

**Minutes of the
113th Quarterly Meeting
of the
Upper Mississippi River Basin Association**

**February 23, 2010
St. Louis, Missouri**

UMRBA Chair Gary Clark called the meeting to order at 9:35 a.m. Participants were as follows:

UMRBA Representatives and Alternates:

Gary Clark	Illinois Department of Natural Resources
Rick Mollahan	Illinois Department of Natural Resources
Bernie Hoyer	Iowa Department of Natural Resources
Laurie Martinson	Minnesota Department of Natural Resources
Rebecca Wooden	Minnesota Department of Natural Resources
Dick Lambert	Minnesota Department of Transportation
Jim Fischer	Wisconsin Department of Natural Resources

Federal UMRBA Liaisons:

Charles Barton	U.S. Army Corps of Engineers, MVD
Bill Franz	U.S. Environmental Protection Agency, Region 5
Kevin Foerster	U.S. Fish and Wildlife Service, UMR Refuge
Mike Jawson	U.S. Geological Survey, UMESC
Bob Goodwin	U.S. Maritime Administration

Others in attendance:

Tim Schlagenhaft	Minnesota Department of Natural Resources
Robert Stout	Missouri Department of Natural Resources
Janet Sternburg	Missouri Department of Conservation
Elizabeth Ivy	U.S. Army Corps of Engineers, MVD
Terry Birkenstock	U.S. Army Corps of Engineers, MVP
Jeff DeZellar	U.S. Army Corps of Engineers, MVP
Gary Meden	U.S. Army Corps of Engineers, MVR
Roger Perk	U.S. Army Corps of Engineers, MVR
Chuck Spitzack	U.S. Army Corps of Engineers, MVR
Ken Barr	U.S. Army Corps of Engineers, MVR
Marvin Hubbell	U.S. Army Corps of Engineers, MVR
Karen Hagerty	U.S. Army Corps of Engineers, MVR
Steve Rumble	U.S. Army Corps of Engineers, MVR
COL Tom O'Hara	U.S. Army Corps of Engineers, MVS
Brian Johnson	U.S. Army Corps of Engineers, MVS
Julie Zino	U.S. Army Corps of Engineers, MVS
Charlie Hanneken	U.S. Army Corps of Engineers, MVS
Amanda Oliver	U.S. Army Corps of Engineers, MVS
John Grothaus	U.S. Army Corps of Engineers, NWK
Chuck Shea	U.S. Army Corps of Engineers, LRC

Mike Slifer	U.S. Geological Survey, Missouri WSC
Don Arnosti	Audubon Minnesota
Kevin Pierson	Audubon
Doug Noel	AMEC
Dan McGuinness	Dan McGuinness & Associates
Gary Loss	HNTB
Brad Walker	Izaak Walton League of America
Tom Boland	MACTEC
David Conrad	National Wildlife Federation
Mark Gorman	Northeast-Midwest Institute
Vince Shay	The Nature Conservancy
Gretchen Benjamin	The Nature Conservancy
Todd Strole	The Nature Conservancy/U.S. Army Corps of Engineers, MVS
Christine Favilla	Sierra Club
Barb Naramore	Upper Mississippi River Basin Association
Dave Hokanson	Upper Mississippi River Basin Association
Kirsten Mickelsen	Upper Mississippi River Basin Association

Minutes

Bernie Hoyer moved and Jim Fischer seconded a motion to approve the minutes of the November 17, 2009 meeting as drafted. The motion carried unanimously.

Executive Director's Report

Barb Naramore highlighted the following items from her written Director's report included in the agenda packet:

- Naramore and other members of the *ad hoc* group collaborating on NESP- and EMP-related issues met with ASA(CW) Jo-Ellen Darcy on November 30, 2009. ASA Darcy was not particularly encouraging regarding NESP's future budgetability within the Administration. Staff from her office and Corps HQ exhibited confusion regarding the status of the Chief's Report and suggested rather directly that it will be up to Congress to fund NESP. Darcy voiced strong support for EMP and encouraged efforts to keep that program strong.
- UMRBA now has agreements in place with all five states to fund the 604(b) Water Quality Management Planning grant project, and has also executed an agreement with the Midwest Biodiversity Institute (MBI) to provide contractor services for the biological assessment portion of the project. UMRBA is currently considering applicants for the temporary staff position funded under the project. This individual will be supporting both the biological assessment and nutrients project tasks.

In response to a question from Jim Fischer, Naramore explained that UMRBA does not plan to use contractor services to execute the nutrients element of the 604(b) project, but will instead rely on a combination of permanent and temporary staff.

Interbasin Diversion Consultation

Barb Naramore explained that the five states are party to the 1989 Upper Mississippi River Basin Charter, which sets forth a notification and consultation process for any new or increased water diversion out of the basin that will exceed an average of 5 million gallons per day during any 30-day period. The Charter sets forth a notification and consultation process, and also requires the signatory

states to report on their involvement in qualifying diversion requests at UMRBA's annual meeting. The states reported as follows:

Illinois, Gary Clark	—	no qualifying diversion requests
Iowa, Bernie Hoyer	—	no qualifying diversion requests
Minnesota, Laurie Martinson	—	no qualifying diversion requests
Wisconsin, Jim Fischer	—	no qualifying diversion requests

Clark did note that Illinois will be examining future water demand in and near the Kaskaskia River basin. He said that study may identify water needs in the collar counties that could be addressed by diversion out of the Kaskaskia basin. However, he emphasized that he was simply sharing information about a pending planning study and that no diversion request has been received.

Clark asked Naramore to send letters to the Governors conveying the results of the states' diversion reporting.

