

MEMORANDUM FOR RECORD

SUBJECT: Jacksonville Harbor Mile Point Navigation Project, Duval County, Florida, Civil Works Review Board (CWRB).

1. The subject meeting was held 14 December 2011 from 1300 until 1545 EST. The Chair and Board Members (Board) for the Mile Point CWRB were Major General (MG) Walsh, CWRB Chair and Deputy Commanding General for Civil and Emergency Operations; Mr. Steve Stockton, Director of Civil Works; Mr. Theodore (Tab) Brown, Chief of the Planning and Policy Division; Mr. James Dalton, Chief of the Engineering and Construction Community of Practice; and Ms. Christine Godfrey, Chief of the Southwestern Division Regional Integration Team.
2. The purpose of the meeting was to gain approval of the Board to release the final integrated feasibility report/environmental assessment and the draft Report of the Chief of Engineers for State and Agency (S&A) Review and final NEPA review.
3. The meeting was opened by CWRB Chair, MG Walsh, who offered welcoming remarks and reviewed the meeting purpose. The CWRB is a key milestone and corporate checkpoint to ensure there are no outstanding policy issues and the documents are ready for S&A Review. The CWRB is also an opportunity for learning and sharing within the organization.
4. MG Semonite, Commander, South Atlantic Division (SAD), opened the briefing of the Jacksonville Harbor Mile Point Navigation Study with an introduction by thanking everyone in attendance for their efforts, time and commitment. MG Semonite followed with a brief description of the need for the Jacksonville Harbor Mile Point Navigation Study Project and its benefits. He then addressed the project's ability to satisfy seven of the nation's priorities/goals: 1) reduce the deficit, 2) create jobs and restore the economy, 3) improve resiliency and safety of infrastructure, 4) restore and protect the environment, 5) maintain global competitiveness, 6) increase energy independence, and 7) improve quality of life.
5. COL Alfred Pantano, Jr., Commander, Jacksonville District (District), provided the briefing of the Jacksonville Harbor Mile Point Navigation Study, in conjunction with Mr. Doug Darling, Executive Director, Department of Economic Opportunity, State of Florida; Mr. A. Paul Anderson, Chief Executive Officer, Jacksonville Port; and Captain Jay Winegeart, President, St. Johns Bar Pilot Association. COL Pantano's briefing addressed the significance of project implementation, description of the project location, authority, history, existing conditions, future conditions, problems/opportunities, objective, plan formulation, economic analysis, recommended plan, value engineering, project cost summary, sea level rise, public and agency involvement, environmental considerations, peer review, national priorities and goals, and schedule. Mr. Darling's

and Mr. Anderson's briefing included the economic benefits and importance of project implementation for Florida and the nation. Captain Winegeart's briefing included a description of navigation challenges and current pilot operating procedures, restrictions and guidelines in the project area.

6. The Recommended Plan will contribute to the economic efficiency of commercial navigation. The recommended plan reduces the ebb tide crosscurrents at the confluence of the St. Johns River with the Intracoastal Waterway (IWW) by construction of a relocated Mile Point training wall. Relocation of the Mile Point training wall involves removal of approximately 3,110 feet of existing Mile Point training wall, including land removal and dredging to open the confluence of the IWW and St. Johns River, construction of a new training wall western leg (~4,250 feet) and relocated eastern leg (~2,050 feet), restoration of Great Marsh Island as the least cost disposal alternative and mitigation site providing beneficial use of dredged material, and construction of a flow improvement channel to offset project-induced adverse impacts. The Recommended Plan is the National Economic Development plan.

The estimated project first cost is \$35,999,000, which includes the cost of constructing the general navigation features and the value of lands, easements, rights-of-way and relocations estimated as follows: \$32,812,000 for channel modification, turbidity and endangered species monitoring, and dredged material placement; \$3,088,000 for environmental mitigation; and \$99,000 administrative costs for the value of lands, easements, rights-of-way, and relocations. The benefit-to-cost ratio is 1.40. The Jacksonville Port Authority is the non-Federal cost-sharing sponsor for all features.

7. The following is a summary of the questions/comments from the Board (in **bold**) and responses during, as well as after, the briefing by COL Pantano.

