federal sponsor in the same way that, a city or a county would, or a state would for any other Civil Works project. And so that entails to me a level of communication that, as you said, does not really exist on most projects right now. And so, finding a way to make sure that the Board is being informed as part of the communication plan for each project and part of the change management plan for each project and making sure that we essentially know what you know is really important. Particularly when we find ourselves speaking to Congress, we need to make sure that we are not sending a mixed message compared to what the Corps delivers because that just sets us all back. So, I will stop and open it up for comments from the rest of the Board on how they think this ought to best proceed.

MEMBER WOODRUFF: This is Matt Woodruff. I am on for the Brazos project. And while I think I have a very good working relationship with the Galveston District, I talk to them regularly. It's certainly informally. There's no rigor attached to it. And so, I think perhaps if we could have some degree of standardization. I think having that informal conversational relationship is very important and very valuable, but we probably do need for the benefit of the staff in Galveston as well as myself, knowing what we should be doing, what the expectations, what the deliverables are would be helpful.

VICE CHAIR JUDD: This is Damon Judd. So, I'm the representative assigned to Kentucky. And I guess, Matt, the team at Kentucky and I, they share a monthly sitrep with me. I guess my challenge would be that we're sitting here right now and hope to learn more about Kentucky in the future there, but as of this point, I've got no formal information other than knowing that something bad is coming. And so that's put us collectively in a bad situation relative to, conversations we're having with the Hill and the timeliness of some of those conversations. Senator McConnell and team came through Paducah in mid-October. If I pulled out my latest sitrep as of October 6, it says we're proceeding to IDaC [Integrated Design and Construction] and all things are a go. So, to me, that really accentuates and highlights just the criticality of if there's a major change on the project, we understand that there may not be answers, but we've got to know that there's risk or else we put ourselves in a really bad position relative to the interactions we're having with people who have been key partners and advocates for this program.

DFO CLOUSE: Any further discussion from the Board? Noted on the consistency and standardization. I'm all in on that. Moving forward, next up is Mr. Moulton to update the Board on the status of the Capital Investment Strategy and the major rehab updates.

MR. MOULTON: Good morning, General Kelly, Chairman Murphy, Ms. Brown, members of the Board. My name's Craig Moulton. I'm the Inland Navigation Program Manager for Headquarters USACE. Mr. Tarpey is unexpectedly unable to make it today, so I'm here to provide an update on the Capital Investment Strategy. So, the current status we've addressed a few rounds of comments from the Secretary's office returning the most recent set this week. The comments did not change the essential parts of the plan, specifically the schedule of projects that we've presented in the past. We are prepared to address any additional comments from the Secretary's office or OMB [Office of Management and Budget] moving forward, and the document is currently with the Secretary's office.

MS. BROWN: So just by way of update, it's no longer at our office. It's been transmitted to the Office of Management and Budget, so it's under their review. I've asked for clearance of the document by early

January. And then the plan being to transmit it to Congress once it's cleared in January.

CHAIR MURPHY: This is Spencer. Is there any opportunity to transmit it to Congress at the same time as OMB? I'm just concerned that it might not make it out.

MS. BROWN: There is no opportunity to transmit it simultaneously, but conversations I've had with Mr. Pinkham I believe he is strongly committed to transmitting it prior to his departure.

MR. MOULTON: Well, thank you for that update. Any other questions on the CIS? We'll move on to major rehabs. So again, I'm Craig Moulton. This is the presentation I'm actually here to present on for the current status of the major rehab reports. I have made some tweaks based on the feedback of the Board from the previous meeting, primary one being to split the project out into phases, so the different slides cover the projects in different phases of development. And we've added the top line a brief version of the scope of work for each project in there.

The first slide here is our major rehabs that received construction funding is currently ongoing, so namely being T.J. O'Brien out of the Chicago District. The only update on the slide here that project's still in design phase, but the current estimate for additional funding they will need to complete the project has been updated to $49 million. Second slide here is our studies that have completed and have a signed Chief's Report. Winfield Lock and Dam it still remains waiting new start construction funds to get going on that. No updates from the last meeting on this project. And then our last one is the ongoing major rehab reports. This covers significant reports across the enterprise there. They still remain ongoing. No significant updates on any of them. We are expecting some reports to complete within 2025. Pending any questions, that is your update on major rehabs.

DFO CLOUSE: Thank you, Mr. Moulton. No questions? Next up is Major General Kelly, Executive Director of the Users Board, to talk about cost escalation and execution. General Kelly.

MG KELLY: I'm going to first adjust this mic for regular-sized guys. Thank you, Craig, for the updates on the Capital Investment Strategy and major rehab reports to Chairman Murphy, Ms. Brown, Board members. As we reflect on what I'll call some achievements, I think it's crucial that we recognize the dynamic challenges that are shaping our path forward, cost escalation being one of those. Today, I intend to talk a bit about what the Corps has done to understand the underlying causes of cost growth, and then highlight efforts we're taking to mitigate risks and ensure maintenance and construction of critical infrastructure can be successful now and into the future.

To better understand market conditions prior to my arrival, the Corps awarded a task order to update the market survey in September of 2023. The scope included market conditions and cost adjustment factors for key construction materials, labor and craftsmen availability, and equipment of projects in three different geographical regions. Impacts of current and future private and public spending on construction activities within those three regions, impacts of project labor agreements on labor availability, and the USACE supplemental program. Impacts on material prices of key construction materials of the Buy American Act criteria within those three regions. And it's important to note that the materials must meet Unified Facilities Guide Specifications. The study regions were selected based on supplemental funding, and a state was selected if the total supplemental funding amount of all state projects was $100 million or more. Generally speaking, those regions were divided into the upper eastern states, south southeastern states, and west midwestern states.

So, what were the findings you might add? The findings of this study I think can be categorized into three key areas. The first being labor, second being material, third being construction activity. Under labor.

Construction contractors are grappling with soaring labor costs, with labor shortage being the primary driver. Rates are projected to increase by eight percent or more across all regions, particularly in region two, Florida, Georgia, South Carolina, Tennessee, Kentucky, Arkansas, Louisiana, and Texas, where a 4-percent surge is anticipated. Additionally, the requirement of unionized labor can potentially inflate costs by up to 24 percent.

Under material. While material prices, especially steel and lumber have softened by around four percent due to increased availability, overall construction costs remain elevated. Material prices averaging a 13 percent increase across all regions that were assessed. Supply chain normalization and slower economic growth in 2025 are expected to further stabilize material costs, although obtaining specialized components continues to pose challenges to contractors.

Under construction activity. In recent years, the civil and industrial construction sectors have experienced significant growth with heavy civil constructions value surging from $374 million in 2023 to an anticipated $426 million in 2024, and it's anticipated to be $460 million in 2025. Had some observations from our mandatory cost center in Walla Walla that accompanied our construction market study. It was observed that most reputable construction indices are showing higher inflation or cost growth than the Bureau of Labor and Statistics data. As an example, the Turner Index just indicated a 3.6 percent increase in construction input cost over the past year. The Producer Price Index shows relatively flat. As I mentioned earlier, labor cost increases are driving the construction cost indices up the most. This is leading contractors to be very selective with their bidding and only taking on the projects with the highest return and lowest risk potential.

There's been some concerns with the looming change in Administration. The biggest is the discussion of tariffs, which tends to put more risk on contractors bidding. These tariff rumblings have the potential to lead distributors to lean forward and pre-buy supplies, thus leading to higher costs due to supply and demand. Lastly, lower interest rates are predicted, which could cause privately funded projects that were shelved when these rates hiked to come back online.

What are we doing? Cost escalation is occurring across the entirety of the Civil Works portfolio, both in regular and supplemental programs. And this necessitates a comprehensive reevaluation of our strategies. To date, we focused on better technical analysis. This includes hydraulic models and geotechnical investigations in the planning phase. I think this will ultimately increase the fidelity of project cost estimates. There have been pivotal efforts within our Engineering and Construction Community of Practice to revise policies and issue clarifying guidelines defining design requirements and emphasizing cost engineering regulations to mature our designs earlier in the planning stages. This revised guidance also highlights the need to maintain accurate costs for authorized but unconstructed projects. We've been appropriated $2 million in investigations to start to tackle accurate cost estimates for these authorized but unconstructed projects. I'm hopeful that this will set us up for better success if or when authorized projects are appropriated.

We're reshaping our Change Control Board engineering circular to adapt to evolving delivery conditions and suggest methods to mitigate and control changes to project scope, schedule, and costs. By identifying systemic challenges, we're better positioned to engage with senior Administration officials or Congress to implement necessary improvements or mitigating measures. To deliver on our commitments, we must continually evaluate our risk registers, evaluate our contingency usage while actively mitigating or underwriting risks and conduct proper change management to ensure accurate project scope, schedule, and cost estimates. This requires our collective embrace of risk-informed decision-making and enterprise risk management principles that have to be integrated into our organizational fabric at all levels.

In closing, the transformation that we've already achieved in our cultural mindset and our enterprise practices I think is commendable but insufficient. This journey to deliver on the investments that have been entrusted to us is at full throttle, certainly not resting and we aren't going through it with blinders. At USACE Headquarters, we will continue to work to remove barriers and enable execution where practicable. Doing so, I think, will lead to better risk-informed decisions, more accurate and comprehensive project cost estimates, and improve communication across our project delivery teams, with our partners, certainly with this Board to meet our commitments. Together, we're poised to meet this challenge and bestow a lasting legacy of delivering critical infrastructure and water resource solutions for our Nation's future. That concludes my prepared remarks, Paul. Thank you.

DFO CLOUSE: Will you entertain questions?

MG KELLY: I will.

CHAIR MURPHY: General, it's Spencer Murphy. A couple questions. One thing that we have seen is these cost updates are coming in with a very large contingency element to it. And I'm just curious, how do we get to a higher degree of certainty and eliminate these 75 or 50 percent contingencies that are hard to get your arms around and make it difficult to communicate the total cost of the project because it's obviously an unknown is driving a lot of that number?

MG KELLY: I think that the comment I made on the maturation of our designs in the planning phase will certainly contribute to that. The other thing that certainly I'm doing personally is a detailed analysis of the risk register. I think that we've got to do better in the fidelity that we include in our risk register to speak to the probability of occurrence, consequence if realized, certainly, what is the mitigating measure that's being employed, and then what is the residual risk upon implementation of that mitigating measure? I think then we can assess our contingency in terms of schedule, in terms of cost, but be specific. And I come back to geotechnical investigations that I highlighted. I often think about what investigations have been completed. And then when you look at what has or has not been done, that's often accounted for in contingency. Well, I think that if you go back and we execute upfront, now the contingency is down. I have a project in New Orleans that we're assessing right now the extremely high contingency that's been suggested. And I'm challenging that because I think that we've got to do better. This is absolutely a space where your question is well-received. And my current approach is fidelity, specificity, and quite frankly, more rigor in the way we challenge our subordinate organizations in the contingency recommendation.

CHAIR MURPHY: This is Spencer again. Thank you for that answer, and I appreciate your candor. On a related issue, obviously each of these projects is subject to a BCR [Benefit Cost Ratio] analysis. And one of the concerns we have is that if you're looking forward to say we're going to identify what we think this will cost in 2028, but are we also updating the benefits side of that? Because if we're using 2010 benefits but 2028 costs, that's going to create a lot of problems for these projects.

MG KELLY: I don't disagree. And I think that this evolution of the Civil Works program has to include things of that nature. I've got Mr. Brown here in the back and I'll certainly phone a friend and, Tab, I'd ask you to start making your way forward so we can hear you on the mic. I don't disagree. And, Tab, I certainly would ask for your offering on this particular subject.

MR. BROWN: I think just basically to answer the question, we have a requirement to basically update the cost and the benefits when we're looking at these navigation projects and other projects. So yes, we do that.

MG KELLY: Please, Matt.

MEMBER WOODRUFF: General, this is Matt Woodruff. One of the things when we're looking at the contingencies and I'm not sure whether this is the case, so maybe someone can clarify. One of the risks to a project is increase of cost due to delay in actually doing the project. So, a project that would cost X amount to do today, if we're not going to do it for ten years, it may be 2x or 3x. And so therefore, we may find ourselves in a situation, at least I'm concerned we may find ourselves in a situation where if we're putting that time delay contingency in there and assuming certain projects will be done in a certain sequence, it will prevent us from being able to do an apples-to-apples comparison of the costs of the projects if we can't separate out how much of this project is the increased cost as a function of time before we start it, as opposed to what would it cost to do it today. I think for comparison purposes, we should be able to look at a number that says here's what it would cost if we were to start this project tomorrow and efficiently fund it to completion. That is the way that we can compare project priorities across the Nation on an apples-to-apples basis. Even if we also have a set of numbers that say, in reality, we think this particular project is ten years away, and so be ready to pay twice as much because of that delay when we get to it. Those are both very important numbers to know, but I think we've got to be able to separate them out.

