



US Army Corps
of Engineers
South Pacific Division



*CMANC
Eureka, CA
13-15 October 2008*



Most Important to the Corps is to continue our positive relationship with CMANC

- **Current Initiatives with CMANC –**
 - Regional Sediment Management and the Coastal Sediment Management Workgroup
 - Regional Dredging Initiative and Improvements to the Dredging Process
 - Value Engineering Study for Dredging Projects
 - Lean Six Sigma Evaluation for Dredging Processes Improvements
 - The Budget Process – analysis of risk and consequences
- **New Initiative – Regional Dredging Partnership –** Organization to provide executive level oversight to the regional dredging program. Proposed members -COE, EPA, NMFS, F+W, State Agencies, CMANC

Coastal Sediment Management Workgroup

Mission is to facilitate regional approaches to protecting, enhancing and restoring California's coastal beaches and watersheds through federal, state and local cooperative efforts

- **Federal/State/Local Partnership to Address California's Coastal Needs Established in 1999.**
- **South Pacific Division & State Resources Agency.**
- **Leverage State & Federal Funds and Resources.**
- **Collaborate on Coastal Sediments and Dredging Activities.**

CMANC is now an active member of the group.

Regional Dredging Initiative

- Improve regional efficiencies, reduce costs and optimize dredging in SPD.
- Investigating various alternatives -
 - Consolidating the Districts involved in dredging.
 - Regionalizing the existing processes to gain cost efficiencies.
 - Improving business processes and establishing consistency across the region.

Regional Dredging Initiative

Important Questions ?

- Does it benefit our customers, partners, stakeholders?
- Does it benefit SPD business efficiencies and mission effectiveness?
- Does it help us change to meet the future needs of our customers?
- Does it benefit our people personally and professionally?

Status – Anticipate recommendations by 3rd quarter of this FY

Upcoming Challenges

- **The Budget Process –
Project by Project vs. Systems Budgeting**
- **Working under Continuing Resolution -
Received amount District's requested until
March 6 for O&M.**
- **Reprogramming – No congressional
reprogramming will be considered during
the CR period except for emergencies.**

Questions ????



