

Minutes  
Inland Waterways Users Board Meeting No. 86  
Embassy Suites by Hilton Chattanooga-Hamilton Place  
Waterside Ballroom Salons A-B-C  
2321 Lifestyle Way  
Chattanooga, Tennessee 37421  
March 1, 2018

[Note: The following minutes of the Inland Waterways Users Board meeting No. 86 were approved and adopted as final at Inland Waterways Users Board meeting No. 87 held on May 25, 2018 at the Sheraton Pittsburgh Hotel at Station Square located at 300 West Station Square Drive, Pittsburgh, Pennsylvania 15219.]

The following proceedings are of the 86<sup>th</sup> Meeting of the Inland Waterways Users Board held on the 1st day of March 2018, commencing at 8:00 o'clock a.m. in the Embassy Suites by Hilton Chattanooga Hamilton Place hotel, located at 2321 Lifestyle Way, Chattanooga, Tennessee 37421, Mr. Martin T. Hettel, Chairman of the Inland Waterways Users Board presiding. Inland Waterways Users Board (Board) members present at the meeting included the following:

CHAIRMAN MARTIN T. HETTEL, American Commercial Barge Line, LLC.

MR. DAVID A. EARL, Marathon Petroleum Company.

MR. MIKE FEWELL, Dow Chemical Company.

MR. ROBERT J. INNIS, LafargeHolcim, Inc.

MR. DAVID KONZ, Tidewater Barge Lines.

MR. DANIEL P. MECKLENBORG, Ingram Barge Company.

MR. MICHAEL J. MONAHAN, Campbell Transportation Company.

MR. TIMOTHY M. PARKER, III, Parker Towing Company.

MR. CHARLES M. "MATT" RICKETTS, Crouse Corporation.

MR. WILLIAM M. WOODRUFF, Kirby Corporation.

Board member, MR. G. SCOTT LEININGER, CGB Enterprises, Inc., did not attend the Board meeting. MR. LANCE RASE, CGB Enterprises, Inc. attended the Board meeting in place of MR. LEININGER.

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:

MR. RYAN A. FISHER, Principal Deputy Assistant Secretary of the Army, Office of the Assistant Secretary of the Army for Civil Works (ASA (CW)), Washington, D.C.

MS. BRANDEN LEAY CRIMAN, Director, Inland Waterways Gateway Office, Maritime Administration (MARAD), U.S. Department of Transportation, St. Louis, MO.

LT. CMDR. MATTHEW M. FORNEY, OMAO (Office of Marine and Aviation Operations)/DOD Liaison, Office of Coast Survey, National Oceanic and Atmospheric Administration (NOAA), U.S. Department of Commerce, Silver Spring, MD.

MR. NICHOLAS A. MARATHON, Economic Analyst, Transportation and Marketing Division, Agricultural Marketing Service, U.S. Department of Agriculture (USDA-AMS/TMD), Washington, D.C.

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

MR. MARK R. POINTON, Executive Secretary and Designated Federal Officer (DFO), Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, VA.

MR. THOMAS P. SMITH, Chief of Operations and Regulatory Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C. substituting for MAJOR GENERAL DONALD E. JACKSON, Executive Director of the Inland Waterways Users Board and Deputy Commanding General for Civil and Emergency Operations (DCG-CEO), USACE Headquarters, Washington, D.C.

MR. KENNETH E. LICHTMAN, Executive Assistant and Alternate Designated Federal Officer (ADFO), Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, Virginia.

Program speakers in scheduled order of appearance were as follows:

MR. MARK R. POINTON, Executive Secretary and Designated Federal Officer (DFO), Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, VA.

MS. THOMAS P. SMITH, Chief of Operations and Regulatory Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

MR. MARTIN T. HETTEL, Chairman, Inland Waterways Users Board.

MR. MARK R. POINTON, Executive Secretary and Designated Federal Officer (DFO), Inland Waterways Users Board, U.S. Army Corps of Engineers, Institute for Water Resources, Alexandria, VA.

MR. JOSEPH W. ALDRIDGE, Program Manager, Programs Integration Division, Headquarters, U.S. Army Corps of Engineers, Washington, D.C.

MR. DEWEY W. RISSLER, Project Manager, Olmsted Locks and Dam, Olmsted Division, U.S. Army Corps of Engineers, Louisville, KY.

MR. ADAM C. WALKER, Project Manager, Nashville District, U.S. Army Corps of Engineers, Nashville, TN.

MR. DON B. GETTY, Project Manager, Nashville District, U.S. Army Corps of Engineers, Nashville, TN.

MR. STEPHEN R. FRITZ, Chief, Mega Projects Branch, Pittsburgh District, U.S. Army Corps of Engineers, Pittsburgh, PA.

MR. SEAN P. MICKAL, Project Manager, New Orleans District, U.S. Army Corps of Engineers, New Orleans, LA.

In response to questions raised during the proceedings, additional information was provided by the following individuals:

Mr. MICHAEL J. BRADEN, Chief, Olmsted Division, Louisville District, U.S. Army Corps of Engineers, Louisville, Kentucky.

One person offered public comments during the public comment period of the meeting:

Mr. CLINE JONES, Executive Director, Tennessee River Valley Authority, Decatur, AL.

### PROCEEDINGS

MR. MARK R. POINTON: Good morning and welcome to the 86<sup>th</sup> meeting of the Inland Waterways Users Board being held today in Chattanooga, Tennessee. My name is Mark Pointon and I am the Executive Secretary and Designated Federal Officer for the Inland Waterways Users Board. The Users Board last met in Chattanooga in 2002 [Users Board Meeting No. 41 was held in Chattanooga, Tennessee on April 25, 2002] and it is good to be back in Chattanooga.

I thought the tour and briefing yesterday of the Chickamauga Lock construction project went really well. The weather cooperated while we were out at the lock site, as best we could

considering the conditions, the weather cooperated for the most part while we were walking around the project site. I thought the tour and the briefing and discussion of the ongoing work went really well. We had an opportunity to observe some pretty interesting excavation going on at the project site. We don't have an opportunity to see that every day.

Before we start today's meeting, I am obligated to read for the record that the Inland Waterways Users Board was established pursuant to Section 302 of Public Law 99-662, the Water Resources Development Act of 1986. The Users Board provides the Secretary of the Army and the Congress with recommendations on funding levels and priorities for the modernization of the inland waterways system.

The Board is subject to the rules and regulations of the Federal Advisory Committee Act of 1972, as amended. This is a "Government in the Sunshine" Act meeting, and as such is open to the public.

The U.S. Army Corps of Engineers is the sponsor of the Board and provides the Executive Director of the Board [Major General Donald E. Jackson], the Designated Federal Officer [Mr. Mark R. Pointon] and all normal activities.

Currently, one person has requested to make a public comment before the Board during the comment period of the meeting and no written statements or comments have been submitted for the record prior to the meeting. If anyone else wishes to make a public comment or submit a statement for the record at the designated time during the meeting, please let Chairman Hettel or myself know during the break in these proceedings and you will be provided the opportunity to make a public comment during the public comment portion of the meeting.

These proceedings are being recorded and a transcript of the meeting will be made available after the meeting.

With that, I would like to introduce Colonel Paul J. Kremer, Deputy Division Commander of the Great Lakes and Ohio River Division, who is representing Brigadier General R. Mark Toy, Division Commander of the Great Lakes and Ohio River Division at today's meeting, to offer some welcoming remarks. Sir.

COLONEL PAUL J. KREMER: Good morning everyone and welcome to Chattanooga. I met many of you last night and from various trips around Pittsburgh, Kentucky Lock, and a few other places. I greatly appreciate you being here today. We in the Corps greatly appreciate your service on the Users Board. I wanted to thank the staff of the Nashville District for their assistance in putting today's meeting together and especially the tour yesterday. I really appreciate all of your efforts.

I will be relinquishing my job back to Brigadier General Toy tomorrow with his return from his assignment in Afghanistan. I will be returning to my normal duties, but I will still be engaged with this greater community for the next two to three years. I am not going anywhere.

It has been an interesting time the past few months. First low water, now high water. This is how our system works sometimes and we will continue to manage the system to the best of our ability.

Two main points I want to bring up is, first, we appreciate the continued tough questions, the ideas, and everything you present to us in the Corps. We need that. If we can't answer those tough questions, we need to go back, do our homework and figure out a better plan. By all means, keep that up, and we need that if we want to become better.

Second, Lieutenant General Semonite's [Lieutenant General Todd T. Semonite, Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers] message is he wants to revolutionize the Corps. As always, if you have those great ideas, new techniques, new authorities we should be asking for, please let us know. We are open to that. We want to do better for you. We want to better for the country. If there are any questions I will be happy to address those. Otherwise that concludes my remarks. Thank you and once again than you for your service on the Inland Waterways Users Board.

MR. POINTON: Thank you, Colonel Kremer. Next on the program is Mr. Thomas P. Smith, Chief of our Operations and Regulatory Division at Corps Headquarters. Mr. Smith is representing Major General Donald E. Jackson who is on Capitol Hill testifying before a Congressional committee today.

MR. THOMAS P. SMITH: Good morning, everyone. I would like to emphasize what Mr. Pointon has said. I want to thank the Nashville District, Major Toole [Major Justin R. Toole, Deputy District Commander of the Nashville District office of the U.S. Army Corps of Engineers] and Colonel Kremer for hosting this meeting. We all know that it takes a lot to get a group this size together, to do it professionally, and take us out on a bus tour in the rain. I gained a lot from yesterday's site visit to Chickamauga Lock. We saw some progress on the construction at the project site. It was good to see.

Major General Jackson asked me to sit in for him today and he asked me to do that at the last meeting as well [Users Board Meeting No. 85 held in Vicksburg, Mississippi on November 3, 2017]. Major General Jackson is in the middle of a round, a series of congressional hearings that are taking place and being shifted around. There has been a lot of churn yesterday. The intent was there was going to be a hearing, but the Reverend Billy Graham was laying in state at the Capitol, so the moved the hearing around. In addition, Major General Jackson is a pretty busy man with the flooding and the navigation challenges that are affecting our nation today. I exchanged emails with him. I spoke with him. And even as late as last night he asked if things are going well, and I said they are. I am gaining so much insight from the opportunity to work with the Board and I do appreciate it.

Just so you know, Major General Jackson got notification that he is being reassigned. That means that sometime in the next few months, the Army will announce a new Deputy Commanding General for Civil and Emergency Operations which is Major General Jackson's full title. What this means to us is he is the General Officer leader and on behalf of the Chief of Engineers and the ASA's office [the Office of the Assistant Secretary of the Army for Civil

Works] that oversees our Civil Works mission and the navigation mission. Major General Jackson will be changing out. I know some of you know that, but others may not be aware. I don't know that he will make it to another Board meeting before he moves on. I suspect he will not.

I would rather let the time that I might have for comments today be used in the discussions we are going to have. We have some great visitors. We have some great folks here today. Let me turn to our Federal observers and ask them if they have any opening comments. Let us begin with Ms. Criman from the U.S. Maritime Administration. Thank you.

MS. BRANDEN LEAY CRIMAN: Good morning. Thank you. Mr. Smith, Chairman Hettel, Board members, fellow Federal observers and other attendees. It is a pleasure to be here this morning. My name is Branden Criman. I am representing the U.S. Maritime Administration. I serve as the Director of the Inland Waterways Gateway Office located in St. Louis, Missouri. Deputy Administrator Richard Balzano and Associate Administrator for Intermodal Systems Lauren Brand both send their regards. They had scheduling conflicts this morning and unfortunately, were unable to attend today's meeting. They did provide me with opening remarks, and I will read them now.

With respect to the highlights of the principles of the President's infrastructure plan. The President has called for at least \$1 trillion in infrastructure investment nationwide that will connect people to jobs, increase the efficiency of delivering goods, and improve the safety and well-being of all Americans. This goal partners federal investment with states, local governments and the private sector to share responsibility and accountability in contributing to our nation's future. The plan's key actions include dedicated Federal funding to rural needs; establishing infrastructure incentive initiatives; initiating a transformative projects program; leveraging federal funds for projects of regional and national significance; and accelerating environmental review and permitting.

We all know there is fierce competition for federal resources, and this is reflected in the plan. Federal assistance in the future is expected to be 20 percent or less of a total project cost, with 80 percent or more of the funds coming from the local public and private sources. This is not a new concept. For example, the recent FASTLANE [Section 1105 of Public Law 114-94, the "Fixing America's Surface Transportation" Act entitled "Fostering Advancements in Shipping and Transportation for the Long Term Achievement of National Efficiencies"] grant awarded to the Port of Savannah for rail infrastructure improvements was 75 percent local and 25 percent federal funds. But this will be a challenge for many communities.

Of potential future interest to the inland waterways maritime community. MARAD's Office of Ports and Waterways has a developing business line for port recovery. The Federal Emergency Management Agency [FEMA] has requested the Maritime Administration's assistance in support of the Government of Puerto Rico in recovering from the effects of Hurricane Maria. We are currently conducting structural assessments of the piers at Roosevelt Roads, along with a feasibility study for waterfront development and backlands development, and associated NEPA documentation.

This work, which is being funded by FEMA is being conducted to support the Roosevelt Roads Land Redevelopment Authority. FEMA and the Puerto Rico Port Authority have requested that we conduct structural assessments at all the critical facilities around the island including nine facilities in San Juan Harbor as well as nine other facilities outside of San Juan around the island. The initial work at each location will include a structural assessment of the facility including adjacent buildings, cost estimates for repairs, recommendations and cost estimates for resiliency upgrades, and appropriate NEPA documentation to allow for any federally funded work to be initiated upon completion of the assessments.

On behalf of the Maritime Administration, I thank you for the opportunity to share this information with you today and look forward to today's meeting. Thank you.

MR. SMITH: Thank you. Lieutenant Commander Forney from NOAA.

LIEUTENANT COMMANDER MATTHEW M. FORNEY: Good morning Mr. Smith, Chairman Hettel, other Board members, fellow Federal observers, staff and guests. For the record, my name is Lieutenant Commander Matthew M. Forney. I am representing Rear Admiral Shepard Smith with the National Oceanic and Atmospheric Administration. Rear Admiral Smith is the Director of Office of Coast Survey, as well as the National Hydrographer and a Mississippi River Commissioner.

As many on the Board and Chairman Hettel heard me speak in the past, NOAA and the Army Corps have the great honor of surveying and charting our federal channels. NOAA and the U.S. Army Corps of Engineers continue to face the challenge of surveying the navigable waterways of the United States, and the primary intersection of these programs is the federal channels that the U.S. Army Corps of Engineers surveys and NOAA produces nautical charts. We have had some rough patches in the past, but I am here to say that we are make some great strides moving forward. NOAA has been working with a Corps district office to make object detection surveys a reality in federal channels. We are working with a Corps district office; I don't think we are ready to go live with the news yet, but I do want to let the Board know that we are making headway with getting the Army Corps to start doing some object detection surveys so we can make navigation in the channels as safe as possible. This is a great relationship and we want to announce our successes as a group and celebrate together. We are close and hope to have this story ready for the next Inland Waterways Users Board meeting.

We have come upon a couple of roadblocks in doing that. First before I mention the roadblocks, I would like to first and foremost say that NOAA would like to praise the Army Corps of Engineers for their implementation of e-Hydro. We absolutely love that service. It is wonderful. We do praise the Army Corps for that service and the data and making that available to the public. This has been a great success but we are hoping that a bit of input can make it even better. The roadblock we have run into with e-Hydro is the file size.

We have had some issues with downloading some data. Object detection in our federal channels requires us to be able to find an object that is one meter by one meter by one meter in size. The Army Corps district offices that are surveying with multi-beam echo sounders, they are already surveying to a 3 foot by 3 foot by 3 foot standard. I know I am going back and forth

on my units here, but NOAA likes the metric system and the Army Corps likes the statute. Pardon my squawking of units.

To be able to download that high resolution data, e-Hydro, we need to work with the file size limitation that is present within e-Hydro. During our effort to work with a USACE district to get channel data, there was a file size issue that kept them from getting us the highest resolution data possible. They had to down sample the data from a 3 foot by 3 foot grid to a 10 foot by 10 foot grid which eliminates the object detection classification of that survey data.

The other issues that we found is that not all districts are utilizing e-Hydro at this time. This is causing an undue latency of applying navigation to the chart and getting these products to the navigator. NOAA wants to be part of the solution and we are here to help in whatever way the Corps sees fit.

The great news is we are getting that data. We really want to get it through to e-Hydro. We do ask that Army Corps address the issue of file size limitations associated with the e-Hydro.

In closing, NOAA looks forward to working with the Army Corps' hydrographic experts in the coming months to bring this good news story to the forefront and develop a revived relationship with standard methods for better and safer federal channels. With that being said, thank you so much for the opportunity to participate in today's meeting. Thank you for inviting NOAA. We are definitely here to help the Board and the Army Corps by any means possible. If you have any questions, I will be happy to answer them. Thank you.

MR. SMITH: Thank you Lieutenant Commander Forney. Next we will hear from Mr. Nick Marathon from the U.S. Department of Agriculture.

MR. NICHOLAS MARATHON: Thank you Mr. Smith, Chairman Hettel, Board members, other Federal observers, and other attendees to today's meeting. For the record my name is Nick Marathon. On behalf of USDA's Agricultural Marketing Service, it is a pleasure to be here today. The Agricultural Marketing Service is continuing its work with academic institutions to show the importance of the inland waterways to U.S. agriculture.

Our current academic research partners include the University of Tennessee's Center for Transportation Research, some members are here today in the audience, and also we are working with Texas A&M's Transportation Institute. We are in the process of collecting data for these projects and expect these projects to be completed by the end of the calendar year.

One project I would like to talk about is with the University of Tennessee that is looking at the impact of possible navigation disruptions on the Tennessee River and its impact to the poultry market in northern Alabama. This project will show the regional value of navigation for agriculturally-related industries and could provide insight into expanding barge traffic to domestic markets, as most projects look at grain traffic as an export movement.

Finally, I would like to mention the upcoming Agricultural Transportation Summit that will be held July 25 and 26 in Washington, D.C. This is an event sponsored by the USDA and

hosted by the National Grain and Feed Association and the Soy Transportation Coalition. The event will focus on the importance of the barge industry, railroads, trucks, and ocean freight to U.S. agriculture. Again, the dates of the Agricultural Transportation Summit are July 25th and 26th in Washington, D.C.

I would like to thank all those individuals who arranged today's meeting and yesterday's tour of Chickamauga Lock. This concludes my remarks and look forward to today's meeting. Thank you.