MG KELLY: Agreed. And I think that my comment regarding the authorized but unconstructed and what we're doing to update those costs, that's what we'll do just that. But we're better when we're fully funded. There's no doubt about it. When we have full funding, costs are better. Everything about the project is better. So yes, I certainly think that that's where we want to be, but those updated estimates are absolutely a part of it. And when I talk about a contingency in the schedule risk, certainly on the cost, that's part of it. So, I'm agreeing with you, and I'm agreeing that we need to have updated estimates. But I think that as a project sits on the shelf, there's so much about it that's stale. The investigation that we've done, the modeling that's done. So, upon completion, it is best if we get started right away and we're fully funded.

MEMBER WOODRUFF: No disagreement from me on that, General. Thank you.

MEMBER KREIDER: General Kelly, I appreciate the opportunity to speak. This subject we'll get into more details in Mr. Fritz's presentation later on the Lower Mon [Monongahela] project, but on the topic of cost escalation and execution, I would be remiss not to mention that the project that we've been dealing with on the Lower Mon, when we met in on August 1st in St. Charles, we were in a triage mode dealing with a very unexpected drop in the pool, as I'm sure you're familiar with, across the seal in the Lock 3, which was the chamber we were to use throughout the four to six-month removal of the dam. That reduced draft to 7-foot, which is 22 percent of capacity on our tows going through there. Not only cost the industry a significant amount of money and created a lot of frustration, which was expressed in August. General Graham and Colonel Melin and his staff in Pittsburgh committed at that time to improve communication and rectify the immediate problem, and they did so. We were very pleased that they were able to accelerate the removal of the dam. What has happened since then, though, speaks to execution more than anything. We now have a very unexpected situation throughout the pool above that dam, Pool 3, in that we are still unable to sustain full tows that were intended through that project, which is 70-foot by 600-foot six jumbo barge tow. We're still restricted to far below that and running three barges safely through that pool due to the channel width and the channel depth. We'll get into those things in a bit in the details, but I wanted to go on the record to say that while we were pleased with the initial response to the unexpected situation, we now have another unexpected situation and our frustration is we have no timeline yet for when we're going to be able to resolve this problem and realize the full efficiencies that that 20-year project was to produce. Thank you.

MG KELLY: Thank you. I acknowledge, and as you have highlighted, we'll talk a bit more about the Lower Mon shortly. But I'll take for action the timeline and go back to the Great Lakes and Ohio River Division.

Don Johantges is here today, as is Nick Melin, and we'll talk more about that. Thank you.

MEMBER KREIDER: Thank you.

VICE CHAIR JUDD: General, Damon Judd. Your comment around design maturity, I think, is a really important one. And I guess I would just overlay some of the history of the conversations we've had as a Board, especially with your predecessor, General Graham, about the concept of finish what we start. And I think the Board and the industry, and the CIS has really reflected that. So, in an environment where we are going to finish what we start there's very little downside to really understanding what the project entails and the design work and research involved in that. So yeah, I think if this was a program where we're bouncing around and starting things and not finishing them, maybe there's risk that you're spending money on stuff that you don't actually use. But if you think of that context, I think it's just critical that we truly understand these projects at the front end because we find ourselves repeatedly here as we work through a project with not just inflation, but scope change as a result of things that weren't really understood on the front end.

MG KELLY: Concur.

MEMBER HETTEL: General, Marty Hettel here. Back to the BCR, when you do update the benefit-cost ratios, can that be shared with the User Board?

MG KELLY: Tab, start making your way forward.

MR. BROWN: Just to make sure I got the question right, can you just repeat it, please?

MG KELLY: Mr. Hettel, will you, please?

MEMBER HETTEL: Yeah. Can you share updated BCRs with the Board on authorized projects?

MR. BROWN: Yeah, I don't see any reason that we couldn't lay out updated BCRs.

MEMBER HETTEL: Great.

MR. BROWN: Now, I guess I would just say that just in fairness, typically with most of these projects, the benefit-cost ratios aren't going to probably meet budget criteria. But certainly, we can provide updated benefit-cost ratios as available.

MEMBER HETTEL: And on another point, the Board used to get not only the BCRs, but the remaining benefits remaining cost ratio (RBRCR) on projects. Is that something you're working on also?

MR. BROWN: Well, I'm not necessarily working on it, but we can probably provide that information. I don't see that there's issue.

MEMBER HETTEL: Great. Thank you.

MG KELLY: And my instincts were yes, but I'm an extrovert, and I often get a lot of tugging of my jacket afterwards on things that I've said that I probably shouldn't say. So, I figured on the record, we'd get it right out the gate.

CHAIR MURPHY: Let's keep you up there for a minute. General, one more question, or if it's more of a

suggestion, and we mentioned this last night at dinner, 15 years ago, the industry got together with the Corps, and we did a deep dive on these very topics. And some of the recommendations that are in that report, I think, are still very viable, and things like using early contractor involvement and continuing contracts and things that we've talked about with General Graham over the last couple years. So, I know it's not news to you, but I would just, for the record, say we would really encourage the Corps to go back and look at that study and review the things that we said then that haven't been put into action because I think those are all still pretty viable options.

MG KELLY: I do not disagree. And I think that that is one of the advantages of this transition between General Graham and I. My quest to learn new things, I shared with Admiral Evans earlier, has been really governed by reading old things and wondering why or why not implementation has or has not occurred. So, I definitely receive that well, and part of my environmental scanning of our organization and what's next certainly includes what we've discussed, what we committed to, and what we have or have not done as we go forward. Paul, I'm seeing no more questions. I am going to exit the stage.

DFO CLOUSE: Thank you, sir. Very well done. Next up, we have Ms. Elizabeth Burks. She's going to give us updates on Chickamauga (Chick) Lock and Dam and the Kentucky Lock Addition. Ms. Burks.

MS. BURKS: Good morning, Major General Kelly, Ms. Brown, Mr. Chairman, and other distinguished Board members, federal observers, and guests. My name is Elizabeth Burks and I'm the chief of the Integrated Project Office in Nashville District, managing both Chickamauga Lock and Kentucky Lock Addition. With me today, I also have Lieutenant Colonel Rob Green, Commander of the Nashville District. I will be briefing both Chickamauga and Kentucky Locks this morning, and Lieutenant Colonel Green will address any questions you may have.

We'll start with Chickamauga Lock. Many of you know the lock project had unexpected issues arise since our last meeting in August, and I'd like to walk you through those. When we last met, the lock operational contract known as the Approach Wall and Decommissioning Contract was in solicitation with awards scheduled in September of 2024. Unfortunately, the bids we received were significantly higher than the government estimate. After initial scoping meetings, it was clear we would not be able to negotiate within an awardable range, and we canceled the solicitation. Moving forward, the PDT is updating the bid package to reflect a base with three options, which will allow us to award a meaningful portion of the project in 2025 with available funds. The team has thoughtfully developed a plan in coordination with the navigation industry to provide initial operating capability with the base contract, using the new lock to achieve benefits prior to being fully operational. We'll go into more of that in the next few slides.

This is our dashboard. So first, we'll talk about project safety. Our project safety is green for both contractors on-site. I'm happy to report our lock chamber contractor has reached one million man-hours with no lost time accidents three times. Our project status is yellow with the re-solicitation of the operational contract. Our current operational date is projected as the earliest date of February 2028 with an earliest completion date of 2031. The next solicitation will award in 2025. Our financial status summary is red with a cost performance index of 0.81. Moving further down the screen into the executive summary. For the lock chamber, we have settled the ongoing claim with Shimmick for $33 million using funds we have on hand. I'm happy to report the miter gates that have been stored at Muscle Shoals are being delivered on-site as we speak. The concrete production is nearing an end and the electrical and mechanical components will be the main focus to completing this contract.

The team is focused to working with Shimmick to resolve issues with their long-lead electrical equipment still in production. For the downstream approach wall contract, the team is finalizing resolution of the value engineering cost proposal that changed the pier shafts from 6-foot diameter to 8-foot diameter. The nose

piers will be delivered in January of 2025 and the approach wall beams will be delivered this summer. The lock operational contract, also referred to as the Approach Wall and Decommissioning Contract, will be awarded in 2025.

Schedule and funding. This slide reflects our ongoing construction efforts. The red line is where we are today with the expected award of the base contract in 2025, with unfunded options to be executed in the out-years, reflected in yellow. The next schedule project cost summary is on track to be certified in January 2025. The earliest date for initial operating capability is February 2028.

This is our approach for base and options, and so I'd like to take some time to walk through this with you. The base contract is shown in green, and it includes spillway and coffer cell removal, commissioning, connection of the upstream approach walls to the lock chamber, and construction of the landside downstream approach wall. The commissioning and the base contract will transition operations from the old lock landside to the new lock riverside under initial operating capability, meaning it's not fully operational but achieving benefits for the navigation industry. That means the new lock will be open to barge traffic but not be fully a functional system with both downstream approach walls, decommissioning of the old lock, or the features needed to maintain structural integrity against the remaining alkali-aggregate reaction. Once the new lock is functional, traffic will transition to the new lock riverside, allowing construction to take place in line or in the downstream approach of the old lock, particularly the landside downstream approach wall seen in orange as option one.

Sequencing the downstream approach walls is complex because the railroad bridge and dike coming off the coffer cell wall is in place. Option two in purple is the removal of the coffer cell parallel to the lock chamber. And option three in blue is decommissioning the old lock, providing structural stability to the lock and dam for any remaining alkali-aggregate reaction and final site restoration. All components and options are necessary for a fully functional lock to achieve full benefits.

This is our funding slide. We received $236 million earmark in fiscal year 2024. A new remaining balance will be determined when the total project cost summary is certified. We know additional funds will be needed to execute the remaining three options, but we do have funding available for the base.

Here are issues and challenges. With an abundance of construction contracts being solicited, as Major General Kelly referred to earlier, there is limited competition for complex work like we have at Chickamauga. Our first solicitation yielded an unawardable bid. To mitigate for limited competition in the future, we've reached out to contractors that attended our first industry day for feedback on the previous solicitation. We're also taking advantage of regional and national industry days by sharing information on the upcoming solicitation. We actually have a virtual industry day today at 1:00 p.m. We're also working with our navigation business line to understand other contracts that could be in solicitation at the same time.

We also have ongoing challenge with electrical equipment for the lock chamber. The lock chamber contractor has claimed additional delays due to long lead times with their subcontractors. This delay will elongate their demobilization timeline and reduce laydown areas available for new contractors. That could reduce interest to competition for the new contract. To mitigate this concern, the team has negotiated early access for follow-on contractors, allowing critical path work to commence following an award of the next contract. We also have a challenge in that the cost to complete the project has increased based on three things: market conditions, an acquisition strategy that segregates the contract into base and three options, and an increased contingency necessary to ensure an awardable bid. To mitigate the increasing costs, the team developed courses of action for a meaningful execution in 2025 that will produce benefits to the navigation industry with the funds that we have on hand. We have coordinated with the industry on

the best way to accomplish sequence construction to verify the sequencing we talked about earlier today. In addition, we've requested an independent construction estimate to validate our government estimate.

Looking ahead, the lock chamber has completed 20 of 35 monoliths to final elevation. There are 9 more monoliths that require one additional placement. As mentioned earlier, the miter gates are being delivered on-site as we speak. For the upstream approach walls, all 14 shafts have concrete placed to final elevation and four intermediate piers are under construction. For the lock operational contract, also referred to as Approach Walls and Decommissioning, the solicitation will be open in January with award in 2025.

And this is our final slide showing progress. You'll see the lock monolith, the chamber looking downstream from the spillway. You'll see our new operations building. And on the bottom, you'll see progress photos of the upstream approach walls. That completes our report for Chickamauga Lock, and we're happy to address any questions you may have.

CHAIR MURPHY: This is Spencer. Just to clarify the new operational date of February 2028, is that the same as the functional date you referred to when the base contract is complete, but the rest of the work is not finalized?

MS. BURKS: Correct. Yes, sir, it is.

CHAIR MURPHY: Okay. Do you see any risk of that date sliding to the right due to either funding concerns or post-authorization change report, what's our confidence in that date?

MS. BURKS: So that date is based on having available funds for the base. The base will allow the new lock to become functional in the sense that we can traverse traffic through the new lock without having a fully complete system. That date is the earliest initial operating capability. So that's the earliest date that we can bring the system online.

CHAIR MURPHY: And then on the cost side of things, and I know some of this might be sensitive contractor bidding information, but what is the order of magnitude required for those three options? Do we know?

LT COL GREEN: So, roughly looking at the estimate with the contingencies laid on top of those, the options are about 50 percent of the total remaining cost with the base being the other half.

CHAIR MURPHY: Thank you.

DFO CLOUSE: Let's move on to the Kentucky Lock. The floor is yours, Ms. Burks.

