



Saint Lawrence Seaway Development Corporation

Advisory Board Meeting Minutes

Wednesday, September 25, 2019 (9:00 a.m.)

Meeting held in Massena, N.Y. and via Teleconference

PRESENT Advisory Board members – David McMillan (Advisory Board Chairperson), William Mielke (Advisory Board Member), Dr. Arthur Sulzer (Advisory Board Member) (via teleconference)

SLSDC staff members – Craig Middlebrook (Deputy Administrator), Tom Lavigne (Associate Administrator), Wayne Williams (Chief of Staff), Nancy Alcalde (Director of Congressional and Public Relations), Michal Chwedczuk (Law Clerk), Chris Guimond (Director of Lock Operations and Marine Services), Kevin O’Malley (Director of Budget and Economic Development), and Nancy Scott (Director of Finance/CFO).

General public attendees – Also present were several members of the public, including Anita Blackman (former SLSDC employee), Gail McDonald (former SLSDC Administrator), Bart Peters (Spliethoff Group), and Major Colby Krug and Major Joseph Pfeifer (DOT military fellows).

Mr. McMillan chaired the meeting and Mr. O’Malley recorded the minutes.

I. CALL TO ORDER

In his capacity as Board Chairperson, David McMillan welcomed all participants to the Advisory Board meeting and, noting the presence of quorum, called the meeting to order at 9:02 a.m.

II. APPROVAL OF THE MINUTES

On a motion by Mr. Mielke, the Board approved the minutes without objection, the motion passed unanimously, and the June 18, 2019 meeting minutes were approved as drafted.

III. ADMINISTRATOR’S REPORT

Deputy Administrator Craig Middlebrook provided an update to the Advisory Board members including a general overview of SLSDC activities following the previous Advisory Board meeting in June 2019.

He began his report by recapping the Seaway’s 60th anniversary events in Massena the prior day on September 24. He also read a congratulatory message from Canadian St. Lawrence Seaway Management Corporation (SLSMC) President/CEO Terry Bowles.

Mr. Middlebrook provided updates on the SLSDC’s budget/appropriations for FY 2020, plans for the FY 2021 budget request, and commercial traffic during the 2019 navigation season (down 4 percent YTD).



- Mr. Mielke asked about the SLSDC Asset Renewal Program (ARP) and the need for a more traditional five-year capital infrastructure plan. Director of Budget and Economic Development Kevin O'Malley responded that the SLSDC has an annual update to its five-year capital plan and future budget submissions will detail post-ARP infrastructure plans. Mr. Middlebrook added that the SLSDC continues to receive support and positive feedback from the Department, Administration, and Congress related to Seaway infrastructure.

Mr. Middlebrook highlighted the full implementation of hands free mooring (HFM) at the two U.S. Seaway locks. He noted that over 98 percent of commercial ships transiting the U.S. Seaway locks can and are using it. He also mentioned that the U.S. Army Corps of Engineers (USACE) recently visited Massena and Montreal to view the HFM system and there are plans to incorporate HFM technology into the new and existing Soo Locks as well as possibly retrofitting some inland waterway locks.

Mr. Middlebrook provided an update on the new *Seaway Guardian* tugboat under construction in Louisiana. The contractual date for delivery is the end of September and discussions will take place between the shipyard and the SLSDC in the next few days. It is expected that the tug will not be delivered until the spring of 2020.

Finally, he provided an update on the prototype of the new Seaway traffic flow management system under development by the Department's Volpe Center. This new system will integrate data from the two Seaway entities, ports, terminals, carriers, and other stakeholders to improve systemwide efficiency.

(Note: Board member Dr. Art Sulzer joined the meeting by phone teleconference at 9:20 a.m.)

IV. QUARTERLY UPDATES

Chris Guimond, Director of Operations and Marine Services, provided updates to the Board on several accomplishments since the previous meeting, including successful traffic management during record-setting water levels and outflows on Lake Ontario and the St. Lawrence River, HFM operational information, ship inspections and ballast water exams, repairs to the Gallop Island range marker, new staff hires, and participation in a two-day emergency response exercise in August. He added his office is in the process of recruiting/hiring a new chief for marine services, providing staff training in a number of areas, and educating new U.S. Coast Guard (USCG) personnel on Seaway navigation and operational matters. Finally, Mr. Guimond highlighted several focus areas over the next quarter, including year-end customer meetings, closing the 2019 navigation season and decommissioning navigation aids.

- Mr. Mielke asked about any staff reductions with the full implementation of HFM. Several SLSDC staff members discussed that SLSDC "Jobs of the Future" program and how lock positions were adjusted to include preventative maintenance duties. The SLSDC did not have a mandated reduction in force related to HFM.



Mr. O'Malley provided an update on budget and performance issues. He highlighted the House and Senate appropriations bills and reports for FY 2020 to begin on October 1, 2019, the expected Continuing Resolution (CR) to begin FY 2020, and the SLSDC's FY 2021 budget request to the Office of Management and Budget (OMB) on September 10, which included the first submission transitioning the ARP to a more traditional asset capital plan.