MR. SMITH: Thank you Mr. Marathon. Now, I debated when I started whether I was going to introduce our next Federal observer before I started or maybe just before he makes remarks so I am going to do both so this might take a little bit longer. To the other Federal observers don't take offense that I didn't provide a longer introduction but we are privileged today. The ASA's office, the Office of the Assistant of the Army for Civil Works, has a spot on the Board as a Federal observer, and today we are very fortunate that the Principal Deputy Assistant Secretary of the Army, Mr. Ryan Fisher is in attendance at today's meeting. Mr. Fisher is filling his role as a Federal observer and I think we all know that that position and that office represents a lot more to the Army Corps of Engineers and the Users Board.

Mr. Fisher has been on board at the ASA's office for several months now and he is no stranger to the inland waterways system, at least in his recent past, having spent a good bit of time in the Pittsburgh District and I think before that -- I have heard it a few times -- Mr. Fisher, you can update us, worked for Vice President Pence as his Congressional Legislative Director for a number of years.

I have been able to interact with Mr. Fisher at several other meetings and I it is a real privilege. I don't know how often we will get you out here. I want to make sure we let the Board interact with you throughout the morning and hope you can share some thoughts with us.

MR. RYAN A. FISHER: Thanks, Tom. Appreciate it. Your 86<sup>th</sup> meeting is my first. That is kind of a point of embarrassment actually because I was eight years in the Pittsburgh district in the planning office. I probably should have been here earlier. I am here to listen and observe and work with you going forward.

I spent -- I was in Congress with Congressman Mike Pence's first three terms in Congress from 2001 to 2006. I was his Legislative Director, so that is my background. I just spent three months as an acting ASA [Assistant Secretary of the Army] for Civil Works. Two weeks ago I attended what I call my demotion ceremony after Mr. R.D. James came on board. He has hit the ground running. He has already -- R.D. James has already met with the key House and Senate leaders, about a dozen of them. He has been over to OMB [Office of Management and Budget] to have talks there. He has talked to the White House infrastructure team already and he is currently preparing for testimony. He has budget hearings and a WRDA [Water Resources Development Act] bill this year, not to mention the infrastructure initiative. He has got a slew of Congressional hearings over the next month to attend to.

Ms. Criman from MARAD mentioned the President's infrastructure initiative. The Department of the Army views this initiative as an opportunity. We have got a policy window

here over the next few months to maybe see some changes in innovative financing, that sort of thing, we are engaging with the Hill, engaging with the Army Corps and looking for ways to get at this project backlog, I guess, is the best way to put it. I know that is of keen interest to all the folks in this room. I am glad to be here. Tom, thank you for those remarks and look forward to today's meeting.

MR. SMITH: Thank you Mr. Fisher. With that let me turn the microphone over to the Chairman of the Users Board, Mr. Martin Hettel for his opening remarks.

CHAIRMAN MARTIN T. HETTEL: Thank you Tom. Mr. Fisher, welcome. I know you heard some comments on the infrastructure plan in the President's Budget request. I might go through a few of them in my opening comments also. Welcome all to Chattanooga for Inland Waterways Users Board Meeting No. 86. Certainly the Board would like to thank the Nashville District for all the logistical planning for our site visit to Chickamauga Lock yesterday. It is nice to see construction going on at Chickamauga Lock -- actually, not construction but rock removal-- any work going. Last time we were here, that place was full of water, so it is nice to see something moving forward.

There has been a lot transpired since our Board Meeting No. 85 in Vicksburg, Mississippi. The Board published our 2017 Annual Report to Congress, the Administration released its Principles for an infrastructure plan, and the President's FY (Fiscal Year) 2019 Budget request was also released to the public on February 12<sup>th</sup>.

Next in line for the Board is to author our recommendations on the President's Fiscal Year 2019 Budget request.

Last year while the President was standing on the banks of the Ohio River, we heard the President state how our country needs to bring our inland waterways system into the 21st century. Then the President also referenced rebuilding the infrastructure on our rivers in his State of the Union address. Unfortunately, the comments the President made on both of those occasions are not reflected in the Administration's infrastructure plan, nor in the President's FY 2019 Budget request.

First, let's look at the Administration's infrastructure plan. If it were to go into effect, it would expand the authority to non-federal construction and operation of the inland waterways projects. It would authorize the Secretary of the Army to execute agreements with public private entities to utilize the Inland Waterways Trust Fund and matching General Treasury funds for construction, rehabilitation, operation and maintenance, operating agreements, and concessions. That is a big clue there on concessions. That would be to return on investment for a public private partnership.

Basically this would remove inland waterways from the government's responsibility to a non-federal responsibility, which could very well add additional costs, lockage fees, et cetera, in order for the non-federal entity to receive concessions.

If the infrastructure plan were enacted, it would authorize user fee collection and retention under WRRDA [Public Law 113-121, the Water Resources and Reform Development Act of 2014, signed into law on June 10, 2014] Section 5014 Pilot Program and recreational user fees for operation and maintenance. Again, more public private partnerships.

It would expand the U.S. Army Corps of Engineers' authority to engage in long-term contracts for upwards of 50 years. This is derived to enable the public private partnerships to obtain long-term concessions.

The results of the infrastructure plan could bring the public private partnerships to operate, maintain, and construct the projects on the inland waterways for up to a 50-year timeframe.

Then the President's Budget request, the Fiscal Year 2019 Budget request, which was also released on February 12<sup>th</sup> with more disappointing news.

Within the President's FY 2019 Budget request are parameters that would initiate an annual user fee on vessels transporting commercial cargo on the inland waterways. The user fee would collect \$1.78 billion over ten years. That is \$178 million annually additional cost to shippers. This is in addition to the fuel tax that we currently contribute and which we voluntarily raised by 45 percent in the waning months of 2014. Our deposits now average \$112 million into the Inland Waterways Trust Fund.

If enacted, the President's Budget request would maintain an annual balance in Inland Waterways Trust Fund of between \$50 million and \$150 million. The current minimum balance maintained in the Trust Fund is \$20 million.

If the President's Budget request was followed, it would utilize the Inland Waterways Trust Fund to pay for 10 percent of the operation and maintenance of inland waterways, plus capital investments split at 50 percent derived from the General Treasury and 50 percent from the Inland Waterways Trust Fund.

The results of the President's FY 2019 Budget request, if enacted, would estimate the total deposits into the Trust Fund of \$290 million, while only drawing \$5.25 million from the Trust Fund to pay for 15 percent of the \$35 million requested for the Olmsted Locks and Dam project.

The President's FY 2019 Budget request would also draw an estimated \$76 million from the Trust Fund to pay for ten percent of the operation and maintenance of the \$760 million in the President's Budget request directed towards the operation and maintenance of the inland waterways system. The Inland Waterways Trust Fund balance at the end of fiscal year 2019 is estimated to be \$209 million under the President's Budget request plus any remaining balance left from Fiscal Year 2018.

Needless to say, both the Administration's infrastructure plan and the FY 2019 Budget request are proposals that the Inland Waterways Users Board cannot accept.

The Board will formally present our objections in the Board's report to Congress on the recommendations to the FY 2019 Budget request. As I stated, this is due at least 60 days from release of the budget which is April 13<sup>th</sup>.

Lastly, while the dates have not been set for our next three meetings, we plan to hold Users Board Meeting No. 87 in Pittsburgh with a tour of Charleroi, the Lower Monongahela River Locks and Dams 2, 3, and 4 project. That meeting will take place around the end of May. Then Users Board Meeting No. 88 will coincide with the ribbon cutting ceremony for the Olmsted Locks and Dam project, which is currently scheduled for August 29<sup>th</sup>. Users Board Meeting No. 89 I am hoping to hold either in Peoria or St. Louis with a site visit to our number one major rehabilitation project, that being the LaGrange Lock on the Illinois Waterway.

That will conclude my opening remarks, and I look forward to any other Board members for any additional comments they may have.

MR. DANIEL P. MECKLENBORG: Mr. Chairman, this is Dan Mecklenborg and I just wanted to emphasize the point that is implicit in the President's infrastructure proposal relative to the operations and maintenance charges that are currently 100 percent borne by the federal government. To shift those into the Inland Waterways Trust Fund and render them essentially 100 percent paid for by the Trust Fund would require an increase in the diesel fuel tax by sevenfold, over \$2 a gallon in order to sustain that type of level of spending.

That is just something I wanted to emphasize and put it in terms of -- that people can think about in terms of buying gas at the pump or diesel at the diesel pump. Thank you.

MR. WILLIAM M. WOODRUFF: Mr. Chairman, I have a comment as well. One of the rationales I have seen offered -- and this is nothing new. You can go back to the early 1980s and see some reports from various different government economists. They always start with the comment that where the benefits of an investment are diffused across the economy, that that investment is appropriate for the U.S. Treasury to make. But where there is but a single beneficiary of an investment, that investment should be properly paid for by a user fee assessed to that beneficiary.

Then they take that general statement and the next statement goes something like this: Because the only beneficiary of the inland waterways system are the barge operators, the barge operators should pay 100 percent of the cost. That is a false statement. The premise upon which this entire philosophy of "Let's just transfer the cost to the barge industry" is based -- is an infirm foundation.

The reality is and there has been several research projects that have demonstrated this. There are a host of beneficiaries to our system. There is water supply beneficiaries, both industrial and municipal. There are, in some projects, flood control benefits. And for a number of projects, there are hydropower benefits which, as I understand it, if you isolate the hydropower projects on inland navigation dams alone, that provides \$2 billion in annual revenue to the U.S. Treasury. There are a lot of benefits that the nation derives from having a system of inland waterways that go beyond commercial navigation. I have not even touched upon

recreational navigation or the property value benefits that are derived by communities like the one where we are today from having the impoundments of water associated with the dam.

I think that probably the suggestions that have come out in the infrastructure plan and in the budget will not become the law of the land. The reason for that in my estimation, is the premises upon which those significant changes to national policy are based are poor premises. That is something that I think I would hope and urge the Board as we go forward to emphasize as we make our comments.

MR. POINTON: All right. Thank you. Let us move on with the program. We are at the point in the program where we are going to approve the minutes of the last Board meeting, Users Board Meeting No. 85 held last November in Vicksburg, Mississippi. Those minutes are included in Tab 2 of your read ahead notebooks that you have and the minutes have been available for several weeks I think at this point. Can I have a motion from the Board to approve those minutes?

MR. MECKLENBORG: So moved.

MR. POINTON: Mr. Mecklenborg has made a motion to approve the minutes. Can I have a second?

MR. TIMOTHY M. PARKER: Second.

MR. POINTON: Mr. Parker seconds the motion. Can I have a show of hands of all in favor of approving the motion to approve the minutes of Users Board Meeting No. 85?

THE BOARD: (Unanimous) Aye.

MR. POINTON: Any nays? Hearing none, the motion to approve the minutes of Users Board Meeting No. 85 is approved unanimously.

MR. SMITH: While Mr. Pointon is moving to the podium to give the next presentation there is a noticeable absence in our ranks today as Jeff McKee who has probably spent quite a bit of time with this Board over the last few years has retired. I don't know exactly where he is today. I didn't see him in the hotel or anywhere else in the Chattanooga area. Ms. Sheryl Carrubba, who actually works out of our Northwestern Division office in Portland, Oregon and who has a lot of experience with – in particular with coastal navigation – is working in his stead back at the Headquarters. She is working with me actually right now on reallocating dredges to attend to some of the navigation challenges associated with all this flooding. Ms. Carrubba was going to give this presentation and attend this meeting but because of that challenge, she is back in Washington. Mark [Mr. Pointon] who has a significant amount of experience over the years can walk us through an update on the Continuing Resolution funding and the President's FY 2019 Budget request.

MR. POINTON: Thank you, sir. I actually talked to Jeff McKee and extended him an invitation to attend this meeting and he only laughed. That's the truth.

MR. SMITH: It would be scary if he came and made a public comment.

MR. POINTON: That's what I said, "You can come make a public comment" and he laughed.

As Mr. Smith mentioned I am going to go through the Continuing Resolution funding and the President's Fiscal Year 2019 Budget request. Chairman Hettel has already mentioned that the President's Budget request came out last Monday, actually the previous Monday. Before I get started on this, to segue from what Chairman Hettel was talking about, your Annual Report was submitted to the Congress on February 13. You all received that. You have hard copies of it here at the table. It was transmitted to the Secretary's office as well, the Assistant Secretary of the Army as well, to the Secretary of the Army. That report went out to everybody on February 13th.

Let's get into a little bit about the funding here. I don't want to belabor too many points here. Chairman Hettel has already grasped a lot of issues and concerns with the Continuing Resolution as well as what is in the President's FY 2019 Budget request.

Here is your basic budget timeline. We are always dealing with three fiscal years. We are currently in FY 2018, we are executing the program as best we can under a Continuing Resolution. We just released the FY 2019 Budget, so that is the development of the FY 2019 Budget and that has been completed. The FY 2019 Budget request has been submitted to Congress and it is in the Congress, for them to do what they are going to do with it.

We are in the process of developing the Fiscal Year 2020 program. I commented a couple times yesterday during the tour that we seem to be doing all three of these continuously year-round now instead of discrete timeframes when we do one and move on to the next. That has been part of our challenge the last few years that we never seem to put anything to bed.

Next slide. You have seen this slide, I believe, at the last Users Board meeting. We are still operating under the "Least of" funding rules. That will be the least of what is in the President's Budget, or the least of what is in the House or the Senate markups. That means that if you are not included in the President's Budget -- for example, if Chickamauga Lock or Kentucky Lock are not included in the President's Budget, they are not eligible to receive any funding for continued construction during the time period of the Continuing Resolution.

CHAIRMAN HETTEL: Mark, just to confirm, that "Least of" rule is an OMB position?

MR. POINTON: I believe so, yes, sir.

Next slide. We have a bunch of numbers here. Probably look at that "Percent Navigation" on the right, the column over there. It bottomed out in FY 2011 where it was only 33 percent of the total Civil Works Program, budget wise. We are on a scale going on up until the FY 2019 Budget. We peaked out there and dropped back a little bit. We have it broken down between coastal and then the inland piece and the total for navigation.

Next slide. This is by major appropriations. You have “Investigations, you have the “Construction” account which of course includes the Inland Waterways Trust Fund projects; Operations and Maintenance, O&M, and Mississippi River and Tributaries, MR&T. A small portion of the MR&T account is for navigation - most of that is for flood risk management. I would say that is probably about 10 percent -- maybe 10 percent is for navigation in that particular appropriation.

Next slide. Here is the coastal navigation budget; it maybe of tangential interest to you. You can see the various accounts. “Investigations”, “Construction”, “Operation and Maintenance” O&M, “Mississippi River and Tributaries” MR&T, and the “Total” coastal budget.

Next slide. The inland navigation budget. “Investigations”, “Construction”, “Operation and Maintenance” O&M, “Mississippi River and Tributaries” MR&T. And as Chairman Hettel mentioned, there is only \$5.25 million for the Olmsted Locks and Dam project share of the Trust Fund in that construction account.

MR. MECKLENBORG: On the coastal navigation budget, does that relate strictly to navigation issues other than the Harbor Maintenance Trust Fund?

MR. POINTON: That includes the Harbor Maintenance Trust Fund share. The dollar amount there is included in that figure.

MR. MECKLENBORG: Thank you.

MR. POINTON: Speaking of the Harbor Maintenance Trust Fund, that is another trust fund that the Corps has, the Harbor Maintenance Trust Fund. It is an ad valorem tax on the value of imports. That Trust Fund funds most of the dredging, coastal dredging, anything that is not - basically anything that is not on the inland waterways system is eligible - navigation O&M activities are eligible from the Harbor Maintenance Trust Fund, and that amounts to approximately one billion dollars a year.

Next slide. Some highlights from the President’s Budget. Operation and Maintenance for the Mississippi River, the Ohio River, the GIWW [Gulf Intracoastal Waterway]. Comparing the FY 2018 to FY 2019 Budget requests, the Mississippi River went down somewhat; the Ohio River went up. I don’t have the details of exactly what that is, but I know on the Ohio River there was some focus on high priority maintenance activities.

You go through the major waterways -- those are the high use waterways and you can see the Mississippi Rivers and Tributaries at the bottom of the slide. There is a small piece for construction, \$5 million, and \$23 million for O&M activities.

Next slide. Some highlights in the FY 2019 President’s Budget. The total inland waterways is \$850 million. There is the Inland Waterways Trust Fund share of \$5.25 million. The “Investigations” account amounts to \$7 million. The Black Warrior and Tombigbee Rivers

is receiving \$100,000. The Gulf Intracoastal Waterway - Brazos River Floodgates and Colorado River Locks is receiving \$50,000 to continue that activity. The Atlantic Intracoastal Waterway - North Landing Bridge Replacement is receiving \$1.6 million I believe to complete Pre-construction Engineering and Design activities. Then there is the "Remaining Items" line in the "Investigations" account.

In the "Construction" account, you can see the \$35 million for Olmsted and that would be the total amount and that includes both the General Treasury share as well as that \$5.25 million from the Inland Waterways Trust Fund, so that is a total of \$35 million. Then you see the "Remaining Items", that is the Users Board activities down below. The other "Remaining Items" amount for - the \$4.5 million there, that is the navigation program share of our employee unemployment compensation, I believe.

CHAIRMAN HETTEL: Mark, on the Users Board expenses, what was the appropriation for this fiscal year, FY 2018?

MR. POINTON: Those exact amounts, \$275,000 and --

CHAIRMAN HETTEL: The same as is in the FY 2019 Budget request?

MR. POINTON: It is exactly what was in FY 2018, yes sir.

MR. PARKER: Mark, to clarify, the \$35 million for the Olmsted project, that does include the \$5 million from the Inland Waterways Trust Fund?

MR. POINTON: Yes sir. The \$35 million for Olmsted does include the \$5.25 million. That is the total amount for both the General Treasury and the Trust Fund share. Don't double-count those two numbers. You are not getting \$40.25 million.

Next slide. These are some of the numbers that we have seen in markups by the House and the Senate committees. They are kind of similar. Bottom line would be on the Construction account. The House is plussing it the Construction account by about \$247 million and the Senate by about \$330 million, \$331 million on the Senate side. You can see the Trust Fund shares. There is your Inland Waterways Trust Fund piece, \$78.75 million in the House markup and \$111.75 million in the Senate markup.

These are some of your CAP programs, the Continue Authorities Program activities that are related to navigation, the Section 107 and Section 111 programs. They are giving them a little bit more money there.

CHAIRMAN HETTEL: If I may comment on the House and the Senate bills. We have seen the last three or four years the President's budget request only requesting funds for the Olmsted project due to the BCR [benefit to cost ratio] at 7 percent discount rate standard established by OMB.

Thanks to Congress, each year Congress has appropriated matching Trust Fund dollars in the last three years. Without Congress doing that, we would not have seen what is going on at Chickamauga yesterday, without Congress appropriating that money. As a matter of fact, in the FY 2018 Budget, the \$247 million that the House is including in their markup I think the \$107 million number that was anticipated into the Trust Fund, where the Senate actually draws down the Trust Fund because we have a \$63 million or \$67 million balance left over from FY 2017 in the Trust Fund.

