



DEPARTMENT OF THE ARMY
ST. LOUIS DISTRICT CORPS OF ENGINEERS
1222 SPRUCE STREET
ST. LOUIS, MISSOURI 63103-2833

REPLY TO
ATTENTION OF:

CEMVS-PM-F

7 DEC 2011

MEMORANDUM FOR Commander, U.S. Army Engineer Division, Mississippi Valley
(CEMVD-PD-SP/Renee Turner), 1400 Walnut Street, P.O. Box 80, Vicksburg, MS 39181-0080

SUBJECT: House Resolution 58, 2005 Omnibus Appropriations Bill (Approved 8 December 2004), Revised Report to Congress, Kaskaskia River, Illinois, Watershed Performance Measures

1. References:

- a. Memorandum, CEMVS-PM-F, 17 July 2009, subject as above.
 - b. Memorandum, CEMVD-PD-SP, 8 June 2006, subject as above.
 - c. Memorandum, CEMVS-OD-T, 16 December 2005, subject as above.
 - d. Memorandum, CEMVD-PD-SP, 11 August 2005, Subject: House Resolution 58, 2005 OMNIBUS Appropriations Bill (Approved 8 December 2004), Report to Congress, Kaskaskia River, Illinois, Watershed Performance Measures.
2. The subject report was revised based on consolidated comments received from HQUSACE and MVD, per reference 1d above.
3. The report was resubmitted to MVD for review, concurrence, and transmittal to HQUSACE, per reference 1c above. MVD concurred with recommendations of the report and submitted it to HQUSACE in February 2006, but the report was not received by HQUSACE. The report was resubmitted by MVD to HQUSACE in June 2006, per reference 1b above.
4. Since 2006, Corps performance based budget measure changes and Congressional legislative initiatives has occurred which generated questions regarding the intent and relevance of the report; therefore, HQUSACE provided only draft comments following the June 2006 submission. During discussions with Congressional staff in 2008, it was determined that this report is still required by Congress.
5. The subject report was resubmitted to MVD, per reference 1a above, and consolidated MVD and HQUSACE comments were received via e-mail in August 2009.

CEMVS-PM-N

SUBJECT: House Resolution 58, 2005 Omnibus Appropriations Bill (Approved 8 December 2004), Revised Report to Congress, Kaskaskia River, Illinois, Watershed Performance Measures

6. The subject report has been revised based on the consolidated comments received in August 2009. Request review, concurrence, and transmittal of the revised report to Congress (enclosed) to HQUSACE for submittal to Congress. Due to the extensive report revisions which occurred in response to the consolidated comments from August 2005 (reference 1c above) and the consolidated comments from 2009, a compliance memo has not been prepared.

7. District POC for this report is Brian Johnson, Environmental Planning, (314) 331-8146.

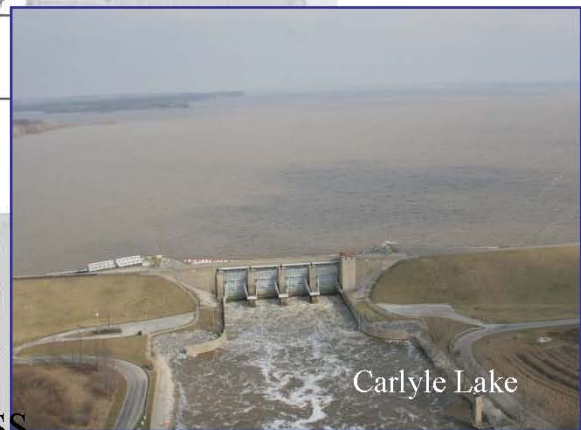
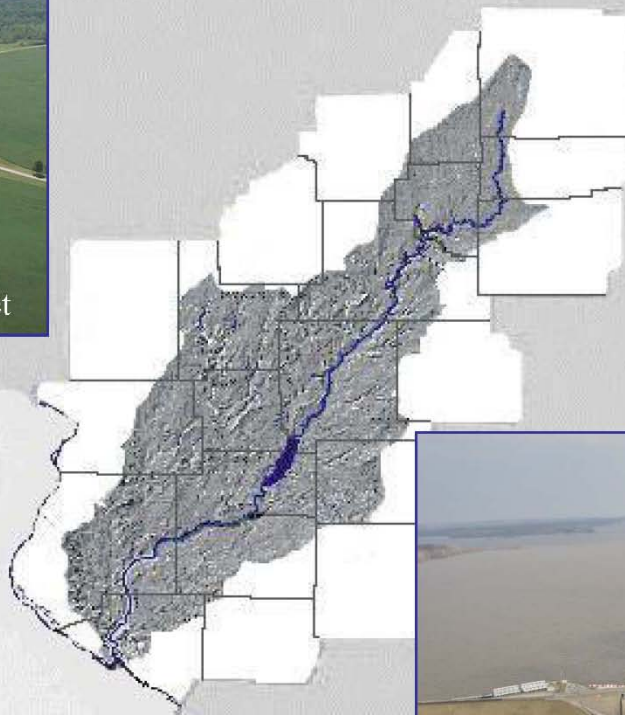
2 Encls

1. Revised Report to Congress
2. KWA Letter September 21, 2011



CHRISTOPHER G. HALL
COL, EN
Commanding

REPORT TO CONGRESS KASKASKIA RIVER, ILLINOIS WATERSHED PERFORMANCE MEASURES



REPORT TO CONGRESS
KASKASKIA RIVER, ILLINOIS

WATERSHED PERFORMANCE MEASURES DECEMBER 2011

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REPORT TO CONGRESS KASKASKIA RIVER, ILLINOIS WATERSHED PERFORMANCE MEASURES