George





US Army Corps
of Engineers



South Pacific Division Navigation Business Line

Navigation Business Line Managers –

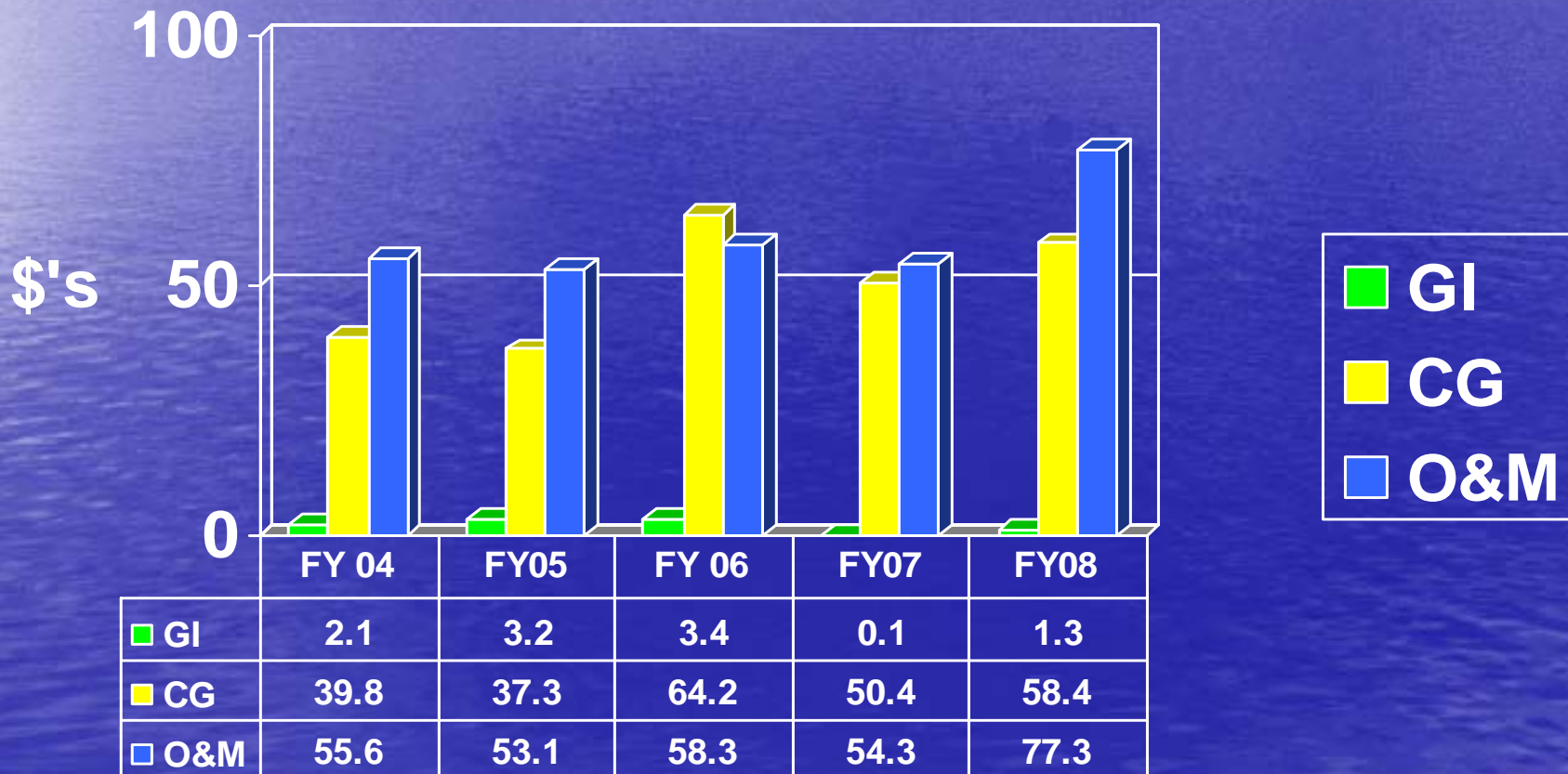
South Pacific Division – George Domurat