As far as our industry is concerned, we like the Senate version better than we do the House version for the simple fact it keeps money from sitting in the Trust Fund and not being utilized on projects like this.

MR. POINTON: It maximizes the use of the revenue flowing into the Trust Fund.

CHAIRMAN HETTEL: That is correct.

MR. POINTON: Thank you, Mr. Hettel. Next slide. Here we are on the O&M side. The House is plussing it up \$404 million and the Senate \$432.5 million approximately. As you can see, they have certain categories that they drop it into. You have your "Deep Draft Harbors." That is mostly your coastal ports, coastal harbors. You have your "Inland Waterways." You have your "Small, Remote and Subsistence Harbors." Then you have your "Donor and Energy Ports." Those are primarily related to the allocations that are associated with the Harbor Maintenance Trust Fund.

There is your total amount at the bottom of the slide. The plus ups for navigation is a little over \$674 million – let's round that up to \$675 million on the House side and \$782 million on the Senate side. I think that is fairly consistent with what we have seen in the last three or four years, maybe five years for the navigation program.

Mr. Mecklenborg?

MR. MECKLENBORG: Mr. Pointon, with respect to the plus up of \$782 million on the Senate side, what does that get added to -- what is it plussed up?

MR. POINTON: The \$782 million is distributed by those pots of money, if you will, we actually call them that, funding pots. They designate how much can go to any of the projects that are categorized or characterized by being a deep draft or inland waterways or small or remote harbor or remote harbor.

If you heard Mr. McKee over the last several years refer to the work plan, that is where we are taking those pots of money and distributing them over the specific projects based on the criteria of the work plan, which is a fairly similar match to what is used in the budget development process.

MR. MECKLENBORG: Ok, but the title is "Additional FY 2018 Funds for Navigation in Bills."

MR. POINTON: Yes. Those are numbers above and beyond what is in the President's Budget for those categories of projects.

MR. MECKLENBORG: Got it. So you would have to add the two together?

MR. POINTON: That is correct. For example, on the Senate side is \$782 million, you would add that to the total amount of \$1.930 billion that was on the previous slide to come up with a total dollar amount for navigation.

MR. MECKLENBORG: Thank you.

MR. POINTON: That puts it in the ballpark that we have seen for the overall navigation program for the last two or three fiscal years, maybe a lit bit more.

At the bottom of the slide, you see the Flood Risk Management and Navigation collaborate on some of the shoreline mitigation. We do some mitigation for navigation projects that have been implemented over the last many decades. We work with the Flood Risk Management folks to leverage both their resources and navigation resources on that coastal activity – that explains that flood risk management funding down at the bottom of the slide.

Next slide. This is an eye test. Anybody who can read this, you are welcome to start doing our budgets for us. There was a handout of my presentation, and Mr. Don Getty was kind enough to actually make an insert. It is attached to the back of your hard copies at the table. That actually is a full size printout of that, so you can actually read it on the handout considerably easier than looking at it on the screen.

You are going to hear a lot from the project managers that are involved. You are going to hear from the project managers on the status of the Chickamauga Lock and Kentucky Lock and the Lower Monongahela River Locks 2, 3 and 4 and the Olmsted projects. We are going to have project updates later in the meeting. These are just three scenarios that the Great Lakes and Ohio River Division has developed. I don't want to say there is an infinite number of possibilities, but these are just three of many potential options of how you can lump these projects together regarding out year funding.

In the top scenario, at the top of the table, the Trust Fund goes broke, if you will, goes negative in only a few short years. That obviously would be an Anti-Deficiency Act violation. That is a non-starter to a certain extent the way that one is laid out. That could be considered your worst-case scenario.

If you go to the bottom scenario on the table, that shows a scenario with minimal funding of the four inland waterways construction projects currently underway. I am not sure that is really a viable option as well because that has everything slow steaming, if you will, towards construction. I don't think that is really an overly viable option either.

If you look at the middle scenario - and again, I repeat, these are just a few scenarios -- you could probably come up with dozens and dozens of various options of, splitting the hair on some of these options. The middle option there, it is a little less than efficient funding, but you could pursue all three of those construction projects and if you look at the Trust Fund balance down at the bottom of those scenarios we can probably initiate some considerable activity towards the major rehabilitation project at the LaGrange Lock and Dam.

I repeat, these are just three scenarios that we developed to give you a comparison, maybe a high, moderate, and a low scenario view of this.

Any detailed questions you have regarding these scenarios you probably want to direct towards the project managers as we get later on in the meeting. They are all here today, so there will be ample opportunities for that.

Next slide. I threw in one last slide here. Any questions on that. You have all digested that huge printout that we have given you. We just crunched the numbers for the FY 2017 scheduled and unscheduled closures. These are unavailability for mechanical issues. The translation of that is we have some say so about fixing those. These are not weather-related delays; these are not low water delays, nothing like that. These are mechanical issues where something broke basically or something needs to be fixed. These are just for those high use fuel taxed waterways; the Ohio River, the upper Mississippi River, the Illinois waterway.

As you can see, it peaked in 2011, and it looks to be on a gradual downturn. What I would point out is the percentage or the share between scheduled and unscheduled closures, unscheduled is getting a little smaller. It keeps shrinking a little bit there, I think we are doing a better job of scheduling the critical activities to address that.

That concludes my remarks. As Mr. Smith mentioned earlier, Ms. Sheryl Carrubba is sitting at the Headquarters in place of Jeff McKee until we can find a replacement for Mr. McKee.

Mr. Mecklenborg.

MR. MECKLENBORG: Mark, I have a question on the charts, the small print. When you look at Chickamauga Lock in the middle scenario and you get to Fiscal Years 2024, 2025, and 2026, you are still spending it looks to be \$42 million, \$45 million, and \$41 million.

MR. POINTON: \$41.8 million.

MR. MECKLENBORG: Yes, versus in the top scenario for Fiscal Years 2024, 2025 and 2026, it is \$15.75 million, \$4.0 million and \$4.0 million respectively. How do you then in the operational date end up with July 2023 if you are still having to spend considerable additional sums on Chickamauga? Is that non-operational stuff that hangs over at the end?

MR. POINTON: Those are some of the project closeout activities. The facility will be operational so the lock is functioning. There are certain activities that you do after it is, in essence, done, where you are dotting the I's and crossing the T's.

I would defer -- I don't know if Adam Walker [Project Manager for the Chickamauga Lock project] is in the room, if you want to address that question, if I have misstated what those last few years' worth of funding is required for. Why don't you come on up here since the project is supposed to be operational. The issue with that first scenario is some of the earlier years, if you look at some of the earlier years for Chickamauga Lock in the top scenario, those dollar amounts were considerably higher to get to work.

CHAIRMAN HETTEL: Mr. Mecklenborg and Mr. Pointon, it might be advantageous for Mr. Walker to address this during his presentation on the status of the Chickamauga Lock project.

MR. POINTON: Mr. Walker actually is next up on the program. I think you are next up.

CHAIRMAN HETTEL: Mr. Walker can address that issue in his presentation on Chickamauga. That would provide a little more clarity because we have Mr. Aldridge's presentation next.

MR. POINTON: This is Steve Fritz from Pittsburgh District.

MR. STEPHEN R. FRITZ: Good morning. My name is Steve Fritz from the Pittsburgh District. One comment regarding that table that you saw regarding the various funding scenarios. The middle scenario numbers for the Lower Monongahela River project are a replica of the top scenario and they are incorrect in that middle scenario. I don't know where the disconnect was, but there is a cost impact to move from the top scenario to the middle scenario. I can address that when I talk about Lower Monongahela River project, but those numbers are not the same.

MR. POINTON: Thanks, Steve. Mr. Woodruff, did you have a question?

MR. WOODRUFF: I think -- now I have more questions after that.

MR. POINTON: Like I said, Mr. Fritz is on the program later on.

MR. WOODRUFF: Well, I just want to make sure we get to this. I think what we are talking about are these red numbers off on the right-hand side in the middle scenario.

MR. POINTON: Yes.

MR. WOODRUFF: And what it appeared to me was the difference between the top scenario and the bottom scenario was that we would be finishing or getting these projects operational, I should say, in maybe four -- three or four months later than under efficient

funding, and it might cost us \$8 million more to do it if you did it that way. What I think I just heard is, stand by, that may not be right?

MR. POINTON: Yeah. Those figures are probably going to be revised and we will get that out to you as soon as possible once we figure out what those exact numbers are at this point.

MR. WOODRUFF: Fair enough.

MR. POINTON: Right there is where Mr. Woodruff is talking about. That shows you your timing delay, if you will, in making them operational as well as the potential cost escalation for the slow construction, slowing it down, to basically less than efficient.

MR. WOODRUFF: Let us continue working on that because that is exactly what I think the Board and policymakers need to know is what is the impact of different funding alternatives in terms of how long is it going to take us to get these projects finished and what is it going to do to the cost.

MR. POINTON: Right. Thanks, Mr. Woodruff.

MR. SMITH: I just want to point out there is one other funding bill, funding law that is being talked about right now, and it is a supplemental funding law and so it is not shown on there. I am certainly not the expert here, but in case you do hear about the \$17.4 billion that Congress did appropriate, it is directed towards the impacts of Hurricanes Irma and Maria.

There are some rule sets that are being developed about other disaster-affected states over a period of the past few years. I talked to Mr. Eddie Belk [Director of Programs at USACE, Headquarters] who you may know and he is now our Programs Director. Mr. Belk is working with Mr. Joseph Bentz [Deputy Assistant Secretary of the Army for Civil Works for Management and Budget] in the Assistant Secretary of the Army for Civil Works office on this issue. The supplemental funding is largely going to flood risk management as you would expect because it is associated with those storm damages. I just wanted to just put that information out. We don't have a full breakdown of those supplemental appropriations yet because it is largely not going to be going towards the inland system projects, but it is a significant wedge of money which you will hear being discussed at the Corps of Engineers.

MR. POINTON: Any other questions? I do talk to Ms. Carrubba about every day, so if you have any questions about anything from this presentation or anything else related from today's meeting, definitely get a hold of me and I can run that through Ms. Carrubba or actually Mr. David Frantz is here as well. Mr. Frantz is the new Inland Navigation Senior Program Manager at Headquarters who was -- I believe Mr. McKee made the selection before he left. We do have a few other bodies at the Headquarters office now to tap.

With that, I think next up is we were going on to the briefing on Chickamauga Lock, I think. I didn't bring my program.

MR. SMITH: An update on the status of the Inland Waterways Trust Fund by Joe Aldridge.

MR. POINTON: Sorry Joe. I skipped you. Mr. Aldridge is going to give us an update on the Inland Waterways Trust Fund and some brief project updates.

MR. JOSEPH W. ALDRIDGE: Good morning. I am Joe Aldridge, the Inland Waterways Trust Fund account manager at USACE Headquarters. I want to say good morning to Chairman Hettel, Mr. Fisher, Mr. Smith, distinguished guest members, other Board members and other attendees. I am going to cover the financial report for the projects, and these projects will all be -- several of them will be further discussed in detail by additional briefers later this morning.

My first slide shows the FY 2018 status of the Inland Waterways Trust Fund. These figures are as of 31 January of this year. We had a beginning balance of \$63,395,863. The Trust Fund has collected in revenue so far year to date [October 1, 2017 to January 31, 2018], the fuel revenue, is \$31,417,000. The interest earned on deposits in the Trust Fund was \$299,146, for a total of \$31,716,146. If you add that to the carry-in at the beginning of the fiscal year, we have total available revenue as of 31 January of \$95,112,009.

CHAIRMAN HETTEL: Joe, welcome back. I haven't been able to question you in a while.

MR. ALDRIDGE: Good to be here.

CHAIRMAN HETTEL: Question for you: In Jeff McKee's report from the Vicksburg meeting -- and I will reference what my old bosses used to say, "If you watch your nickels and dimes, the dollars will take care of themselves." Mr. McKee had been tracking this \$275,000 that was transferred to the Fargo-Moorhead project out of the Trust Fund.

MR. ALDRIDGE: Correct.

CHAIRMAN HETTEL: Where is that transfer located? Mr. McKee was tracking it on his report, but I don't see it on yours.

MR. ALDRIDGE: Well, the \$275,000 -- there was a total of \$550,000 that was transferred. \$275,000 was from the General Treasury fund; and then the \$275,000 from the Inland Waterways Trust Fund was retained on our side. When Mr. McKee was briefing -- I thought last year -- was it November? I think it was. He was briefing that. It showed \$275,000 on the right-hand side that was balanced in the Corps' number. What the Corps did was when we withdrew the money from the Trust Fund, we drew out from the Trust Fund \$275,000 less and used that balance to fill that \$275,000 difference.

CHAIRMAN HETTEL: Okay. So where is that \$275,000 referenced in your summary?

MR. ALDRIDGE: It is not because that was last year. That was FY 2017.

CHAIRMAN HETTEL: Wouldn't our balance from FY 2017, the balance Jeff [Mr. McKee] was reporting in November was \$63,395,863. You have got the same number for the FY 2018 balance. Wouldn't that \$275,000 increase that balance?

MR. ALDRIDGE: Negative, sir. What happened was we drew out -- that difference was \$275,000. When Jeff [Mr. McKee] reported the total number carryover, that included that \$275,000 that we contributed to that piece.

CHAIRMAN HETTEL: Final question: Where did that \$275,000 go? Where is it sitting right now?

MR. ALDRIDGE: I am not sure exactly which project it was assigned to, but it is --

CHAIRMAN HETTEL: This isn't a big number, but it is a big issue when our Trust Funds dollars are reprogrammed to a project that is not supported by the Trust Fund. I don't want to get in a habit of funds being transferred to projects that aren't supposed to be supported by the Trust Fund without following through where this \$275,000 went. Possibly we can follow through with that and you can give us a briefing at the next meeting.

MR. ALDRIDGE: Yes, sir. I will try to find out exactly where that \$275,000 went to, but I just want to make sure, I just want everyone to understand, that \$275,000 from the Inland Waterways Trust Fund did not go to some other project. It is --

CHAIRMAN HETTEL: I understand. I see where it is included on in Jeff McKee's balance. I apologize for not catching that off the bat. I just want to make sure, again, it is the principle of Trust Fund dollars going to projects which should not be supported by Trust Fund dollars. We don't want to see that transpire again. If you will give us an explanation on where that money went, it would be great. If it is included in the Trust Fund number, then I am fine with that. If you will check that out for us.

MR. ALDRIDGE: I know it is included, but I will follow up. Yes, sir.

Next slide. This slide shows the past five previous years compared side by side to give a better view of the revenue trends with the FY 2018 numbers represented by the red bars. I am not sure what happened to the number, but typically I have a little tag there. There should have been, for January 31<sup>st</sup>, \$31,716,146. Any questions?

Next slide. This slide shows the past three months. When I say the past three months, it was November, December and January. I realize we are just now into March, but we don't have the full numbers yet. These are reported with the tags on them to show exactly how much revenues are being deposited into the Trust Fund matching FY 2018 deposits so far against FY 2017 that was received.

Keep in mind these numbers for FY 2018 are estimates and can be and probably will be adjusted by the U.S. Treasury as the true numbers comes in. Are there any questions?

CHAIRMAN HETTEL: Joe, just a comment. I think it is good to see we are tracking very near our 2017 total deposits of \$114 million into the Trust Fund. We are only a difference of -- I don't know, I'm not that quick in math -- about 500-and-some-odd thousand dollars -- only about \$500,000 less than last year.

MR. ALDRIDGE: I think it is \$668,818.

CHAIRMAN HETTEL: When you look at both those numbers that is why we are referencing in our Annual Report to Congress we should be utilizing \$112 million annually into the Trust Fund, which is the average between the first two years that we had a full cycle of the 29 cents a gallon fuel tax.

MR. ALDRIDGE: Yes, sir. I think we got \$111 million last year, I think it was, total. \$114 million. Yes, sir.

Next slide. This slide shows the previous five years with the current FY 2018 execution year. Only the Olmsted Locks and Dam project was budgeted in FY 2018. Not showing on this slide, but only the Olmsted Locks and Dam project was included in the FY 2019 Budget as well.

There is an error on this slide. If you go down to the Chickamauga Lock project under FY 2017, it shows \$37 million. That should be 40 million. It is correct on the project slides, but it was overlooked on this slide.

Next slide. Now going to project specific financial information. First up is Mississippi Valley Division, first we will go to Lockport and then we will go to Inner Harbor Navigation Canal Lock Replacement.

Next slide. On the Lockport Pool Major Rehabilitation, Illinois Waterway, Illinois project, there is only one change under the current status of the project. The financial closeout was completed on 30 November 2017. There is an excess of \$22,237.39 on this project. Currently that excess is being retained on the project until it can be reprogrammed within the Inland Waterways Trust Fund account as appropriate.

CHAIRMAN HETTEL: Joe, there is where that \$550,000 was transferred to the Fargo-Moorhead project. It came out of the Lockport project.

MR. ALDRIDGE: Okay, sir. I thought you meant you wanted to know where it went to.

CHAIRMAN HETTEL: I want to know where our Trust Fund dollars are, absolutely, but that is what we don't want to see happen in the future is taking Trust Fund dollars and applying them to support non-Trust Fund projects.

MR. ALDRIDGE: Right. With the Board's concurrence, this project will drop off reporting cycles since it is complete. There were no changes to the project schedule.

Next slide. The next project and the last one for the Mississippi Valley Division is the Inner Harbor Navigation Canal Lock Replacement project. Two changes. First under the current status of the project, the Project Cooperation Agreement amendment was executed on 8 February. The original cost share of this project was calculated based on a formula allocating project costs between deep draft and shallow draft.

When the project was terminated before construction began, the allocation of the cost between shallow draft and deep draft changed. It changed from 6.5% down to 3.62%. This amendment was needed to proceed with the closeout on the construction piece of this project.

The second change on this project is shown in the “Next Steps” box on the slide, and this will be a letter to the Port of New Orleans. It should be sent by the end of this month to close out the construction. No changes on the schedule piece.

Next slide. Next we will move onto the projects in the Great Lakes and Ohio River Division. The Olmsted Locks and Dam project will be briefed later by Mr. Dewey Rissler in more detail. The Lower Monongahela River, Locks and Dams 2, 3 and 4 project will be briefed by Mr. Fritz. The Kentucky Lock project will be briefed by Mr. Don Getty and the Chickamauga Lock project will be briefed by Mr. Adam Walker.

Next slide. First up is going to be the Olmsted Locks and Dam project on the Ohio River. There is no changes on this slide. Next slide. The schedule piece of Olmsted did change. There are several changes there and these changes will be briefed by Mr. Rissler later. These are all scheduled -- the way I interpret the numbers, they were all good. They all moved to the left. Are there any questions?

