

# LRD Lock Maintenance Workshop

**Presenter Name**

**Bob Leitch**

**Presenter Title**

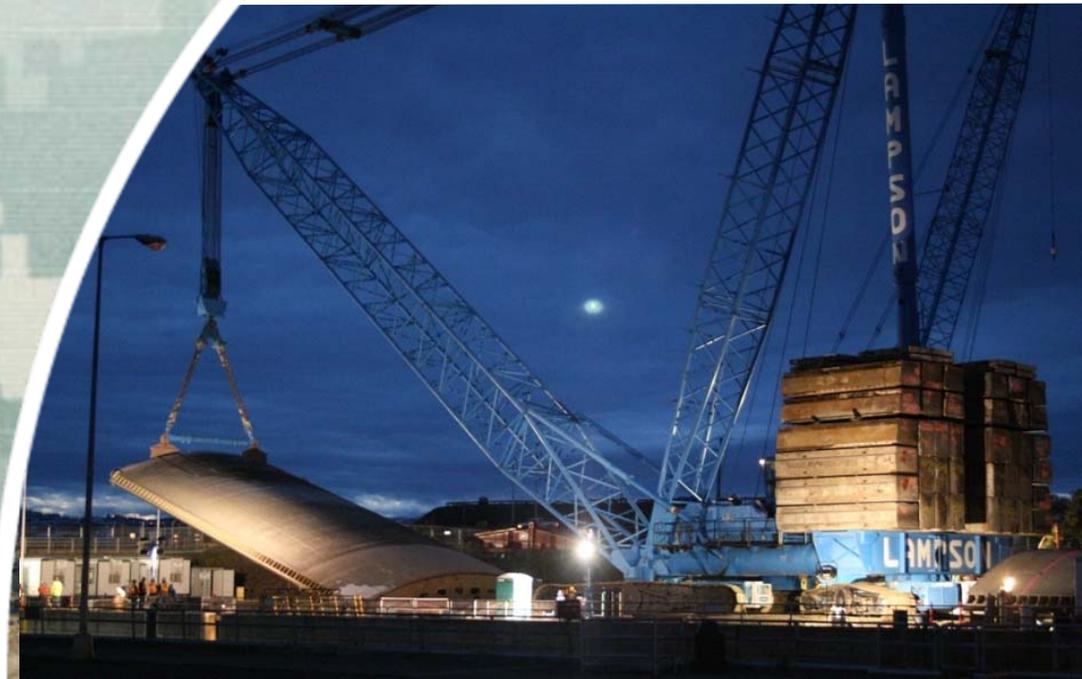
FEM/Floating Plant Program Manager

**Duty Location**

HQUSACE

**Date of Presentation**

18 February 2011



US Army Corps of Engineers  
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# HQ Topics

- **PRIP Status**
- **Biodiesel Testing (B100)**
- **USACE Dive Team Management**



# PRIP FY11-FY12 Program

- **FY11 program = \$84.5M**
- **~ \$69M in continuing Major & Minor Items for FY12**
  - ▶ **Should reduce to ~ \$15M in FY13**
- **\$73M ceiling set by RM for FY12 (determined by income at that time)**
- **4 new MINS approved for FY12**
  - ▶ **Other MINS delayed to FY13**



# PRIP FY11-FY12 Program (\$000)

	FY11 Current Posture	FY11 Total UFR Requirements	FY11 HPG/CW Recommend	FY12 Total Requirements	FY12 HPG/CW Recommend
<b>BALANCE as of 1 Oct XX</b>	\$ 147,657	\$ 147,657	\$ 147,657	\$ 107,758	\$ 107,758
<b>LESS:</b>					
Funds to be distributed (FY11 Approved)	(84,471)	(84,471)	(84,471)	(139,489)	(73,871)
Insurance Liability Coverage	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
FY11 Re-Issuance(FY10 Approved Requirements)	(34,000)	(34,000)	(34,000)	-	-
Proposed changes (UFRs)	-	(35,642)	(1,428)	-	-
Proposed changes (UFC/AT)	-	(74,504)	-	(79,636)	-
CRREL Land Purchase **	-	-	-	(18,000)	(18,000)
<b>PLUS:</b>					
Recovery of PY Funds	-	-	-	-	-
Income from:					
Depreciation	-	-	-	-	-
Plant Increment	-	-	-	-	-
<b>PROJECTED TOTAL INCOME as of 30 Sep XX *</b>	80,000	80,000	80,000	80,000	80,000
<b>ESTIMATED FUNDS AVAIL FOR DISTRIBUTION</b>	\$ 71,186	\$ (38,960)	\$ 69,758	\$ (87,367)	\$ 57,887
<b>ADD BACK: Insurance Liability Coverage</b>	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
<b>ESTIMATED FY ENDING BALANCE</b>	\$ 109,186	\$ (960)	\$ 107,758	\$ (49,367)	\$ 95,887