Asian Carp

State Perspectives

Gary Clark explained that there is a complex system of connections between the Great Lakes and Upper Mississippi River Basins in the greater Chicago area. He reviewed these connection points, including the potential for the Des Plaines River to flow into the Chicago Sanitary and Ship Canal (CSSC) under flood conditions. He noted that the Chicago River Controlling Works lock at Lake Michigan is the busiest lock in the country in terms of total lockages, due to its large volume of recreational traffic.

Clark emphasized that Illinois, under the leadership of DNR Director Marc Miller, is taking the Asian carp situation very seriously and is working with various partners on a multi-pronged approach. This includes supporting the electrical barriers on the CSSC. Illinois is also monitoring the area above the barriers, and led the use of rotenone when the primary electrical barrier had to be powered down for maintenance. In addition, the state is exploring a variety of longer term solutions that could reduce impacts on the Illinois and Upper Mississippi Rivers, including biological controls and developing commercial markets for the carp.

Clark acknowledged the highly charged atmosphere surrounding the Asian carp issue, and the strong desire to block the species' movement into the Great Lakes. The issue's elevation to the U.S. Supreme Court and the Council on Environmental Quality's engagement have combined to increase media coverage and public interest. Meanwhile, Clark said, Illinois' professional agency staff are continuing their best efforts to increase understanding and identify viable options.

Jim Fischer distributed recent testimony from Wisconsin DNR Secretary Matt Frank before the House Subcommittee on Water Resources and the Environment. Fisher shared the following Wisconsin perspectives concerning recent developments:

- Encouraged by the overall strength of recent response to the issue and some of the specific proposals, including increased monitoring, addressing flood flows from the Des Plaines to the CSSC, and progress on Barrier IIB
- Prefer complete lock closure on an interim basis
- Longer term, advocate ecological separation of the Great Lakes and Upper Mississippi River Basins
- Appreciate efforts of Illinois, USACE, and other partners thus far

Laurie Martinson said Minnesota is also pleased with Illinois' efforts, but displeased at the lack of effective federal action, both on the Illinois and Mississippi Rivers. Martinson said Minnesota Attorney General Lori Swanson wrote to the Corps expressing a range of concerns, including lack of progress on the barrier authorized at Lock and Dam 11 on the UMR. According to Martinson, the Corps' letter of response suggests a meeting and a possible forum for further discussion. [Note: Following the meeting, UMRBA staff distributed this correspondence to the Board on Martinson's behalf.] Fischer noted that Wisconsin is also on the record supporting passive barriers on the Upper Mississippi River. Martinson said L&D 11 may well no longer be the appropriate site for a UMR barrier, but stressed that Minnesota believes action should be taken to stop or slow the spread of Asian carp to the remainder of the UMR.

In response to a question from Don Arnosti, Fischer said Wisconsin does not have a specific approach it wants taken to ecological separation of the two basins. He explained that there are likely multiple viable approaches to preventing the dispersal of species from one basin to another, and encouraged further evaluation.

Clark said he appreciates Minnesota's and Wisconsin's acknowledgement of the partnership efforts. He observed that local, state, and federal agencies have all been working extraordinarily hard on the issue.

USACE Update

Chuck Shea expressed appreciation for the extensive efforts by Illinois DNR and several federal agencies to address Asian carp. He then provided an overview of the Corps of Engineers' carp-related work. Shea explained that the Corps' dispersal barrier system, located upstream from Lockport, was sited on the CSSC below where the Cal-Sag Channel splits off. He reviewed the status of the three barrier systems, explaining that the lower voltage demonstration project (i.e., Barrier I) has been in continuous operation since 2002. Findings suggest that its lower voltage is effective at blocking the movement of large fish, but may be less effective with smaller ones. The more powerful, permanent Barrier IIA has been operating since April 2009. Current at both barriers is pulsed to increase efficacy. When Barrier IIA was shut down for maintenance in early December 2009, Illinois DNR coordinated with other state and federal agencies to deploy rotenone, a non-selective toxicant, while the barrier was not operational. Shea reported that construction of Barrier IIB commenced early in 2010, following completion of site preparation. Construction is scheduled to be completed by September 2010, and will be followed by safety testing. Once Barrier IIB is operational, if sufficient funds are appropriated, Barrier I will be converted to a permanent facility, with activation possible by 2013.

Shea reported that the Corps has been working with other agencies and universities to monitor Asian carp. This includes the use of recent eDNA techniques, which are still being calibrated and validated. WRDA 07 authorized an Efficacy Study, under which the Corps is examining potential emergency measures, including options to increase the efficacy of the electrical barriers and possible short term changes to lock operations. The study, which is scheduled for completion by the end of FY 10, will consider both the potential benefits and estimated impacts of the various options identified. Shea noted that the Corps will seek to decide about changes in lock operations before the end of April, because the carp will become more active as water temperatures rise. The Corps is also advertising a contract to install a length of Jersey barrier and wire mesh fencing intended to block the transfer of carp from the Des Plaines to the CSSC during high flow conditions.

WRDA 07 also authorized an Interbasin Study to examine longer term options for reducing or eliminating the risk of aquatic nuisance species transfer between the Great Lakes and Mississippi River Basins. Shea explained that this study will examine the full range of aquatic invasives, not just Asian carp, and will look beyond just Chicago to all areas where species might move between the two basins. That being said, the first portion of the study, which is scheduled for completion in 2013, will focus on Asian carp in the Chicago area. The second part of the study, slated for completion in 2014 or 2015, will look at other species and locations. Shea said the Interbasin Study will evaluate the potential for

permanent ecological separation, but he emphasized that this is just one option. He stressed that the Corps will evaluate all reasonable options, including the no action alternative.