Next slide. Next up is Lower Monongahela River, Locks and Dams 2, 3, and 4 project. Again, Mr. Fritz will be briefing on this project in detail later. There were just a few changes in some numbers. I think they are rounding numbers, so we just adjusted those. Next slide. On the schedule, again, Mr. Fritz will be briefing on this project in more detail a little later in the meeting. The Charleroi River Chamber shifted to the right and the dredging shifted to the left.

Next slide. Next up is the Kentucky Lock project. A few changes here. Changes since the last Users Board meeting. A \$4.1 million “Site, Demolition and Utilities” contract was awarded on 31 January 2018. Under the current status of the project, a \$1.7 million credit modification was executed for a Value Engineering Change Proposal for the Downstream Cofferdam. The Downstream Cofferdam construction is 26 percent financially completed.

In the “Next Steps” box on the slide, you can see the award of the Downstream Lock Excavation contract. That contract should be awarded by the end of this fiscal year, 30 September 2018.

Next slide. For the project schedule, again, this project will be briefed in more detail by Mr. Getty a little bit later in the meeting. Under Task number five, the “Site, Demolition and Utilities” contract was awarded on 31 January 2018. This was a 32-day slip due to the potential

delay associated with a utility relocation and obtaining concurrence from the State Historic Preservation Office [SHPO].

Task number seven, the Downstream Lock Construction contract is scheduled to be awarded by 30 September 2020. This is a one-year slip. But it is really a good news story. This slip is due to saved time and cost in the use of a ready mix batch plant that is a mile and a half away from the Kentucky Lock project site versus building an on-site concrete batch plant for the Downstream Lock monoliths contract. This new ready mix batch plant is allowing us to defer the award to September 2020 and save the cost of building a new concrete batch plant. The sole reason to award the Downstream Lock monoliths contract in September 2019 was to build an onsite concrete batch plant.

Next slide. Chickamauga Lock and Dam, Tennessee River, Tennessee. We had an excellent tour of the project site yesterday and I want to thank the Nashville District for the very informative technical briefing that was part of the tour. I would also like to thank Mother Nature for pitching in and helping us a bit yesterday. It could have been much worse than it was by having the rain hold off for part of the tour while we were at the project site. Lastly, I want to thank Mr. Walker. He did a great job providing a briefing on the project prior to us going out to the project site. Mr. Walker will be providing a more detailed briefing a little later to go into further detail on the Chickamauga project.

The changes on this slide are shown in the box titled "Current Status of the Project." The Lock Chamber construction base contract was awarded in September 2017 with the current contract completion date of 5 October 2018. The Lock Excavation contract is 39 percent financially complete.

In the box titled "Next Steps" we anticipate USACE Headquarters approval of the Post Authorization Change Report in July 2018.

Next slide, the project schedule, again, Mr. Walker will brief any changes to the project schedule. Right now I think all we did was we added the dates. It used to be just the months. We actually put dates next to the months.

Next slide. Emsworth Locks and Dam, Ohio River, Pennsylvania. This is the last project that I will be briefing, and there is no changes on this project.

Subject to your questions that concludes my presentation.

CHAIRMAN HETTEL: Thanks, Joe. On your Emsworth Locks and Dam project slide, it looks like you have \$3 million in Construction General funds and \$3 million in Inland Waterways Trust Fund dollars on the line titled "Remaining Balance." This project is scheduled to be fiscally completed this year. What happens to those \$3 million in Trust Fund dollars?

MR. ALDRIDGE: Sir, I looked at that last night. I tried to find that. I did find where we had taken \$6 million of the leftover dollars that we had against -- it was unexpended, if you

will -- and applied it to the total Trust Fund amounts, but I couldn't -- I did not find that \$3 million under Emsworth. I will continue to look at that and get back to you.

CHAIRMAN HETTEL: Thank you Joe, if you could give us that information at our next Users Board meeting and report on what transpired with that balance, where does it go?

MR. ALDRIDGE: I will do that, sir.

CHAIRMAN HETTEL: Hopefully it will get reprogrammed to the Lower Monongahela River project which could lower the efficient funding number there or get deposited back into the Trust Fund, one of the two.

MR. ALDRIDGE: Typically we --

CHAIRMAN: Similar to the \$275,000 that was reprogrammed from the Lockport project, we just want to make sure we are tracking where the Trust Fund dollars are going.

MR. ALDRIDGE: All right, sir. Are there any other questions? Hearing none, that concludes my briefing. Thank you.

MR. POINTON: We are ahead of schedule so we are going to tweak the agenda a little bit. We are going to have the Olmsted Locks and Dam project briefing before the break, then take a break, and then when we return from break have briefing on Chickamauga Lock, Kentucky Lock and the Lower Monongahela River. Mr. Rissler, you are going to be going right now ahead of the break.

MR. WOODRUFF: If I can suggest we shorten the break since we are ahead of schedule. The hotel was not able to extend our check-out time. If we could finish sooner and give people a chance to check out and change before noon that would be better than having to check out during the break.

MR. POINTON: We will compress the break to 15 minutes when we complete the Olmsted briefing. Thank you, Mr. Woodruff. Mr. Rissler, please proceed when your presentation when you are ready sir. Thank you.

MR. DEWEY W. RISSLER: Thank you Mr. Pointon. Good morning Mr. Smith, Chairman Hettel, Mr. Fisher, Board members, Federal observers, fellow Corps employees and other attendees. My name is Dewey Rissler and I am the project manager for the Olmsted project.

The picture you see on the screen was taken in November of last year. To orient you, at the top of the slide is the Kentucky bank. You can see there, we have in place the first four river dikes. At the time this photo was taken, 11 of our 12 navigable pass shells had been placed in the river. Navigable Pass shell 12-A was this picture was taken was in the precast yard preparing for installation.

Towards the bottom of the picture are the 1,200-foot lock chambers. Just below that are the maintenance and service mound buildings which are the Lockmaster's office and the new maintenance building.

Next slide. Here is our Bottom Line Up Front slide. We are ahead of schedule. Right now we are targeting to be the operational in October 2018. That is four years ahead of schedule. Our current cost, we are under budget. Our Total Estimated Price right now is \$2.77 billion versus \$3.1 billion budget that we have. Right now we show that as the savings of \$329 million. As was stated earlier, our FY 2019 Budget request is \$35 million, and those are funds to completion. Olmsted will not be requesting any additional funding after FY 2019.

The keys to our success are (1) efficient funding for the annual capability and (2) being able to take advantage of the river conditions as they occur allowing us to work in the river beyond the contractual low water season of June 15 to November 30.

CHAIRMAN HETTEL: Mr. Rissler, if I may comment on those keys to your success, while I agree efficient funding has been a key to the success of the team at Olmsted, there has also a key to the success of your team that kept moving this project to the left and understanding the importance of getting this project completed and operational as soon as they can, especially with what we have experienced at Locks and Dams 52 and 53 last December. Understanding the efficient funding requirement of the Olmsted project and the ability to advance construction in an efficient manner, I think your team has done an outstanding job down at Olmsted.

MR. RISSLER: Thank you, sir. Next slide. "Olmsted Project Overview Status." If you look at the slide in your handout, this is an overview of the project status. If we start at the top yellow block and move clockwise, you will see in the top box titled "Navigable Pass." Navigable Pass shell 12-A was set on December 28th of last year and thus all of the navigable pass shells have been installed.

In the middle of the slide you will see the yellow box titled "Tainter Gates." All of the tainter gates have been installed and the testing of the control systems is progressing. To the right hand side of the slide you can see the box titled "Lockmaster's and Maintenance buildings." Those are under construction and are scheduled to be complete in the May time frame.

Towards the bottom middle of the slide you can see the box titled "Wicket Lifter." The wicket lifter "Keen" arrived on site on the 19<sup>th</sup> of February. I will be talking about it a little bit later.

In the lower left hand corner of the slide you see the yellow box titled "River Dikes." River Dikes 1 through 4 are installed, you saw them on the title slide on the Kentucky bank, and we have Dikes 5 through 7 under contract also to be installed on the Kentucky bank as well as the bank armoring portion of River Dikes 8 through 13 currently under contract so as to get those installed on the Illinois bank so we can finish up all the river dikes this calendar year.

On the left side of the slide, you can see the yellow box titled "Left Boat Abutment. We have that completed up to Cast in Place lift number 19. We have one more lift to complete over

there, but at this point in time, all damming surfaces are complete for the dam. Like I said, all the damming services are complete. This does not mean that the project is complete by any stretch. We still have lift number 20 for the left boat abutment. We have tainter gate controls commissioning to finish up. The culvert flushing and miter gate repair project is halfway complete. We have to finish that up and continue placing some of the large rip-rap up river.

Next slide. "Olmsted Status Photos." These are some of the photos of the project over the past few months. Photo number one shows the installation of Tainter Gate number five. That was our last tainter gate to be installed. That was installed late last fall. One of the keys there is that that tainter gate, we were able to get it in, delivered, and installed over six months ahead of schedule.

Photo number 2 shows the setting of Navigable Pass shell number 12-A. I talked about Navigable Pass shell 12-A a little bit earlier. Navigable Pass shell 12-A was the last shell that was set in the river. Again, being able to take advantage of favorable river conditions Navigable Pass shell number 12-A was set on December 28, 2017. The temperature outside that day was 8 degrees, but the river conditions allowed us to make that installation, so we were able to press forward. Otherwise, that navigable pass shell would have been set during the upcoming low water construction season. Originally Navigable Pass shell 12-A was scheduled to be set during the 2018 low water construction season. We were able to advance the schedule there.

Photo 3 shows the pouring of the tremie concrete, or the concrete injection underneath that navigable pass shell. We were able to find a small window of opportunity in early January where, again, river and weather conditions would allow us to complete that work. Otherwise, it would have been pushed into the low water construction season of 2018.

Photo 4 shows Colonel Kremer visiting the project site in early December, December 7th. Picture 5 shows the construction of the Service Mound buildings. The large building in the middle of the photo is the Maintenance building and the smaller building to the left is the Lockmaster's office, again, scheduled to be completed in the May timeframe.

Photo 6 shows the Left Boat Abutment. The key thing about the Left Boat Abutment is when the wicket lifter comes to the job site and starts raising the wickets, it starts at the left boat abutment and moves towards the Illinois shore.

Next slide. "2017 Plan to Complete." Here is our plan to complete. Since we were successful in getting Navigable Pass shell 12-A in the river, all of our dam components are installed. All the damming surfaces are installed. We have to test the controls and that kind of stuff to finish up to be functional.

Next slide. "Olmsted Project – Time and Scorecard." Here is our Time and Cost Scorecard. As you can see, our expenditures are tracking well there. The schedule is - like I said earlier, we were about four years ahead of our schedule. The budget through December, we continue to be tracking in the \$2.77 billion range.

In the lower right hand corner you can see the schedule of major activities. On the schedule, those first two items are complete. The wicket lifter “Keen” arrived at the project site on the 19th of February. The awarding of the River Dikes occurred on the 13th of February. The next item we have there is the PCN [Project Control Number] settlements. Those are change orders, if you will, global change orders/settlements that we are working on. We will get those completed by the end of this month. The cost of that is already included in our Total Estimated Price. That is all included in the \$2.7 billion figure.

We are looking to get our next certified cost update the 1<sup>st</sup> of April. The service buildings are scheduled to be completed by the sixth of May.

Next slide. “12 Month and 5 Year Cost Trends.” Here are some of our cost trends. The top one is the cost trend from our estimates, the certified cost estimate. That occurs on the even years. We will get one FY 2018. The odd years we do a regional review and assessment of that. You can see that has been trending down.

In the bottom portion of the slide, you can see the Total Estimated Price over the last 12 months. Again, we are pretty steady over the last six months. The costs are trending to the \$2.77 billion figure.

Next slide. “Olmsted – Finishing Strong.” To finish strong we are working with the GSA [the General Services Administration] on the disposition of a lot of the contractor acquired equipment that we had on the project. We had an original acquisition cost there of about \$150 million. We have just a bunch of things. Anywhere from drills to barges. If anybody is in the market for a catamaran barge or a super gantry crane, drop me a note later on. We will see if we can’t get you in touch with the people that can get you those items.

CHAIRMAN HETTEL: Mr. Rissler, may I interject on this equipment disposition? After you divest yourself of these pieces of equipment, where do those funds go that you receive on some of these pieces of equipment?

MR. RISSLER: These funds -- right now, the way we are tracking, will come back to the project. Those funds will come back into the project and will offset any future costs.

CHAIRMAN HETTEL: You have requested \$35 million in FY 2019 to close out your funding. Would that be the same scenario that we see at the Emsworth project where if you sell \$5 million worth of equipment, that would show up -- because you are now being funded for \$35 million -- that would show up in excess funds that the project did not need?

MR. RISSLER: Yes sir.

CHAIRMAN HETTEL: I guess what I am trying to say is how can we get that money back in the Trust Fund?

MR. RISSLER: That is a good question. I am not exactly sure how that financing gets back into the Trust Fund. I do know that those come back into the project. When they do, I am

assuming that we do the appropriate split between CG [Construction, General] and IWTF [Inland Waterways Trust Fund] funding.

CHAIRMAN HETTEL: You say the purchase price of all this equipment is approximately \$150 million. What is the value of that equipment today, do you know?

MR. RISSLER: With all the depreciation and everything, we are looking to possibly get \$20 million back. Again, it is what the market tells us it is going to be worth.

CHAIRMAN HETTEL: I understand. I just was curious as to what the value of the equipment may be and maybe the opportunity to utilize those funds elsewhere.

MR. RISSLER: Understood sir.

MR. POINTON: We will look into that, Mr. Chairman. I can see the funds being returned from the project back to the Trust Fund account at the Headquarters and being deposited or held if you will in the Trust Fund account or the General Treasury account, but we will look into that and see how that might be handled.

CHAIRMAN HETTEL: Yeah. We have discussed this at previous Board meetings and said it would go back to General Treasury account and where we, the Trust Fund, paid for 50 percent of this equipment.

MR. POINTON: Correct.

CHAIRMAN HETTEL: The returned money should be able to come back to the Trust Fund account.

MR. POINTON: Right.

MR. RISSLER: You can see our out year marine work packages that we are working on, miter gate repairs and culvert flushing, that is currently underway. The river chamber is complete. As soon as river conditions allow, we are going to start working on the land chamber upstream mooring cells and the partial demolition of Lock and Dam 53.

We have obtained approval from the PARC, the Principal Assistant Responsible for Contracting, to allow us to include that in the current dam contract, the WGA [Washington Group Alberici] contract to do those two items. We are prostrating ourselves to be able to move out on those items when we need to. Like I said, Dikes 8 through 13, we got those awarded. It is just whenever river conditions allow for those installations.

With respect to the functional transition, the course of action right now is to hold pool on the first of October predicated on our Operations folks getting comfortable with the operating of the wicket lifter, the wicket lifter "Keen." To do that, we need river elevations down between 290 and 300 to be able to raise the dam.

Next slide. You see a couple of pictures. The picture on the upper right, during the construction, we normally raise 10 to 12 wickets just to make sure that they work properly. This is a very labor-intensive operation because we do this with divers. They have to go down into the river. They have to rig the wicket and it gets raised by a conventional crane on a barge. We can't raise the entire dam with this method because as you know, when the dam comes up, the choke point in the river and the velocities in the river are too great to have divers in the water.

We test these. Once we place a couple of shells in the water, we will go out and raise them and make sure that they raise up properly. The picture on the left is a picture of the wicket lifter "Keen" on its way to the Olmsted project site. We are going to be conducting some wench operational training next week. The week after that will be some of the crane training. We have both the maintenance crane and the wicket lifter crane on that barge. We will be training on those pieces of equipment. Once the river elevations reach an appropriate level, we will go out and we conduct training, actually lifting of the wickets.

I visited the facility where the cranes were being constructed, and from my standpoint, that thing is like sitting in a jet fighter because you are sitting in a seat, you have got joy sticks in both hands, you have got four computer monitors up there to watch because the wickets have GPS locators on them and the wicket lifter crane head has GPS so they can accurately go down within just a few inches and be able to find the wicket and grab it. The crane head also has acoustical cameras on it so the operator can see stuff that is down there on the river bottom.

All of this stuff, I mean, it is pretty highly technical and that is why they need a lot of training and getting comfortable with the operation of it before we really move into the operational status of Olmsted.

MR. ROBERT J. INNIS: Mr. Rissler, if any of those things don't work, the acoustical cameras or the GPS, are they going to be able to lift the dam?

MR. RISSLER: Yes sir. They will still be able to lift the dam. It will take a little bit longer.

MR. CHARLES M. RICKETTS: On that same front, if you have operational issues with the wicket lifter, for example, if the wicket lifter is down for maintenance – where you are trying to raise the wickets, what is the backup option for raising the wickets?

MR. RISSLER: At this point, we are acquiring additional spare parts for just about everything on the wicket lifter. If a hydraulic cylinder goes out or a control board goes out, we are going to have a spare that they can go and replace those fairly quickly. In addition, we are also looking at a backup wicket lifter for the project.

MR. MICHAEL J. MONAHAN: I have a question regarding the testing protocol you mentioned. Obviously you have to have river conditions cooperate which they are not doing right now, but the actual time to test, what is that period and from the standpoint of going operational potentially sometime later this summer or early fall, what could cause delays in that process from a testing protocol?

MR. RISSLER: I am not sure what would cause any kind of delays to that. Once the river elevations get down to where our folks can safely and comfortably operate the wicket lifter, go out and do the training on raising the wickets and everything, we will be ready to go.

MR. MONAHAN: What is that period of time to get comfortable in terms of testing that you actually need in order before you can become operational?

MR. RISSLER: I am not sure. It is going to be up to our Operations folks to tell us that. It may be a month. It may be six weeks.

MR. MICHAEL J. BRADEN: Mike Braden, Louisville District. Very quickly. That would be a question for our Operations folks. The formal training protocol is about a four-week process. What our Operations folks have told us is typically training for a marine asset like this is a six-month cradle to grave process. But certainly once we go out there and, from a production point, raise some wickets, we will continually reevaluate that with the Operations folks to see how quickly they can get to a comfort level on that piece of equipment as a course of action alternative to using Lock and Dam 52.

MR. MIKE FEWELL: Once you are comfortable, then what is the process to engage with industry when you actually go operational and make sure that effort is coordinated properly?

MR. BRADEN: We are currently already engaged with the industry because we take commercial tows right through our lock chambers about half the year during the low water season. We already have a good pattern of the industry of transiting this project site. Our game plan right now is we will go into the low water season 2018 using Lock and Dam 52. If we can't support Lock and Dam 52 for some reason, then our District commander will engage our Division commander and we will do a risk assessment through the RIETF [River Industry Executive Task Force] process to engage on what that delay may be at Lock and Dam 52 and what the risk is associated with bringing Olmsted operational earlier than the 1 October date.