MS. BURKS: Yes, sir. Thank you. So next, I'd like to talk about Kentucky Lock. Kentucky Lock also experienced unexpected issues since our last meeting in August, and I'd like to share the status here today. The last time we met, the team was working on the operational contract package using an integrated design and construction acquisition strategy. The contract award was planned for fiscal year 2025. Integrated design and construction requires an approved acquisition strategy, approved business plan, and full funding. The team is working to update the total project cost summary concurrently with the integrated design and construction acquisition approval process. In late fall, the team found that early design assumptions dating back to the early 2000s did not fully account for all costs to construct remaining features. With the previous total project cost summary, we anticipated funding that would meet the integrated design and construction requirement for full funding. With the increased costs, we can no longer meet that requirement. Therefore, that acquisition strategy is no longer viable.

We are prioritizing transparency as we work to get the engineering right to understand the increases to the

cost estimate. With that in mind, Headquarters has commissioned an engineering technical review, and our Inland Navigation Design Center (INDC) is conducting a design validation review for the current solicitation. The Inland Navigation Design Center will also become the designer of record for Kentucky Lock.

Here's our status dashboard. For project safety, our project safety is green with the contractor achieving 1.5 million man-hours with no lost time accidents. Our project status summary, our downstream lock monolith is on track for completion in July of 2027. With a new acquisition strategy and pending certified total project cost summary, our operational date is to be determined, yielding a status of yellow. The financial status summary is also yellow pending the certified total project cost summary. Further down the screen in the executive summary, I've tried to summarize the first slide, noting the cost increases that have driven reviews by our Headquarters and Inland Navigation Design Center. Nashville District is no longer pursuing the use of the Integrated Design and Construction acquisition. We have reshaped the solicitation into a design bid build package with contract award in 2025 pending available funds.

I'd like to talk through our remaining scope. The remaining features of work for Kentucky Lock Addition include both the upstream and downstream approach walls, those will both be 1,200 feet each, two buildings, an operational building, a maintenance building, two bridges, one for utilities, a crossing that's connecting one county to the other across the bridge, carrying water, sewer, and power. There's also a bridge for maintenance connecting to the middle lock wall, that shared wall between the old lock and the new lock. We still have all the mechanical and electrical components and site development.

So, you can see there's still a significant amount of work to complete Kentucky Lock Addition. The increases to the cost estimate came from these remaining components, primarily the marine-based features. This is our scheduling and funding slide. This slide depicts the ongoing legacy of contracts for Kentucky Lock. We're at the yellow line showing ongoing construction for the downstream lock monolith contract and remaining acquisition needed for completion.

This is our funding summary. There are no changes to the cost allocations. We anticipate an update to the total project cost summary in the spring of 2025. For the funding-based scenarios, the minimum funding needed to award a portion of the operational lock component remains $218 million. The future annual efficient funding stream will be updated after the engineering technical review is complete and the cost estimate is certified.

Our issues and challenges. In 2022, Kentucky Lock received BIL funds. This was the first opportunity the team had to fully design all components of Kentucky Lock. In 2023, Nashville District's Integrated Project Office was stood up to provide focus delivery for Kentucky Lock. Our goal has been to take the existing 20-year legacy project and fully execute the remaining features of work with the funds available in order to deliver an operational lock by July 2029. Over the last 18 months, the team has done a tremendous job in pulling together historical documents, updating designs, and working with design contractors for feature designs. In doing that, we also identified historical design assumptions that did not fully address constructability issues.

A more comprehensive review of those design components identified several inaccuracies that will have impact on the project's overall timeline and costs. We immediately shared this information vertically. In addition to the Headquarter engineering technical review and design review by the Inland Navigation Design Center, Nashville has requested an independent construction estimate, and we're developing courses of action for execution and operational dates based on anticipated funding scenarios.

We will also be following up with industry partners to communicate our change in acquisition strategy and timing of the next solicitation. We also recognize the concern for maintaining a July 2029 operational date

given the change in acquisition strategy and funding uncertainties. Our plan forward is to finalize the total project cost summary update and get it certified. We'll also continue to engage with our navigation industry with feedback on construction and sequencing to execute the project as efficiently as possible.

Looking ahead, the downstream lock monolith contract is on schedule for construction completion in July 2027. Concrete production is strong with approximately 11,000 cubic yards being placed in November, 12,000 cubic yards the month prior in October. The miter gate fabrication is approximately 75 percent complete. The drilled shaft installation is now complete, and we've topped out our first monolith. The next contract award is scheduled for 2025.

Here are construction progress photos showing drilled shaft installation, excavation, and concrete placement. Here are our key takeaways for today. USACE understands the importance of delivering a reliable project which will increase efficiency and reliability of the inland navigation system as quickly and cost-efficiently as possible. We are seeking every opportunity to achieve the earliest possible operational date of the new lock to provide a return in investment to industry. And we will continue to engage and communicate with industry partners to minimize negative impacts to navigation throughout the remainder of the construction process. That concludes our presentation for Kentucky Lock Addition, and we're happy to address any questions you may have.

VICE CHAIR JUDD: Morning, Ms. Burks. It's Damon Judd. I guess first want to commend you and the team on the project safety record that continues to be stellar. Given the work that's going on, that's quite impressive. I guess you mentioned that the elements that are driving the slippage here are primarily marine elements. Can you provide us a little more color on exactly what the issues are that we're looking at with the lock and, I guess, some order of magnitude of what we think that impact may be from a cost perspective?

LT COL GREEN: Sure. Thanks for your question, sir. So generally, the largest components of the design that we mentioned that were determined to have inaccurate previous design assumptions had to do with the downstream approach walls and the constructability and safety measures that would need, given the uncontrolled water levels downstream of that. So, we had to mitigate those measures and that's what changed some of the design elements of those downstream approach walls. Also, some of the initial survey information that was used in the conceptual design of the project, the underwater surveys didn't account for the type and quantities of bedrock vs. unsecured sediment. So, the realization was we were going to have to do more blasting, which is more cost-intensive activity to properly remove all that bedrock. So those were some of the design assumptions that were uncovered, again, all marine activities.

I think your second part of your question was an order of magnitude of the cost changes. The specific design changes are going to account for a couple hundred million dollars approximately of design changes, but then we're also factoring in some of the contingency factors. As General Kelly mentioned, that is really what the engineering technical team is working through to make sure that we're applying appropriate level of contingencies. And that's really driving what some of our finalized numbers will be on that cost estimate.

VICE CHAIR JUDD: Okay. And I guess as I look at the situation and General Kelly, definitely appreciate your comments on inflation, but this is one where I think the team did a lot of proactive things to understand costs relative to design that was in hand the certified costs in 2022, an uncertified update in 2023. So, to me, it means what we're dealing with here is really that scope and design issue. And I guess for a project and I'm trying to word this carefully because I don't want this to sound like blame. It's not blame. It's how do we look at the process? So, we're over 20 years into this project. We think we are at the final award to get to operational date in July 2029. What is it about the process that is broken where we can run into a

fundamental design issue at this point in the process?

MG KELLY: Let me offer some commentary on that one. Mr. Judd, thank you for that question. And it's fair, hence why I directed the engineer technical review to holistically look at how can such a thing be true at this stage. And I think it's best to think about the storyline in three distinct phases. And I submit that 1996 to about 2021 is a story of authorization through reauthorization, and it's incremental. And this holistic truth of design is not true. So, we're carrying forward assumptions and we're applying good engineering, good practices of the time, but it's not holistic. Then, I think you could move to a period 2021 to 2022, the Bipartisan Infrastructure Law, and now you've got all that you need to proceed and complete. And it becomes then that this review, this geotechnical investigation and understanding of what truly has to be done to complete commences in earnest. And then I'd call this last period 2023 to this moment where Ms. Burks and the creation of an Integrated Project Office that is truly moving us to closure is what we're talking about. And I think that the true total project costs, the estimations that remain, there's investigation yet there to provide fidelity to that. So, I think this story is a totality of some of what I talked about. Mr. Woodruff, some of what you asked in terms of the questioning and when I said we're better when we have it all upfront, I think is the answer to the question you posed.

VICE CHAIR JUDD: So, I guess in terms of lessons learned from this, are there specific changes as it relates to the design, the design review, and things that we should expect on projects going forward, or not only new projects, but existing projects? Because our challenge here again, stating the obvious, appropriators thought with $465 million of BIL funding that this project was going to be done. Then appropriators thought with $332 million, of which roughly $114 million-ish was contingency, this project would be operational at least. Maybe not fully done, but operational. And here, we're talking about a couple hundred million more. It makes it very hard to get to the finish line with that fact pattern. I mean, one aside here is I think we need a plan for if we only get $218 [million], is there some sort of an operational framework here that we can get to? Because we may not get support for another couple hundred million on this project, given the track record.

MG KELLY: Mr. Judd, I acknowledge all, and we've got to own that. And for that reason, based on what we've seen at Kentucky, what I know to date, I'm directing another holistic analysis of all to ensure that what we've seen here remains an anomaly, is the next step. General Graham has asked me to relook at lock and dam production writ large, and I'm investigating the totality of the portfolio to ensure that what we present is exactly what is true.

I've committed to transparency with the Chairman, certainly with this Board, and what I know, you will know. And I'm answering in the affirmative, that a follow-on holistic analysis is very necessary to prevent exactly what you said, and that is my answer, too. We have to do better. And I do think the advantage I have as of this moment are fresh eyes looking at what has happened, and that was my reference to what have we not implemented. And there are things in this case, there's some legacy truths. The reason why the Inland Navigation Design Center, designer of record, we didn't do that here, the legacy project. So, there's some things that I think we know have not been implemented as the Chairman talked about earlier, that we have to do. And what we have now done with this technical review, we understood the story. Ms. Burks and the team have been transparent with us about what is yet to be done, and the slide that you saw, we understand what we have to do here. And there is a review of all other efforts underway to ensure we don't have the same, is my comment, sir.

VICE CHAIR JUDD: Okay. I guess on the timeline side of things the comment was made that once the IIJA [Infrastructure Investment and Jobs Act] funding was received was kind of the first opportunity to go in and look at the design holistically. I guess just in terms of awareness that this may be an issue, can you help us understand when at least concern around the issues we're facing today started to emerge within the design

work?

LT COL GREEN: Yes, sir. So, the specific design assumptions that were uncovered here emerged this fall, which is when we notified this immediately. Fully believe in being as transparent as we possibly can, and I think that may account for some of the frustrations that we've been able to say we believe there's an issue, there's a change, but we don't know exactly the scope of it. So, we're trying to convey accurate information, but give leading indicators that we know there's an issue and we're addressing it as best we can.

VICE CHAIR JUDD: Okay. I guess I would just again highlight the sensitivity of the earmarked requests that were made around this project and the position that stuff happens, right? Listen, we all operate in businesses where stuff happens, but just making sure that we aren't putting people who have been long-time supporters of these programs in a position where we're proceeding down a path without the latest information, I guess. It's critical. It's the trust and visibility. Mr. Hill, you said not transparency, but visibility, right? And I don't think there's ill will here, but I can't accentuate enough how critical that is for us to have a successful program going forward and for us to be able to advocate on behalf of the Corps and all the great work you do, and all the hard work the project team does. I know the project team works very hard on Kentucky Lock. This is not anything related to them. It's just we're in a really bad spot in this project, and we need to make sure that we at least learn from it and look at structural process changes, so we don't find ourselves in this position on another project. Thank you.

MEMBER WOODRUFF: This is Matt Woodruff. If I could maybe simplify a little bit what I think I'm hearing. I think, number one, we all agree this is example of something that was broken the way it was done. And I hear you saying you understand it and you're committing to fix it. And I guess what I would ask is that if you run into an impediment, if there's some statutory problem, if there's a problem in the way the appropriations work, if the solution isn't within the power of the Corps to implement, the Board needs to know so that we can be your advocates to fix whatever problems exist beyond the Corps and advocate with Congress, or whoever else we need to talk to, the Administration. I think there's a desire in this country right now to make things better and fix things. So, let us help you fix the problems you're not able to internally fix. That's what we're here to do.

MG KELLY: Yes, sir. Thank you.

CHAIR MURPHY: This is Spencer. Just quickly, the independent construction estimate, who's going to be doing that? Do we know?

LT COL GREEN: Contractor. We haven't awarded that contract yet.

MS. BURKS: We have an A-E [architectural and engineering] contractor that's working with us and so they'll take an independent look, completely separate of the government's independent cost estimate.

CHAIR MURPHY: Okay. Thank you.

MEMBER DICKENS: This is Justin Dickens. I may have missed it, but for clarification, back to Damon and his statements, but are we under the impression that the timeline will slide to the right? And I understand it may be premature with a report and maybe don't have all the information, but following that question, do we know if it's possible, or is it your understanding that it's too significant, the issues that there are, that the $332 [million] can't make it operational? Similar to Chick where there's still ongoing work, but it's operational at that timeline, or do you think it's too significant the timeline's going to be to the right?