- a. **Do the erosion problems on the north shore go away with the recommended plan?** The recommended plan reduces the pressure on the north shoreline, but there are other factors that contribute to erosion which are not being addressed. However, since the cross-current flow is a primary contributing factor for erosion we anticipate the recommended plan will reduce the progression of erosion on the north shoreline.
- b. **On slide 46, it shows the economic model approval in November 2011, wouldn't it be better to have the model approval earlier than later?** The model approval process was being developed while this study was in progress. With the different steps in place for model approval, the timing is not unusual for this study. However, with the process now in place, model approvals for new studies now occur earlier in the study process.
- c. **Question on the schedule risk items: Only one year is shown for construction, but under the risk register we are showing funding as a risk, meaning we are not sure if the funding will come all in one year or be spread**

out over more years. What is included in the risk register? There are several factors defined as risk due to the potential for delays: part of it is the PED, modification of schedule data acquisition that needs to be completed, preparing the contract documentation, permitting process, public involvement, preliminary pre-application meetings with Department of Environmental Protection, schedule, budget and timing of appropriations. **Is this a schedule risk not a cost risk?** This is a schedule risk. There is also the one year period to allow the material to settle at the Great Marsh Island restoration site between the initial construction and the construction of the mitigation site which is based on experience and talking to others that have performed this type of mitigation. This risk was vetted through the resources agencies and they were in agreement since they'd like to see the material consolidate, where elevations do not fluctuate in the future, to create a foundation for elevation sensitive target species.

- d. **What is the construction duration?** The construction duration for the entire project is a little over two years for the actual construction. Then there is the additional time period for the mitigation component and monitoring.
- e. **You limited the economic benefits to about 2% growth; and you experienced a 9% increase in population growth and container traffic. Has the market area in Jacksonville expanded overall?** The market reach of the Jacksonville Port has clearly expanded. A couple of dynamics that have come out of the statewide intermodal freight study by the Florida Chamber, the State of Florida; additionally, the Florida ports council provided an extremely comprehensive projection by using data that was unavailable before. What we have identified is that just in Florida alone, 60% of the domestically consumed cargo is coming from ports outside of the United States. There is geographic reach in new market opportunities for Jax Port .

8. The briefing by MG Semonite, Commander, SAD, included recognizing key partners and OWPR team members, statements of SAD support, review of legal and policy compliance, quality assurances and SAD recommendation to approve the Jacksonville Harbor Mile Point report for release for S&A Review and complete the Chief's Report.

9. Mr. Bernard Moseby, Technical Director, Deep Draft Navigation Planning Center of Expertise, presented a summary of the Agency Technical Reviews and identified Mr. Robert Finch as the Review Manager of the most recent ATR. Mr. Finch stated all the technical review comments had been resolved and closed out, and the ATR review has been certified. The economic model was reviewed and certified. HQUSACE approved an exception to conducting an Independent External Peer Review, because the project did not have any of the triggers that require an IEPR. The lessons learned are to provide the model review plan and the project review plan earlier during the study process.

10. Mr. Jeremy LaDart, Lead Policy Reviewer, HQ Office of Water Project Review (OWPR), presented a summary of the various study reviews and significant policy and legal concerns from AFB and Draft report reviews. Mr. LaDart indicated that the HQ policy review team has worked through the concerns with the District and has resolved all concerns to date. Five areas of concern were highlighted. These five areas include (1) planning constraints not clearly articulated in the report, (2) developing defensible economic benefit projections by which to justify the project, (3) outlining sufficient incremental plans for the mitigation, (4) properly representing the cost of mitigation and (5) clearly explaining the lack of mitigation requirements for the recommended plan.

11. OWPR recommended approval to release the final integrated feasibility report and environmental assessment and the draft Report of the Chief of Engineers for S&A review and final NEPA review.

12. MG Walsh then opened the floor for questions and general discussion from the Board (in bold). Following is a summary of questions and issues raised.

- a. **Would the decrease in delay time or holding time be decreased or fully realized after the project has been built? If it is not realized will that affect the benefit to cost ratio or reduce green house gases?** If the pilots come back and state the problem has not been fixed there are a few options. The team is 99% certain the recommended plan will solve the problem, but until it's actually constructed there is not a 100% guarantee. As far as greenhouse gases, they should be reduced as related to the reduced wait time caused by the restrictions.
- b. **Where is the Coastal Zone Management concurrence and is it in progress? Also do you expect to have any issues with obtaining Florida certifications/permits?** The State of Florida has issued an interim CZM. Approval will come with the state permit. No regulatory agency had comments.
- c. **The mitigation you are proposing is satisfactory for the state permit?** Yes, the interagency team was involved and collected the data for the Uniform Mitigation Assessment Method which calculated the mitigation acreage.
- d. **Briefly explain the historic impacts and State Historic Preservation Officer concurrence.** The no action plan would adversely affect the prehistoric shell midden site since it's very vulnerable to erosion. The Great Marsh Island mitigation site would actually protect that archeological area. The site has been determined to be eligible for listing, so we are doing our best to protect the site.
- e. **Mr. Brown encouraged highlighting the historic preservation benefits and beneficial use of dredged material in the Chief's Report.**
- f. **Were there any lessons learned from the previous feasibility study used in the current study? Why was the Mile Point cross-current issue not**

addressed in the previous study? The previous study, which deepened the harbor to 40 feet, did not illustrate significant benefits to fix Mile Point because the vessels that were coming through were mostly of a size that was not restricted. Also the previous study of Mile Point focused more on erosion impacts rather than navigation restrictions.

