

SUBJECT: Minutes from the 14 July 04 CWPPRA Technical Committee Meeting

1. Mr. John Saia opened the meeting at 9:30 a.m. and all the Technical Committee members introduced themselves. The following Technical Committee members were in attendance:

Mr. John Saia, Chairman, COE
Mr. Britt Paul, NRCS
Mr. Darryl Clark, FWS
Ms. Sharon Parrish, EPA
Mr. Rick Hartman, NMFS
Mr. Gerry Duszynski, LDNR

A copy of the agenda is included as **Encl 1**. A copy of the attendance record is included as **Encl 2**.

2. Agenda Item 1. Decision: FY05 Planning Budget (LeBlanc). Ms. Julie LeBlanc stated that the FY05 planning budget process must be initiated to allow for final approval by the Task Force in October 2004. During the previous year, the Planning and Evaluation (P&E) Subcommittee began developing the FY04 budget in July 2003. The P&E presented the FY04 planning budget recommendation to the Technical Committee on September 30, 2003. The FY04 budget was approved by the Task Force at the November 12, 2003 meeting. Ms. LeBlanc asked the Technical Committee to discuss the development of the FY05 budget and if the same process as last year should be followed. The Technical Committee is scheduled to vote on the FY05 budget September 9, 2004. Final Task Force approval is scheduled for October 13, 2004.

Mr. Saia opened the floor for comments/discussion from the Technical Committee.

Mr. Paul supports allowing the P&E Subcommittee to work on the draft budget in the same manner as the previous year. He added that if a more compressed schedule for PPL 15 is adopted, then some tasks would need to show up twice in the budget (under PPL14 and PPL15).

Mr. Clark agreed that the PPL 15 development should follow the PPL 14 process and the P&E Subcommittee should work on the draft budget.

Mr. Duszynski asked if the P&E Subcommittee decided whether the budgets presented by the agencies are justified. Mr. Saia replied that this was correct. Mr. Duszynski asked if any guidance would be given to the P&E for additional tasks. Mr. Hartman said that Technical Committee recommendations should be given to P&E Subcommittee members. The P&E will negotiate the list of tasks and decide how much is needed under each task.

DECISION: Mr. Britt Paul made a motion to direct the P&E Subcommittee to develop a FY05 draft budget and present it at the next Technical Committee meeting. Mr. Darryl Clark seconded. All Technical Committee members voted in favor and the motion passed.

3. Agenda Item 2. Discussion/Decision: Implementation of the April Task Force Decisions Related to Phase I/II Funding Requests and the Annual Priority Project List (PPL) Process (Saia). Mr. Saia said that the Task Force made several decisions at their April 14, 2004 meeting which require further discussion/action from the Technical Committee. Phase II funding requests will be approved annually starting in October 2004. Phase I approval for PPL 15 will be considered by the Task Force in October 2005. These decisions require changes to the Standard Operating Procedures (SOP) document. Ms. LeBlanc said that language in the SOP has been changed to reflect direction by the Task Force to move to an annual Phase II approval cycle. Operation, maintenance, and monitoring request dates must be moved up three months so that all Phase II requests are considered in their entirety. The Engineering and Environmental Workgroup Chairmen recommended condensing the PPL15 schedule to allow for approval of Phase I at the September/October 2005 meetings. The candidate project site visits will be moved to April/May, candidate evaluations will take place May/August, and the public meetings will be held in August. The Workgroup Chairmen recommended continuing to begin future PPL cycles in February each year, beginning with PPL16.

Ms. LeBlanc added that the SOP allows agencies to request increases up to 125% at any time.

Mr. Saia opened the floor for comments/discussion from the Technical Committee.

Mr. Saia said that discussion on the 125% budget increase would be delayed for Agenda Item 3 concerning over-programming of funds.

Mr. Hartman reminded the Technical Committee that when Phase II authorizations are made in October, some money should be held back to pay for Phase I on other projects.

Mr. Clark agreed and suggested that \$8-9 million be held back for Phase I.

DECISION: Mr. Darryl Clark made a motion to accept the proposed changes to the Standard Operating Procedures. Mr. Rick Hartman seconded. All Technical Committee members voted in favor and the motion passed.

4. Agenda Item 3. Decision: Recommendation to Restrict Ongoing Budget Requests Approval of Phases I or II Projects to a Cap Less than 125% (including contingency) (Clark). Mr. Clark said that the SOP states that projects that receive funding for construction, engineering, and design can increase in cost up to 125% if funding is available. There are three options to avoid developing a negative “un-programmed” balance in the CWPPRA program budget:

1. Reduce the 125% cap to 100% with provision that the sponsoring agency must request approval from the Task Force for any amount over 100%.
2. Reduce the 125% cap to a percent between 100% and 125%. Remaining funds will be returned if the projects do not need all of the approved money.
3. Maintain the 125% cap with the Task Force approving projects up to 125% to ensure that funding is available.