Bernie Hoyer asked about indications that Asian carp may already be beyond the electrical barriers. Shea explained that there have been some positive hits from the eDNA monitoring, which involves looking for carp DNA in water samples. However, he stressed that this is a new, relatively untested monitoring technique. No live Asian carp have been found upstream of the barriers. Shea added that carp above the barriers would not necessarily mean the barriers were breached. He explained that there are several other possible modes of transport, including live fish sold in Asian markets and live bait. He noted that Asian carp have been found in isolated ponds, indicating that people have been transporting them in those instances. Clark added that Illinois and others are expending considerable effort on live carp monitoring.

In response to a question from Dick Lambert, Shea said it is unclear how suitable the Great Lakes habitat would be for Asian carp. Shea acknowledged that the carp are river fish in their native environment, but also stressed their adaptability. The Interbasin Study will examine the question of habitat suitability, including whether the Great Lakes and its tributaries would likely be able to support reproducing populations of Asian carp.

USGS Research

Mike Jawson distributed a handout summarizing nine USGS research projects looking at the Great Lakes' vulnerability to Asian carp and potential control methods. Approximately \$4 million in funding for the projects is coming through the Great Lakes Restoration Initiative (GLRI). Several USGS offices and centers, including the Upper Midwest Environmental Sciences Center, will be contributing to these projects, according to Jawson. He briefly highlighted the central question each project will address:

1. What are the surface and ground water modes by which aquatic invasive species, including Asian carp, might transfer between the Great Lakes and Mississippi River Basins?
2. Are the Great Lakes' food sources sufficient to maintain Asian carp, which are known to be flexible in their diet?
3. Are the Great Lakes tributaries suitable for bighead carp spawning?
4. How might bighead carp affect, and be affected by, bluegreen algae dynamics?
5. Are there pheromones that could serve as species-specific attractants/repellents for Asian carp?
6. What compounds should be included in a toxicant screening program to identify potential selective toxicants for the control of Asian carp?
7. What Asian carp characteristics might we exploit to develop targeted delivery systems that reduce non-target species' exposure to toxicants?
8. What is the potential for a targeted oral delivery platform?
9. What physical methods might be used to disrupt Asian carp spawning and decrease egg viability?

Jawson reported that UMESC is also researching the Asian carp's ecological effects on the quality of desirable fish on the UMR and how the carp are affecting the food chain above them, including avian impacts.

In response to a question from Bob Goodwin, Jawson explained that some of these projects are already underway, while others have not yet been initiated. He stressed, however, that these are research

projects. He explained that it takes several years to move from research results to a control product that has the necessary EPA and FDA approvals for use. In response to a question from Gretchen Benjamin, Jawson said that most of these research projects will focus on bighead and silver carp because those fish are readily available to the researchers at USGS's centers. Benjamin asked whether the eDNA monitoring is species-specific. Shea replied that it is, and thus far bighead and silver carp DNA has been detected above the barriers.

Fischer said he is encouraged by the high level of cooperative effort. He also emphasized Wisconsin's position that ecological separation is critical to addressing the long term issue of aquatic species transfer between the Great Lakes and Mississippi River Basins. He said species moving in both directions are a significant concern.

Financing Inland Navigation Infrastructure

Chuck Spitzack reviewed NESP's current best value implementation strategy, under which NESP would be implemented in two parts, each of which has an estimated cost of \$2.1 billion. Part 1 would include the small scale navigation measures, new locks at L&D 22 and 25 (implemented as one project) and LaGrange, and ecosystem restoration funded at a consistent, "moderate" level. Part 2 would include continuing switch boat operation; new locks at L&D 20, 21, & 24 (implemented as one project) and Peoria; and continued ecosystem restoration funded at a consistent, moderate level. He noted that the best value approach is predicated on the Corps being able to establish large, multi-year contracts for lock construction. In general, Spitzack said successful implementation will require certainty of adequate and timely funding, efficient and effective contracting, a fluid planning and decision process for restoration planning, and effective partnership. He explained that NESP staff have focused on the best value scenario because they have not received any other guidance or direction regarding implementation planning.

However, Spitzack acknowledged that the current situation with the Inland Waterways Trust Fund (IWTF) makes implementation under the best value scenario unlikely. He then reported on the recent findings and recommendations from the Inland Marine Transportation System (IMTS) Capital Investment Strategy Team. Composed of Corps and industry members, the Team was charged with examining the current status of the IWTF, developing a capital investment strategy, and recommending an approach to funding those capital needs. Under the current system, the IWTF's revenue limitations cap inland navigation investment at approximately \$170 million annually, which is not sufficient to support any new construction or major rehabilitation starts in the foreseeable future. According to Spitzack, the IMTS Team looked at an unconstrained project list, developed prioritization criteria, identified a realistic level of investment, and offered a future funding model and recommendations for process improvements. With a \$380 million annual program, which the Team believes is attainable, it would still take 45 years to address the current unconstrained project list.

In prioritizing the unconstrained project list, the Team considered each project's current status, risk and reliability factors, and economic return. The recommended capital strategy assumes efficient funding and emphasizes finishing projects already underway. Of the \$380 million annually, an average of \$320 million would go to new construction and \$60 million would go to major rehabilitation. The new lock at L&D 25 would be the first NESP project to receive funding under the strategy, with that project recommended for a new start in FY 11. Projects would be funded individually, precluding NESP's current best value approach of constructing multiple new locks as a package. Major rehabilitation work on the UMRS would be deferred in favor of new construction.