LT COL GREEN: Sir, I think to the first part of the question, the timeline slippage, I think that's too early to make a determination of scale or if any shifts in the operational timeline will occur. As far as additional funding requirements to make it operational, with the current funds on hand, my assessment is the parts of the work that we'll be able to award with that would not be able to make the project operational at that time.

MEMBER DICKENS: Thank you.

DFO CLOUSE: Are there any more questions for Ms. Burks or Lieutenant Colonel Green? Thank you, Ms. Burks. At this time, let's go ahead and take a 15-minute break and return back at 10:48.

(Whereupon the above-entitled matter went off the record at 10:33 a.m. and resumed at 10:55 a.m.)

DFO CLOUSE: Before we begin here on the Pittsburgh portion of this, I do want to hand the microphone over to General Kelly to have a few comments on the record.

MG KELLY: I think that the news that we just shared on Kentucky Lock and on the heels of an ask for even more transparency, communication, I want the record to reflect that I think it's not likely that the 2029 date will be met for Kentucky Lock. I think it's important that Mr. Judd's question regarding cost, I don't know what it is. And that was a response from Colonel Green. But I'm not sure it's fair to say we have that yet hold this date. And so, what I know right now is the date, with specificity, with fidelity, is unknown, but I am comfortable saying and having the record reflect that I think that it's a stretch to suggest that the work that's left with those four remaining features that we just shared holds true to 2029. And we've got to stay in step, in touch, in sync on what it actually is. But as of this moment, I think it's not likely. And I wanted to make sure that that was captured at this meeting with the Board members present and reflected on the record.

DFO CLOUSE: Thank you, sir. We're going to begin the second half of this meeting. First up is Mr. Fritz, going to go over the Lower Monongahela Locks Project, excuse me, Colonel Melin.

COL MELIN: Thank you for the opportunity. The reason I'm jumping in here, I have my battle buddy, Steve Fritz, who is by far and away the expert on both these projects. But I wanted the opportunity to just speak to the Board and provide an update on Elizabeth Lock & Dam and Pool 3 of the Monongahela because at the August meeting I made a commitment in front of this Board that we were going to have the addressing of challenges with respect to the Lower Mon Project be our number one priority. And it has been, and it is, and it is going to continue to be until we have achieved full benefits on that project. So just a couple of things I want to highlight quickly before I turn it over to Steve.

I feel a before and after is always a worthwhile thing to show what it was like in the July, August timeframe and where we are now, talk about some ongoing challenges that we continue to work through side by side with our partners, both in industry and shoreside businesses, talk about the emergency dredging effort that we undertook early this fall when we came to understand that there were challenges with the depth of the 300-foot channel in the Mon and give you an up-to-date within the last 24 hours status of that effort, and then finally talk about our way forward to address some more fundamental challenges with that pool, which Mr. Kreider has already alluded to and what we're doing right now to be able to address these challenges.

So, what you can see here on the left, that's Elizabeth Lock & Dam, as those of you who have been out to Western Pennsylvania might remember it, fixed-crest dam, two lock chambers earlier this summer, immediately prior to beginning demolition. And the picture that you see on the 4th of December, we got our UAV [unmanned aerial vehicle] up in the air to show a changed condition on the river. We've opened

the 200-foot channel as of yesterday, which allows daytime and nighttime traffic along the Mon without having to traffic the lock. And we are conducting the quality assurance inspection on the final stages of fully opening the channel to its full authorized 300-foot width. And we anticipate that opening occurring prior to Christmas, perhaps much sooner than that. So, we have been dedicated to the process of accelerating and delivering the opening of the dam, which if you recall the August session, we were showing you a picture of construction and progress and no channel open.

So, since the 5th of September, the 100-foot channel has been open, and now as of yesterday, the 200-foot channel and the 300-foot channel no later than Christmas, but certainly, we're endeavoring to execute that sooner. So, I show these two pictures in terms of ongoing challenges just to relay to you that we've been working through the summer, we continue to take a look at the removal of Elizabeth Lock & Dam. That dam had been in the river for 117 years, from the early 1900s to today. And there may be a person somewhere on the planet Earth who was alive at that time. But in the area, the condition in Pool 3 has been the condition for the entirety of most of our existences.

As we have removed that lock and dam, we've been working absolutely side by side with industry to make the necessary steps to fully ensure that the Lower Mon project is fit for purpose and delivers the required benefits. And what will say is what we're working on now, as the pool has lowered in Pool 3, which was an anticipated project condition when we removed that lock and dam, the narrowing of the river is not impinged on the 300-foot channel, it has taken portions of the river that were productively used by industry, which lapped outside of the 300-foot authorized channel and made that not useful space for them. So, we're tackling that issue. I'll talk more about that in a moment.

The picture on the right is just to say we have experienced in Western Pennsylvania some pretty interesting environmental conditions this year. So, in April, we experienced the largest high-water flooding condition in 20 years on the Monongahela River, which caused a tremendous amount of sediment to be pushed down into the river. And only six months later, we experienced the largest drought in Western Pennsylvania also in 20 years. The picture you're seeing, this is Youghiogheny River Lake. It feeds the Mon. That's the Great Crossings Bridge, which at normal water levels is completely submerged. But it was fully open this summer with the water level in that lake alone being 25 feet below where it normally is at that time of year. So, what we experienced was a tremendous amount of siltation due to the high water, combined with a follow-on low water condition, which decreased the flow rate in the Monongahela River to fully half of what we would have expected in the summertime. So, taking that together, we ascertained in late summer and into early fall that navigation industry was experiencing issues with rubbings and groundings along the Monongahela River. It's a serious situation for industry. It's one that we were connected with industry, and they identified 13 areas along the Mon that were areas of active groundings.

In addition to that, they asked that we take a look at the entire pool and make sure that it was fully to its authorized depth along its entire length. And so, in early fall, in consultation with industry, we initiated emergency dredging. We worked with Lakes and Rivers Division and our partners to get dredgers out onto the river roughly a week to a week and a half, which is quick by contracting terms to get down to business, clearing out, and ensuring that the authorized channel is navigable. So, the 13 most problematic areas have been addressed at this time. We're no longer receiving reports of groundings or rubbings within the authorized channel itself.

And what you see with that yellowish green line I'm sort of partially color-blind, so it may be green, and I just can't tell. That's where we currently are on a comprehensive sweep. So, we're conducting dredging operations all the way from John P. Murtha Lock and Dam, the old Charleroi Lock & Dam, down to the Elizabeth site. And we're clearing that completely out down to its authorized depth. So, we've completed 77 percent of that, so about 70,000-ish cubic yards of the total 91,000 that we've estimated.

And while this is going to take into about the middle of January, we're committed to ensuring that we are absolutely clearing this out so it's trafficable.

And I wanted to show you this slide because this is what we're transmitting on a weekly basis to our stakeholders, both the navigation industry, congressional stakeholders, the Port of Pittsburgh Commission, and our shoreside industries so that they have visibility of what we're executing and how we're getting after the problem that has been identified. So, the way forward on Pool 3, what I want to say is that there are issues that we still need to address on behalf of our stakeholders.

First and foremost, we don't want a repeat of the sedimentation, if we can avoid it, that we experienced this summer. So, what we are working right now is an advanced maintenance dredging contract, getting the authorization and contract which we believe we'll be able to execute during the wintertime months and before we reach the next high-water season within the tributary areas that are going into Pool 3, as well as in some of those bends where we're seeing sedimentation. So, what we want to do is be able to do is conduct advanced maintenance dredging both inside and adjacent to the channel so that come next summer, should we see low flow conditions again, which cause more sediment to drop out of the Mon, we don't have an issue where industry is being impacted by rubbings or groundings. So that's step one. That's the most near-term issue to avoid the issues we saw with respect to the channel itself this summer.

The next step that we're looking at is, "How can we work with shoreside facilities on the impacts of the narrowing of the river?" So, while it's outside of the 300-foot channel, our shoreside industries, be it the U.S. Steel or Clairton Coke Works or Cleveland-Cliffs they have to get into the channel. And so, they're a critical stakeholder for, of course, the navigation industry and the broader community. And we've been working in partnership with Port of Pittsburgh Commission. We've transparently shared the surveys that we have done of Pool 3 with the Port of Pittsburgh Commission, who's able to work outside the channel. We are required to stay within our authorization. And we have lent our expertise, and they are working through an A-E contract to ascertain what's needed to be done, to dredge out those shoreside facilities, and to secure the funding. So, they are the lead agent for that effort. An additional step that we're taking on behalf of our shoreside facilities is we're expediting permitting. So, we've taken a full survey of every permitted agency along the river, and we've looked at their permits with them.

We've gone out proactively to engage with each and every one of them. And we're accelerating their permitting actions so that they can adjust their facilities for the new pool. And that ranges from some of the big agencies that I just talked about and some of our marinas, and honestly, some of our recreators who use this pool. And we're also working on real estate relocations, the adjustment of municipal facilities, such as boat ramps, in order to interact with the new pool. Now, moving to the point that Mr. Kreider brought up, which is an absolutely valid one, the narrowing of the channel continues to have an impact on industry's ability to fully capture the benefits that were intended through this project. So, we have had a project delivery team dedicated for the last 120 days to working on Pool 3, be it the dam removal, then the emergency dredging, the advanced maintenance dredging, and now moving on to the pool widening.

So, we are in the process right now of scoping that requirement. I'm happy to say that we have a meeting early next week with industry to review the initial results of our analysis because we want to make sure that the analysis that we have done on what needs to be done with pool widening matches with industry needs. So, industry is the customer. We have to check our work with the customer to ensure that it is fit for purpose. We're in the scoping process right now of working through achieving the authorization to execute the widening. And I think in the spirit of ensuring that we get the engineering right, and we get the costing right, we're taking the due diligence to really work through what it is going to take to execute the channel widening which industry is seeking. We don't have a number today, either in timeline or dollar value, but

we're working on it, and we're committed to sharing that transparently. What we don't want to do is give you a number today and then have to come back a couple meetings from now and give you a different number.

So, we're dedicated to getting our cost certification and our engineering right. And as we've done with the emergency dredging, the process continues in Pool 3, the same level of transparency and engagement, which hopefully, the navigation industry's experience over 120 days is going to absolutely continue. So, the commitment to delivering Lower Mon fit for purpose remains, and we're not taking our eye off the ball for one second. So, I wanted to provide that quick update from a Commander's perspective before I cede the floor to the true expert, Steve Fritz, to continue on with the briefing.

MR. FRITZ: So, I'm going to go through the summary dashboard here real quick. So, project safety, there's been no changes there. As far as the project summary status, there's no changes in the project schedule. However, I do recognize that we say that we're going to be operational here in December of 2024. And that means we're able to use lock and dam for J.P. Murtha as authorized, get that through there, realizing that the challenge still is in the pool with those widenings. We can't get that six-pack of barges through there. So, realize we're not at that operational status yet. Our navigation partners have provided us information on that widening and, like Colonel said, we're meeting with them next week to make sure that we are on the same page with what our calculations show and how physically the navigation industry really moves through those bends.

J.P. Murtha is fully operational now. The contractor is just working on punch list items, and this contract is going to wrap up next spring. I fully expect that there will be nothing for J.P. Murtha from the River Chamber contract after this spring. The final thing I want to discuss on this slide is that we continue to work with the Cost Center of Expertise to get a cost update for this. We've been back and forth with them for months on different aspects of it. For those of you who have been tracking the Lower Mon Project it was really authorized for those two chambers at Charleroi. And when we've deferred that second chamber, that land chamber into the 2050s so that we can achieve project benefits, 90 percent of the project benefits, sooner. Walla Walla and us are having some discussions about how best to categorize that in that next cost certification. So that's going to be another month or so yet before we get that new number from Walla Walla.

Just a couple of items I want to address on this slide. At the last Users Board meeting, we talked about some of the things that were ongoing, so things that have wrapped up since the last User Board meeting were the Charleroi Elevator Contract that's been completed and the Fish Reef Contract that has been completed. As far as the gallery pumping at Braddock, that continues to go. That was supposed to be wrapped up here by the end of December, but they had a little bit of an issue, so there's a modification out there right now to extend that contract for 45 days. That doesn't impact at all the operational status of any other part of the project.

Environmental monitoring, the environmental monitoring that's shown right there at the bottom, that's really just getting started right now. That's associated with the pool changes. Once we change the pool elevations, as part of the NEPA [National Environmental Policy Act] requirements, we have to go back and look to determine whether or not there's any wetland issues associated with those pool changes. Have wetlands increased? Have wetlands decreased? We anticipate that there's going to be no decrease in wetlands, but that will be fleshed out when we go through the analysis. That's a five-year process. And when I say it's a five-year process, at the end of that five years, there's a risk sitting out there for the project, roughly in the neighborhood of about $5 million, that if there is a decrease in the acreage of wetlands, we have a tail there that we have to address under project conditions.