- g. **Depending upon the design vessel and the ship type, there is more of a sensitivity to timeliness. How important is it to have full channel mobility and how does that affect the performance of the port?** The port vessel calls are engaging larger post Panamax vessels. Shipping companies are investing in multibillion dollar investments for the carriers to support transportation from Asia and the Suez Canal. The vessels are very time sensitive and on tight schedules to get back to load cargo. So the timing is very important and precious like a train schedule. These ships are very tied to finite schedules and their location. Because of the existing Mile Point restrictions, there are instances where, vessels bypass the port and cargo is discharged to other ports then trucked back to Jacksonville, which has implications to environmental fuel burning, transportation impacts, as well as timing and delivery of cargo.
- h. **Did the project use the correct vertical datum?** Yes, as with all navigation projects the correct vertical datum was used, mean low water was used initially and then mean lower low water was used, which represents your worst case scenario.
- i. **Was a risk management plan developed? How will you develop the risk management plan?** Yes, the project cost and schedule risk analysis were done in accordance with the new policy guidance and vetted through Walla Walla center of expertise. The risks identified with the cost are the bidding climate, equipment availability and quantity estimate. These are the three largest contingency factors equaling 82%. The overall contingency was 29%. To address the first two risks, the bidding climate and equipment availability, the District will conduct an industry day early in the acquisition process. This coordination is well received and allows the industry to participate in construction methodology and sequence. The construction schedule risk consists of the permit delays, approval delays and potential protest, equaling 77%. For the permit delays, the District has been proactive with and used a public project workshop. The workshop is not required but the District believes it is important to engage the public earlier. The District is also proactive with holding more than one reapplication meeting with the Florida Department Environmental Protection in an effort to reduce the back and forth of the more formal Request for Additional Information process. The approval delays are tied to appropriation and authorization. For the bid request and protest, the industry day will go a long way to help us understand the concerns of the industry; a defined acquisition strategy will also help. **Mr. Dalton stated that the lessons learned should be to complete the layout of the risk in a risk management plan; make it a requirement for the center of cost expertise to review and approve as a part**

of their cost certification; and not just list the risks, but use the risk plan to manage the risks during the study and implementation.

- j. **Have there been any accidents, groundings or near misses? Do you see any chances for accidents to increase?** No, there have not been any. The pilot's restrictions mitigate the safety issues successfully. The recommended plan will decrease the risk, but the area will still be risky. However the skills of the pilots will allow them to avoid accidents.

13. Mr. Brown moved that the Board adopt the HQ policy review team's recommendation: Approve release of the final integrated feasibility report and environmental assessment and the draft Report of the Chief of Engineers for S&A review and final NEPA review.

14. The Board unanimously approved release of the final integrated report and environmental assessment, and the draft Report of the Chief of Engineers for S&A review and final NEPA review.

15. The meeting concluded with a presentation by COL Pantano and MG Semonite on the following lessons learned:

- Start the model review earlier!
- Involvement with the agencies early is important to determine the correct plan. The beneficial use site was coordinated early, which identified the need for a flow improvement channel as a part of the mitigation.
- Public workshops and meetings are recommended even when not required by policy. The draft report review was very simple after agencies understood the project.
- Value Engineering done during the formulation process can offer substantial cost savings.
- Beneficial use of dredged material offered both cost savings and buy-in from the resource agencies.
- Importance of continuous coordination with sponsor, industry, and resource agencies.
- Identify all models early and work to secure certification or approval for use.
- Engage the vertical team early on technical issues in order to prevent delays and the need to redo work / analysis. HQ staff very receptive to help with our needs on this project.

- Importance of identifying policy issues quickly – they may not be quickly resolved!
- When new guidance is issued insure vertical team agreement on its applicability to ongoing activities.
- Additionally, during the Board’s discussion, Mr. Dalton stated there should be a complete layout of the risks in a risk management plan, which should be reviewed and approved as a part of the cost certification and should be proactively used by the District to manage the risks during the study and implementation.