MR. MONAHAN: Thank you.

CHAIRMAN HETTEL: Mr. Monahan. I hope you are aware of this, but there is a monthly briefing with the RIETF group on the transition from Lock and Dam 52 to the Olmsted project with the Louisville District. Our last one was held on February 2nd. Again, I will certainly send you the presentation from that meeting. But, Mr. Rissler, to your point, the Olmsted wicket lifter testing and commissioning activity, that was originally scheduled for June 15th to July 15th. They are in the process of doing that already. We are moving that to the left.

MR. RISSLER: Correct.

CHAIRMAN HETTEL: As soon as the river cooperates to the right elevation for the guys to start training to pick up these wickets, this schedule had it scheduled for a 14-week training session. Now we are doing the testing and commissioning, get that behind us. The only

thing I think we are waiting on -- correct me if I am wrong -- is the right river elevations for the guys that physically get in the wicket lifter and start picking up the wickets; is that correct?

MR. RISSLER: Yes, sir.

CHAIRMAN HETTEL: If the river cooperates and that moves to the left, maybe we don't have to go in to the low water season depending on Lock and Dam 52 because who knows what is going to be left of Lock and Dam 52 when this high water passes.

MR. PARKER: Going back to something you mentioned earlier. You said your budget request for FY 2019 will be the last budget request in this project.

MR. RISSLER: Yes, sir.

MR. PARKER: What about Inland Waterways Trust Fund dollars? Are we done pulling money out of the Trust Fund as well for this project?

MR. RISSLER: Yes, sir.

MR. PARKER: Okay.

MR. RISSLER: Are there any other questions? Thank you.

MR. POINTON: Thank you, Mr. Rissler. At this point it is about 9:30. Let us take about a 15-minute break. We will reconvene the meeting at approximately 9:45.

(Whereupon, a short break was had.)

MR. POINTON: We are going to move on to a presentation on the Chickamauga Lock project momentarily. Mr. Adam Walker, the project manager for the Chickamauga Lock project, is going to talk a little bit more about that project and he gave us a briefing on the project yesterday and he attended the tour of the project site. Before Mr. Walker begins his presentation, Chairman Hettel wanted to make a couple of comments on what we have already discussed this morning before we move on to the rest of the program. Chairman Hettel, the microphone is yours.

CHAIRMAN HETTEL: Thank you, Mark. I just wanted to chat a little bit before we get into the project briefings on Chickamauga Lock, Kentucky Lock, and the Lower Monongahela River projects on what Mr. Pointon presented to us earlier during his briefing on the level of funding for Inland Waterways Trust Fund supported construction projects. Let us begin with the Olmsted project. While what has transpired at the Olmsted project since the cost share change went into effect in the Water Resources Development Act of 2014, it is certainly a good news story. With efficient funding, we have seen this project scheduled to come online four years sooner and at a cost \$330 million less than the most recent Post Authorization Change Report.

Unfortunately, with the Olmsted project rolling off the Inland Waterways Trust Fund books, the Lower Monongahela River project, the Kentucky Lock project and the Chickamauga Lock project efficient funding numbers have increased to the point where the Inland Waterways Trust Fund cannot support the efficient funding numbers for these three remaining priority projects in Fiscal Years 2019 through 2022.

These shortfalls in funding by fiscal year are as follows, and these figures are designed to keep the balance in the Trust Fund at \$20 million: in FY 2019 - \$17 million; in FY 2020 - \$23 million; in FY 2021 - \$38 million; in FY 2022 - \$84 million; and in FY 2023 - \$78 million. I remind everyone these estimates are based on an assumption of maintaining a balance of \$20 million in the Trust Fund.

These estimated shortfalls do not include funding for the Users Board's number one priority Major Rehabilitation project, that being the LaGrange Lock and Dam on the Illinois Waterway. We are trying to perform the major rehabilitation project simultaneously at LaGrange while the Corps performs their Major Maintenance project in 2020 to avoid shutting down the Illinois Waterway in multiple years.

The Board is requesting the Corps to look at these efficient funding numbers and see what can be accomplished to keep these projects moving to the left while decreasing the efficient funding numbers. As we experienced at the Olmsted project, while supporting the efficient funding number, the project ended up with \$330 million in contingency funding. While this \$330 million in contingency funding did in fact reduce and eventually eliminate the need for funding required in the later years of the project, we are now in a position where having contingency funds towards the end of a project will eliminate and or reduce funding for other projects in the near term.

The Users Board recognized where are heading which is the main reason why the Users Board recommended a cost share change in our 2017 Annual Report to Congress and the Secretary of the Army. The Board looks forward to working with the Corps, should we not get a change in the cost sharing formula, in order to keep these projects under construction moving forward in an expeditious and efficient manner.

The Users Board certainly recognizes all the work that Mr. Walker and Mr. Getty have expended in developing this funding table that Mr. Pointon presented to us this morning. What we would like to see if we can eliminate contingency funding at the end of the projects which would mean less funding up front so that our Trust Fund dollars can go to other projects.

I wanted to run that by everybody and thank Mr. Walker and Mr. Getty for all their work. We will discuss this further when they give their presentations on the individual projects. Thank you.

MR. POINTON: Thank you, Mr. Chairman. Mr. Woodruff.

MR. WOODRUFF: Before we get started, it was pointed out to me a few minutes ago, I misreported a couple of numbers in my earlier comments regarding the hydropower revenues

associated with navigation projects. The hydropower revenues that come from the navigation projects on the inland waterways system are about \$1.1 billion per year and I misstated that and I apologize for that. I had it confused with another number. That is still a very substantial sum of money that comes to the U.S. Treasury every year from hydropower generated at inland waterways project sites.

MR. POINTON: Thank you, Mr. Woodruff. Appreciate it. We will make that correction in the transcript when it goes final. Are there any other comments before moving on to the briefing by Mr. Walker on the Chickamauga Lock project? All right. Adam.

MR. ADAM C. WALKER: Good morning. We appreciate the opportunity to come and speak to you this morning, Mr. Smith, Chairman Hettel, other distinguished Board members, Federal observers and guests. As Mr. Pointon mentioned, I am Adam Walker, the project manager for the Chickamauga Lock Replacement project working out of the Nashville District of the Corps of Engineers.

Next slide. Bottom line up front is, as you saw yesterday, we have two active construction contracts on going at the project site. Primarily the work going on you saw yesterday was part of the Lock Excavation contract which is removing the foundation rock that is necessary to be done before the concrete placements are begun. The rock work production is progressing favorably, but we are slightly behind schedule. I will get into that a little later.

The follow on contract, the Lock Chamber Construction contract – the contractor has mobilized to the project site. You saw some of the contractor's trailers at the project site yesterday. We are really ramping up that effort in the coming months.

The third point is acknowledging the Post Authorization Change Report that we are currently working on. We show July 2018 on the screen, but as recently as this week, we have been coordinating with our Division office in Cincinnati to try to expedite that as much as possible. We are hoping to shave a month off that time line if we can.

Next slide. This slide shows an overview of the project. If you refer down to the legend at the bottom left corner of the slide, you can see what the colors mean. The gray boxes are previous work that we have accomplished, primarily the road and bridge relocation work; the cofferdam; and some of the prefabricated items, such as the miter gates, the culvert bulkheads, and the culvert valves.

The two yellow boxes show the contracts which are the ones that we saw yesterday, and I will go into a little more detail on those later.

Then the two follow on contracts indicated by the red boxes are the Decommissioning of the old lock as well as the Approach Walls that need to be installed before the new lock becomes operational.

As far as the scope of the Lock Excavation contract which we saw yesterday, it is primarily the removal of rock, about 100,000 cubic yards. Before we could advance that

contract, we needed to take care of a couple other items indicated here. The contractor installed forty-four inclined rock strand anchors that you saw along the river wall of the cofferdam. Those rock strand anchors are necessary to help improve the stability of those walls as we are removing the rock from behind them. That was a primary focus of the contractor in the first part of this contract, and that work is nearing completion, as well as the 51 foot secant pile retaining wall on the opposite wall just to retain some of that material as we are lowering that rock in those areas.

All told, that is a \$33.5 million price tag on that contract that was awarded in September 2016 and it is scheduled to be completed in November 2018.

Next slide. The follow on contract for the construction of the lock chamber is the contract which was awarded in September 2017. We call it the Lock Chamber Construction contract. This computer-generated model indicates what that the lock chamber will look like at the completion of that contract. It has a base contract with 13 options. We awarded the base contract at the end of Fiscal Year 2017 with a value of approximately \$29 million. The contract completion date for the base contract is 5 October 2018. We are counting on some of those options being exercised this fiscal year in order to push the contract end date out and retain this as a viable contract to complete the lock chamber.

We went through this slide yesterday, but I will run through it again for the benefit of those who did not attend yesterday's briefing. The left side of this table indicates our efficient funding amounts by fiscal year. You can see the totals here as along with the notes as to what we would be accomplishing with those dollars. On the right side of the table in the columns that are highlighted in yellow are the minimum funding amounts that would be needed to maintain a viable lock chamber construction contract. These are the numbers that were fed into the spreadsheet that we looked at earlier as far as the cumulative Chickamauga, Kentucky, and Lower Monongahela Lock projects efficient funding table with the impacts.

The main thing to note is in fiscal year 2020, as we are still exercising options on the Lock Chamber Construction contract, we are actually looking at awarding the follow on Lock Decommissioning and Site Work contracts. In the minimum funding amount columns on the right side of the slide, that award is not happening that year, it is actually slipping to later years.

Subsequently in fiscal year 2021, if we were continuing with this minimum funding scenario, we have the follow on Approach Walls contract that was going to be awarded in fiscal year 2021. That contract as well would be slipping to the right in the event that less than efficient funding is provided.

That is primarily the answer to Mr. Mecklenborg's question from earlier this morning, as those later year expenditures are primarily tied to that contract work being accomplished because we can actually convert over to the new lock part way through the Decommissioning contract. But that Approach Wall work would be happening at the later stages after we have already transitioned to the new lock. We would be utilizing helper boats to lock through the new facility because the old lock would be decommissioned at that point in time. That is the reason for those later year expenditures. As I said, this is the background information that fed that other spreadsheet that Mr. Pointon presented earlier.

MR. PARKER: Mr. Walker, going back to that spreadsheet. I think we mentioned -- or we figured out we have to change some of these numbers in the less than efficient funding scenario. Talk a little bit about -- if I am reading this correctly, the efficient funding operational date of the new lock is March 2023; the operational date of the new lock in the less than efficient funding scenario is only four months later?

MR. WALKER: Yes, sir. As part of our efficient funding analysis, we had the Decommissioning contract awarded in fiscal year 2020, September of 2020. That was done with an overlap, similar to the way we had an overlap with the Lock Excavation contract and the Lock Chamber Construction contract to have whatever was needed, prerequisite to actually transitioning over to the new lock.

In that scenario, we had about eight months of overlap. The critical path activities was about a four month delay. If we have to delay that contract award by one year, we would really see about a four month slippage in the time that we could actually transition to the new lock coming online. Primarily that is because we are still finalizing the scope of that Decommissioning contract, but we are estimating about a year and a half into that work is when we would be to the point where we have beached the dam and the cofferdam enough to actually facilitate a boat transiting the new lock -- that is the four-month delta there.

MR. INNIS: If I am looking at this, though, as time value of money, I am going to say that you going with the minimum requirement is actually going to be a better value for the money because we are not spending a whole lot of money up front, we are spending it later in dollars. From that kind of financial requirement, with only a four month delay and very limited increased cash, you get to the other projects and different things and valuing your money as it sat, I would suggest that you go with the minimum requirement rather than the efficient funding.

MR. PARKER: That is where I was going. We need to see what the real numbers are in that middle scenario.

MR. DON B. GETTY: Adam, you might address less than efficient versus minimum funding because I think we are interchanging those and they are not interchangeable here.

CHAIRMAN HETTEL: Adam, before we get to your less than efficient funding scenario -- and, Mr. Getty, thank you. I want to make sure that everybody understands I think what I believe the Board's position is -- and if I am wrong, Board members please chime in.

As Vice Chairman Woodruff stated, our goal is not to delay these projects -- minimally delay them and keep the increased cost to a minimum in order to utilize our Trust Fund dollars on the front side on other projects. Our goal is not to extend this project by 28 months in the minimum funding scenario versus the less than efficient funding scenario.

What we would ask you to do is look, is there a combination between the less than efficient funding and the minimum funding to where we can possibly come up with enough

dollars to do this major rehabilitation project at LaGrange Lock and then have you go to efficient funding beyond, rather than minimum funding out through the length of the contract.

A lot of work is going to have to be involved in this. It may or may not work. We don't know until we can get the information back from you to make a recommendation. We would like to see if we couldn't have that information before we write our recommendations on the President's FY 2019 Budget request.

MR. MECKLENBORG: A comment on that. I think that there is not unanimity of agreement with the position that we should in any way slow down the completion of the project at Chickamauga Lock and the funding of Chickamauga Lock. It is an area that, as our tour yesterday evidenced, there is progress being made and it is a project that needs to get efficiently completed.

The issue that the Chairman mentions with respect to LaGrange Lock is certainly a concern, but it is a concern that we think at Ingram that we can address in a fashion other than slowing down the funding for Chickamauga.

CHAIRMAN HETTEL: Mr. Mecklenborg, I agree. We have requested a 75/25 cost share change in our recommendations on our Annual Report to Congress, so if some effect of that comes in it is a moot point. The only point of reference -- and let's take the LaGrange Lock rehabilitation project out of the picture. Even if we aren't considering to try to find a way to do the rehabilitation project at LaGrange Lock, we still can't afford efficient funding numbers in fiscal years 2019, 2020, 2021, 2022 or 2023, as I stated previously. Something has got to be done because we can't afford them whether we consider LaGrange or not is the only point I wanted to make.

I agree. Again, my goal is not to add additional time or additional costs, but is there something we can do collaboratively and work together to get through this shortfall in the Trust Fund moving forward?

MR. WOODRUFF: My comments earlier were not to try to figure out how to get project money from one of these four priority projects to some other project. What I was simply looking at is if the top scenario, the efficient funding takes the Trust Fund negative, therefore based on the current cost share formula, as someone said earlier, that is a non-starter.

If we can then shift to what is the most we can afford -- and that is that middle, less than efficient funding scenario -- I take some solace with the idea that even if we are somewhat funding constrained, in order to keep the balance of the Trust Fund positive in the out years, we might be able to do that and complete our priority projects by only having them slip three or four months and while \$8 million is a lot of money, in the grand scheme of things with these projects, that is not a lot of money.

I was taking a little bit of comfort in the small delta between efficient funding and less than efficient funding and wasn't attempting to go any further than that.

MR. MECKLENBORG: I don't disagree with that. I think that the amount of the Inland Waterways Trust Fund balance at the end of those years is larger than perhaps it needs to be in order to keep the Trust Fund solvent. To the extent that we are going below \$20 million or whatever that number is that we are comfortable with, then I would agree with you that something needs to give somewhere unless we get a cost sharing change.

MR. WOODRUFF: It seems obvious to me that we are on a pathway in this middle scenario that we will have money starting to become available to go somewhere else. That is certainly something that the Board will -- I think that is one of the things we are all looking forward to is what is next aspect of it.

MR. MECKLENBORG: Right.

MR. SMITH: This is not about the construction dollars, but I think one of the things you said in the less than efficient funding scenario is you delay the decommissioning contract --

MR. WALKER: The decommissioning and site work. Yes, sir.

MR. SMITH: Are we then spending Operation and Maintenance dollars for a longer period of time on the old lock?

MR. WALKER: I believe that would be true, yes, sir.

MR. SMITH: I know that is not construction dollars, but it could be a couple million dollars a year.

MR. POINTON: It is dollars none the less.

MR. SMITH: Additional O&M dollars will be spent.

MR. WALKER: I don't know the amount of the O&M dollars. But, yes, your point is well taken. It would extend the life of the existing lock until it could be decommissioned.

MR. INNIS: Should that be added then to this?

MR. SMITH: It is a little bit of a different factor. It is a consideration in the larger context.

MR. WALKER: You are correct sir.

MR. SMITH: I don't have the dollar numbers, so I was just figuratively speaking that the longer we keep the old lock in place, it will consume more O&M dollars.

MR. WALKER: Absolutely sir.

MR. RICKETTS: I want to make sure I am understanding the numbers on this page correctly. For instance, the efficient funding figures for Chickamauga and the minimal funding figures for Chickamauga. Towards the right of the page in the total column. It is showing for both of those scenarios a total project cost figure of \$582.90 million. Then in the column titled "Cost Impacts" you are showing \$14 million. Is the \$14 million an additional cost, is that layered onto the \$582.90 million over some time period? What exactly do these additional costs represent?

MR. WALKER: As part of this exercise, we intended to keep that final total number the same just for the sake of being able to get a clearer tracking of how the numbers might shift in later years with those impacts and delays. Of course, we have the contingencies built into our cost estimate with that 80 percent confidence level. We would probably be eating into those contingencies as far as some of those additional Supervision and Administration dollars that are being expended as a result of some of these inefficient funding impacts.

MR. RICKETTS: Okay.

MR. INNIS: One other question about this. If we are using the 7.6 for the benefit to cost ratio, do we see a better benefit to cost ratio based on how the funding goes out for, the less sufficient funding than for the efficient funding? Would the BCR [benefit to cost ratio] change based on that because you are extending your money out in a different fashion?

MR. WALKER: I am not sure I grasp the entirety of the question, but the benefit to cost ratio is generated – is based off of, the total fully funded amount or the full project cost estimate which does have that efficient funding with the additional contingencies added because of that additional risk of inefficient funding. I think it is similar to Mr. Rickett's question, is that we would be eating into those contingencies that are already included in that Total Project Cost Estimate.

MR. RICKETTS: I think Mr. Innis' question is, are the total cost figures that you used in your benefit to cost ratio calculations, are they discounted to present day dollars or not?

MR. WALKER: The total cost estimate is based on the October 2016 dollars. We just did an errata update that updated it to FY 2018 price levels to account for some of the additional sunk costs. The sunk costs are inserted at whatever pricing level that they were actually executed. But, yes, the future dollars are brought back to that October of 2018.

MR. RICKETTS: Is that calculated at the 7 percent discount rate?

MR. WALKER: We calculate it at the 7 percent discount rate, but also at the current Fiscal Year 2018 discount rate which is 2.75%. We have benefit to cost ratios for both sets of discount rates.

I appreciate the dialogue from all the Board members on this. Certainly these are just three scenarios as Mr. Pointon identified earlier, that we developed some assumptions and then showed some impacts so that could inform decisions by this Board and others. Certainly there is

room for additional programmatic analysis that could be done that does incorporate different levels of funding over a fiscal year, some efficient years and some inefficient years. We can certainly do some more analysis and generate a more finely tune impact number as a result of that additional analysis.