\* Projected Income revised from \$73M to \$80M based on 1<sup>st</sup> Qtr income reported

\*\* Will be funded in FY12 if project receives authorization.



# PRIP Future Years Program

- **CERM changes to PRIP regulations**
  - ▶ Driven by decreasing PRIP revenue
  - ▶ Audited Plant Increment waivers
  - ▶ Eliminated 35% rule for A&Bs
  - ▶ Changed useful lives for some assets
- **FY13 Budget EC changes**
  - ▶ MINS threshold raised to \$5M
  - ▶ Minor threshold still \$250K
  - ▶ Cost growth raised from 10% to 20% (aligns with E&C best practices and standard contract contingency amounts)



# PRIP Future Years Program

## ■ PRIP Fund Management

- ▶ CERM contractor to perform Actuarial Analysis
- ▶ Recommend optimum mix of long-lived vs. short-lived investments
- ▶ Review Plant Increment formula
- ▶ Determine optimum fund size for insurance, reserves, and projected value/type of investments

## ■ Minimum Fleet Strategic Capital Investment PDT proposed

- ▶ To examine effect of PRIP changes, shipyard capability, technological advances, dredging needs, industry capacity, investment and sustainment costs



# PRIP Future Years Program

- **PRIP Floating Plant Prioritization Process**
  - ▶ Adapted from MVD's prototype
  - ▶ Successfully applied to FY12 QUAD CITIES, BIG RED, and DB McCAULEY projects
  - ▶ Recommend standard process applied within MSC rankings and nationally
  - ▶ Provides more objective rankings, similar to functionality of Marine Engineering Board
  - ▶ Provides more consistent & objective Floating Plant condition assessments



# Biodiesel Testing (B100)

- **Adapted NOAA's Lake Michigan Field Station methodology**
  - ▶ Based on 10+ years experience, ~500 vessels, 1M gallons/yr
  - ▶ Proven cold weather usage, reduced maintenance, reduced emissions
- **Four USACE sites selected: San Francisco, Washington DC, St. Louis, and Cleveland**
- **Purpose is to test operational feasibility**
  - ▶ Availability, Quality, Cost
  - ▶ Engine condition assessments performed
  - ▶ Fuel monitoring instrumentation installed
  - ▶ Performance and emissions tested before (#2 diesel) and after (B100 biodiesel)
  - ▶ Testing scheduled Feb-May 2011; draft report expected Jun-Jul 2011



# Biodiesel Testing (B100)

- **Potential benefits**

- Reduced emissions (helps meet GHG reduction mandate of EO 13514 & USACE SSPP)
- Reduced maintenance costs – less injector and fuel pump wear
- Positive results may allow adoption of B100 usage throughout USACE floating plant where feasible

- **USACE SSPP annual fuel reporting requirement**

- ▶ Floating Plant tracked separately due to amounts (~8M gal/yr)
- ▶ 1000 gallons #2 diesel ~ 1 MT CO<sub>2</sub>
- ▶ Cost/MT reduction is very low for B100
- ▶ Presently using SeaCard, WEX, and data calls
- ▶ Ultimately required to track gallons/time period
  - ▶ Fuel meters in FEM are better method to do this



# USACE Dive Team Management

- **Draft memo being reviewed by Dive Issues PDT (CECW, CESO, CEHR, and field members experienced with USACE dive ops)**
  - ▶ **Dive Supervisor pay & conditions specified (GS & WG)**
  - ▶ **Dive Supervisor authority**
  - ▶ **Dive Team Support**
  - ▶ **USACE support for regional/national Dive Team assemblies**
- **Dive Training options being examined**