San Francisco District – Stephen Chesser

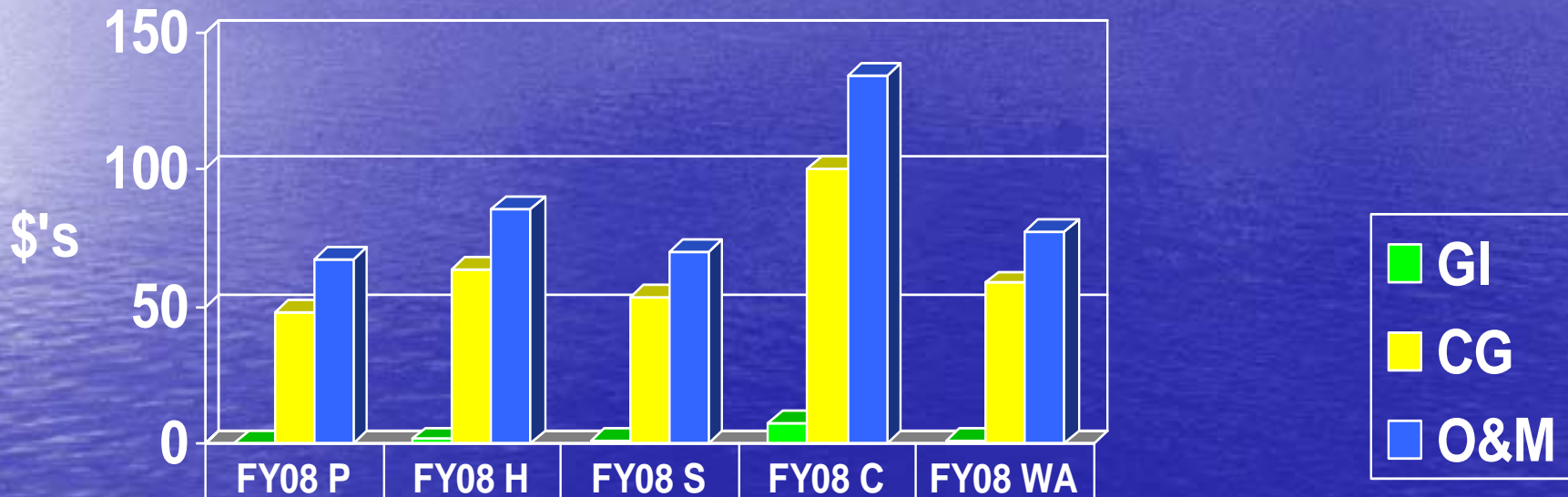
Los Angeles District – Mo Chang

Sacramento District – Jim Sandner

SPD Navigation/Shoreline Protection FY04 - FY08 Funding