According to Spitzack, the Team evaluated a range of cost sharing and revenue options, ultimately recommending the following:

- Retain the fuel tax as the means of generating the non-federal cost share for inland navigation projects.
- Retain the current 50/50 cost share for new lock construction and major rehabilitation projects costing over \$100 million.
- Provide 100 percent federal funding for major rehabilitation projects costing less than \$100 million and for new dams.
- Institute a cost sharing cap to protect the non-federal sponsor (i.e., the IWTF) from large cost overruns.
- Increase the fuel tax by 30-45 percent to generate sufficient revenue. With the cost share changes noted above, the IWTF would provide approximately \$110 million of the \$380 million average annual program, with the federal government supplying the remaining \$270 million in funding.
- Adopt a number of changes in the project delivery process designed to improve efficiency and accountability, including risk-based cost estimates, independent external peer reviews, and enhanced engagement of the Inland Waterways Users Board.

Spitzack said the IMTS Team will deliver its formal report to the Inland Waterways Users Board's April 2010 meeting. The IMTS Team's recommendations would require Congressional action, with FY 12 likely the earliest possible opportunity for implementation.

Spitzack then reviewed the implications of the IMTS Team's recommendations for UMRS. The recommendations do not account for NESP's small scale improvements and system mitigation, both of which the Team has indicated it will address in its final report. New locks at L&D 20 and 21 and Peoria are not included in the Team's 20-year capital plan, nor is major rehabilitation work at the four structures where new locks would be initiated within the 20-year plan (i.e., L&D 22, 24, and 25 and LaGrange). Overall, Spitzack said, the funding stream for UMRS investment under the Team's plan is not conducive to best value delivery at the system scale. Under this constrained funding scenario, NESP will not achieve the objectives identified in the Feasibility Study. He emphasized that, even under the Team's recommended plan, there is a large gap between identified investment needs (\$18 billion of unconstrained needs over the next 20 years) and available funds (\$7.6 billion available over 20 years, assuming implementation of the Team's recommendations).

Spitzack outlined a possible alternate approach, under which the direct link between the IWTF and investment in the inland navigation system would be broken. Instead, multi-year appropriations would provide upfront, efficient funding to implement the IMTS capital plan at the system scale. User taxes would then pay back the Treasury for the non-federal share of projects over time, with the payback period exceeding the investment period. A key part of this approach would be engaging the IWUB in both capital planning and plan implementation, with Congressional oversight of the Corps and IWUB efforts. Spitzack said such an approach would be consistent with the Corps' emphasis on refining its civil works program to meet 21st century needs, including a new paradigm for budgeting and enhanced collaboration.

Bernie Hoyer observed that better information about the timing of project benefits is key to building the necessary support for NESP. Spitzack concurred that this type of information can help people understand what is lost by delaying implementation. He noted that the 2008 Economic Reevaluation Report provides good information about various factors affecting the timing and magnitude of estimated

project benefits. In response to a question from Don Arnosti, Spitzack said the Corps' economic analyses did not distinguish between public and private benefits. Mark Gorman asked about the relationship between the IMTS Team's recommendations and the proposed revisions to the Principles and Guidelines governing federal water resources planning. Spitzack said it is safe to assume that Team members were well aware to the direction of the new P&G. Dick Lambert emphasized the importance of considering the costs associated with modal shifts if inadequate navigation infrastructure pushed to highways and rails.

Gary Clark noted that UMRBA spoke directly to the current IWTF situation in its November 24, 2009 correspondence to the Assistant Secretary of the Army, OMB, and Congress. He said UMRBA should be prepared to address the IMTS Team's recommendations once they are formally released, particularly if those recommendations result in Congressional hearings and legislation. Clark directed staff to track the issue and report back to the Board in May.

Ecosystem and Navigation Updates

NESP

Chuck Spitzack outlined a revised implementation strategy for NESP, based on the IMTS Team's recommended capital investment plan. The revised strategy would consist of three phases:

- Phase 1 — small scale navigation improvements, L&D 22 guide wall extension, and comparable progress on ecosystem restoration
- Phase 2 — continue small scale navigation improvements, construct first new lock, and comparable progress on ecosystem restoration
- Phase 3 — continue small scale navigation improvements, systems approach to constructing remaining new locks, and ecosystem restoration at an efficient rate

Spitzack said L&D 22 and 25 and LaGrange are all potential candidates for the first new lock, explaining that each offers advantages under different circumstances. He said the Corps will consult with industry and other partners regarding which lock should receive construction priority.

Spitzack provided an update on the ecosystem restoration reach planning effort, explaining that a draft system report was distributed recently and will be expanded to include the reach-specific plans prior to the May quarterly meetings. He reported on other ongoing NESP efforts, including:

- NESP's first cost sharing agreement, for the Root River floodplain restoration project in Minnesota
- A UMRS curriculum guide for teachers
- Draft forest management and barge fleeting plans
- A physical model to aid in lock design for LaGrange
- The first issue of the "Our Mississippi" newsletter, the new, integrated public communication platform for the Corps' various UMRS projects and programs
- A new draft NESP Implementation Strategy (Spitzack distributed copies of this)
- A draft "Blueprint for Action" brochure that will help inform Congress and other audiences

On the navigation side of the program, Spitzack reported that FY 10 efforts are focused on design work for the new locks at L&D 22 and 25 and LaGrange, mooring cells, and switch boats. Design work on the three new locks should be complete by the first quarter of FY 11, at which time the Corps could shift

focus to completing plans and specifications for a single lock if that appears to be the best implementation strategy. On the restoration side, he said the Corps anticipates completing project implementation reports (PIRs) for several projects, including the Reno Bottoms forest management project, fish passage at L&D 22, water level management for Pool 18, backwater restoration in Upper Peoria Pool, and the Herculaneum wing dam/dike alteration project.

