

MEMORANDUM FOR RECORD

SUBJECT: October 11, 2007 Meeting of the Industry/Corps Hopper Dredge Management Group (ICHDMG)

Date & Location

On Thursday, October 11, 2007 the ICHDMG convened at the Hyatt at Penn's Landing in Philadelphia, PA, where the WEDA Eastern Chapter Annual Conference was held during the previous two days. The ICHDMG meeting began at 10:15 a.m., immediately following a Corps/Industry Q&A session, and was an abbreviated session with an open agenda. The Attendance List is provided separately.

1. Opening Remarks & Introductions – *Barry Holliday & Jeff McKee*

Barry Holliday from the Dredging Contractors of America (DCA) and Jeff McKee from Headquarters of the U.S. Army Corps of Engineers (USACE) presided at the meeting. Mr. Holliday and Mr. McKee called the meeting to order at 10:15 a.m., welcomed the group and briefly reviewed the open agenda topics to be discussed: recent and upcoming meetings, funding, dredge schedules, special-purpose dredges, the Corps' Five-Year Plan, the Corps of Engineers Reserve Fleet (CERF), and the status of the *McFarland*.

2. Upcoming Meetings – *Jeff McKee*

Mr. McKee informed the Corps attendees that industry had recently held an introductory meeting with LTG Van Antwerp on September 26 and that LTG Van Antwerp will promote the partnering philosophy to district commanders in a meeting scheduled for late November. Mr. McKee added that MG Don T. Riley is a strong supporter of this collaborative effort and continues to emphasize the "Use Industry First" policy. He announced that the Corps plans to conduct an Industry/Corps Workshop on Government Estimating during the January/February 2008 timeframe. Regarding Silent Inspector, an In Process Review (IPR) conference call was held on September 24 to review the Silent Inspector (SI) Board of Directors progress on Action Items identified during the August 7 board meeting held in Washington, D.C. The next IPR is scheduled for November 5. He noted that the Dredging Information System (DIS) will be used to determine a dredging days basis for funding the SI program – details are being discussed by the SI Board. Mr. McKee emphasized the need for Districts to enter accurate estimates of dredging days into the DIS and keep the DIS schedules up-to-date.

3. Funding – *Jeff McKee*

Mr. McKee explained that the Corps, as well as the rest of the federal agencies, is currently operating under a Continuing Resolution (CR) through November 16 and that Congress will have to decide whether to pass a second CR for FY08 or roll all unfinished bills into an Omnibus Bill. He stated that Corps HQ has produced a draft Engineering Circular for the FY10 Civil Works Program Budget, and closed by asking for input on the Corps' new navigation website called the Navigation Gateway, which will serve as an on-line portal to dredge schedules, meeting presentations and minutes, information on the various Corps business processes and its Communities of Practice, and numerous links and downloadable documents, etc. The Corps of Engineers Navigation Gateway link is <http://operations.usace.army.mil/navigation.cfm>.

4. Dredging Schedules – *Jeff McKee & Division Representatives*

Lists of FY 2008 hopper and hopper combination contracts for both industry's fleet and the Corps' fleet were distributed to all the attendees. Each of the Corps divisions discussed their schedules, reviewed project specifics, and answered questions. There was brief discussion of which projects would be included in the West Coast Regional Contract, as well as which ones were already wrapped into the Jacksonville District's dredging MATOC. Industry also requested that Districts update the DIS schedules as soon as Congress passes an FY 08 Appropriations or Omnibus Bill.

5. Wilmington District's Request to Build a Special Purpose Dredge – *Jeff McKee*

Mr. McKee notified the group that the Wilmington District's request for approval to build a special-purpose dredge, one that would be similar to the *Currituck* and that would replace one of their sidecasters, is currently being held at HQ until the number of dredging days required for the shallow draft projects is determined. Stan Ekren of B+B Dredging Co. said that his company had already secured funds to build such a dredge and that design plan completion is approximately 20 days away. His dredge would have a length of 150 ft., a capacity of 700 cubic yards, and take one year to build.

6. Corps Five-Year Plan – *Barry Holliday*

Mr. Holliday commended NAD and SAD on their Five-Year Plan presentations given two days before and invited other divisions to do the same. These extended outlooks communicated between the Corps and industry are critical for managing the dredging fleet, in such matters as rebuilding, repairing, replacing, retirement, and timing, as well as defining and quantifying the number of dredge days for different types of work, like maintenance and new work.

7. Corps of Engineers Reserve Fleet (CERF) – *Barry Holliday*

The CERF allows the Corps the flexibility to direct industry dredges from one project to another in cases of emergency. The New Orleans District manages its administration, including the Basic Ordering Agreements and their associated costs. Mr. Holliday raised the topic in response to a pre-meeting question, which he received, regarding whether or not the mechanism should continue to be used. The co-chairs and the group, however, saw that further discussion was needed before proceeding and decided to table the issue for the next meeting.

8. McFarland Status – *Jeff McKee*

Mr. McKee stated that the *McFarland* is currently in the shipyard due to an accident, where it is understood that the draghead got hung up on an obstruction in the channel, damaging the dragarm, severing the draghead from the dragarm, and causing the draghead and dragarm assembly to recoil and punch holes in the bottom of the dredge and flood internal compartments. The matter is under investigation. During the week of October 22, it is expected to return to the Delaware River for its scheduled work.

It was mentioned that the next ICHDMG meeting should be held in the January/February timeframe in Washington, D.C. The meeting was adjourned at 12:00 p.m.