On the funding summary slide here, I want to talk about the allocations table first. So, the total project cost is $1.23 billion. So far, we've received $1.165 billion. This is based on a 2014 cost certification and the Change Control Board that we went through at Headquarters to reduce the project scope to that 90 percent benefits, to push that land chamber out into the 2050s. So, we have not been allocated roughly $68 million yet for the project. So, we're still $68 million under that baseline from 2014. The project may still need additional funds associated with that $68 million. That's going to be fleshed out when we have an idea of what that widening is going to cost. We need to see if we can use project funds for that, and then if we can utilize the project funds, we'll see how that shakes out with the value of that work in relationship to how much money we have left.

MEMBER HETTEL: Steve, Marty here.

MR. FRITZ: Hi, Marty.

MEMBER HETTEL: Isn't this an O&M [Operations and Maintenance] funding for dredging vs. trust fund?

MR. FRITZ: The advanced maintenance dredging is an operations and maintenance activity. The widening itself of the channel, because the premise of the authorization is to provide that six-pack of barges to efficiently move through that channel all the way from J.P. Murtha all the way down. So, I would call this kind of an emerging condition that the project, as authorized, we could utilize that authorization to make sure we get that six-pack of barges going through there. We have to justify that. But I don't think that part should be O&M, but I don't have the final say on that. We have to justify it.

MEMBER HETTEL: So, I want to think is maybe three or four years ago, you did the proactive dredging in --

MR. FRITZ: Yes, sir.

MEMBER HETTEL: -- preparation for lowering the pool. Did that incorporate the wider channel? I mean, here you are. We spent all this money on proactive dredging. Now you're saying we've got to go back and dredge more.

MR. FRITZ: Yeah. Proactive dredging is probably not the right way to say it. We dredge to the project requirements, okay? So, through that process, the idea was we would finish the dredging, and J.P. Murtha would come online all at the same time. So, once we took out Lock and Dam Number 3, that entire channel from J.P. Murtha all the way to Braddock was usable. If we would have waited to do the dredging until after J.P. Murtha was completed, we'd be in a three-year process to complete that dredging, and only then could we remove Lock and Dam Number 3.

MEMBER HETTEL: So, all the siltation that you've realized from the high water, we were told that the Lower Mon would scour itself out. Evidently, that's not.

MR. FRITZ: That's right. All the information in the feasibility study, all the past maintenance dredging associated with the Monongahela River indicated that the Mon River is a self-cleaning river. We do very little maintenance dredging except that some tributaries and some lock approaches on the Mon River. We expect it's going to get to that condition again. It's just not there yet.

COL MELIN: If I could Mr. Hettel, just add just a couple quick points there. The way that we have been looking at is we're really in year zero of a new river. For 117 years, there was a lock and dam there. So, all of the data associated with scour, we did our best to model what the post-project condition could look like. We're in a new condition. Additional dredging in Pool

3 was envisaged as a project risk. We did not envisage that that project risk would be realized so soon after the execution of the project. We anticipated that we would have a year or two to observe the new behavior of the river and then make decisions about what the dredging was. But as I laid out before, we had some pretty unique environmental conditions, which combined to put us into a position where we really needed to be absolutely responsive to industry. We needed to get out and execute that dredging because of the potential cost and risk imposed upon our local navigation partners by having rubbing and groundings. So, I don't know if that provides additional context.

MEMBER HETTEL: Well, I guess my question, Colonel, is the simple fact that of the dredging that you did prior to demolition of Lock and Dam 3, is that the same areas that need dredging now?

MR. FRITZ: Yes. Some of those are the same areas, Marty. That's correct.

MEMBER HETTEL: Again, so I guess my question is: why would the trust fund pay for that facilitation? That's an O&M cost.

MR. FRITZ: So, the advanced maintenance dredging, we broke that into two pieces. A piece of that is paid by the project that was prior to those storms in April. And then the piece following that was paid by O&M. So, we had some data of siltation both before and after those events. Not right at that event but before and after those events. So, some of that was project-related because the siltation had occurred prior to us changing the pool level. And then there's siltation that occurred after the pool level.

MEMBER HETTEL: Well, as you've heard today, a lot of these projects are way over cost estimates. And to use trust fund dollars for dredging that, in my opinion, should be O&M dollars, not trust fund dollars, is the way to move forward on the Lower Mon. For what my opinion is worth.

MR. FRITZ: Yes. I have an opposite opinion for some of that, but we'll do the best we can to get it justified to use the right color of money to do that. Thanks for the questions, Marty.

MEMBER KREIDER: And Steve, Rich Kreider here. I've got --

MR. FRITZ: Hi, Rich.

MEMBER KREIDER: -- other comments at the end, but on that subject, before we leave that subject, to clarify, we believe there's a chance that the scouring that's not occurring that we expected was because of the historic low flows this season. Have we modeled the normal flows through the new pool, at least in modeling?

MR. FRITZ: No, we haven't done physical modeling of that. We don't have that exact capability. But we do know that because the flow levels have been so low, you know historically, we're in, like, 2,500, 3,000 CFS [cubic feet per second] even in the summertime. This summer, we were down to 500 CFS in the river, cubic feet per second flow in the river. And with lower flows, that's a lower velocity. Even though the channel is narrower, there's a lower flow there. So, there's lower velocity. So, we had more sediment dropping out. That's just speculation, but it's backed by science.

MEMBER KREIDER: Understood. And to Marty's point, though, that future dredging is probably O&M. It's still cost increases regardless, but it's out of O&M, most likely, right?

MR. FRITZ: Yes, the advanced maintenance dredging is going to be done with O&M funding. The channel

widening may be something that's tied to the project.

MEMBER KREIDER: Understood.

MR. FRITZ: If the color of money is right, we have to make sure the fiscal law piece is right.

MEMBER KREIDER: Thank you. Understood.

MR. FRITZ: Yeah. Okay, I'm going to move on unless there's other questions here, I'll move on. Issues and challenges, we've already talked about them. Providing the expected benefits with the funding that's provided. We've prioritized the work as most efficiently as we could with the funding that we've received. There are certain risks that we have, and we've talked about those. We have ongoing construction. We have the J.P. Murtha contract, the close-out contract for that, not the existing contract. But then there's several substantial risks that we've talked about a little bit, and that's addressing the siltation. And I have a note here in my slides that that's an O&M funded activity.

General widening, we don't have the assessment for the cost or time for that yet. We're working on that. There's a significant risk down there at Braddock Dam. So, after these pools changed, Braddock Dam has never seen these conditions before. So, the dam was completed back in 2004, but we've been monitoring there to see what types of the conditions we have. And there's some scour holes that have developed there. And now that the pool is in a near-normal operating condition as authorized, we're monitoring that still to see if that's a risk that might present itself in the future.

Looking ahead for the Lower Mon project, all the operational testing was completed, and I said J.P. Murtha is up and running. At Locks and Dam 3, we're going to complete the dam removal. That's happening right now. The dam is pretty much out of there, as the commander said. We're doing that final QA survey on that extra 100 feet there to open up that 300- foot channel before Christmas. And then the removal of the middle wall and the river wall, that's going to start here in January. As far as monitoring the pool changes, we're still looking at that channel widening. That's still a risk. And then the wetland monitoring, we have to do.

These are just some pictures from that dedication ceremony. When we opened up J.P. Murtha, we have the ceremonial lockage there on the left-hand side and then the ribbon cutting on the far right-hand side. Just a couple more pictures of them showing removal of Lock and Dam Number 3. And you can see in that photograph right there, there's a double string of barges that are going through that 100-foot channel at that point. And we're still able to utilize our Victory Hollow disposal site to put the material from the dredging that's going on right now. And with that, I think that concludes everything I have for the Lower Mon project unless there any questions.

DFO CLOUSE: Thank you, Mr. Fritz. You successfully ate up all my time buffer.

MEMBER KREIDER: I do still have a couple questions on that so --

DFO CLOUSE: Okay, by all means.

MR. FRITZ: Go ahead, Mr. Kreider.

MEMBER KREIDER: First of all, I appreciate, Colonel Melin, your explanation and your accountability to the things you told us you were going to do back in August. And you guys, you did deliver on that, and I

acknowledge that. I also want to acknowledge your safety record in 2024, just like Kentucky, and previously mentioned you had incidents in both '22 and '23, and we've had zero in '24 to date, right? So, that's significant and that matters. A lot of my comments are similar to Damon and Justin and Matt's with the previous Kentucky Lock discussion, and that's where's the end, right? You've made the commitment to us that it is not finished, and I appreciate that because we don't view it as finished, as we've discussed previously, until we can run that pool with the six-packs you alluded to. Did I understand correctly that we will have a cost estimate on the widening in a month from Walla Walla, or did I miss something in your presentation?

MR. FRITZ: We're going to have a certified cost estimate from Walla Walla for what's left in the project, but that widening is not part of that. We don't even have a placeholder cost yet for that widening. That's not part of that because we didn't have that data when we submitted it to Walla Walla. We'll be getting the survey data back in January, bank-to-bank all the way through Pool 3, and we'll utilize that data to estimate the cost and the quantities to remove for those widenings.

MEMBER KREIDER: And to us then, for the record, that's critical. As soon as we can get that widening cost and where it's going to come from, to Marty's point, and where that widening cost lands, how we're going to fund it, to Matt's point earlier, if industry needs to do something different, we need to first understand what we're up against to get to where we need to be. Understand, just like in business, that stuff happens, as Damon said earlier, but this is a lot of stuff. Money aside, this is stretching out when we can use this pool. As I mentioned off the record and I'll put it on the record. This is a tremendous cost to industry because we had anticipated in 2025, we were going to realize the full efficiencies of this project and moving forward and that we right now have no end in sight to when we're going to realize those full efficiencies. So that's our concern. I think you sense the urgency.

MR. FRITZ: I do.

MEMBER KREIDER: I appreciate that. But we're still frustrated until we get to that point of understanding what lies ahead. So that's --

MR. FRITZ: I understand. And back when this was first put together back in 1992 when this was authorized, everybody thought 300-foot was the right number. And it is discovery learning. As the commander indicated, we are committed to reaching that goal to get those benefits.

MEMBER KREIDER: Will the Coast Guard be included in next week's meetings? Because right now, we're operating, in addition to our own concerns of operating in excess of three barges through there, we've got a safety zone that says we can't anyway. So even if we thought we could, we're not allowed to.

MR. FRITZ: I'll check with Mr. DeCarlo, the Chief of Ops [Operations], if they've been invited. I didn't see them on the invite, but I will check and --

MEMBER KREIDER: Some point, you should --

MR. FRITZ: -- we'll ask them to participate.

MEMBER KREIDER: -- include them because ultimately --

MR. FRITZ: Good point.

MEMBER KREIDER: -- they're going to dictate whether we can do that, right?

COL MELIN: Yeah. And Mr. Kreider, I can tell you just having worked alongside certainly your company and the other navigation industry stakeholders of the Coast Guard, it's knocking on an open door. I know they will be very willing to participate and partner. So, I think that that's a great process improvement for next week's meeting we can take on board.

MEMBER KREIDER: Thank you.

MR. FRITZ: Thanks for those comments. I'll move on to the Upper Ohio.

VICE CHAIR JUDD: Steve, sorry. May I interrupt? One more question on, I guess, Elizabeth. Appropriately so, at the last meeting, the focus was on the recovery efforts. But I guess one of the things, I think, we were hoping to understand is exactly what happened there. There's a lot of rumors, but we'd rather hear facts so that if the facts can lead us to how do we prevent an issue in the future that's how we learn.

MR. FRITZ: So right now, the same teams that are working on all of these other facets of Pool 3, we didn't pull them off to do that after action review of what happened at Lock and Dam 3, but that is something that's on our calendar. It's on our to-do list. After we get these other critical things out of the way so that we can get to the full benefits associated with the project, we will provide an assessment of that. Thanks, Damon.

VICE CHAIR JUDD: Thank you.

DFO CLOUSE: And Damon, I've noted that as a due out for us.

MR. FRITZ: Moving on to the Upper Ohio project, the only significant change on this slide from the last report is that we did award the Montgomery Lock Contract. It was awarded on the 26th of September to Trumbull-Brayman joint venture for $975 million. At that award, the base contract and option six, which were total valued about $770 million, that money was obligated to that contract. Notice to proceed was issued to Trumbull-Brayman on the 23rd of October. So that's pretty significant.

The earned value metrics on this slide, now that we have a firm-fixed-price contract for the Montgomery Lock, we're going back for another cost certification to make sure we're in the right place for Montgomery Lock. And we'll share that with you. But once we get that done, we'll re-baseline our earned value metrics so that they're consistent with what we're tracking now for that piece of the project.