Mr. Saia opened the floor for comments/discussion from the Technical Committee.

Mr. Clark recommended going to 100% or close to 100% cap.

Ms. Martha Segura, FWS, researched cash flow projects that have gone to construction and/or bid. She reported that the vast majority come in under 100% and do not need that much contingency in the budgets.

Mr. Hartman said that the 125% cap is a relic of the pre-cash flow period when engineering and design was not performed. Now projects go through a stringent engineering and design process and has a construction contingency embedded in the construction cost. He does not think the extra 25% is needed and recommended going with Option 1. Option 2 still presents the issue of not knowing how much money is available to spend. He suggested that the Engineering Workgroup look at the different project types and try to identify the appropriate contingency for each.

Mr. Paul recommended going to the second option to provide the flexibility and leeway to get projects awarded above the base 100% as opposed to having to go back and have a vote. He suggested letting the project design engineers have the flexibility to put the contingency in the construction cost estimate and cap. Mr. Hartman said that the flexibility is available now, and if the bids do come in high, approval could be requested.

Mr. Clark added that he understands NRCS' concerns and feels the contingency can be taken care of in the construction cost estimate. In the cash flow situation, there are sometimes two or more years during the engineering and design phase to revise the original construction budgets. Mr. Duszynski said that the issue of cash flow management was to do enough engineering to get the budgets down to 100% and that the contingency fee is still included under the 100% cap.

Ms. Gay Browning asked if the 100% cap applied to Phase I new projects because there is no contingency in these. Mr. Paul said that the 25% or some level of contingency is applicable in this case because of the planning and modeling to develop the project. Mr. Hartman recommended approving a contingency for Phase I, and Mr. Clark agreed. Ms. Browning added that most projects are returning Phase I funds.

Mr. Hartman said that there are several projects that have been approved but have not gone to bid yet. With these, there is an option on close to \$90 million in projects to request 25%. Mr. Hartman asked if the move to reduce the cap from 125% to 100% is retroactive to cash flow projects that have not gone to bid. If so, some adjustments should be made to the construction cost if adequate contingency was not embedded in the cost.

Mr. Paul does not want to make the 100% cap retroactive. Mr. Clark said that most cost share agreements give authorization to spend up to 125%. Mr. Saia said that it would present a problem if existing agreements had to be modified.

Ms. Browning said there is about \$750,000 "unprogrammed". If the cost share is written at 125%, then this is the amount that is used as the current estimate. The value could be reduced to

100% to get an idea of the money available. In October, 14 projects are coming in plus CRMS and Phase II operation and maintenance that total \$194 million.

Mr. Hartman said if bids for the Barrier Island Projects come in at 110% or 125%, then that could be an estimated \$20 million that could be requested under the current SOP and this value is not included in the budget. Mr. Paul said that if the cost-share agreements are changed to 100% and the bids come in high, Task Force approval for additional funds will be sought and the money will be spent anyway. Mr. Hartman said that he understood this but that if in October all of the money available for Phase II projects has been spent, and projects come in over budget, the money will not be there even though approval was given.

Mr. Saia asked Ms. Browning if she knew how much money would be freed up in terms of Phase II funding if a 100% cap was in place. Ms. Browning replied that she did not know those figures at this time.

Mr. Paul said that if the 100% cap is made retroactive, then the costs will just be adjusted to provide more contingency. Mr. Hartman said that a revision in the contingency included in the construction cost would give a better number in terms of planning for the future. Mr. Paul added that the 125% is planning for the worst case for all projects.

Mr. Saia asked if an investigation was needed to determine how much funds are impacted and what the legal ramifications are on existing agreements. Mr. Hartman said that there are not that many projects that have construction approval and have not yet gone to bid. He is concerned about over-programming funds in October.

Mr. Duszynski said that there are still projects that have been approved but no money has been spent since construction is a few years out. At some point the Technical Committee and Task Force will have to say that money is not available and decide whether or not to put an approved project on hold while another is being constructed and then figure out if money will be available later to fund it.

Mr. Clark recommended that the Technical Committee members talk with the project managers and design engineers for projects that have been approved recently for construction and ask them to reevaluate the contingency included in the 100% estimate to see if that 100% estimate is sufficient for construction and to report if greater than 100% will likely be needed. Ms. Browning said that there are 13 projects that have not gone to construction, but have been approved for Phase II. Mr. Paul recommended looking at those projects to see how much money would become available. Ms. Browning will then be in a better position to provide an estimate of how much money will be available in October.