Next slide. I will move onto the next slide unless there are any other additional questions. The Chickamauga Lock Project Time and Cost Scorecard. As far as the Chickamauga Lock Time and Cost Scorecard, the expenditures I mentioned we are slightly behind what we planned as identified in that top left quadrant titled "Expenditures." We had forecasted a slightly quicker increase on some of the rock work and we are slightly behind by a \$7 million delta as shown on the slide. That is primarily tied to that lock excavation production.

We are ramping up and we are ramping up to the point where we are pretty much at an equilibrium state over the last three to four weeks. We have not lost any additional ground. It is really a function of they didn't ramp up at the same time frame we had projected, but now they are getting there. We are in coordination with our contractor to try to save that slippage. If you look down at the bottom right corner to the box titled "Major Activity Schedule", I draw your attention to that date there for the first item titled "Complete Rock Anchors", which is necessary to be done prior to the blasting work being done.

Our current date has a March 21<sup>st</sup> date on it, but that is actually compete the full anchor, including all the corrosion protection. There is a point in time where we actually stress those anchors before then and they are essentially designed, completed and functional. We have actually accomplished that as of this week. By doing that, that opens up the entire site to have blasting occurring at all locations.

I think that is part of the plan to increase some of their blasting production capabilities onsite, bring in additional drill rigs and blasting capabilities. That is the primary plan that we hope to implement and regain that slight slippage that we are showing now. We are estimating -- and these are based on the contractor's internal milestones for rock production -- we are estimating that to be around a 14-day delay at this point in time.

We believe that the plan that they presented to us has the potential for gaining back those lost days. That is a story that we will be following closely.

The other two quadrants on the slide are primarily dealing with the overall project schedule and project budget. Those have not been impacted by that slight delay in this one contract because they are primarily tied to those future decommissioning contracts and when we would actually get the lock online. As I mentioned, they have mobilized to the site with the lock chamber and we look to have that batch plant starting to be erected in the May time frame.

CHAIRMAN HETTEL: This slide -- is it based on efficient funding, correct?

MR. WALKER: That is correct.

CHAIRMAN HETTEL: Just a quick note. I see discrepancies in this spreadsheet that shows “Efficient Funding”, “Less than Efficient Funding for Kentucky and Chickamauga” and “Minimum Funding for all projects.” On the spreadsheet it shows the operational date for Chickamauga Lock of March 2023 under the Efficient Funding scenario. On your Time and Cost Scorecard slide you show Chickamauga Lock becoming operational in December 2023. Which date should be the one we should look at?

MR. WALKER: I believe that the December 2023 date is a date I probably should have updated. I think it is an error on the slide. I would go with the other date.

CHAIRMAN HETTEL: The other date there, the March 2023 operational date on the spreadsheet. Thanks.

MR. WALKER: Sorry for that error. I will move onto the next slide, the “Chickamauga Lock Replacement Project S Curve.” This is our “S” curve slide which graphically depicts what I just mentioned. The dotted line represents our actuals, which is slightly below the plan as a result of those lower production rates as we have seen. You will note here the 902 limit is identified. We are obviously going to exceeding that.

If we move to the next slide, our “Post Authorization Change Report” slide. Looking at it on a constant dollar value of October 2016, you see our Total Project Cost Estimate does exceed that 902 limit. We are pursuing a PACR [Post Authorization Change Report] to go back to Congress for that project reauthorization.

If we do receive efficient funding in fiscal years 2018, 2019, and 2020, we would likely exceed our 902 limit in fiscal year 2020. That is the impetus for us to try to get this report done now and ahead of any Water Resources Development Act bill that could be passed. The timeline on getting that done, we actually were planning on getting that to our Division office at LRD [the Great Lakes and Ohio River Division]. As of yesterday, it was doing its final signatures within the Nashville District and we expect that to go up to today or tomorrow, actually.

This May 2018 date of when we were expecting it to go to Headquarters that is the date we are trying to expedite. Hopefully that can be saved by about a month through the course of the review at our Division office. It is based on our 2016 certified total project cost estimate. We are required to update those every two years and we are in the process of doing that again. In June 2018, we are hoping to have a recertified total cost estimate completed.

CHAIRMAN HETTEL: If I may comment on your total project cost estimate as some of the Board members were not here yesterday. I am a little concerned on the wording on your slide. The PACR based on the 2016 Certified Total Project Cost Estimate? What we are fearful of is you will look back at the \$200 million that has already been spent here and increase that cost -- or look at your fixed price contract for the lock construction of \$240 million and say, oh, that has increased.

Let me make sure I understand that total project cost, shouldn't that be contracts that have yet to be negotiated costs?

MR. WALKER: We continue to track the total project cost. It does include the previous sunk costs. We will be incorporating sunk costs, as I mentioned earlier, at the price level that is consistent with the certified cost. Then we would also be projecting the cost estimate for the future contracts.

To answer your question correctly, in 2016 we had not yet awarded the big lock chamber contract, so we had a number in there that was based on our government estimate. Now that it has been awarded, we have firm numbers that are tied to that base contract and all of the options, so that part of the cost estimate will be updated to reflect those new numbers, yes, sir.

CHAIRMAN HETTEL: So your 2016 new cost estimate will include sunk costs that have already been spent on the project escalating them from the \$203 million to whatever that number is?

MR. WALKER: No sir. The sunk costs are locked in at whatever pricing level at the time of expenditures. Those numbers don't change as far as escalation purposes.

CHAIRMAN HETTEL: Well, that is the confusing part with the reference to the total project cost. I just hate to see it go from \$755 million, whatever it is, and increase the total cost on some of the work that has already been accomplished.

MR. WALKER: Understood. As of December 2017, we had expended I believe the number is \$203.5 million on the project. That number won't change as new cost estimates are done. That will always be the sunk cost number that goes into that total project cost estimate.

CHAIRMAN HETTEL: Thank you.

MR. WALKER: Okay. Next slide, the "Chickamauga Lock Project Schedule." Under scheduled for future work, you can see on the slide the dates for the Lock excavation construction contract and the Lock chamber contract. The Lock chamber completion contract has an approximate date there because there are some flexibilities in our contract options as to when they are awarded as to how much duration that adds to it. It is between a five to seven-year window. The follow on work as shown here as far as the Decommissioning and Site work is likely to be awarded in September of 2020 with annual efficient funding and then the Approach Walls in the following year. As I mentioned earlier, this June 2018 date, we are hoping to save a month on that as far as the PACR being approved at Headquarters.

Next slide, "Chickamauga Lock Summary and Challenges." In summary, the Lock Excavation contract is progressing, but with the rock work being done that is below the surface and, the Karst geology, there is some potential for changed conditions on site. We are tracking that closely.

The lock chamber contract is ramping up and as we discussed minimum annual funding would be critical in FY 2018 and beyond to maintain that contract moving forward.

We just talked about the PACR as well. It is to be completed this year and pending the reviews at our Division, Headquarters and the Assistant Secretary of the Army's office as well.

And finally, I just want to reiterate that the 902 exceedance is expected to happen in FY 2020 with efficient annual funding.

Subject to your questions, that concludes my presentation. Thank you.

MR. SMITH: I want to ask Chairman Hettel a question because you have asked a question on the project cost estimate a couple times. It is a sunk cost, the actual cost that gets put in, but your concern that the actual for what we have expended is more than what was in the original project estimate --

CHAIRMAN HETTEL: No.

MR. SMITH: -- for that period -- for that part of the work?

CHAIRMAN HETTEL: I am not sure we can look in the rear-view mirror on additional increased cost estimates, but if we are going to look at it in 2016 dollars, let's make sure that the sunk costs aren't escalated, which would then increase the total cost of the project.

MR. POINTON: Thanks, Adam. Before he steps too far away from the podium are there any other questions for Mr. Walker? All right. Thanks again, Adam.

We will now move onto an update on the Kentucky Lock project. That update will be given by Mr. Don Getty, Project Manager for the Kentucky Lock project.

MR. GETTY: Good morning, Chairman Hettel, Mr. Fisher, Mr. Smith, Users Board members and other attendees. My name is Don Getty. I am the project manager for the Kentucky Lock project. I also work at the Nashville District office of the Corps of Engineers and I am going to give you a quick update on the project.

Next slide. "Kentucky Lock Addition: Bottom Line Up Front." The downstream cofferdam construction was going well when I put this slide together. Unfortunately Mother Nature has reared her ugly head and high water is affecting us just like it is affecting most of the other parts of the inland waterways system, I believe. We are proceeding, and I will talk a little bit more about that later.

We are also working on our economic update to the project. The economic update has been delayed a bit because of extra efforts on the Soo locks. There are no real impacts on the project, and I will talk a little bit more about that in a minute.

We did award a construction contract since the last Users Board meeting. That contract was awarded in January. That contract was for our site work, demolition and utilities. And we are working hard on our next construction contract, the Downstream Lock Excavation contract that we plan to award by the end of this fiscal year if we get funding.

Next slide. Kentucky Lock Project Overview. This is our project overview slide showing past, future, and existing construction contracts. The only change to this slide since the last Users Board meeting is the yellow box at the bottom of the slide indicating that we awarded the “Site, Demolition and Utilities” contract. It is a small contract, approximately \$4.1 million in value, but it is an important piece of the project. We are getting things out of the way so that we can start digging for the rest of the project. A small contract in terms of dollar value, but important to the project.

Next slide. The Downstream Cofferdam. This slide shows our ongoing Downstream Cofferdam contract. We awarded the contract with a dollar value of \$67.1 million. The contract now stands at \$65.5 million because we did a \$1.7 million credit modification to the contract change proposal. The current completion date of the Downstream Cofferdam contract is December 2019. That date will probably get pushed out because of the high water we have going on now. That is just the nature of the beast.

Next slide. A few construction photos from the construction site. The image in the upper left is a computer rendering of the Gantry barge system that I showed you at the last Users Board meeting. It is very similar to Olmsted’s concept of their catamaran barge. We are lifting these large concrete shells. Our shells weigh about 1.3 million pounds versus 10 million pounds for Olmsted, so there is a magnitude of difference.

In the bottom right hand corner of the slide is the catamaran or Gantry barge system under fabrication. We are building it onsite. This picture was taken in early February and we are further along than that now. It is beginning to take shape.

Next slide. Some more photos from the project site. The upper left-hand slide shows some of the excavation we have been doing. Where the two arrows are pointing to the notch, that is where the catamaran barge -- one of the catamaran barges comes into that notch. That used to be soil. We have excavated that using both land-based and marine-based activities.

On the right hand side of that picture you can see the concrete delivery platform that we excavated out. That platform currently is about 23 feet under water to put that in perspective. That is where a pump truck would pump concrete out to our cofferdam dam. We don’t have any plans to pump concrete anytime soon from there anyway, but Mother Nature wouldn’t allow us to do it with the high water. There is quite a flood currently going on.

Also, on the right hand side of the slide you can see a picture of the template that we use to use to guide our sheet pile cells for these 68-foot diameter sheet pile cells. There will be four of those in this cofferdam.

Next slide. Some more photos from the project site. In the photo on the left hand side of the slide you can see the forming of one of these shells. We have ten shells that are about 45 feet by 55 feet in planned dimensions, rectangular shape, and they are about 35 feet tall. We are forming those on barges.

On the bottom right-hand side of the slide you can see one of those barges in the background along with our wall armor. A lot of re-enforcing steel and wall armor goes into these. This operation was about three miles downstream at a dock that is now flooded. Since we are casting these on barges they are mobile, and the contractor moved those up to the lake. We hope to make our first concrete placement by tomorrow on this. Mother Nature tried to throw a wrinkle, but we have adjusted somewhat. That is a good news story.

Next slide, the Kentucky Lock Project Time and Scorecard Card. We are looking well. On the left-hand side of the slide, we are under budget and ahead of schedule. We are early on in the Earned Value process, and that is where we stand currently.

In the bottom left corner of the slide reflects our estimated completion cost, and it has gone down a little because of the \$1.7 million credit modification.

I do want to point out in the bottom right-hand corner of the slide is our major activity schedule. Our economic update. We are now showing an approval of it in September of 2018. We pushed that out. It is not a big issue with the project because we need this economic update for two reasons: One reason is for the project to become budget eligible and we are probably not going to meet that 2.5 BCR threshold when we do this update, and the other reason is that economic update is about 95 percent of our PACR. We are also doing a Post Authorization Change Report because our Section 902 cost limit, but we are not hitting that cost limit until FY 2022 and that is with efficient funding. We are not in as big a rush as the Chickamauga Lock project is to get reauthorized.

What that is doing -- we talked about it at the last Users Board meeting. As part of that economic update, we are going to add to our sensitivity analysis of our BCRs and we are going to determine what these inefficient funding cost impacts are going to do to our BCR. That is still high on our plate. I had hoped to have that for this meeting, but that has gotten pushed off. It may be the August meeting before we see that, but that is still high on our plate to do and to present that to the Board.

I mentioned the PACR. It will go up shortly after the economic update. Also the Downstream Lock Excavation contract award is a very high priority for the team, and we are on schedule for that award.

Next slide. Kentucky Lock Project S Curve. This is our project "S" curve graphically showing you what was in the previous slide. It also graphically shows you how we are doing on our contingencies for both budget and schedule. Our estimated completion, the red line, has gone down slightly because, again, the \$1.7 million credit modification is reflected in that. But we are still early on in this process.

CHAIRMAN HETTEL: Don, when I look at this slide, the \$1.254 billion versus the \$1.064 estimated cost estimate, the difference, is all that being contingency funding?

MR. GETTY: Yes, sir.

CHAIRMAN HETTEL: Is there any contingency funding now at the Kentucky project?

MR. GETTY: We have not used any contingencies. We have gone in the opposite direction because of this earned value credit modification since we did our certified cost estimate a year ago.

CHAIRMAN HETTEL: Is it simple enough to say that if everything goes your way, you could come in \$190 million under the \$1.25 billion cost estimate?

MR. GETTY: Yes sir. Do you have a rabbit's foot we can borrow? Yeah. But, no, those contingencies are there for a reason. But, yeah, that could happen, certainly. Those contingencies include impacts due to Mother Nature. We are experiencing those right now.

CHAIRMAN HETTEL: I understand.

MR. GETTY: Next slide, the Kentucky Lock Project Schedule. Mr. Aldridge covered some of this in his presentation and I have already covered the schedule for completing the economic update and the PACR.

Next slide. This is a picture of the concrete batch plant about a mile and a half away from the project site. I showed this picture at the last Users Board meeting and Mr. Aldridge mentioned it in his presentation, but it is a really good news story that our contractors teamed with a local ready mix provider and built this batch plant a mile and a half way from the project site. It is designed to create the specific kind of concrete we need. It is different than most other concretes. There is a potential we could use this batch plant through the project completion and we won't have to build an onsite batch plant. It could be a cost reduction in the project. We will have to haul the concrete further, but we will not have to build a plant on site and we don't have to issue a contract early to build one onsite because we already have one.

MR. POINTON: Don, would that plant be capable of handling all your concrete needs if it works out that that would be the batch plant you could use? It has a capacity to fill all your needs.

MR. GETTY: It is a single drum plant. They would bring another one in. But, yes, they are designed for that expansion and can do it if they want to. We typically don't dictate it. We leave it up to the contractor. You give us this product at whatever price you come up with. If they want to put a batch plant onsite, they can, but this is available to them.

MR. POINTON: Okay.

MR. GETTY: Next slide. Downstream Lock Excavation. This is a slide similar to what Mr. Walker showed earlier as far as efficient versus minimum funding was concerned. An important distinction in this slide, a less than efficient funding scenario is not shown on this slide. In the large spreadsheet you had three scenarios. This slide just has two scenarios and explains some of the impacts associated with that minimum funding and those impacts are pretty

significant. I hope we don't have to go there, but it gives you a little idea about what kind of latitude we have for different funding streams on the project.

Next slide. Estimated Comparison of Categories with Large Differences in the break out of Upstream versus Downstream Cofferdams. At the last Users Board meeting, Chairman Hettel asked me to break out the upstream versus downstream cofferdam costs from our original cost estimate versus our current cost estimate, and that is what this slide is intended to show. It surprised me that our upstream cofferdam actually came in under what we had estimated back in the early days. Our downstream cofferdam obviously did not.

There is one big reason for that. The downstream cofferdam used to be a conventional design and we had the two locks further apart. After the feasibility study, we brought those locks closer together to minimize a lot of excavation over here and other problems downstream. Even though the downstream cofferdam costs went up because we have these narrow concrete sections versus a traditional cofferdam design, the overall project cost probably went down as a result of that move. That is why that was done. That is at least part of that factor.

Next slide. Kentucky Lock – Summary and Challenges. Finally, same as Mr. Walker, we still have a lot of challenges with our ongoing construction. Our big risk drivers are geology, Mother Nature, and concrete. We have got all those on the downstream cofferdam. We are not nearly out of the woods yet as far as smooth sailing.

The economic analysis. The economic update I think is going to bode well for the project. In fact, we are fortunate to have a couple of economists that worked on the forecast for Kentucky Lock, Dr. Mark Burton and Dr. Larry Bray here with us today. They did both the Chickamauga Lock and Kentucky Lock economic updates and they finished their part on time. We are finished with the forecast; it is just the other parts of the economic update that we are finishing up. We appreciate those gentlemen working on that. They even interviewed Mr. Larry Davis, Area Manager at Marathon Petroleum, Mr. Earl [Users Board member David Earl from Marathon Petroleum], as a part of economic update.

And lastly, again, the downstream lock excavation has a very high priority for the project. We are planning to get that contract awarded if we get funding this year.

Subject to your questions, that concludes my presentation. Thank you very much.

MR. POINTON: Thank you, Don. Greatly appreciate it. If there is no questions for Mr. Getty, he is sitting in the back of the room. He is not going anywhere.

Next on the agenda we have Mr. Steve Fritz who briefly talked a little bit earlier today on the funding scenarios for Lower Monongahela Locks and Dams 2, 3 and 4 project. Mr. Fritz will give us an update on that project.

MR. FRITZ: Thank you, Mr. Pointon. Colonel Kramer, Mr. Smith, Chairman Hettel, Mr. Fisher, other Board members, Federal observers and other attendees. My name is Steve

Fritz. I am from the Pittsburgh District and I am here this morning to report on the Lower Monongahela River Locks and Dams 2, 3 and 4 project.

Slide number one, “Lower Mon Project - Bottom Line Up Front.” Project completion, project operational. The slide should read January 2023 for project operational. That is the same date as that was reported at the last Users Board meeting. Also on this slide, I want to point out under bullet item number 4 in the FY 2018 President’s Budget request as well as in the FY 2019 President’s Budget request were in there for zero dollars requested for the Lower Mon project. What that does is that puts the project at significant risk for the River Chamber Completion contract.