SPD Navigation/Shore Protection FY 08 Funding History



	FY08 P	FY08 H	FY08 S	FY08 C	FY08 WA
■ GI	0.3	1.6	1.1	7.5	1.3
■ CG	48	63.5	53.5	100.2	58.4
■ O&M	67	85.8	70	134.4	77.3

P = President

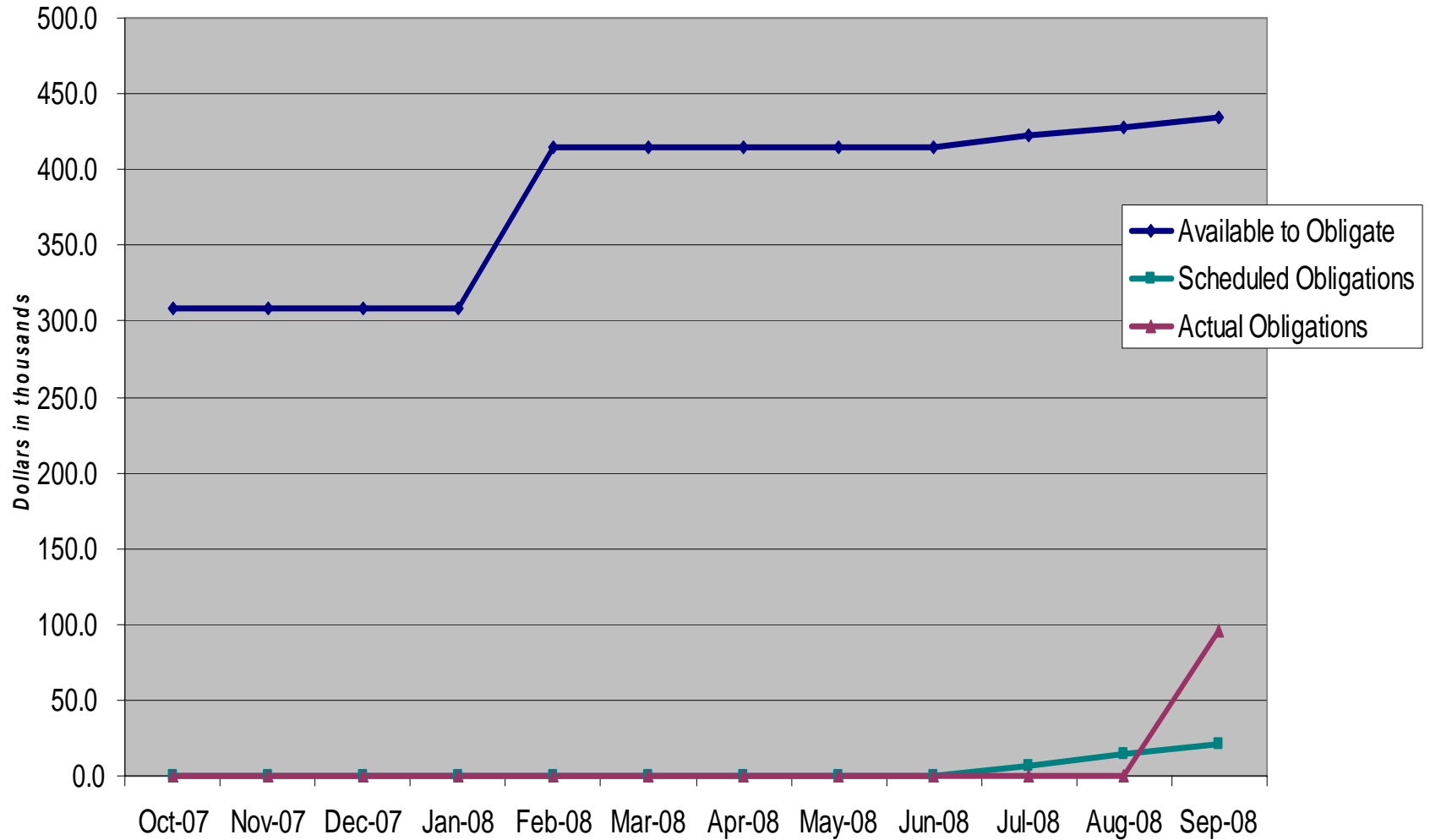
H = House

S= Senate

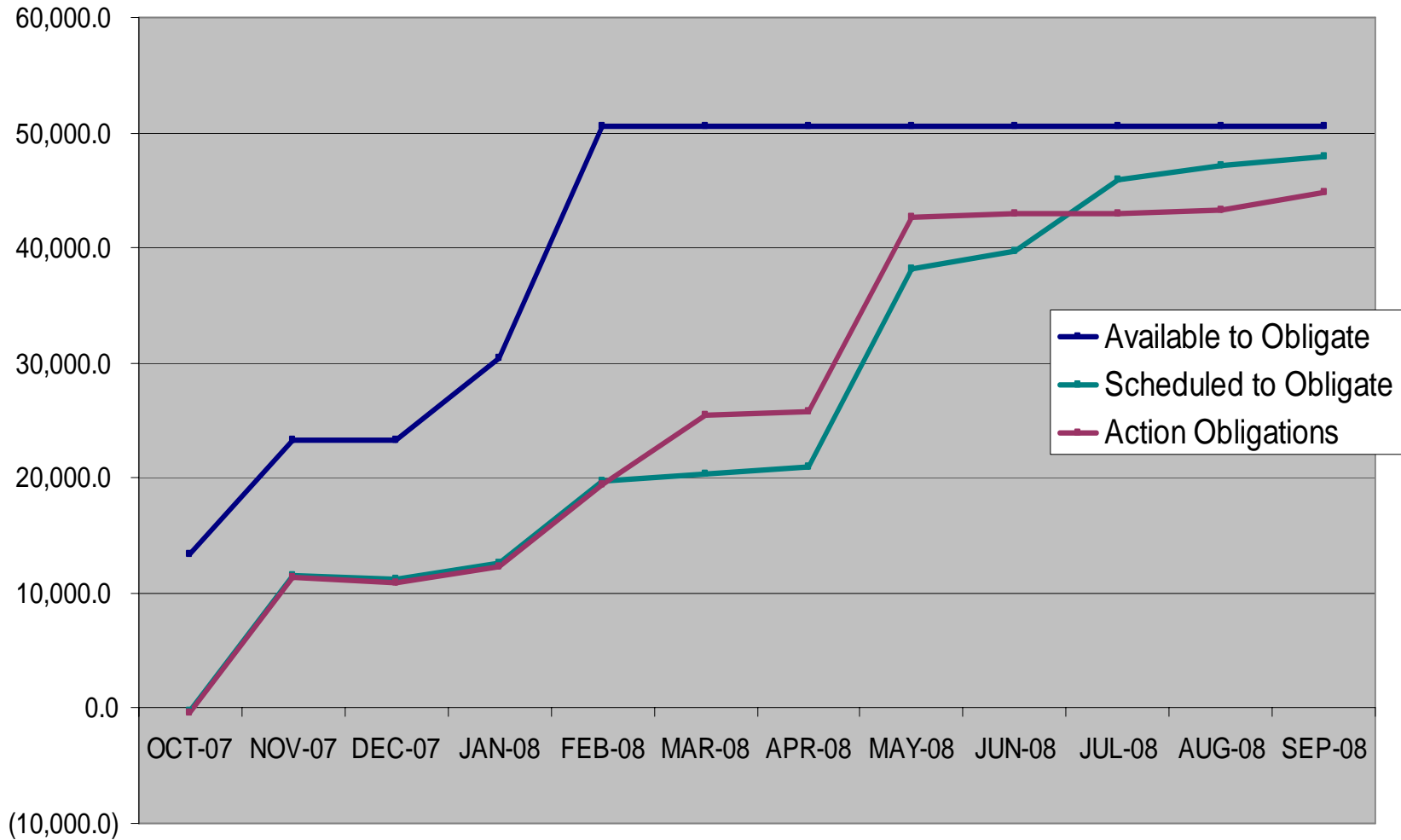
C=CMAC

WA = Work Allowance

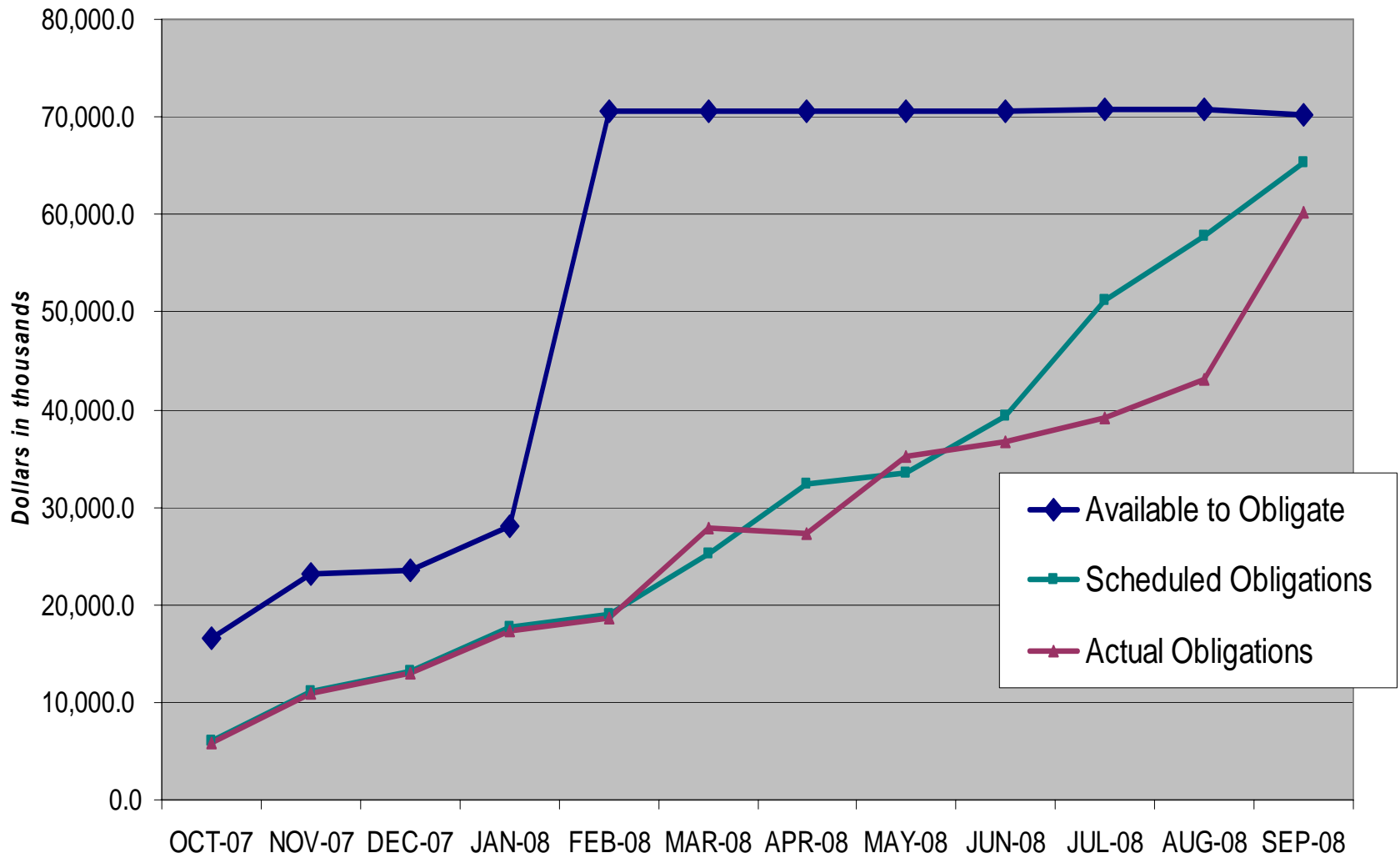
FY08 Investigations Navigation Business Line