EMP/NESP Transition Plan

Marv Hubbell reviewed the Senate Appropriations Committee's FY 10 energy and water report, which reiterated previous directives to the Corps to develop a transition plan for EMP and NESP. He noted that the most recent report language also permits the Corps to initiate planning and construction on new EMP projects, so long as those projects can be completed or transferred within two years of NESP receiving adequate funding to support program transition. Hubbell also recalled that Corps HQ staff met with regional program staff on October 6 to discuss a range of EMP and NESP issues, including the transition plan. Based on those discussions, Corps staff has drafted a revised transition plan that more explicitly addresses two major obstacle to program transition—i.e., the Inland Waterways Trust Fund situation and obtaining construction general funding for NESP. In addition, the revised plan addresses the Senate's FY 10 report language and elaborates on the measures the Corps is taking to ensure project transferability. The revised transition plan is currently undergoing internal review within the Corps. Hubbell reiterated his assurance from the November 2009 quarterly meeting that partners will have a quick turnaround opportunity to review the revised transition plan before MVD formally submits it to HQ.

EMP

Hubbell also reported that MVD and the districts received verbal approval to proceed with new HREP planning and construction starts, consistent with the Senate's FY 10 report language. He explained that, once written confirmation is received, work on new projects can commence. Hubbell anticipates that the three districts will submit a combined total of 4 to 15 new project fact sheets to MVD by mid-May. These will include projects previously endorsed by the EMP's System Ecological Team and subsequently vetted with the Reach Planning Teams. Additional projects from the Illinois River will also be included, since the group of projects previously submitted to the SET did not include any projects from the Illinois River.

Hubbell briefly reviewed plans for development of the EMP Report to Congress, explaining the EMP's authorization requires these reports on a six-year cycle. The next report is due in December 2010. Hubbell acknowledged that meeting this schedule will be challenging, given that various factors have slowed initiation of the report writing effort. Other FY 10 priorities for EMP will include model certification, planning and construction on at least 25 existing and new projects, and execution of LTRMP's base monitoring program.

FY 11 Federal Budget Highlights

Corps of Engineers — Charles Barton reported that President Obama's FY 11 budget request includes \$4.939 billion in new federal funding for the Corps' civil works program. The request focuses on the Corps' three main mission areas (i.e., navigation, flood and storm damage reduction, and aquatic ecosystem restoration), with an emphasis on improving infrastructure, revitalizing the economy, and enhancing the Corps' disaster response capabilities. Of the \$4.939 billion, \$104 million would go to investigations, \$1.690 billion to construction, and \$2.361 billion to operations and maintenance. The President is requesting funds for only two new construction starts, and is emphasizing completion of those projects with the greatest economic, environmental, and human safety benefits. MVD would receive \$743 million of the civil works total, including \$240 million for the Mississippi River and Tributaries project on the Lower Mississippi River.

The President’s FY 11 funding request for the Corps’ work on the UMRS includes \$186.5 million for O&M of the navigation system and \$21.15 million for the EMP, which is highlighted as one of the Administration’s six key construction projects for FY 11. Barton reported that the President did not request FY 11 funding for NESP or the Comprehensive Plan.

Environmental Protection Agency — Bill Franz reported that the President’s \$10.02 billion FY 11 request for EPA is down slightly from the \$10.3 billion FY 10 enacted level, but substantially above enacted levels in prior years. Of the \$10.02 billion requested for FY 11, \$4.587 billion would be allocated to EPA’s clean and safe water programs, again a slight decrease relative to the FY 10 enacted, but substantially over prior years’ enacted levels.

Franz highlighted the following elements of the President’s request for EPA’s water programs:

	§106	§319	CWA SRF	SDWA SRF
	(in millions of dollars)			
Illinois	5.7	7.9	88.6	47.5
Iowa	3.4	4.4	26.5	21.5
Minnesota	6.1	6.7	36.0	21.1
Missouri	3.5	4.5	54.3	24.3
Wisconsin	8.5	5.0	53.0	21.7
National	274.3	200.9	2,000.0	1,287.0

Franz also reported that the President’s request includes \$4.5 million for EPA’s Gulf of Mexico program and \$12.4 million for a new Mississippi River Basin initiative. He said he does not yet have details regarding the focus or geographic scope of the Mississippi River Basin effort.

U.S. Fish and Wildlife Service — Kevin Foerster briefly reviewed the U.S. Fish and Wildlife Service’s budget structure and highlighted the President’s FY 11 requests for programs at the national level, including \$315 million for ecological services, \$500 million for refuges, \$142 million for fisheries, and \$106 for land acquisition. He indicated that funding for most accounts is flat or down relative to FY 10 enacted levels. Land acquisition would receive the largest year-over-year increase, going from \$86 million in FY 10 to \$106 million in FY 11.

Foerster then described funding and priorities for the Service on the UMRS. For FY 10, the Service’s three UMR field offices will expend approximately \$750,000 on their UMR work. This includes permitting, endangered species, contaminants, and Partners for Fish and Wildlife Projects. The 11 refuges on or near the UMRS, with a total acreage of more than 300,000 acres, have a combined FY 10 base budget of approximately \$8.5 million. Current priorities include completing flood repair work, executing stimulus-funded projects, supporting ongoing EMP habitat projects, and acquiring 600-800 acres of new land. Foerster reported that the Service’s fisheries programs on the UMRS continue to focus heavily on Asian carp and other aquatic invasives, endangered species, and large migratory species. He also reviewed efforts under the Service’s various state grant programs and its Joint Ventures Program.