- Mr. Mielke commented that many municipalities have moved to "Asset Management" projects for large-scale infrastructure work, which include five-year capital plans. Mr. O'Malley responded that he would look into those projects and plans and would incorporate into the SLSDC's infrastructure plans as appropriate.

Nancy Scott, Director of Finance/CFO, provided the Board with an update on the FY 2019 financial statements audit. She noted that OIG auditors were on site in Massena July 22-26 performing field testing and will return October 14-25 for their final review. The final audit report will be released no later than November 15. Finally, she provided the Board with an update on SLSDC offsetting collections that are expected to be the highest level in several years at approximately \$788,000.

Mr. O'Malley proceeded to provide the Board with an update on trade and economic development initiatives. He highlighted the recent hiring of Peter Hirthe, formerly of the Port of Milwaukee, as the SLSDC's new Great Lakes Regional Representative.

- Mr. Mielke praised the SLSDC decision to hire Mr. Hirthe and noted his strong commercial logistics experience in the Great Lakes Seaway System.

Mr. O'Malley also noted that the SLSDC co-hosted a roundtable discussion in Chicago in July on cruise ship clearance procedures into U.S. Great Lakes ports of entry. He mentioned that the meeting provided nearly 40 industry leaders, including ports, terminals, and cruise carriers, with the opportunity to discuss current cruise ship activity for 2019, future growth, and new technology and facility requirements for clearing passengers. He added that the roundtable organizers are planning to host a similar meeting in the summer of 2020. Finally, Mr. O'Malley highlighted three major events in the next quarter for SLSDC trade officials – Breakbulk Americas in Houston (October), Highway H₂O Conference in Toronto (November), and SLSDC/SLSMC stakeholder reception in Montreal (December).

- Dr. Sulzer mentioned that the SLSDC needs to highlight the Seaway's position in the overall North American transportation system as part of its new Visitors' Center. He noted that his work with the Boy Scouts Jamboree this past summer including discussions with boys/teens from foreign countries who did not understand how maritime transportation is interconnected throughout the North American continent.

Tom Lavigne, Associate Administrator, briefed the Board on various on-going and recently contracted ARP projects, including paving and drainage improvements, river bottom sampling for future maintenance dredging, recess grating covers, dewatering valves, arc flash study, ship arrestor hydraulic machinery, and designs and specifications for the smaller second tugboat.



He also discussed that modelling to verify the flow conditions of the proposed system modifications for the Snell Lock ice flushing system has been completed. Fabrication drawings are 90 percent complete in preparation for installing and testing the modified piping and valves on one of the ice flushing ports before the closing of the 2019 navigation season.

Finally, Mr. Lavigne discussed upcoming activities including installing and testing the modified piping and valves for one of the ice flushing ports for the Snell Lock ice flushing system, managing progress of the current ARP projects and finalize plans for the upcoming winter work projects, continuing to monitor the shipyard's progress for the construction of the Seaway Guardian tugboat, awarding a contract for the construction of a smaller second tugboat, and preparing designs, specifications, and drawings/solicitations for concrete surfaces in culvert and valve recesses at Snell Lock, new ship arrestor hydraulic machinery at both locks, controls for the dewatering pumps at both locks, and lock wall guardrails at both locks.

Nancy Alcalde, Director of Congressional and Public Relations, briefed the Board on several events and issues promoted over the past quarter including HFM media outreach, monthly trade and traffic statistics releases, Pacesetter Award presentations and media outreach, and water levels press/public inquiry management. In addition, she discussed the work of her staff in preparing the 60th anniversary events in Massena, as well as various social media enhancements and publications highlights. She ended by noting that her office over the next quarter will begin work on plans for a christening ceremony for the Seaway Guardian tugboat in the spring of 2020 and the creation of a new systemwide brochure with several stakeholders.

Mr. Middlebrook discussed the operational and policy situations surrounding the water levels on Lake Ontario and the St. Lawrence River in 2019. He noted that the SLSDC continues to work and meet with stakeholders to discuss the operational and economic impacts associated with navigation shutdown or temporary suspensions. He added that the SLSDC has commissioned a study to be completed in late 2019/early 2020 to look at the economic, environmental, and societal impacts of the various proposed scenarios on navigation to increase water flows.

V. OLD AND NEW BUSINESS

Mr. Mielke offered his compliments to the entire SLSDC team for an outstanding 60th anniversary celebration, which was seconded by Chairman McMillan.

Mr. Middlebrook noted that in late October, he and several Great Lakes Seaway System stakeholders will be in St. Paul, Minn., to meet with the governor and state officials as part of the Great Lakes Seaway Partnership "Capitol Days" event. He invited Chairman McMillan to join the group in St. Paul.

Wayne Williams, Chief of Staff, discussed the possible dates for the next quarterly Board meeting to be held via teleconference. The Board members agreed to Monday, December 2, for the next meeting.



VI. CLOSING DISCUSSION AND ADJOURNMENT

The meeting was adjourned at 10:45 a.m., with a motion to adjourn from Mr. Mielke and seconded by Dr. Sulzer.

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