We have a contract option, River Chamber Completion contract option number three, that is scheduled to be awarded by the end of this fiscal year; if that contract option is not awarded by the end of the fiscal year that contract option will expire. We are currently working with the contractor to see if they can extend that option at no additional cost. If they cannot do that, then that could add about \$140 million to the project cost and another three years to the length of the construction schedule. That is pretty significant.

If we stay on the efficient funding path, we are still at \$1.1 billion which is well below the \$1.2 billion total project cost including all the contingencies. If there is no questions on that slide, we can move to the next slide.

Next slide. Slide number two “Lower Mon – Project Overview” is a general overall scope of the Lower Monongahela project. This has not changed from the last report to the Users Board. The 902 limit still remains the same. The total project cost estimate with contingencies remains at \$1.2 billion.

Next slide. “Lower Mon – Project Schedule.” I want to point out a couple changes on this slide. The completion date of the monoliths M22-M27 contract has slipped from FY 2019 into FY 2020. That does not affect the overall project operational date. For transparency purposes, we show that it has slipped a little bit.

The other change on this slide is we moved the completion date of the dredging contract from FY 2022 to FY 2020. That was due to the good bid that was received on the dredging contract. Again, though, that contract is at risk if no funding is received in FY 2018 because we need to award the next task order for that contract by the end of this fiscal year. If there are no questions, we can move on to the next slide.

Slide number four, the “Lower Mon – Charleroi Ongoing/Pending Construction Plan.” This slide shows an overall schematic of what is happening at Charleroi [Lock 4]. The graphic on the left side of the slide and the table on the right, the colors coordinate the individual pieces of work listed in the table on the right side of the slide. Changes to this slide from the last Users Board meeting are represented by the white boxes with the red text.

What I want to point out again is the completion date of the monolith M22-M27 contract that has slipped into 2020. We are 58 percent complete with that work, up from 54 percent which was reported at the last Users Board meeting.

The River Chamber Completion contract, the base portion of that contract is at 84 percent complete. That is up from 78 percent which was reported at the last Users Board meeting. At the request of Mr. Jeff McKee at the last Users Board meeting, we broke out Option one, Option two and the base contract so that you can see progress on each of those contract elements.

With the award of the River Chamber Completion Options one and two in 2017, we have made some progress on those contract options, with option one at six percent and option two at two percent completion to date.

I mentioned this before, but River Chamber Completion option number three is at risk this year and the Stilling basin is also at risk at Charleroi if we do not receive funding in FY 2018. Both of those activities were planned to be awarded this fiscal year.

If we don't award the Stilling basin by the end of this fiscal year that puts that work on or near critical for the project operational date. If there is no questions, I will move on to slide five.

Slide five, "Charleroi Construction Images." These are some current photos of the ongoing construction for both the M22-M27 contract and the River Chamber Completion contract. The photo on the left shows work ongoing as part of the River Chamber Completion contract. I don't know how noticeable it is from here but this is part of the River Chamber Completion base contract with the dewatered coffer box between monoliths M2 and M6. You can see the foundation elements, the drilled shafts on both sides of those, and the tremie concrete is in place there. The contractor is making significant progress out there on the base contract.

In the photo on the right-hand side of the slide is the contractor for the monoliths M22-M27 contract. They are removing fill material from a closure cell that was on the downstream end of the project. With the completion of the M22 plug, if you will, in the existing chamber that was there, that allowed them to remove that cell, and now that opens up that area for them to complete the monoliths on the downstream side of that lock. If there are no questions, I will move on to slide number six.

Slide number six, the "Lower Monongahela River Project –Time and Project Scorecard" slide. In the upper left hand corner of the time and cost scorecard I show two columns, expenditures with and without contingencies. Internally we report expenditures with no contingencies, but for the Users Board we are reporting expenditures with contingencies. With the earned value metrics shown there, our CPI or Cost Performance Index, is slightly above one which indicates that we are under budget for the project. We estimate that we are going to come in at about \$1.1 billion which is well below the \$1.2 billion cost figure.

In the right-hand corner of the slide under "Schedule" I highlight in yellow there, and I had that highlighted at the last Users Board meeting in yellow because of funding. Funding is a

current risk factor for our project. As I indicated before, there can be significant consequences to the project if it is not funded in FY 2018.

MR. MONAHAN: Steve. On that particular point, just to make sure we have proper clarity when we are talking about the funding required in Fiscal Year 2018 that would be \$105 million; is that correct?

MR. FRITZ: That is correct, sir.

MR. MONAHAN: And in Fiscal Year 2019 the funding requirement would be \$106 million?

MR. FRITZ: That is correct, sir.

MR. MONAHAN: If we can get that money allocated through Congress, then your project from a budget perspective you are fairly confident will be under budget and on time as you outlined?

MR. FRITZ: Yes, sir. We will be project operational in January 2023 and we will come in about \$1.1 billion. That \$1.1 billion cost figure, sir, just so I can clarify, that does include some contingencies. There is a chance that that number can come down if those risks aren't realized.

MR. MONAHAN: Just so you know, Mr. Fritz, Senator Casey [Senator Robert P. Casey from Pennsylvania] today sent a letter to the Honorable Senator Lamar Alexander [Senator Lamar Alexander, Senator from Tennessee and Chairman of the Senate Energy and Water Development Appropriations Subcommittee] stressing support of that \$105 million appropriation for the Lower Mon project in the FY 2018 Energy and Water Development Appropriations. That letter was authored today, so we are hopeful that Senator Lamar Alexander in Congress appropriates the right amount of money.

MR. FRITZ: I hope so, too. It would be nice to get this project funded efficiently so we can get it off the books.

MR. RICKETTS: The funding numbers for efficient funding that Mr. Monahan just referenced, the \$105 million and the \$106 million, was that for FY 2018 and FY 2019 respectively?

MR. FRITZ: Yes sir, \$106 million for FY 2019 and \$105 million for FY 2018. If you are looking at the funding table that was shown earlier, those numbers a little bit different. Mr. Getty, if you could pull up that other funding table, that showed "Efficient", "Less than efficient", and "Minimal funding", I want to talk to that real quickly. I cannot see those numbers from here -- I don't think I could even if I put my spectacles on -- but in the middle area, we will get you an updated chart for that. For Lower Mon in that particular area, that would add 12 months and \$40 million -- roughly \$39 million to \$40 million to the project schedule and cost.

MR. RICKETTS: In your “Less than efficient funding” section?

MR. FRITZ: Yes sir, in the “Less than efficient funding” scenario, that’s correct.

MR. RICKETTS: Twelve months and how many millions of dollars in additional costs?

MR. FRITZ: \$39 million to \$40 million. I think it is \$39.6 million, \$39.7 million.

MR. RICKETTS: Okay.

MR. FRITZ: We will get this chart revised so that we can do that planning at Chairman Hettel’s request.

MR. RICKETTS: A follow up question I have is for the “Efficient funding” numbers, for FY 2018 and FY 2019, for the Lower Mon project, are the numbers the \$105 million and \$106 million that Mr. Monahan mentioned or the \$99 million and the \$87 million that are shown in this table?

MR. FRITZ: When we revisited our risks associated with the project, we can live with \$99 million in FY 2018, we can live with \$87 million in FY 2019, and in FY 2020 we could live with \$48.5 million. Then it drops off a little bit to \$10 million in FY 2021, \$13 million in FY 2022 and then \$2 million in FY 2023 and \$2 million in FY 2024.

We can be out of the project right now including nominal risks for about \$261 million. That is a big difference from the \$392 million that is in the original chart. Some of that is because we have these contracts awarded. We still have risks associated with those contracts and those risks are tied into this.

MR. RICKETTS: Let me ask my question in a different way. If you had the \$105 million in FY 2018 and \$106 million in FY 2019, would the project move to the left or does it save any money versus what you show here?

MR. FRITZ: With the \$105 million in FY 2018, it won’t move anything further to the left. With the \$106 million in FY 2019, it will not move it any further to the left. Right now the quickest we can get the project done is January 2023, operational. Not done, but operational.

MR. RICKETTS: Thank you.

MR. FRITZ: You are welcome.

CHAIRMAN HETTEL: Steve, will you go back to slide six of your presentation, the “Time and Scorecard” slide please?

In the lower left hand corner you show a Total Estimated Project Cost and the Baseline Project Cost of -- geez, I haven’t got my spectacles neither -- \$1.22 billion for the Baseline

Project Cost versus \$1.13 billion for the Total Estimated Price. That is without the second lock chamber at Charleroi and without raising the Port Perry Railroad Bridge. Is that correct?

MR. FRITZ: That is correct, sir.

CHAIRMAN HETTEL: Is that differential in project cost contingency money that you are carrying or future contingency money you are looking at.

MR. FRITZ: That is contingency on work that is currently ongoing as well as work that has not been awarded yet and future contracts.

CHAIRMAN HETTEL: Again, the same question we asked of the Kentucky Lock project. If everything goes your way, you will take funding off the back end of the project because you are carrying contingency?

MR. FRITZ: Yes, sir.

CHAIRMAN HETTEL: Thank you.

MR. FRITZ: All right. Going back to Slide 6 – the “Time and Scorecard” slide. In the lower right hand corner you can see the Major Activity Schedule. I mentioned this a couple times already. We have some major contract awards we are planning to execute this fiscal year. The big one is the River Chamber Completion, option number three. If that option is not awarded, that will stop work in the 2020 timeframe for the river chamber – I am sorry -- the 2021 timeframe for the river chamber and we won’t be able to get another contractor in there until the existing work is completed. That is a significant point to make to the Board.

Next slide. Discussion. This last slide is really just an overview of the project. You can see the confined work area at the project site and the limited area within which the contractors are working. We have the River Chamber Completion contractor working out here right now. We have just awarded Option one and Option two in this area. Option three we expect to award this year. The contractor for the M22-M27 monoliths, they are currently out of the upstream pool and they are working in the downstream pool right now. That is significant from that standpoint.

If there is no other questions, that completes my briefing on the Lower Mon project. Thank you.

MR. POINTON: Thanks Steve. Greatly appreciate it. If there are no more questions for Steve, so we will move on to Mr. Sean Mickal from the New Orleans District who will give us an update on the Inner Harbor Navigation Canal Lock General Re-evaluation Report. Mr. Mickal will give us a little information on how that project is progressing.

MR. SEAN P. MICKAL: Good morning everybody. I am Sean Mickal from the New Orleans District and I am the lead planner on this project. Thanks for having me here. It is my first time here. After this presentation, it may be my last time here, but we shall see.

Just a little warning about who I am. I am a planner, but my background is biology. I was assigned to this project, this GRR [General Re-evaluation Report], after it had been going on for a little bit. That is not an excuse for not being able to answer questions you all might have; but any questions you have that I can't answer, I will certainly go and find the answer and get back to you on that.

This lock is – I will do this as quickly as possible. This project has been going on for a long time since 1956. I believe some of us in here may not have been born at that time. We are trying to get this GRR completed. One of the biggest challenges we have had lately is we had some economic modelling issues that delayed some results with selecting the TSP [Tentatively Selected Plan]. We got through that. Then when we went out to the public, while we knew there was opposition, the opposition was a lot more significant than we had expected.

If you are not familiar with this project it is under a court injunction so we cannot do any additional construction. We can only do the study until we finish the environmental impact statement and deliver that back to the court, and get a favorable result out of that. Our job right now, even though the report has been delayed, is to get a defensible product, as defensible as possible, because we are expecting future litigation as it is mentioned there in the second bullet under “Challenges” in the lower right corner of the slide.

We did a 3x3x3 exemption. That took several months. We did get a favorable result out of that. It was approved on October 3, 2017 for an additional \$1.435 million. The current schedule is to have a Chief's report no later than September 23, 2019. At the end of FY 2017, we received an additional \$150,000 in reprogrammed funds that we have been milking slowly and now we have to spend those funds so that we can get the additional \$1.285 million that I believe is waiting for approval once we expend the remaining funds.

Based on the economic modeling results, what happened is we had the NASS model which is an acronym for the Navigation System Simulation model. It is an economic model. It didn't perform as well -- it had some issues with doing multiple lockages. The tonnages that we were putting in, it wasn't giving us the results. The economists caught that. We quickly switched to the Waterways Analysis Model, WAM, and that is what resulted in this BCR of 4.78 to 1.

Even with the OMB discount rate -- I think it is 7 percent right now – it is still pretty favorable. The TSP recommended plan is the 110 foot wide x 900 foot x 22 foot deep lock. It is 22 feet deep because the controlling draft of the vessels we are using is 11 feet. With the risk factor added into that, you double the depth of the controlling draft of your vessel and that is where we get the 22 feet -- or the depth of 22 feet.

We have a draft report and EIS [Environmental Impact Statement] that was released on January 6, 2017 and the public review was extended three times because there was significant public outcry over this project. We had to reschedule one public meeting because there were tornadoes that destroyed one neighborhood in the area. Then folks wanted additional time to have their concerns aired publically. There are a lot of people that are not in favor of the project.

As can be expected, there are people that are ambivalent to the project. They don't really have an opinion either way. And then there is a portion of the public, some folks say, "Well, look, this thing is old, let's get a new one in there."

The President's Budget did not include any funding for the project in FY 2018. I believe there is no funding in the President's Budget request for FY 2019. The additional money - the \$1.4 million that came as a result of the favorable 3x3x3 exemption will be reprogrammed funds.

CHAIRMAN HETTEL: Sean, a question on your benefit to cost ratio of 4.78 to 1, what discount rate are you using for that?

MR. MICKAL: It was from October 2016. I don't recall the interest rate that was used at the time.

CHAIRMAN HETTEL: You referenced the 7 percent discount rate that OMB applies. Do you know what this BCR translates into at that 7 percent discount rate?

MR. MICKAL: I believe it is just under 2.5. It is approximately 2.38, I think. I can get that exact number for you.

CHAIRMAN HETTEL: Okay.

MR. MICKAL: We are real close. I think OMB likes projects to be at least 2.5 for budgeting purposes.

We are working with -- I try to go to public meetings when I can without violating FACA rules and such, and we have formal public meetings when we can. We had some meeting under NEPA [the National Environmental Policy Act] of course -- just to get out there and get to know some of the people and try to allay some of their concerns. There is a lot of mistrust. There are a lot of myths about this project that continues to this day. Some of it is reasonable, some of it is just unreasonable.

There are outside groups that keep feeding poor information; then there are folks in the area who are just concerned about a huge project in such an urbanized area. But we are working with the local residents. We are coming up with plans and ideas on how we can handle concerns of the public.

We had our Agency Decision Milestone on June 21, 2017. Since then, we worked on the 3x3x3 exemption and got that approval in October of last year. The study will ramp up on April 2<sup>nd</sup> of this year.

If we expend the remaining funds that we have, which is about \$106,000, I believe, hopefully in April we will get the rest of the money that we need to finish the study. By June 24, 2019 we would have our final SEIS [Supplemental Environmental Impact Statement] and S&A [State and Agency] public review, and then the Chief's report hopefully would be completed by September 23, 2019.

Do we have any questions on this because I have some pretty pictures after this and then we can get onto some other stuff?

Slide 2. This is a picture of the project area. What we are proposing is-- you can see there in the middle of the picture is the existing lock if you are not familiar with it. I am sure most of you are. That is the existing lock and that is where roughly the new one will be located. There is three bridges in the area, going from the bottom to the top you have the St. Claude bridge, the Claiborne Avenue which is also called the Judge Seeber bridge, and then the Florida Avenue Bridge at the top.

One of the problems we have is the lock was going to be 750 feet east of the existing lock, so all of these homes were going to be taken out. That belief still persists to this day. Right now as of today we are only going to be working within property that is owned by the Federal government. We are not -- the lock is going to be larger. It is a larger project which is correct when people tell us that, but the footprint is not bigger, if that makes sense.

This is the lower 9th Ward to the right of the Inner Harbor Canal and the upper 9th Ward to the left of the Canal if you are familiar with New Orleans at all. These are historic neighborhoods and it is an interesting place to say the least.

To the top of the slide is an aerial view of Lake Pontchartrain, the Mississippi River to the bottom of the slide, the Inner Harbor Navigation Canal in the middle of the slide and the GIWW [Gulf Intracoastal Waterway] that goes to the east there.

Next slide. This shows -- what makes this project beneficial is that we are increasing the efficiency. The current lock, you can only fit so many barges into the lock at the same time. These big boys right here, you can only do one at a time. You have to cut tows, you have to do that. With the new 900 foot by 110 foot lock, you can put a six-pack [a tow configuration of 3 barges long by 2 barges across] in there and you can put two of these big guys in there at once. The result is you increase the efficiency of the transportation movement.

The St. Claude Bridge here, I believe on a good day it is about a five-foot clearance under the bridge. Every now and then we get these Canadians that come down in kayaks and we even have to open the lock for them. If you put a new bridge in here, it will be much higher and the frequency of the bridge opening will be reduced by 50 to 60 percent which is a significant efficiency gain for this project.

The Judge Seeber Bridge would remain roughly the same.

You can put more barges in the lock and you can move them through there faster. That is the goal, and it is an updated lock, it is a brand new lock with all the bells and whistles.

Next slide. "IHNC Lock Replacement GRR and SEIS – Tentative Construction Sequencing." This is a quick sequence of how things would get done here. It is hard to see, but we put our first cofferdam in because we would have to dredge an access channel next to it.

There is the access channel excuse me -- the bypass channel. Then you finish the cofferdam. The soil conditions, they are just perfect for what we need to do out here. I am just kidding. You can go 5 feet or 100 feet and things can change dramatically. I think you all well know that, because this is alluvial soil. It would be nice to get as close to the river as possible, but we can't do that. We would have better soils there.

CHAIRMAN HETTEL: For dredging this access channel, it looks to be the same dimensions as the current lock.

MR. MICKAL: Yes sir.

CHAIRMAN HETTEL: We now would be splitting our tows further upstream?

MR. MICKAL: Well, the existing lock -- this lock would stay -- it would remain in place.

CHAIRMAN HETTEL: Correct.

MR. MICKAL: It would still operate the same.

CHAIRMAN HETTEL: Right. But instead of splitting our tows up in the forebay, now we would --

MR. MICKAL: Oh, I see what you are saying. Coming from the east, yes.

CHAIRMAN HETTEL: Further away, which is going to increase lockage times --

MR. MICKAL: Because you wouldn't have room -- you wouldn't have the room in there. I see what you are saying. Yes.

CHAIRMAN HETTEL: Is there a way to move that access channel to where we can still operate where we are currently?

MR. MICKAL: We are pretty tight right here.

CHAIRMAN HETTEL: Just too close?

MR. MICKAL: The Federal ownership -- it would be neat to have the real estate identified on the slide. The Florida Avenue Bridge, which is roughly where the "S" is in the word "Sequencing", is roughly where our project -- our Federal ownership ends.

CHAIRMAN HETTEL: I understand.