Both Emsworth and Dashields are dependent on the Capital Investment Strategy, and neither of those are specifically identified in that ten-year plan. And being that the Upper Ohio project is a condition-driven project, I just want to reiterate that I think you've all talked about this already, is that not having Emsworth or Dashields in the Capital Investment Strategy, that's a significant risk to the Upper Ohio system. Because it's a condition-driven project, if one of those go down, that part of the river goes down. It's not just that Emsworth or Montgomery goes down. Everything stops on that part of the river. So, it's imperative that you understand the risks associated with delaying the work at Emsworth and Dashields.

Not much on this slide, but it's specifically focused on Montgomery. Since the last report to the Board, we've completed the Esplanade site development contract and the batch plant site development contract. But the primary takeaway here is the big blue bar, is that the base contract and this little blue bar down here, those were awarded. That's the main lock contract there at Montgomery.

Into the funding summary table, just a little change here. You see a $68.39 million number there. That was added to the overall project that was unallocated BIL funds. That was provided to the project. And that money was actually used for Montgomery, but you'll see it in another place on the slides here. So on Montgomery specifically, so part of this $103 million here, $68 million of that was that unallocated BIL funding. The other $35 million of that was taken from Emsworth. That was another BIL funded project. So, OMB issued the cost change that we could transfer money from Emsworth into Montgomery to support that award.

MEMBER HETTEL: Steve.

MR. FRITZ: Hi, Marty.

MEMBER HETTEL: Marty here. Question on your funding. So, the base contract in all options, I think you said was $975 million, correct?

MR. FRITZ: Yes, sir.

MEMBER HETTEL: And you had on hand $769 million, leaving $205 million in funding, which is on your schedule here. If you receive that $205 million funding, does the $280 million you're looking at in '26 go away?

MR. FRITZ: The $280 million, I'm going back off of that just a little bit. So, we are looking at the cost certification post-award to make sure we have all the risks covered associated with constructing it as awarded. I fully expect that this $280 million and this $190 million in '26 and '27. I fully expect that those numbers are going to come down. They're going to come down significantly. I'm not going to give you a number until after the cost certification, but we're talking hundreds of millions of dollars lower than what we anticipated.

MEMBER HETTEL: And is that basis the only remaining cost you should have as S&A [supervision and administration] and management?

MR. FRITZ: Supervision and administration, contingency, and the economic price adjustment clause.

MEMBER HETTEL: And what's your percentage of contingency? You don't know that yet?

MR. FRITZ: It's roughly 10 to 15 percent.

MEMBER HETTEL: Thanks for that clarification.

MR. FRITZ: You're welcome. If there's no other questions on the funding slide, I'll move on. The key issues and challenges. To reduce any risk to navigation, the idea is to get this contract fully funded as soon as possible. As I just indicated, it's a condition-driven project. So whatever money, we expect that the Senate markup in 2025 of $205 million. We expect that that's going to be allocated to us, but the funding bill has not yet been passed. So, we wait on that. We completed the maintenance repairs prior to construction to make sure that that lock chamber out there, the existing lock chamber out there, remains functional all the way through construction. But we're proactively listening and looking at that chamber on a daily basis to see if there's anything in there that doesn't sound right, that automatically alert our engineering crews to make sure that they get out there, to make sure that that structure remains operational all through construction. And then we're going to continue to do those standard inspections

that we do all the time to make sure that we get ahead of things before we have any type of a shutdown.

Just some construction photos. The far left-hand side is looking at the plateau area where the batch plant is going to be constructed. The bottom left-hand side, that's the new resident engineer's office that was put in as part of the Esplanade site development contract. And then on the far right-hand side, that's the three-phase power installation, the wires coming in and the transformers being installed. And that's to operate the batch plant as well as future lock power.

So, Montgomery Lock look ahead, the contractor is now in the submittal process. We're very early in this stage. They're doing the quality control submittals, the safety submittals, the environmental protection submittals. And they're looking at their construction schedule. As far as partnering is concerned, we've worked with this contractor, Trumbull-Brayman joint venture over the past 20 years out there at Charleroi. So, we have a very good working relationship with them. We've developed positive and effective working relationships. And we're going to continue that through aggressive partnering for this contract. In fact, we're going to sit down with this contractor at the end of January to make sure we're all on the same page with regards to risks that might come up during construction.

So, we're going to have a shared risk register with them. As far as schedule is concerned, we have received the contractor's initial schedule. It's under review right now. So, we don't know if their schedule meets the contract requirements, but we're analyzing that, and we'll get back to them on whether or not they've met those requirements. Some of the things that we can expect to see in the next 6 to 12 months, the contractor's going to put their field office site there.

They're going to begin on roadway improvements coming into the facility to support the construction and bringing in concrete materials and building that batch plant. They're going to set up that concrete batch plant. They're going to start doing some excavations and some dredging. They're probably going to start putting up the cofferdam to close off the part of the river so they can start working in the dry. A lot of the lock has to be constructed also to work in the dry. The cofferdam doesn't just give them that dry work area.

Just a quick summary of Emsworth and Dashields. So, we are pausing the Emsworth design at the 60 percent. That's going to happen here at the end of this calendar year. But we are going to continue to invest some resources there on some critical things. The biggest critical thing is the acquisition of the land associated with the batch plant out there. That's going to be a long lead item for us. We want to make sure we get that done so that it's ready when we get out there to build that lock at Emsworth. We are going to be coordinating with our higher headquarters on other work that we think is important to continue with the limited funds we have available, things like complete the physical modeling, complete the hydraulic modeling so that those things don't go stale and then we just don't let this model sit and rot down at ERDC [Engineering Research and Development Center].

As far as Dashields is concerned, there's no significant work that's happened on Dashields. And I don't expect there's going to be any significant work that happens there until we get funding for it. Dashields and Emsworth, like I said before, again, it's part of a condition-driven project. And I know I drive that point home a lot, but one of those facilities goes down, that whole section of the river loses benefits. So, I think that --

MEMBER HETTEL: Steve, Marty here.

MR. FRITZ: Yes.

MEMBER HETTEL: Last questions I promise. If you go back to your slide. The $14 million invested to date, is that all in the design?

MR. FRITZ: Yes, Marty. That's in the design, the modeling. We had some geotechnical investigations done for that. And actually, if you look at that number today, it's probably more about $15 million.

MEMBER HETTEL: Okay.

MR. FRITZ: So, this slide's about three years old.

MEMBER HETTEL: So that leaves you with $27, $28 million dollars left. Is that what you're going to use for real estate acquisition?

MR. FRITZ: About $12 million of that would go to real estate, and then that leaves us with about $15 million. And that $15 million could be used for some of those things that are good to keep moving like finish the modeling, finish the hydraulic and numerical modeling, those type of items.

MEMBER HETTEL: Okay. Thanks for the clarification on that.

MR. FRITZ: You're welcome.

CHAIR MURPHY: Steve, this is Spencer. The design for Emsworth, is that happening at the district or at INDC?

MR. FRITZ: That's led by the INDC.

CHAIR MURPHY: Okay. And then just more of a comment than a question, but I mean, I take your point about Emsworth and Dashields. And we need to get to them eventually. But I would just say, the quickest way to get to Emsworth and Dashields is to finish Montgomery as quickly as possible. So, let's do that, and then we can move on to Emsworth and Dashields.

MR. FRITZ: Thank you, sir.

COL MELIN: Point well taken.

MR. FRITZ: Any other questions? If not, that completes my presentation for Upper Ohio. Thank you.

MG KELLY: Steve, Nick, I want to go on record that I concur with the ribbon cutting in Montgomery. Let the record reflect, Kelly agrees.

MR. FRITZ: Current schedule for that, sir, is eight and a half years if all options are awarded.

COL MELIN: Yes sir. And just to highlight we're in a position right now with Montgomery where we have funding to be able to progress significant work to stay on that efficient funding model, the $205 million in 2025, and then that number in 2026. That keeps us moving efficiently, which directly corresponds to completing on that eight-and-a-half-year timeline.

DFO CLOUSE: Thank you, Mr. Fritz. Next up, we have Ms. Leese. She is pinch-hitting for Mr. Lopez. And she is going to talk about the Mississippi River Lock 25. Ms. Leese.

MS. LEESE: Good morning. Ms. Brown, General Kelly, Chairman Murphy, Vice Chairman, Judd, members of the Board, federal observers, colleagues, and members of the public, thank you for this opportunity to brief the status of the Lock 25 project. I'm Kate Leese. I'm a member of the project management team. Jose is sad he can't be with you guys here today.

As far as the status, the project is overall on schedule and on budget. All safety, financial, and schedule metrics are green. The lock design is progressing well and is nearing the end of the 65 percent review process. On Monday, we're going to kick off our bid-ability, constructability, operability, environmental and sustainability review. The Inland Navigation Design Center is fully engaged at all levels of the project throughout the design process. A current working estimate update has been completed but is pending ATR, agency technical review, from Walla Walla. It is currently tracking in line with our previous cost certification of $2.3 billion. However, that cost is based on efficient funding, which is looking a little more unlikely. The funding stream informs our contract strategy, our schedule, as well as our cost. Our project is at an increased risk of completing after 2034 and costing more than $2.3 billion. We have signed the FONSI [finding of no significant impact] as of November and are ready to purchase mitigation credits at the beginning of the calendar year. Our team has a draft acquisition strategy for a base and options approach, but the funding for that plays a key role. We continue to have active coordination with our industry with regards to impacts during construction. Stakeholders have expressed their preference and have acknowledged risks associated with that. The funding uncertainty may increase the impacts and risks.

As far as our schedule and funding, since you guys last saw this slide in August, we've added a couple additional phases. We are considering two additional phases, the phase 2D as far as the scour repair and foundation prep, as well as phase 2E, which would be some site prep for a possible location for a batch plant. One of the things to be noted on this slide, the red unfunded options for our contract, the schedule isn't showing where they will eventually line out. We're still working what exactly that base and option structure looks like in relation to the draft October Capital Investment Strategy. No change here as far as our efficient funding or capability, but I would like to note that this capability is likely not supported by the Inland Waterways Trust Fund, but that is the number that we would be able to award on the contract for all the options in FY27.

No changes as far as the issues and challenges for when we brief these in August. As far as our look ahead, since the last meeting, we were able to award our construction and operations facilities contract that awarded for $13.8 million as a firm-fixed-price contract at the end of the fiscal year. We also are on track to award the downstream guide cell contract in fourth quarter of FY25, which is ahead of our previously scheduled award date. And we are looking at the scour repair and foundation prep as a standalone contract, which we would award in FY26. That's all I have, pending questions.

MR. WEBB: I have just a couple comments. One is, we appreciate the Corps' willingness to have an industry meeting this fall to discuss the build schedule and working at it and in the winter months when the mid and upper Miss [Mississippi] is shut down versus working through the challenges that we would have with restrictions going through there during the shipping season. This is an incredibly challenging project just due to where that 1,200-foot chamber is. And it's great to see that we're going to get work on that scour hole and to try and mitigate some of these risks before we get into the project in earnest. So, appreciate what the Corps is doing and working with the industry on those.

MG KELLY: I'd just like to acknowledge the importance of the dialogue. So, I'm encouraged by what I'm seeing here. I think it's important that we continue to stay in step, in sync together because the schedule that is best for industry, I think there's some complications associated with that time. I just want to make sure that we talk about that and we're all clear-eyed as we move forward because I think what's best for industry is where we need to be, but there are also risks. And so, for me, the risk register, I'm going to want

to talk about routinely where we are on risks, their probability of occurrence being realized as we continue to talk about the timeline, schedule, cost, and quality. I think it's important that we collectively continue to talk about that. But I think we're in a good place for this day.

MR. WEBB: Another comment I'd make is, Kate already mentioned it, the funding scenario is going to be really challenging, especially when we got monies needed for arguably Kentucky, Chick, maybe a little bit on the Ohio River as well. To get to the $500 million funding level is going to be challenging. And so, as we hopefully get WRDA 2024, that puck in the net, we'll be working on WRDA 2026 to try and figure that out. So, we have time, but that's going to be extremely challenging to come up $500 million in the late 2020s, early 2030s.

DFO CLOUSE: Thank you, Ms. Leese.

MS. LEESE: Thank you.

DFO CLOUSE: And the last project update for today is the Arkansas River Navigation System, Three Rivers Project. Mr. Gillip, the floor is yours.

MR. GILLIP: Good morning, General Kelly, Ms. Brown, Chairman Murphy, members of the Board and federal observers. Thank you for the opportunity to update the Three Rivers Project. Currently, the project safety status is green. There's been no accidents. All across the dashboard, it's green. Major milestones, operational, we've noted as a completion of phase 1 that provides a protected relief of the water between the White and Arkansas rivers, that's been updated to November of '25, well ahead of the project required completion, but based on the contractor's current schedule. And then the completion of the project as a whole has been updated to January of '28.