U.S. Geological Survey — Mike Jawson reported that the President’s FY 11 request for USGS is \$1.1 billion, out of a total Interior budget request of approximately \$12 billion. Jawson said this would be the third year of slightly increased budgets for USGS, with the increases largely focused on global climate change issues. Funding for most other areas within USGS would remain fairly flat or decline. Year-over-year, funding would be down overall in both the biology and water program areas. Jawson explained that the funding impacts of various new initiatives, including climate change work, WaterSMART, and others, are highly center-specific. Jawson reported that UMESC is faring relatively

well, but that base funding is accounting for an increasingly small portion of the center's budget as UMESC relies more on external project funding.

Barb Naramore reported that UMRBA is awaiting appointment of a new federal liaison member from NRCS, following Mike Sullivan's appointment as the State Conservationist for Arkansas. As a result, Naramore said she was not able to secure anyone from NRCS to provide a briefing on the President's FY 11 budget request for the agency.

Gary Clark noted that the Congressional appropriations process has changed markedly in the last few years, particularly with all of the new requirements surrounding earmarks. In response, UMRBA has shifted its efforts from providing appropriations committee testimony to working with members to submit requests for top priority projects and programs. Clark emphasized, however, that the federal liaison members' budget briefings remain very helpful. In particular, the briefings alert the states to issues they may want to address and to changes at the federal level that will likely affect state budgets and programs. Clark thanked the federal liaison members for their efforts in providing the briefings.

Missouri River Authorized Purposes Study

Jon Grothaus briefly reviewed the history of the Missouri River project, noting both similarities and differences among the issues and priorities that drove the original 1944 Pick-Sloan authorization and those of today. Coming in response to a devastating flood and with a focus on economic development, the project's primary authorized purposes are flood control and navigation. Grothaus explained that the 2009 Omnibus Appropriations Act authorized a \$25 million Missouri River Authorized Purposes Study (MRAPS) to "determine if changes to the authorized project purposes and existing Federal water resource infrastructure may be warranted."

The Kansas City and Omaha Districts are co-leads for the study and are still in the process of staffing the study and determining their approach to public engagement and study scoping. The study received \$4.5 million in FY 10 funds, and also has some carryover funding from FY 09. The President did not include MRAPS in his FY 11 budget request. Grothaus said the Corps' implementation guidance calls for the study to be completed within five years, in collaboration with the states, federal agencies, tribes, and other stakeholders. The study is limited to reviewing the original authorized project purposes, but can also review other related federal water resources infrastructure. According to Grothaus, the study will evaluate the impacts of Missouri River alternatives on the Mississippi River, consider climate change, and evaluate Missouri River management alternatives on five accounts (i.e., national economic development, regional economic development, environmental quality, other social effects, and public safety). Grothaus said the study will likely include an independent external review. The final study product will be a comprehensive, feasibility-level analysis, which the Chief of Engineers will consider in developing his/her Chief's Report to Congress.

Grothaus then explained MRAPS's relationship to other major efforts within the Missouri River Basin. He emphasized that MRAPS is not constrained by the Master Manual, the Missouri River Ecosystem Restoration Plan, the Missouri River Recovery Plan, or the Bank Stabilization Navigation Project. He also stressed that MRAPS is not another Master Manual process.

The project managers for MRAPS are Mark Harberg from the Omaha District and Lamar McKissack from Kansas City. Grothaus said the Northwestern Division is coordinating with MVD, and St. Louis District staff are participating on various study teams. He stressed that study staff recognize and understand Mississippi River perspectives and concerns related to the evaluation of management alternatives for the Missouri River. Next steps include completing the initial project management plan (PMP) within the next six to nine months, developing the communications and public involvement plan, and holding scoping meetings beginning in May 2010. Grothaus described the PMP as a living

document that will evolve over time. He also reported that an independent situation assessment, led by U.S. Institute for Environmental Conflict Resolution (IECR), is under development. The assessment will draw from both focus group and individual interview sessions, as well as public comments and survey responses. Results of the assessment and IECR's recommendations will be released in early March. Grothaus said the Corps anticipates holding at least 25 formal scoping meetings at locations throughout the Missouri River Basin and several locations on the Mississippi River.

Bernie Hoyer emphasized the Upper Mississippi River states' strong interests in the study, noting that Missouri River operations affect the navigation industry, environment, and communities well above the Missouri's confluence with the Mississippi. He urged the Corps to hold some of its focus group meetings on the Upper Mississippi River upstream of the Missouri River confluence. Barb Naramore expressed appreciation to Grothaus for his presentation. She noted that she had encountered some difficulty in communicating with USACE staff regarding UMRBA's request for regular MRAPS briefings and related issues. Grothaus encouraged the UMR states to work through Deanne Strauser of the St. Louis District, but added that any USACE staff involved in the study should be able to help the states make the right connection.

Principles and Guidelines

Roger Perk explained that Principles and Guidelines (P&G) have governed federal water resources planning since 1973. The current P&G date back to 1983, and apply to four agencies — i.e., USACE, NRCS, Bureau of Reclamation, and the Tennessee Valley Authority. According to Perk, the P&G provide the broad framework for federal water resources planning, while more detailed guidelines and procedures give agency planners the specific direction they need to work within that framework.