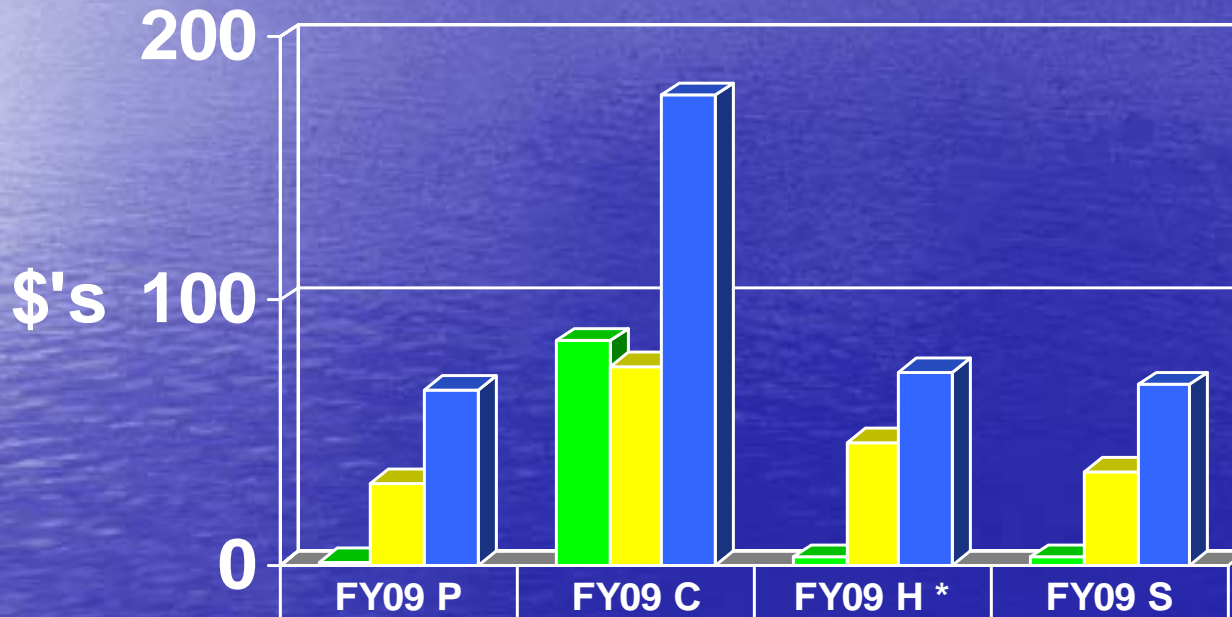
FY08 Construction Navigation Business Line



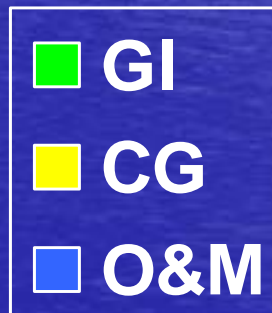
FY08 O&M Navigation Business Line



SPD Navigation FY09 Funding



■ GI	1.1	84.6	2.3	2.7
■ CG	31	75	46	35
■ O&M	66	177.5	73	68



P = President
H = House
S = Senate
C = CMAC

Issues Affecting the SPD Region

- **Overdredging** – Environmental Agency concerns that more material than authorized is being removed and disposed.
- **Environmental Windows** - constraints on dredging and disposal as affected by endangered species.
- **Contaminated Sediments** – limited disposal sites, very high costs.
- **Level of Service** – can we meet customer expectations for navigatable channels throughout the year with limited funds.
- **Future Port Requirements** – Can we respond in a reasonable time ?