DECISION: Mr. Rick Hartman made a motion to reduce the cap from 125% to 100% for Phase II of all new projects with provision that sponsoring agencies would request Task Force approval for any increases over 100%. Mr. Darryl Clark seconded. All Technical Committee members voted in favor and the motion passed. [CLARIFIED DECISION: The motion passed during the Technical Committee meeting was silent regarding reducing the cap for Phase I. The Corps, as lead agency, requested clarification from Technical Committee

members via email following the meeting. On 28 Jul 04, the Technical Committee decision was clarified to recommend reducing the cap from 125% to 100%, for Phase I and Phase II of all new projects with provision that sponsoring agencies would request Task Force approval for any increases over 100%.]

5. Agenda Item 4. Discussion/Decision: Phase II Funding Status for Projects Not Yet Under Construction Within Two Years of Phase II Approval (Saia).

5a. Delta Management at Fort St. Phillip Project (BS-11). Mr. Kevin Roy, FWS, said that the Delta Management at Fort St. Philip Project involves construction of seven crevasses and some terraces to enhance marsh building processes in the area. Phase II approval was received in August 2002. The two year time limit will be up in August 2004, and an award contract has not yet been granted. The project has been ready to advertise for bids since April 2003, but there have been problems with the oyster leases. Based on the Wetland Value Assessment (WVA) project boundary, it was determined that only five oyster leases needed to be acquired. The Task Force approved DNR's oyster lease acquisition program in April 2003. There was a delay in developing the appraisal methodology which was completed in January 2004. Initial offer letters to the leaseholders were sent out May 2004. The 30-day window expired at the end of June and no official written responses were received from the leaseholders. The methodology used to assess which oyster leases to acquire was changed and now includes a 1,500 ft buffer around each of the project features. This means that eight additional leases are required. Mr. Roy requested that Phase II funding be retained in hopes that the oyster leases can be acquired.

Mr. Saia opened the floor for comments/discussion from the Technical Committee regarding the Delta Management at Fort St. Philip Project. .

Mr. Paul asked how long of an extension was needed. Mr. Roy said that another six months would be needed.

Mr. Duszynski added that if DNR cannot move forward with the lease program, then this will cause issues with other projects.

DECISION: Mr. Rick Hartman made a motion to grant a one-year extension to the Delta Management at Fort St. Philip Project. Mr. Darryl Clark seconded. All Technical Committee members voted in favor and the motion passed.

5b. New Cut Dune and Marsh Restoration (TE-37).

Mr. Saia opened the floor for comments/discussion from the Technical Committee regarding the New Cut Dune/Marsh Creation Project.

Mr. Chris Williams, DNR, presented information about the New Cut Dune/Marsh Creation Project. The project was bid August 1999 and the notice to proceed was issued on May 1, 2000. There were objections by Terrebonne Parish and locals concerning the borrow site "Monkey Bar" and the contract was cancelled. Alternative borrow sources were investigated from Ship Shoal, and seismic work was completed in Pelto 12 and 13. The increased cost of going to Ship

Shoal for New Cut was not feasible. Another firm was contracted to perform a borrow site reconnaissance survey south of New Cut, and a borrow area of 10 million cubic yards was delineated. Presently, DNR is waiting for Indefinite Delivery/Indefinite Quantity (IDIQ) contract approval. Upon approval, a contractor will ground truth the borrow source south of the island. Contracts should be approved in September 2004. The goal is to have another 95% design review meeting in late November/early December with a possible re-bid in January 2005. Construction is planned for Summer 2005.

Mr. Duszynski said that this project has been a learning experience. This project had problems with dredge sources and cost involved. Useful information has been gathered through the process of looking for additional sand sources.

DECISION: Mr. Rick Hartman made a motion to grant a one-year extension to the New Cut Dune and Marsh Creation Project. Mr. Britt Paul seconded. All Technical Committee members voted in favor and the motion passed.

6. Agenda Item 5. Decision: Request to Separate the Raccoon Island Shore Protection/Marsh Creation Project (TE-48) into Two Construction Units – Phase A and Phase B (Paul). Mr. Paul submitted a request to separate construction on Raccoon Island into two units, one for marsh creation and the other for the rock section. Mr. Mike Carloss, NRCS, said that the WVA information is being updated and work with the USGS is currently underway looking at habitat analysis updates.

Mr. Saia opened the floor for comments/discussion from the Technical Committee.

Mr. Hartman expressed concern that the breakwater part of the project will halt sand flow to a sand spit that extends north and westward from the area. The sand spit is a unique feature to Louisiana and should be maintained. Mr. Paul said that this concern would be addressed at the upcoming 30 % design review meeting. He added that a sand search is being conducted to locate a borrow site and that construction on Unit II should begin next year.