MR. MICKAL: This lock, by the way, was built by the State of Louisiana and opened in 1923. The next day they started saying that the Federal government should take it over. There was a toll until the 1940s.

Then the Federal government leased it and got rid of the tolls. Once the state cleaned up their books, we purchased it in fee in the 1980s. Now it is a federal project. We own the majority of the project. It has been donated -- purchased in fee -- it has been donated. All sorts of things have gone on around here. It is typical for Louisiana.

MR. PARKER: You did say under the new project footprint there is going to be no relocation or is that still --

MR. MICKAL: As of today that is the plan. I will mention something real quick at the end. We are just thinking about -- let me get through this and I will mention that real quick. Remind me if I forget. That is your cofferdam. That is your excavation. This is just a "what if" right now. We are working through the sequencing actually right now to try to save time and money. You build your lock like you would.

There is the new lock -- I drew that by the way. I am a biologist, by the way. I think that is pretty good for a lock.

Where is my next slide -- I am trying to see if it came up. There we go. We have to build new flood walls. We have to build new flood walls up to HSDRRS standards, Hurricane and Storm Damage Risk Reduction System standards. The current flood walls that are an interior secondary line of defense, on one side there are about 12 feet high and the other side they are 17 feet high. We have to build them up to about 25 feet high, a massive Great Wall of China looking wall thing.

That is one of the concerns the locals have, they are saying is, "Are you going to reduce our flood and storm protection, our flood protection and storm damage risk reduction while you construct this?" We have said, "No, we will not." We will make sure that when we are under construction, that at no time is your risk reduction -- risk reduction measures we have in place, are they reduced.

Then once the lock is finished and operational, then we close off that area with another wall and then you continue the walls down to the river. You construct another bypass channel and you demolish the existing lock which, interestingly enough, people around there want us to keep in a museum somewhere because they think it is so important. It is a single leaf bascule bridge. It is really neat to watch, but its age has come and gone. It is time for something new.

This is the new St. Claude Bridge. It is a double leaf bascule bridge, is what we are looking at. It won't be a vertical lift bridge. It won't be a vertical lift bridge because of aesthetics issues and the historical nature of the neighborhood. We have to come up with some sort of engineering on this bascule bridge, double leaf that can handle the span we need to get across this considering the soil conditions and other things.

This is what it looks like when the project is all done or at least this is a rendering. This is a nice rendering of what I showed you, the excavation, the construction of the new lock, then this is the existing lock and that is what it looks like when it is done.

This is the St. Claude Bridge right now, what we have to do is put a temporary bridge -- the plan right now is to build a temporary bridge on the north side of St. Claude Bridge. It may have to -- it may require four vertical lift sections. This thing looks like a Tinker toy set. I am not kidding. At least some of the drawings -- I am not saying that doesn't work, but that is what it looks like. Kind of fun to put together. But there is concern about the maintenance and how long that bridge can stay there and breakdowns and things like that.

Engineering asked can we move the temporary bridge south of here? I want to warn you, this is very preliminary. If we move with this, we would have to go to the public and tell them about this and everything. But they asked, could we put the temporary bridge on the river side because we have more room? Then I said, why don't we just build a permanent bridge and cut out temporary bridge? They said, "Ah, you know what, that saves time and saves money." We could save anywhere from \$25 million to \$50 million and save some time because we can do all this stuff concurrently. But that is very preliminary. We don't know if that is going to work out.

If we do go with that -- and I have been very careful to say in public meetings and anywhere I go, right now we do not want to take anybody's property. We do not want to relocate anybody. There could be temporary relocations during construction because of access while we are redoing this bridge anyway. The bridge is about a 5 foot clearance now. The steel deck or the below grade -- I am forgetting the correct term now. The bottom of the bascule would be about anywhere from 30 to 40 feet high. Most of the tows -- most things that go through here right now would be able to fit under that without raising it.

Because you are raising it from 5 feet to 30 feet or 40 feet, your approaches have to change. They have to rise. Some of these homes, they would not have access and we would relocate them temporarily. If we did a permanent bridge adjacent to it, we could be taking a little bit of property that, cost-wise, would not be that expensive; public relations-wise that is another matter.

Moving on. Next slide. "IHNC Lock Replacement GRR and EIS Take Aways." There is some dredged material that is unsuitable for open water disposal. We are going to put that in a solid waste landfill somewhere. There is the potential for temporary relocation of residents. Hopefully we are going to do things concurrently with construction. Like I said earlier, it is a large lock, but the footprint does not expand.

The St. Claude Bridge will be replaced. The existing flood risk reduction protection will remain.

And finally, there is this Community Impact Mitigation Plan that we have to reformulate. In the Water Resources Development Act of 1996 [Section 326 of Public law 104-303] we were told we have to mitigate the impacts on the community -- noise, traffic, and things like that. Unless that is repealed in a subsequent Water Resources Development Act, we have to deal with that. That is that's about a \$50 million add-on to the project right now.

Subject to your questions, that concludes my presentation. Thank you.

MR. MECKLENBORG: At what point do you go to the court to try to have the injunction lifted?

MR. MICKAL: Once the Record of Decision is signed. Once the Record of Decision is signed, they could actually take us to court, I believe -- I am not sure if -- because that is one decision point, but the Chief's report. I don't know -- they will be simultaneous.

MR. MECKLENBORG: Thank you.

MR. POINTON: Are there any other questions for Sean? Thank you Sean.

MR. MICKAL: Thank you.

MR. POINTON: Thank you. That brings us to the public comment period. We did have one gentleman who has requested to make a public comment, Mr. Cline Jones from the Tennessee River Valley Association. First of all, I would like to thank Mr. Jones for volunteering to sponsor our refreshments during today's meeting. We always appreciate having the refreshments in the back of the room to keep us energized and engaged during the meeting. Thank you Mr. Jones and please proceed when you are ready.

MR. CLINE JONES: Thank you, Mr. Pointon. Thank you, Chairman Hettel for allowing the TRVA to be a part of this, this important meeting. The membership Tennessee River Valley Association welcomes the Users Board, the Corps, other Federal officials and other attendees to today's meeting to Chattanooga and the Tennessee River Valley where commercial navigation has been integral to the development of the regional economy.

We continue to beat the drum that a modern, reliable navigation system from Knoxville to Paducah will be critical to the future development and growth in the southeastern United States. We continue to beat the drum that investments in the Tennessee River navigation infrastructure will ensure that it will continue to serve as a vital component of our nation's inland waterways system, a system that contributes to our national economy in many ways and our national security.

I join Chairman Hettel in his appreciation for what we saw yesterday with respect to the activity at the Chickamauga Lock project site. After many starts over the years, it is good to see this project and the Kentucky Lock project on a positive trajectory.

We would like to thank the Nashville District for their work putting together the tour yesterday. We enjoy a positive working relationship with the Nashville District and have over the years. We have enjoyed a good, cooperative working relationship at every phase of construction of both the Chickamauga and Kentucky Lock projects. The Corps has invited the navigation industry in to get their input which has led to efficiencies and, most importantly, safety for everyone involved.

The TRVA would like to thank this Board for your leadership and sacrifice to our nation and your support for the Chickamauga and the Kentucky projects through completion as soon as

possible and at minimum cost. I think the conversation today will go a long way towards achieving that goal.

Finally, I would like to thank the members of TRVA for their generous support of the sponsorship of this morning's meeting: the Crouse Corporation; Hines Furlong Lines; Ingram Barge Company; Olin Corporation here in Chattanooga; Serodino Incorporated; Tennessee Valley Towing; and Parker Towing have all made contributions to ensure that this meeting was a tremendous success.

We hope you all have enjoyed your visit to Chattanooga and the Tennessee River Valley, and hope this Board will return to Chattanooga in the future to see the progress at Chickamauga Lock and we hope that that progress will continue. With that, Mr. Pointon, thank you very much.

MR. POINTON: Thank you, Mr. Jones. We will now move on to closing comments. Before I turn it over to Mr. Smith for his closing comments, I would like to add my own personal thanks. This is directed towards Colonel Kremer and Major Toole. I appreciate you making the time to spend some time with this group.

I want to extend a personal thank you to Ms. Joanne Mann of the Nashville District who was instrumental in getting this meeting and yesterday's tour set up. Ms. Mann was unable to attend this morning's meeting or yesterday's tour in person because she is back in Nashville. Ms. Jill Kelly, who also works for the Nashville District and who works at the Chickamauga Lock project site here in Chattanooga, was also very instrumental in putting together yesterday's tour of the project site and this morning's meeting. I appreciate that. And finally, Mr. Don Getty of the Nashville District is always helpful. I can't remember the last time Mr. Getty has not participated in a Users Board meeting concerning Chickamauga and Kentucky Locks. Thanks to all the staff from the Nashville District and the Chickamauga Lock project for orchestrating this meeting and the visit yesterday to the Chickamauga project site.

With that being said, Mr. Smith, I turn the microphone over to you for your closing comments.

MR. SMITH: My comments will be pretty simple. I first want to say thank you to the Board. I want to thank the Nashville District for serving as our host for today's meeting. I would like to thank the members of the Users Board for asking insightful questions. I think you keep us sharp. You sharpen our edge by asking questions and I hope you continue to do that and press us in these forums and others.

I think we have a few things we will go back and follow up on. The Chief of Engineers, Lieutenant General Semonite and Major General Jackson put some expectations on us that we continue to challenge ourselves. I think Chairman Hettel, the questions you ask will help us because we can proceed deliberately, but sometimes not see some of the things that you are pointing out to us and I know it is very helpful to me.

I would make a last comment, though, and say on behalf of Major General Jackson, he has enjoyed working with this team and I am sure as some part of his remaining time he has in his current role as Deputy Commanding General for Civil and Emergency Operations and as he moves on, he looks forward to interacting with many of you. He is going to be a stakeholder in this business for life, and I know that he will be influential. I just pass that on on his behalf to the Board and to those present.

What I would like to do is before we let Chairman Hettel offer his closing remarks, if you don't mind, maybe Mr. Fisher could talk to us a few minutes about any thoughts he would like to share.

MR. FISHER: I just want to thank everybody for including me in this meeting and having me here. This is my first meeting and it has been great. I have learned a lot here. I appreciate some of the opening remarks. I will classify them as having a cheerful pugilism to them. I understand where you are coming from. I appreciate it. I simply look forward to working with you. I know that Mr. R. D. James does as well as he gets up to speed, and hopefully he will be attending a meeting in the future. Thank you again.

MR. POINTON: Chairman Hettel.

CHAIRMAN HETTEL: Let me begin my remarks by thanking Mr. Fisher for attending this morning's meeting of the Users Board. We appreciate the opportunity to engage with you on these very important issues. The next meeting will be a little closer to home for you up in Pittsburgh, so hopefully you can join us again up there.

MR. FISHER: Sure.

CHAIRMAN HETTEL: I want to thank the Corps for all their work on all these presentations. While we may ask difficult questions, it is always respectful to what the job the Corps does for us. I will resort back to the President's infrastructure principles. I cannot see the inland waterways system being managed by anyone else but the Corps of Engineers. I think it would be detrimental to our industry to see that change and we appreciate everything you do for us. That is all I got. Would any other Board members care to make closing remarks?

MR. FEWELL: This is Mike Fewell, Users Board member representing the shipping community. I just want to speak to the general perception that the only people benefitting from the inland waterways system are barge owners. Any increased fees to a barge owner is going to be passed to a shipper through freight rate increases. We are going to pass it onto our customers. Our customers are going to pass it onto their customers. Eventually it is the general public that is going to bore 100 percent of those costs. That is why I think that funding from the General Treasury is the correct way to finance these infrastructure projects.

There is a lot of emphasis placed on ports being so valuable to the nation. Ports cannot operate without the inland waterways system. Those two entities go hand in hand, and they should be considered as complimentary to one another and as a benefit to each other. Neither one of them will work without the other one.

At the risk of sounding like a broken record, modal shifts will not work. If we look at the railroad system today, they are at maximum capacity right now. It won't work from an equipment standpoint and it certainly won't work for replacing of volumes. You cannot run a major cracker complex with rail cars as your single source of material. It physically cannot happen.

We hear a whole lot constantly about efficient and inefficient funding. The way I look at it that is just wasted dollars. You combine those dollars with the constant delay of the benefits, and after a few years, those dollars combined, you have paid for a major project somewhere. The inefficient funding of projects I think really needs to be looked at hard.

MR. INNIS: Rob Innis. To echo Mr. Fewell's comments on shifting to another mode of transportation, going to a truck is not an option either. We are 900,000 drivers short across the U.S. today. It is not like we are going to say all of a sudden we are going to get a bunch of truckers to start moving cargo if you can't move it on the rail either. That continues on.

But one of the most interesting things to me today was both this "Less than efficient" funding, especially for the Kentucky and Chickamauga Lock projects. When I did quick NPV's [Net Present Value] on the 7 percent discount rate, we saw that -- I see that Kentucky is \$15 million, almost \$16 million less on a Net Present Value basis, using current dollars. And Chickamauga Lock would be \$31million.

I don't know if that is enough to change the benefit to cost ratio, but as we spend our money efficiently, if we are looking at it, we are actually increasing our NPV with this "Less than efficient" funding. It doesn't work for Lower Mon. The "Efficient funding" looks more favorable. But this is something we have to look at moving forward because if some of these other projects and the way we are spending money across the board can add money back into the Trust Fund, how we use it and where we go forward, when we are looking at current cost dollars and that discount rate of 7 percent, we have to find the best way to spend that money. I think that needs to be looked at.

MR. RICKETTS: Matt Ricketts. Along the same lines, when you look at the cost side of it, too, you also have to look at the benefits side. The longer you push these projects out, the more delayed you are in receiving the benefits as well. The focus on the BCRs and how we maximize those, particularly for the projects that we have ongoing, is certainly a focus.

MR. INNIS: Just one more point to that, too. I mean, the current "Less than efficient" funding has very minimal impacts. It has a much larger cost savings on the present dollars that we are looking at.

MR. POINTON: Any other comments from any other Board member?

MR. MONAHAN: Mike Monahan. I would like to add an observation. This is my third meeting and I like the other newer members on the Board -- we have a tremendous amount of talent in this room. A tremendous amount of time and energy goes into all the projects. What

seems to me the common theme from the first few meetings I have attended has been we spend all our time talking about increased administrative costs, contingency planning, delayed benefits of the projects. We are inverted – we are upside down.

We are 100 percent focused on how to minimize the wasteful money both from the Trust Fund and taxpayer dollars instead of focusing on efficient execution, not only of the four projects that we have here in front of us, but if my math is right I believe we have, and the Chairman can correct me if I am wrong, 14 additional lock and dam projects authorized by Congress already.

We have seven additional projects that are candidates for a total of 21 projects. We should be focused on how to move not only the four projects here today that we are discussing, but the other 21 projects that this nation needs and we are not.

I am hopeful that Congress will plus up the budget again. We are on a two-year cycle for Water Resources Development Act legislation. I hope within the Water Resources Development Act legislation that the hard work that went into this Users Board's Annual Report-- and I can tell you as a new Board member, we had more phone calls than I would have ever thought possible about the content of this report. It was -- every member in this room put a lot of time and effort and energy into it, but we need to fix this. It is broken. It is not working.

If the report is taken to heart on not only the recommendation concerning the cost share changes, but some of the process changes I think we can move to a better space. That is my opinion. I am hopeful that the Administration and Congress will listen.

To echo Mr. Fewell's and Mr. Innis' comments, I talk a lot to all the individuals that use Campbell Transportation Company to move their products. A very consistent message I hear is (1) the other modes cannot handle any additional volume, and (2) any increase in costs will negatively impact our domestic economy and our ability to export goods and services out of this country. We are not the number one source for grain and coal and aggregates and all the other products. We have to watch every penny that we have to compete in the world market. The proposal through the President's infrastructure package was just a non-starter from that standpoint, from my perspective.

I am hopeful. I am always hopeful and optimistic that we can move in a positive fashion, but we need to fix this process. We are wasting a lot of time, energy and talent in this room and we are upside down on looking how to possibly keep four projects alive instead of dealing with 25 projects that we need to take care of. Thank you.

**MR. MECKLENBORG:** Dan Mecklenborg. To follow on these excellent comments. The path forward that seems to be suggested by the recent success we have had with the Olmsted project in that we need to better leverage the funds that are being paid into the Inland Waterways Trust Fund and to efficiently execute at the full efficient funding level the projects and to have this become a more certain process.

That is why, from our standpoint, the industry, our alternative to what the President is proposing is to look at changing the cost share relative to the Inland Waterways Trust Fund to a

75 percent/25 percent ratio, 75 percent Federal Treasury and 25 percent derived the Inland Waterways Trust Fund, which is in line with what we did with the Olmsted project and is in line with what the deep draft harbor cost share arrangement has been changed to.

With that change plus with looking at possibly moving 10 percent of the hydropower revenues into the Inland Waterways Trust Fund, we can generate a program that is more in the \$600 million range per year and knock out all 20 of those projects in a 10- to 15-year period. It is not that we are just saying “no”. We have an alternative approach and we are going to be socializing that alternative approach with the members of the Congress and with the members of the Administration.

MR. INNIS: And with those additional hydropower revenues, Mr. Mecklenborg, it is even a larger available amount of revenue. It is a closer to \$800 million. That is a positive, a huge positive.

MR. POINTON: Any other comments? No? I see a bunch of heads shaking. We are at that point in the agenda I need a motion to adjourn the meeting, gentlemen.

MR. WOODRUFF: So moved.

MR. POINTON: Mr. Woodruff. Second?

MR. FEWELL: Second.

MR. POINTON: Mr. Fewell seconds. Thank you, gentlemen. All in favor, say “Aye”.

BOARD MEMBERS: (Unanimous) Aye.

MR. POINTON: Any nays? Hearing none. The motion to adjourn the meeting is approved. The 86<sup>th</sup> Meeting of the Users Board is adjourned. Thank you, gentlemen. We look forward to seeing everyone in Pittsburgh in late May. Safe travels.

(Meeting adjourned.)

REPORTER'S CERTIFICATE

STATE OF TENNESSEE :  
COUNTY OF HAMILTON :

I, Whitney A. Vaughn, Court Reporter and Notary Public, do hereby certify that the foregoing Inland Waterways Users Board Meeting was stenographically recorded by me as stated in the caption; stenographic pages 1 to 146, inclusive, were reduced to typewriting under my direction and supervision and will be subsequently delivered in PDF format for the USACE to make changes as they see fit. The transcript is a true and correct record, to the best of my audible ability, of the proceedings.

I further certify that I am not a relative or employee or attorney or counsel of any of the parties, nor am I financially interested in the action. All rates charged are usual and customary.

This is the 11th day of March, 2018.

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Whitney Vaughn, TN LCR #418  
Court Reporter and Notary Public  
My Commission Expires 10/09/21