We're at about 51 percent planned based on the original schedule, but 70 percent complete. So, we're well ahead of schedule on phase 1. Phase 2 is scheduled to award 17th of December of this year. On the project, we've gone through a Change Control Board process. We were working on a post-authorization change report, working with division and the policy team and things. We identified that the post-authorization change report wasn't required due to not having change in scope, not needing additional funding and some other considerations. So, we're documenting the results of the Change Control Board in an engineering documentation report. That has been completed, and the Change Control Board has been completed.

As mentioned, and as previously reported, phase 2 contract is scheduled for December 2024, specifically the 17th, which is next Tuesday. We anticipate then giving a notice to proceed in January of 2025. As far as the schedule, here we are, we're in phase 1 construction period at the end of the phase 2 solicitation, right at the award timeline. The 17th of December highlighted there at the bottom is not a change. Previously, it was only reported December of 2024. I added the specific date.

As far as budget goes, there are no changes here. There is, I'll note on the remaining total project cost balance, there's an excess on the project. This is a result of funding received during FY24. $82.95 million was moved from the 12-foot channel project. This was Bipartisan Infrastructure legislation funds. This was to allow a phase 2 award addressing a budget shortfall. But concurrent to this move, we received an earmark for $103.17 million that addressed fully the budget deficit of the project. So, we ended up with an excess. We've started the process of requesting a reprogramming of that money back to the 12-foot channel project. We don't get to decide where it goes, but that's the request that we've made. So, the project's fully funded. No additional funding is needed.

On project challenges, the only changes we've made are that two significant challenges have been resolved. There was real estate acquisition challenge. Phase 2 of the project crosses the U.S. Fish and Wildlife Services White River National Wildlife Refuge. We are working through the process with them to obtain a permit for that use. It was a lengthy process, but we have completed that process, so that risk is resolved. Also, as mentioned earlier, there is a project labor agreement required on this project due to the cost. We were able to resolve that, and the proposals were able to address that requirement.

The look ahead, we have had quite a lot of work going on. We've completed essentially the core of the weir on phase 1, the end treatments where the weir ends, and we provide additional protection to prevent scour and undercut. The north end treatment has been completed. The south end treatment since I prepared these slides has been completed as well. We're finishing the installation of a concrete driving surface across the core of the weir and beginning to degrade the original historic closure structure, which is an earthen embankment. We're continuing rock placement with completion scheduled around August.

I'll note here that phase 1 is probably the riskiest of the project component that has the highest risk. This is at the lowest elevation. It's the first affected by floods. We've been incredibly lucky to have dry weather conditions for the past years when we were completing this construction, or when we were working on this construction. Not complete yet, getting a little premature there. So, we've completed the highest risk elements being the north and south end treatments of this project. And we anticipate, based on where we're at, not having risk due to high water on the remainder of phase 1.

Phase 2 typically is at higher elevation, so has a lower risk. We may still lose access to the area and things of that nature, but there's a lower risk overall. And this is a comparison of the project status around our last meeting for early August to now. You can see considerable changes. A lot of rock has been placed and material has been moved in the completion of the phase 1 weir. Any questions on the project?

DFO CLOUSE: Thank you, Mr. Gillip. Next up, we have a special topic. It is on asset management. And Mr. Dodgion will be performing this one. Mr. Dodgion, the floor is yours.

MR. DODGION: Thank you. I think I'll go ahead and say good afternoon, Chairman, Ms. Brown, General Kelly. As mentioned, this is a special topic. My name's Peter Dodgion for the record. And I am the chief of the Asset Management branch for Civil Works. I focus on the asset data that we use, by and large, to manage our existing infrastructure. I recognize this Board's focus is really on new construction and rehabilitations, things of that nature. But there's some curiosity about how we manage our existing infrastructure. So, I'm going to try to scratch that itch today. It's going to be very brief. I assured everyone I would not geek out while we're here today.

So, I'm going to focus on a couple of our systems, the high-level systems that we use to manage the condition of our existing assets, and how we use that to think about risk with our existing facilities out there on the landscape. So, this operational condition assessment (OCA) program is a very important sort of process that we use to manage existing infrastructure. It leverages our dam safety program. It leverages our hydraulic steel structure program and these various inspections that take place. It leverages our maintenance management system. And every five years, we sit down and take stock. And we send a qualified team to these sites. We assess that information, and we give a school-style rating to individual components on our facilities.

Very quickly, I want to show you what that looks like. So, this is our rating scale. So, when that team goes to the site and looks at the available data, spends some time with the staff, talks about operational conditions there, sometimes looks at the facility or looks at data associated with the components at the facility, we rate it. We think about its physical condition. We think about how it's performing. And then engineers

make judgments about a probability of failure. We give that thing a rating.

If anyone's bought a car, use the Kelley Blue Book, you kind of get an idea, excellent condition, poor condition, fair condition, things of that nature. And when we take those ratings at the site for a given component or a series of components, there's hundreds of components at each site, we're able to roll that up with a portfolio sort of perspective to know where we have risks out there on the landscape.

So, this is one of the portfolio views that we have. You can imagine if you have data about the condition of individual components of a facility or an automobile, if you want to try to think of an analogy, you can kind of roll that up. And we do that when we buy a car. We look at the car and I hear a knock in the engine, and then I make an assessment. We can do that with our facilities as well. This particular perspective is a very conservative look. This one is a look without respect to economics. It's a look at where we believe there's high probability of failure. So, there's a lot of yellow and red on that chart, which tells us that in the next five years, we believe that there's high probability of failure of individual components at each one of these sites, and we need to focus on that. You can imagine there's a lot of churn out there in our operations and maintenance community to try to keep up with these. And it makes our O&M program very dynamic, so, year to year, week to week. Sir.

MR. BELK: When the term failure is used, people sort of sit up. But you're talking not project failures or dam failure, you're talking a component of some kind at that location.

MR. DODGION: That's correct.

MR. BELK: I want to be clear on that. This is Eddie Belk.

MR. DODGION: That's correct. So, we're talking about components. Those around the table, if they look at this, they realize we don't see that kind of failure as an industry partner. From time to time, you do, but you don't see it routinely. And that's a testament to how the field works to mitigate some of these condition problems that we experience out there on the landscape. The point of this slide is we are actively tracking these condition concerns, and we're taking steps to try to keep up with them. So, here's how that ends up looking. You've got a risk assessment process that the Corps of Engineers uses to kind of manage that sort of body of work that we have We take this condition data in this case, we've got a D rating on a facility, and we put it into our risk assessment process. That D rating gets put against a Weibull curve. This is a statistical analysis.

I don't know if anyone's familiar with these, where we have different curves based on the type of asset that is in play, and we can get a probability of failure. We use that probability of failure then with the shipper-carrier cost, the impacts to the industry to try to rack and stack all those needs across our portfolio to make sure that we're addressing the highest risk situations first. And I wanted to acknowledge that when you think about probability of failure, I mentioned we have Weibull distributions. And this is basically based on industry data.

We generate probability of failure in order to do our risk assessment. But that information, that probability of failure information, is it needs improvement over time. It's difficult for us to bring industry probability of failure information into our system as it is, because we have motors, we have hydraulic cylinders, we have pumps all operating at our facilities. The environment where they operate, the frequency, the amount of use that our facilities exert on those components is different. So, we have to adapt those probability of failure curves and that information to our situation. And we are taking some steps to improve that.

So, for example, electrical components, we have recently adopted some industry electrical component

probability of failure curves that we're using to make our probability of failure estimates more objective. I want to assure you that we are doing some dedicated R&D [research and development] to get after how we can predict failure at our facility. So structural health monitoring is a good example. If you've been following the Corps of Engineers over the last several years, let's say the last decade, roughly, we've been doing a lot of structural health monitoring R&D on our miter gates so that we can begin to predict when structural conditions are going to result in failure of those kind of key components. And this year, that particular research effort is going to expand to the gate operating equipment. So, we're going to start putting sensors on gate operating equipment. And we're going to use some pattern recognition software to try to get that probability of failure estimate a little bit closer to reality than we're currently able to do.

This year, we just let a contract in our R&D world to establish a test bed, basically, a scale model of a lock and dam. We realize that it's difficult for us to go out into the field and allow components, to Mr. Belk's point, individual components, allow them to fail so that we can get data about what the antecedent event was to the failure and improve our probability of failure estimates thereby. So, we want to build a scale model. And we just led a contract to begin that process. And we expect to have plans and specs for a scale model lock and dam test bed by the end of the fiscal year. And that will allow us to put some of this equipment to the test in the field and get those probability of failure curves right where we want them.

CHAIR MURPHY: Can I ask a quick question?

MR. DODGION: Yeah.

CHAIR MURPHY: Are you currently able to, when you do experience a failure of a component, go back and say, okay, well, we had that rated as a B and turns out it was an F? Or how are you measuring this compared to real-world activity?

MR. DODGION: Yeah. So, we do have a statistical analysis process that we use for our existing historic condition data. We've been doing OCAs for 12, 15 years at this point. So, we've got a pretty good body of data. And we're interrogating that data right now. Started that research about two years ago to interrogate that data. Our purpose was to see if we can see patterns, we can recognize patterns in our OCA data so we can see when a D goes to an F or to a completely failed situation or when a C moves to a D. And that's our best place to see that. We don't actually see a lot of surprises. Our condition assessment process, it is subjective as all condition assessment processes are. It is subjective, but it's rigorous enough that we don't see a lot of that. We don't see a lot of D assets failing unexpectedly.

MG KELLY: Peter, I just want to add first off, that we're talking about components, I mean, I want to just foot stomp as Mr. Belk highlighted. And as a resident mathematician and statistician, Peter, I have to tell you, I'm getting excited at this looking at curves. I'm trying to contain myself here. But one of the things that the question you asked, Mr. Chairman, I think it's important when we have unscheduled maintenance, my first question, what did the OCA say? And then to further pull that string, what did we do in terms of budgeting in regard to the OCA? And I think that what Peter is sharing here will help us do better in that regard and ideally be preemptive.

And even if there's a decision based on what the OCA is telling us, we're mindful of the risk we're sitting on based on probability of failure of a component. And I think that that is the real value in what we have here and making use of our data and translating that into budgetary requests. There are decisions that have to be made, but we ought not be surprised, which is the comment coming back. I think this is good data. There's some work yet to be done, but this is the question that I'm asking when we see unscheduled maintenance, how have we done? And ideally, we draw a line to what we knew about the components to, if we're on top of it, the budget ask was there. Whether or not we were able to invest accordingly, that's a

different discussion, but our data ought to lead us to good recommendations, which is what I think this will allow us to do.

MEMBER WEBB: Can I make just a comment? This is Jeff Webb. So, you're not showing it here, but you've had charts. Today, you showed us an unscheduled maintenance. And we've driven that down over the last decades, right? And you guys have done a phenomenal job. And that's the reason that Congress pluses it up on your O&M budget. And so, we certainly appreciate what you're doing, but we're living it right now at Wilson, right? This is one of these unscheduled, unfortunate events that were affecting businesses on the northern side of that. I mean, 14 days to get through that lock, it's punitive. And so, we are affecting businesses up there. And so that just tells you how important this work is and how much we're going to advocate to make sure that you got the O&M dollars to make sure that we have less red up there and more green. So, thank you.

VICE CHAIR JUDD: This is Damon. A question, I guess. I appreciate everyone pointing out that the map is just components, but is there a module here where it kind of rolls it up and says, okay, as you think about the portfolio, given the components that are red, you know, how many pieces of infrastructure are out there that, you think there's a moderate to high risk of a failure that would result in a, I don't know, 30-plus day closure? Because I think if that exists, that would probably be very helpful as it relates to how do we frame, the needs of the Nation and making sure that we're doing the work we need to do to support, the artery and the advantages it gives to this country.

MR. DODGION: If I could, I can address that. So, our standard risk assessment, the one that we use routinely in O&M to kind of rack and stack, does just that. So, you take the risk, you get a probability of failure. This shipper-carrier cost number is number that's generated by that particular component. And forgive me, Mr. Belk, for not being more clear. Sometimes you lose something when you brush over. We have been talking about components, right? So, we know that component that has the risk associated with it, how many days it takes to recover in the event that that component fails. And some of those, it's zero, right? They're not critical components. Some of them are 30 days. Some of them are 5 days. Some of them are 8.

So, we have a whole inventory of the recovery duration for each one of them, depending on the type and how long it takes to repair it. So, you take that, and that's how you generate your costs. So, at this particular project, this component, I think, had a 5- or 8-day recovery duration, it's not showing here, and that generated $846,000 in damages to the shipping industry. So, we take that against this probability of failure, and we generate this number that has a dollar sign in front of it. It's really sort of a relative risk number. But yeah, we are definitely taking into account how long it takes and how much traffic the value basically of that particular site to the industry when we do our rankings.

VICE CHAIR JUDD: Thank you for that clarification. And I guess part of what I was envisioning is a version of the map where it says, okay, these are locks and dams where we think the probability of a failure that causes that prolonged closure, --

MR. DODGION: Yes.