DECISION: Mr. Darryl Clark made a motion to approve separating the Raccoon Island Project into two construction units. Mr. Britt Paul seconded. All Technical Committee members voted in favor and the motion passed.

7. Agenda Item 6. Announcement: PPL14 Demonstration Projects (LeBlanc). Ms. LeBlanc announced that proposals for demonstration projects for consideration for PPL14 must be submitted to Mr. Chris Monnerjahn, Engineering Workgroup Chairman, by COB August 2, 2004. The Task Force has asked the Technical Committee to limit spending for demonstration projects to \$2 million annually. Demonstration projects should contain technology that has not been fully developed for routine application in coastal Louisiana, have technology which can be applied to other areas of the coastal zone, be unique and not duplicative in nature.

8. Agenda Item 7. Additional Agenda Items (Saia). Mr. Saia announced that the LCA Draft Report was completed and submitted for public comments on July 9, 2004. Mr. Saia said that Colonel Peter Rowan would make a presentation on the status of the LCA plan to a Senate

hearing committee in Washington, D.C., July 14, 2004. Mr. King Milling, Mr. Mark Davis, Mr. William Clifford Smith, Mr. Scott Angelle, and Mr. Ted Falgout will testify at a House of Representatives Authorization Committee Meeting July 15, 2004. Mr. Saia also announced that a series of LCA public meetings would be held at the end of July and first of August at various locations in the state as well as three meetings in Texas, Mississippi, and Tennessee.

Mr. Scott Wilson, Public Outreach Committee Chairman, announced that a DVD on all candidate projects and select CWPPRA construction projects is available to the Technical Committee. The DVD was produced by Mr. Roy.

Mr. Wilson also announced that the Breaux Act Task Force won the Coastal America Partnership Award. An award ceremony is planned to take place after the next Task Force meeting in August at 2 p.m. Additional coordination time is required from the Corps of Engineers to help plan this event with Coastal America. Mr. John Lopez said that the additional coordination time will cost \$8,500 and includes time to prepare the list of recipients, invite national and local officials as well as the public, audio-visual setup, photographer, and video assistant. Chairman for the Council of Environmental Quality Mr. James Connaughton, Senator John Breaux, and Governor Blanco are expected to attend. Mr. Wilson said that the request for funds would be a modification to the FY04 Outreach Committee budget to reallocate funds.

Mr. Saia opened the floor for comments/discussion from the Technical Committee.

Mr. Hartman asked why this is a good expenditure of funds and who the target audience would be. Mr. Lopez said that this is a national award and it is good public exposure for the success of the CWPPRA program. Mr. Saia said that dignitaries from Washington, D.C. will attend. Mr. Wilson added that this is a national environmental award that will be presented by President Bush's environmental advisor and is a good media and public relations opportunity.

Mr. Paul asked if it was normal procedure for the award recipient to pay for the ceremony. Mr. Wilson said that Coastal America is paying for the majority of costs but the CWPPRA program is paying for coordination as well as some video research. Mr. Saia said that cost of the actual certificates and plaques will be covered by Coastal America.

Mr. Hartman asked if the Outreach Committee thought this was a good idea. Mr. Lopez said that Bob Bosenburg, Corps, sent the application to Coastal America. Mr. Hartman asked why Ms. Gabrielle Bodin, Outreach Coordinator, has not received more of the work since she is already paid in part by the CWPPRA program. Mr. Wilson replied that the Outreach Committee only learned about the award on Friday, July 9, 2004 and has not looked into involving Ms. Bodin more on the task. Mr. Hartman suggested the Outreach Committee look into integrating the award ceremony preparations into the Outreach program. Mr. Clark said that he was happy that Coastal America is awarding the Breaux Act Task Force and committees and agreed with Mr. Hartman that the Outreach Committee resolve the rest of the details.

Mr. Clark asked how much money the Corps has already spent on the coordination effort. Mr. Lopez said that the letter from Coastal America was dated June 28, 2004 and that he was not sure of the amount spent to date on preparations.

Mr. Paul said that the Outreach Committee needs to decide how much of the funds to reprogram. Mr. Hartman said that the Outreach Committee's budget is a decision for the Task Force and not the Technical Committee.

9. Agenda Item 8. Date of Upcoming Task Force Meeting (Saia). Mr. Saia announced that the next Task Force meeting will be August 18, 2004 in New Orleans, followed by the Coastal America Award ceremony at 2 p.m. The next Technical Committee meeting will be September 9, 2004 in Baton Rouge. Both meetings will begin at 9:30 a.m.

10. The meeting concluded at 10:50 a.m.