The 2007 Water Resources Development Act declared that “all water resources projects should reflect national priorities, encourage economic development, and protect the environment,” and directed the Secretary of the Army to revise the 1983 P&G within two years of enactment. In 2009, the White House Council on Environmental Quality assumed responsibility for the P&G revision, stating its intention to craft P&G that would apply to all federal agencies. In early December, CEQ released draft Principles and Standards (P&S), inviting comments through March 5. [Note: The comment deadline was subsequently extended to April 5, 2010.]

Perk briefly reviewed CEQ's draft P&S, explaining that they would confer coequal status on economic, environmental, and social benefits in water resources planning. The proposed standards emphasize watershed approaches, non-structural measures, wise use of floodplains, best available science, social justice considerations, monetary and non-monetary benefits accounting, transparency, and other changes relative to the 1983 P&G.

In addition to the public comment period, Perk explained that the National Academy of Sciences is reviewing the draft P&S and is scheduled to release its report in November 2010. Perk said CEQ has also formed an interagency group that is currently working to draft the interagency Guidelines that will expand upon and interpret the P&S. CEQ has also tasked the agencies with developing their own agency-specific procedures to provide further direction to their planners. Perk said the current schedule anticipates that the President will sign the P&S in the spring or summer of 2011.

Gary Clark reported that UMRBA intends to comment on the draft P&S. Those comments are currently under Board review. Clark said there are some positive changes in the proposed revisions, but stressed that the states also have concerns. Among these, he said, is the strong likelihood that several of the new requirements would increase study duration and cost substantially. Clark said he also takes exception to the P&S's suggestion that federal agencies are not currently using sound science. He stressed that the Corps' models in particular are excellent and are widely relied upon by other local, state, and federal agencies.

Administrative Issues

Election of Officers

Bernie Hoyer moved and Laurie Martinson seconded a motion to name Todd Ambs as UMRBA Chair. With no other nominations, the motion carried unanimously. Jim Fischer said he had conferred with Ambs in advance of today's meeting and confirmed Ambs' willingness to serve as Chair.

Fischer moved and Hoyer seconded a motion to name Laurie Martinson as UMRBA Vice Chair. With no other nominations, the motion carried unanimously.

FY 10 Budget Amendments

Barb Naramore distributed an interim budget update, reflecting information as of February 17, 2010. She explained that the year-end shortfall in state dues payments is not expected to be as large as is reflected in the update, noting that some payments are pending. She also recommended that the Board amend the budget to reflect new revenues and expenses associated with the 604(b) water quality project. In addition, she suggested increasing the amount budgeted for travel reimbursement to Illinois, consistent with Illinois' full payment of FY 09 dues, which followed the Board's May 2009 approval of the FY 10 budget. Naramore said all of her recommended budget amendments are highlighted on the February 17 interim budget update. Laurie Martinson moved and Bernie Hoyer seconded a motion to amend the budget as recommended by Naramore. The motion carried unanimously. [The budget as amended is attached to these minutes.]

Attorney's Recommendations re Legal Status, Insurance, and Bylaws

Naramore reported that UMRBA has recently been reviewing its status as an unincorporated association and evaluating whether incorporation would be in its best interest. In advising the Board on this question, UMRBA's legal counsel also raised additional questions for the Board's consideration related to board composition, criteria for meeting the IRS's safe harbor for executive compensation decisions, and insurance. Naramore said the Board has reaffirmed the states' original decision to establish UMRBA as an unincorporated association and will not be pursuing a change in entity status. Naramore characterized this decision as largely based on the fact that the liability protections afforded by incorporation are redundant for UMRBA Board members, who are shielded from liability by virtue of their status as state employees. The ancillary questions related to board composition, executive compensation practices, and insurance are still under review. Naramore said she will be working with Board members Gary Clark and Bernie Hoyer to explore these issues and report back to the Board.

Clark emphasized that many nonprofit entities are currently evaluating these same kinds of issues in connection with new IRS reporting requirements. These requirements have placed increased emphasis on good governance practices and transparency. Clark also noted that several Board members suggested asking Todd Ambs to participate on the work group Naramore mentioned, given Ambs' considerable experience with both nonprofits and state government.

Frequency of Future Meetings

Naramore reported the UMRBA Board has reviewed various options for the frequency and format of its future meetings. In particular, the Board looked at the possibility of meeting three times per year, rather than quarterly, and also considered the option of shifting one or more meetings to a web-based format. In evaluating the options, the Board considered issues of effectiveness, cost, transparency, time commitment, compatibility with EMP-CC and NECC needs, limitations of web vs. in-person formats, and schedule optimization for cyclical work such as Congressional advocacy. Naramore reported that

the UMRBA Board decided against making any changes to its quarterly schedule of in-person meetings at this time. She also expressed the Board's deep appreciation for the long history of meeting coordination with both EMP and NESP, noting that the meeting co-location seems to have served all partners well. She emphasized UMRBA's continuing commitment to coordinating with these programs to the maximum extent possible.

Benefits for Temporary 604(b) Project Staff

Naramore reported that UMRBA will be hiring a temporary staff person to work on the 604(b) Water Quality Management Planning grant project. The position is currently posted, with interviews and a hiring decision slated for the next couple of months. This person will be compensated on an hourly basis, with an additional 25 percent of base wage in lieu of employer paid insurance, retirement, etc. While UMRBA does not typically pay 25 percent cash benefits to temporary employees, Naramore said she concluded that it was important to offer benefits with this position, given the level of education and experience desired. She further explained that this approach is entirely consistent with the terms of UMRBA's Personnel Manual, but said she wanted to apprise the Board, since this does represent something of a departure from past practice. Bernie Hoyer moved and Jim Fischer seconded a motion to concur with Naramore's decision to structure the temporary water quality staff position funded under the 604(b) project to include 25 percent of base pay in lieu of more traditional employer paid benefits. The motion carried unanimously.