VICE CHAIR JUDD: -- is moderate to high. And so, is that a green graph or is that a red graph? Is that an orange graph? I just don't know that we as industry have a good feel for. We know we have old stuff, but is it old stuff that it can break, and we can keep working or is it old stuff where, we're going to be shut out for 30-ish days? Thank you.

MR. HILL: If I could just comment on that. Steve Hill, Director of Operations and Regulatory with the Corps

of Engineers. Great question. And we're increasingly focusing on the use of asset management and these tools here so that we can take step one and step two and get to step three, portray that in a visible way because visibility is a first step towards that transparency we need to see. So not only are we using this to inform our budgeting process and look at the health of the system from the operation and main perspective but give you indicators that allow you to continue to operate the business.

MR. DODGION: And the last thing I wanted to mention is when we use our risk assessment process that I was describing and the standard one is to take into account the economics associated with the extent of the closure, that does give us a ranking. But a ranking isn't exactly a recommendation. So, in the near future, we're going to begin working on reliability standards for Inland Nav [navigation], some expectations for the quality of our facilities and the kind of closures that we should expect or that we find to be reasonable given the financial constraints that we have. And that's going to help us basically color some of that risk map that you were seeing there. And I'd like to think industry will be involved in that. So, I want to make sure that I that that's going to be happening over the near term. Pending any questions, that's all I had.

DFO CLOUSE: Thank you, Mr. Dodgion. We've reached the public comment portion of the proceedings. I will call on the commenters in the order in which they were received. And I want to remind each person making a public comment that you have three minutes. There is one request to make a public comment before the Board and no written statements were submitted for the record. The public comment comes from Ms. Sandra Knight, United States Commissioner to the World Association of Waterborne Transport Infrastructure. Ms. Knight.

MS. KNIGHT: Good afternoon. And thank you, Board, and Major General Kelly and Ms. Brown, Mr. Murphy, and everyone in the room. I'm Sandra Knight. And I'm here with my colleague, Jim Walker. We are U.S. commissioners to PIANC, the World Association of Waterborne Transport Infrastructure. PIANC was established in 1885 and is headquartered in Brussels, Belgium. The U.S. formally joined as a national section in 1902 and is led by the U.S. Army Corps of Engineers. In fact, the U.S. delegation of commissioners is led by the Assistant Secretary of the Army for Civil Works. And the official president of PIANC U.S. is the USACE's Deputy Commanding General for Civil Works and Emergencies, General Kelly.

Jim Walker and I are very excited to let you know that the U.S. section will be the international host for PIANC Smart Rivers 2025. This conference is being held in Memphis, Tennessee, September 8th through 12th in 2025. I serve as the conference chair and Jim as the vice chair. The theme of this prestigious conference is celebrating the world's navigable rivers. And the agenda includes the keynote speakers, plenary panels. We have over 140 papers currently submitted. And we'll have plenty of technical sessions and technical tours.

Because of your respected role in the waterborne transport industry, we invite you to participate as a sponsor, exhibitor, presenter, or attendee. Among Smart River sponsors are Woolpert, Tetra Tech, and Taylor Engineering. Some of the organizational partners we have include Waterways Council Inc., American Waterways Operators, National Waterways Conference, and Pacific Northwest Waterways Association. Both sponsors and partners are helping us spread the word about the conference and helping us encourage participation among their employees, affiliates, and members.

We anticipate approximately 400 professionals will attend. These will be engineers, towing companies, freight owners, cruise lines, recreation and environmental interests, academics, and much, much more. We hope the members of this Board will consider participating at this premier global inland waterway event. For more information, you can go to our website at smartrivers2025.com. And thank you for this opportunity.

DFO CLOUSE: Thank you, Ms. Knight. Next up on the agenda is me for next location. I've discovered in my first year as the designated federal officer that synchronizing calendars with Corps senior leaders and Board members is challenging. These meetings take a significant amount of logistics, planning, and require a long lead time. Understanding this challenge, I will endeavor to bring these federal advisory committees back into regular schedule. I plan to schedule meeting dates well in advance and to generally align the Board with opportunity to provide independent advice prior to budget and work plan development. As you can see, I've identified dates for the remainder of this Users Board tenure. And I will work with the Chairman and Major General Kelly to firm up the dates.

Next, now that you have my scheduling intent, let's focus on what projects the Board would like to visit. Here's a list of the projects we have visited in the last eight years and a few sites that have not been formally visited by the Board. At this time, I will entertain a motion for the next project location. That's going to leave it up to me to pick the site.

MEMBER WOODRUFF: I would say work with the Chair.

CHAIR MURPHY: I don't have a particular preference at this moment. I would ask the Board to please think about it, maybe shoot me a text or an email with your thoughts, and then I'll work with Paul to finalize it. But I do appreciate getting ahead of the schedule. I know that April date is going to be tough for me later in that week, but let's talk.

DFO CLOUSE: Okay. That's why we have our monthly administrative meetings.

CHAIR MURPHY: Yeah.

DFO CLOUSE: Lastly, with the number of alumni in the room today, I would be remiss if I didn't mention the 125th meeting of Army and Navy on the gridiron. Go Army. Beat Navy.

MG KELLY: Paul, I'd like the record to reflect, I have that very flag flying high in my house on Fort Myer right now.

DFO CLOUSE: Before we move to closing remarks, I'd like to express my sincere appreciation to the Institute for Water Resources staff and the Headquarters' audiovisual team for a successful meeting. On to closing comments. General Kelly, any closing comments?

MG KELLY: Yeah. I think that there's a recurring theme that you heard from us today. It is our quest as directed by our new chief, Lieutenant General Butch Graham, who you all know very well, it is to get the engineering right. It's to get the schedule right, to get the business right, and be transparent, and we will. That is a commitment from General Graham, a commitment from me, and the entirety of the USACE enterprise. And I'm excited about the work we're doing. I'm excited about getting the engineering, the schedule, and the business right going forward. Thank you.

DFO CLOUSE: Thank you, General Kelly. Chairman Murphy, closing comments?

CHAIR MURPHY: I do have a few comments, but first, I want to yield some time to Matt Woodruff because I know he had an issue he wanted to make sure that we covered before we adjourn.

MEMBER WOODRUFF: Well, thank you. This is Matt Woodruff. And I want to mention a project that we didn't have on here today that is one that I'm responsible for bird-dogging. And that's the Brazos floodgates. So, for those who aren't familiar with that project, it's a little different than most. The

Intracoastal Waterway crosses the Brazos River. There's a floodgate on either side. A tow leaves the relative safety of the Intracoastal Waterway, has to fight the crosscurrents of the Brazos River and then stab into a gate on the other side. And that doesn't work too terribly well. It's the most struck structure in the Corps inventory. The plan calls for the removal of the west gate completely and realigning the channel, replacing the east gate with a wider gate that's set further back so that tows are out of that crosscurrent before they come up to that gate.

We've had prior discussions. And we've looked at the cost of separating those projects because if you do half of it, if you do, for example, just the west half, that gives you half the benefits of the project because westbound tows will no longer face that impediment. They can go safely across. Since there is no new west gate to be built, it's a substantially lower cost than the east gate. The Galveston District has estimated that could be done in the $80 to $90 million range. And of course, we don't have $80 or $90 million right now. But you may not be aware that the state of Texas economy is the eighth-largest economy in the world. It's bigger than Canada, is bigger than Russia. And it's costing the state of Texas a lot of money in lost economic value from not having this project done.

The Texas Department of Transportation did a study that quantified the losses that we're suffering as a consequence of this, took it to the Texas Transportation Commission, which unanimously approved a legislative appropriation request to the Texas legislature for up to $140 million to remove the west gate at the Brazos against an estimate of $80 to $90 [million] for the cost. So, I think that's very good news. The State has said, can we give the money to the Corps of Engineers and have them do it? Or if the Corps can't do it, can we get the Corps of Engineers out of the way, and we'll go do it ourselves? And so, what I would like to do, first of all, is bring the Board up to date on that. Number two, I've heard some pushback that, well, we have to look at this. We're not sure that we can accept that money and, that we can't split the project that way and maybe we can't get it done. I would hope that if somebody wants to give the government $140 million to get something done, that we could really be leaning towards getting the answer to be yes or figuring out a way if we can't get to yes, get out of the way and say, you guys go build it ourselves.

So, I wanted to bring that to the Board's attention. And I would urge the Board to endorse a motion that would encourage the Corps to work with the Texas Department of Transportation to figure out a way that we can get to yes on this project. And I'd like to make that motion.

MEMBER RASE: I'll second that, Matt.

DFO CLOUSE: What exactly is the wording of the motion?

MEMBER WOODRUFF: The wording of the motion is that the Inland Waterway User Board encourages the Corps of Engineers to explore all alternatives available to be able to accept funds from the State of Texas to complete the removal of the west gates at the Brazos [River] floodgates and failing the ability to take the money to do the project, explore ways to allow the State to do the project [removal of the west gates] at its expense.

DFO CLOUSE: Okay. There's a motion on the floor. And I'm going to abbreviate it. It is for the User's Board to encourage all alternatives to accept funds from the State of Texas for the west floodgates to help expedite the completion of the west floodgates.

MEMBER RASE: Removal.

DFO CLOUSE: Removal. Yeah.

CHAIR MURPHY: Or let the State do it.

DFO CLOUSE: Or let the State do it on their own. Can I get a second on that motion?

MEMBER RASE: I second that. Okay.

DFO CLOUSE: Is there any discussion on this motion?

CHAIR MURPHY: I would just say we should be looking for ways to finish projects by whichever means we can do it. And so, if the great State of Texas wants to do this, then I think we should find a way to let them do it. Thank you.

DFO CLOUSE: All in favor of the motion, say aye.

(Chorus of aye.)

DFO CLOUSE: Any nays? Hearing none, the motion is approved. Chairman Murphy, you may now have the floor for closing comments.

CHAIR MURPHY: Thank you. I would just keep it very quick. General Kelly and Mr. Hill, welcome. I hope you had a lot of fun today. I just would say what I said to General Graham at each of these meetings, which is, help us help you. To what Matt was saying earlier, we know the Corps cannot lobby Congress directly. We can. We're actually pretty good at it. We've got a successful track record of doing so, but we can only be effective if we have the right information. And so that falls on our partners with the Corps to feed us that information so that we can try and get these projects funded and completed. So, looking forward to working with you. Hopefully, we get some of this work done sooner rather than later. So, ribbon cuttings, not groundbreaking.

MG KELLY: Groundbreaking. I like it.

CHAIR MURPHY: Thank you.

MG KELLY: It's my mantra.

DFO CLOUSE: Thank you, Chairman Murphy. Any other Board members wish to make a comment at this time? Seeing none, may I receive a motion to adjourn the meeting?

CHAIR MURPHY: Oh, we have a comment.

DFO CLOUSE: Excuse me. Yes, Ms. Chromey has a comment.

MS. CHROMEY: I just wanted to build on something that, the Deputy Administrator, our Administrator said once before, collaborating across with this Board is really important. We are, like all federal agencies are going to go into a change of Administration. Things will be a little busy. However, there is a priority from all of leadership within the agency of MARAD is to focus on the inland waterway system. In addition to the fact is we have an advisory board as well, the Maritime Transportation System National Advisory Committee. A little longer than yours, but it's still the same. Ours is a little different because we don't have a trust fund or anything like that. MARAD is funded out of the National Defense Authorization Act. However, because of the Bipartisan Infrastructure Law, we did receive funding under that law, which is tied also to federal funding that was made available in the Surface Transportation Bill, which is where the

Highway Trust Fund goes and everything like that. So, there's funding that's been made available.

So, in our agency, we are looking at what is the future for port infrastructure, marine transportation funding beyond a Bipartisan Infrastructure Law, IIJA and what does that mean. Well, the reason I bring this up is because I really would highly encourage that we find an opportunity where our Board and your Board could possibly meet. We actually met with our chair and vice chair yesterday. And they really want to do site visits like you all do. We don't typically do them. So, I would love to work with Paul, Spencer, and other members and General Kelly, if there's an opportunity, because I think there's so much an opportunity to meet together, but an advantage of collaborating together as funding goes out the door and these projects are being executed and implemented. And I would like to propose that as something we can do in the future. Thank you.

DFO CLOUSE: Any comments from the Board related to Ms. Chromey's remarks? Seeing none. That brings us to the best part of the day. May I receive a motion to adjourn the meeting?

PARTICIPANT: So moved.

DFO CLOUSE: May I get a second?

MEMBER KREIDER: Second.

DFO CLOUSE: Is there any discussion on the motion to adjourn? Got to follow Robert's rules. Hearing none, all in favor of approving the motion to adjourn the meeting, say aye?

(Chorus of aye.)

DFO CLOUSE: Any nays? Hearing none, it is unanimous. Fair winds and following seas. This concludes the 104th Inland Waterway Users Board meeting.

(Whereupon, the above-entitled matter went off the record at 12:31 p.m.)