Costs of Doing Business are Rapidly Escalating

- Ocean disposal and beneficial re-use have increased costs by at least 100%.
- Required environmental monitoring has increased costs by 30% to 50%
- Air and Water Quality Compliance costs for dredge equipment has increased significantly
- Environmental Window compliance has a major effect on costs.

Federal Funding for O & M Dredging has been relatively flat at about 50% of actual needs.

What Do We Need To Do ?

- Dredging of high use harbors must continue
- We need to continue to partner with our sponsors and interests groups to solve dredging and disposal issues and thereby hope to realize costs savings.
- Need to increase funding amounts to the Region for the Navigation O&M Program. Additional allocation from the Harbor Maintenance Trust Fund could be a possible funding source. Over 1/3 of the HMTF revenues are collected in California but only 7% to 8% is returned for the dredging of critical navigation projects.

What Can We Do Differently?

- **Regionalize Navigation Program Funding**

An alternative method to funding the navigation program would be to allocate funding on a regional basis rather than project per project. The regional Corps office together with the District offices would work together with all of the port and harbor project sponsors to prioritize and allocate available funds and then effectively reallocate excess funds to where the needs are the greatest.

How Do We Manage ?

- **Prioritization of our program is critical when dealing with constrained budgets.**
- **A performance-based approach is used to rank various competing projects.**
- **Risk and reliability factors are used to explain the consequences of not completing certain project increments.**
- **Safety along with the critical harbors of refuge analysis and national security, harbors that have Coast Guard presence, play a heavy role in our evaluation of priority increments.**
- **Ports that have major impacts to the nation's economy go through the performance metrics as outlined in budget documentation and are ranked accordingly. Ports and harbors with low-use commercial benefits fall next on the priority list.**
- **Our regional navigation team holds discussions with our various project sponsors and solicits their input into the budget priority sequence, performance metrics and prioritization list.**

Navigation

5x5 Risk Matrix

		Probability / Condition				
		F	D	C	B	A
Consequence / Economic Impact	1	Extreme Risk	Extreme Risk	High Risk	High Risk	Moderate Risk
	2	Extreme Risk	Extreme Risk	High Risk	Moderate Risk	Low Risk
	3	High Risk	High Risk	Moderate Risk	Low Risk	Low Risk
	4	High Risk	Moderate Risk	Low Risk	Low Risk	Negligible Risk
	5	Moderate Risk	Low Risk	Low Risk	Negligible Risk	Negligible Risk

Navigation Structures

Probability / Condition

Condition Level		Probability / Condition
GOOD (ADEQUATE)	A	Failure to the point navigation is measurably impacted is unlikely within budget cycle
MODERATE (PROBABLY ADEQUATE)	B	Less than 25% probability of failure to the point navigation is measurably impacted within budget cycle
POOR (PROBABLY INADEQUATE)	C	25% to 50% probability of failure to the point navigation is measurably impacted within budget cycle
FAILING (INADEQUATE)	D	More than 50% but less than 75% probability of failure to the point navigation is measurably impacted within budget cycle
FAILED	F	Condition severely restricts or halts navigation within budget cycle

Navigation

Consequence / Economic Impact

Consequence Level	Consequence / Economic Impact Description
1	Highest economic loss or eminent life safety impact.
2	High economic loss and probable life safety impact. Probable impacts to subsistence harbors/harbors of refuge.
3	Moderate economic loss and possible life safety impact. Possible impacts to subsistence harbors/harbors of refuge.
4	Low economic impact and no life safety impact. Little impacts to subsistence harbors/harbors of refuge.
5	Negligible economic and no life safety impact. No impacts to subsistence harbors/harbors of refuge.

Questions ????



Andy