Future Meeting Schedule

Naramore reported that the next two quarterly meetings are scheduled for May 18-20, 2010 in the Twin Cities and August 3-4, 2010 in La Crosse, with UMRBA's meeting falling on the first day of each series. She noted that NECC will be holding its summer meeting via web conference on August 10, 2010. The Board set the fall quarterly meetings for November 16-18, 2010 in the Quad Cities.

Fischer moved and Hoyer seconded a motion to adjourn. The motion carried unanimously. With no further business, the meeting adjourned at 2:44 p.m.

**Upper Mississippi River Basin Association
FY 2010 Budget
Reflecting Board Action on February 23, 2010**

	<u>As approved 5/19/09</u>	<u>Amendments</u>	<u>As approved 2/23/10</u>
Ordinary Income/Expense			
Income			
Contracts and Grants			
COE (EMP and NESP)	88,000.00		88,000.00
EPA (OPA)	175,600.00		175,600.00
States (604(b))	0.00	40,000.00	40,000.00
	<u>263,600.00</u>	<u>40,000.00</u>	<u>303,600.00</u>
Total Contracts and Grants	263,600.00	40,000.00	303,600.00
State Dues			
Illinois Dues	48,000.00		48,000.00
Iowa Dues	36,000.00		36,000.00
Minnesota Dues	48,000.00		48,000.00
Missouri Dues	48,000.00		48,000.00
Wisconsin Dues	40,000.00		40,000.00
WQ Assessment	85,000.00		85,000.00
Total State Dues	<u>305,000.00</u>		<u>305,000.00</u>
Other Income	100.00		100.00
Interest Income			
Short Term Interest			
Short Term (Savings)	0.00		0.00
Short Term (Sweep)	0.00		0.00
Short Term (CD)	10,900.00		10,900.00
Short Term (Money Market)	1,500.00		1,500.00
Total Short Term Interest	<u>12,400.00</u>		<u>12,400.00</u>
Total Interest Income	<u>12,400.00</u>		<u>12,400.00</u>
Total Income	<u>581,100.00</u>	<u>40,000.00</u>	<u>621,100.00</u>
Expense			
Gross Payroll			
Salary	222,410.00		222,410.00
OPA Wages	96,400.00		96,400.00
604(b) Wages	0.00	11,700.00	11,700.00
Benefits	55,600.00		55,600.00
604(b) Benefits	0.00	2,900.00	2,900.00
Total Gross Payroll	<u>374,410.00</u>	<u>14,600.00</u>	<u>389,010.00</u>
Payroll Expenses			
SocSec Company	23,210.00		23,210.00
Medicare Company	5,430.00		5,430.00
SUTA (Minnesota UC)	850.00		850.00
Workforce Enhancement Fee	180.00		180.00
Total Payroll Expenses	<u>29,670.00</u>		<u>29,670.00</u>

	<u>As approved 5/19/09</u>	<u>Amendments</u>	<u>As approved 2/23/10</u>
Travel	20,000.00		20,000.00
Space Rental			
Office Rental	38,200.00		38,200.00
Parking	6,550.00		6,550.00
Total Space Rental	<u>44,750.00</u>		<u>44,750.00</u>
Reproduction			
Copy Service	1,500.00		1,500.00
Printing	1,000.00		1,000.00
Total Reproduction	<u>2,500.00</u>		<u>2,500.00</u>
Meeting Expenses	17,000.00		17,000.00
Supplies	4,500.00		4,500.00
Equipment			
Equipment (Purchase)	700.00		700.00
Equipment (Maint./Rental)	1,700.00		1,700.00
Total Equipment	<u>2,400.00</u>		<u>2,400.00</u>
Legal and Financial			
Insurance	2,400.00		2,400.00
Legal and Tax Services	3,000.00		3,000.00
Bank Charges	0.00		0.00
Total Legal and Financial	<u>5,400.00</u>		<u>5,400.00</u>
Telephone/Communications	7,300.00		7,300.00
Postage	2,200.00		2,200.00
Other Services	4,200.00		4,200.00
Publications	2,400.00		2,400.00
State Travel Reimbursement			
Illinois	2,500.00	2,500.00	5,000.00
Iowa	5,000.00		5,000.00
Minnesota	5,000.00		5,000.00
Missouri	5,000.00		5,000.00
Wisconsin	4,167.00		4,167.00
State WQ Travel	5,000.00		5,000.00
Total State Travel Reimbursement	<u>26,667.00</u>	<u>2,500.00</u>	<u>29,167.00</u>
OPA Expenses			
Equipment OPA	9,300.00		9,300.00
Equipment (Maint./Rental) OPA	4,300.00		4,300.00
Travel OPA	6,000.00		6,000.00
Other OPA	3,300.00		3,300.00
Total OPA Expenses	<u>22,900.00</u>		<u>22,900.00</u>
604(b) Expenses			
Contractor 604(b)	0.00	25,000.00	25,000.00
Equipment 604(b)	0.00	5,000.00	5,000.00
Meetings 604(b)	0.00	1,300.00	1,300.00
Travel 604(b)	0.00	1,800.00	1,800.00
Other 604(b)	0.00	2,000.00	2,000.00
Total 604(b) Expenses	<u>0.00</u>	<u>35,100.00</u>	<u>35,100.00</u>
Total Expense	<u>566,297.00</u>	<u>52,200.00</u>	<u>618,497.00</u>
Net Ordinary Income	<u>14,803.00</u>	<u>(12,200.00)</u>	<u>2,603.00</u>