16. MG Walsh closed the CWRB.

JACKSONVILLE HARBOR (MILE POINT), DUVAL COUNTY, FL

**Civil Works Review Board
13 December 2011 - 1:00 pm**

Attendees

Civil Works Review Board (CWRB)

Name:

CWRB Chair and Deputy Commanding General for Civil and Emergency Operations	MG Michael Walsh
Director of Civil Works	Mr. Steve Stockton
Chief, Planning and Policy Division	Mr. Theodore (Tab) Brown
Chief, Engineering and Construction Community of Practice	Mr. James Dalton
Chief, Southwestern Division Regional Integration Team	Ms. Christine Godfrey

Office of Management and Budget (OMB)

OMB Examiner	Mr. William (Dick) Feezle
OMB Examiner	Ms. Andrea Leung

Department of the Army – Office of Assistant Secretary of the Army for Civil Works

Depty Asst Secretary of the Army (Proj Planning & Review)	Mr. Doug Lamont
Senior Economist	Ms. Marianne Matheny-Katz

Office of Counsel

Counsel, USACE	Mr. Scott Murphy
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Office of Water Project Review (OWPR)

Chief, Office of Water Project Review	Mr. Wesley Coleman
Policy Review Lead	Mr. Jeremy LaDart
Policy Review Team	Mr. Charles (Lee) Ware
Policy Review Team	Mr. Tom Hughes
Policy Review Team	Mr. Jeff Trulick
Policy Review Team	Mr. Rodney Hallstrom
Policy Review Team	Mr. Jeff McKee
Civil Works Review Board Team	Ms. Patricia Bee
Civil Works Review Board Team	Ms. Marilyn Benner

JACKSONVILLE HARBOR (MILE POINT), DUVAL COUNTY, FL**Civil Works Review Board
13 December 2011 - 1:00 pm****Attendees (cont.)****South Atlantic Division Regional Integration Team (SAD RIT)**

Civil Works Deputy, South Atlantic Division RIT	Ms. Stacey Brown
Planning Program Manager, SAD RIT	Mr. Bradd Schwichtenberg
Planning Program Manager, SAD RIT	Ms. Joana Savinon

South Atlantic Division (SAD)

Division Commander	MG Todd Semonite	
Director Program Management	Mr. Les Dixon	
Chief, Planning and Policy Division	Mr. Wilbert Paynes	
Senior Economist	Mr. Terry Stratton	(via phone)
Senior Environmentalist	Ms. Vechere' Lampley	(via phone)
Engineering	Mr. Kaiser Edmond	(via phone)
Cost Engineering	Ms. Susie Vohlken	(via phone)
Chief, Operations Division	Ms. Susan Whittington	(via phone)
Operations	Mr. Dylan Davis	(via phone)
Chief, Programs Division	Mr. Bill Osborne	(via phone)

Jacksonville District (SAJ)

District Commander	COL Alfred Pantano	
Deputy District Commander	LTC Clint Barker	(via phone)
Deputy District Engineer for Program/Project Mgmt	Mr. David Hobbie	
Chief, Planning and Policy Division	Mr. Stuart Appelbaum	
Deputy Chief, Planning and Policy Division	Mr. Eric Bush	(via phone)
Chief, Plan Formulation Branch	Ms. Barbara Cintron	(via phone)
Chief, Planning Coastal/Navigation Section	Ms. Candida Bronson	
Planning Technical Lead	Ms. Samantha Borer	
Project Manager	Mr. Steve Ross	
Chief, Project Management Water Resources Branch	Mr. Jerry Scarborough	
Environmental Lead	Mr. Paul Stodola	
Water Quality	Mr. Mike Hollingsworth	(via phone)
Economist	Mr. Mike Holland	
Engineering Technical Lead	Mr. Steve Conger	
Engineering Hydrodynamic Modeler	Mr. Brian Cornwell	
Cost Engineer	Mr. Brian Blake	(via phone)
Real Estate	Ms. Lynn Zediak	(via phone)
Office of Counsel	Ms. Brooks Moore	(via phone)
Value Engineer	Mr. Fred McAuley	(via phone)

JACKSONVILLE HARBOR (MILE POINT), DUVAL COUNTY, FL

**Civil Works Review Board
13 December 2011 - 1:00 pm**

Attendees (cont.)

Jacksonville Port Authority – Non-Federal Sponsor

Chief Executive Officer	Mr. A. Paul Anderson
Executive Vice President	Mr. Roy Schleicher
Chief Operating Officer, COL, USMC (Retired)	Mr. Chris Kauffmann
Senior Director, Facilities and Development, COL, USA (Retired)	Mr. Joe R. Miller
Senior Director, Government and External Affairs	Mr. Eric Green

State of Florida

Executive Director, Department of Economic Opportunity	Mr. Doug Darling
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St. Johns Bar Pilot Association

President	CPT Jay Winegeart
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Deep Draft Navigation Planning Center of Expertise (DDN PCX) – South Atlantic Division

Technical Director, DDN PCX	Mr. Bernard Moseby	
Agency Technical Review Manager and Lead Reviewer	Mr. Robert Finch (Honolulu District)	(via phone)