1. Purpose

a. **House Resolution 58.** House Resolution 58 of the 2005 Omnibus Appropriation Bill (Public Law (P.L.) 108-447) directs the Corps of Engineers to prepare a Report to Congress that addresses the development of integrated and collaborative watershed performance measures. House Resolution 58 states:

Kaskaskia River Navigation, Illinois – The Committee commends the Corps of Engineers for shifting its project evaluation to a watershed approach. The Committee believes that the consensus building among partners and stakeholders and interagency cooperation between federal, state, and local government that results from a watershed approach will produce overall cost savings without sacrificing service or safety; economic development that is built and operated in a sustainable manner; and improved environmental quality within watersheds. The Kaskaskia River, Illinois, watershed, cited in the Corps of Engineers Civil Works Strategic Plan, March 2004, is an outstanding example of this concept. The Committee notes the dramatic under funding of this project by the Administration, and recommends additional funding. The Committee directs the Corps to continue in this direction and to develop watershed performance measures that will provide measurable results of such initiatives and directs the Corps to submit to the Committee, within 180 days of enactment of the Act, a report that outlines these procedures.

b. **Watershed Approach to Performance Measures.** Through the above-cited House Resolution, the Corps is directed to continue to support watershed level initiatives and develop associated watershed performance measures that will provide measurable results of a watershed-level approach to project evaluation.

c. **Report Perspective.** The value created by managing water resources on the watershed basis cannot be underestimated. While budget dollars for an action may be shown in a single business line item, in reality those dollars are often creating value for other project purposes (other business lines) as well. For example, in the case of the Kaskaskia Lock operation, 100% of the cost of operating the lock is attributed to navigation dollars. However, Kaskaskia River barge traffic makes up less than 50% of lockages because of the high volume of recreational craft using the system. Under the current system of budgetary metrics, there is no mechanism to account for the recreation benefits realized as a result of this navigation budget item.

At the time of the House Resolution cited above, the Corps had only recently implemented the use of performance metrics in its budgeting procedures. The performance metrics and their uses have evolved over time and have begun to more adequately address watershed and system-level perspectives. However, the performance metrics still undervalue the benefits to the watershed that are not directly attributable to the business line in question. This report suggests an additional performance metric that could be used to take into account benefits to other business lines but it does not recommend any changes to the existing metrics. This report also recommends that a pilot budget program, centered around long range delivery of system benefits, be developed for the Kaskaskia River Watershed.

2. Background – Kaskaskia River Watershed, Integrated Watershed Management Initiative

a. **Watershed Description.** The Kaskaskia River Watershed is an important and prominent natural feature in Central and Southwestern Illinois. It is the second largest river basin within Illinois, originating in Champaign County and flowing in a southwesterly direction for approximately 300 miles, where it unites with the Mississippi River, in Randolph County. The watershed covers all or parts of 22 counties, encompassing an area of 5,746 square miles (3,677,790 acres) or 10.2% of the entire state. There are 8,680 miles of tributary streams, including the main river channel, (33% of the state's stream miles), and approximately 840 lakes or ponds covering 79,000 acres. Agriculture is the predominant land use within the watershed, and 82% (3,016,000 acres) of the land is used for agricultural purposes. Forest cover within the watershed is significant (9% or 331,000 acres), particularly along the streams. The largest bottomland hardwood forest within Illinois (43,000 acres) is located on the Kaskaskia River Floodplain. The human population of the watershed in 2008 was approximately 600,000. There are approximately 100 towns and small cities situated throughout the watershed. Madison and St. Clair counties in the east Metropolitan St. Louis area have the largest concentrations of urban population and development, and urban sprawl is a concern in this part of the watershed.

b. **The Kaskaskia Watershed Association and the Kaskaskia River Watershed Initiative.** Organized in the mid-1990s through a coalition of concerned non-government organizations and diverse government agencies, the Kaskaskia Watershed Association (KWA) incorporated as a non-profit organization to address watershed issues. Their ultimate goal is to improve the quality of life in the watershed and bring maximum value to the nation. Working together, public agencies (federal, state, and local) and non-governmental organizations throughout the watershed have identified common goals and recommended actions through collaborative watershed management planning efforts that maximize the ability to leverage resources to accomplish on-going and future improvements in the watershed.

The Integrated Kaskaskia Watershed Initiative is a regionally driven, long-term effort led by a coalition of non-governmental organizations active throughout the watershed who have organized as the KWA to promote effective use of the basin's resources including optimal use of the three Corps projects within the basin. The KWA works with state, county and municipal governments, as well as multiple federal agencies (Corps, USFWS, NRCS and USEPA) to partner and collaborate in its efforts.

c. **Corps Role in the Watershed.** The U.S. Army Corps of Engineers is integral to the success of the Kaskaskia River Watershed Initiative through the operation and maintenance (O&M) of three Federal water resource projects on the Kaskaskia River: Lake Shelbyville and Carlyle Lake, both authorized by PL85-500 for Flood Control, Water Supply, Navigation, Recreation, and Fish/Wildlife Conservation; and The Kaskaskia River Project, authorized by the Flood Control Act of 1962 (P.L. 87-874) for Navigation, and later for Fish and Wildlife Habitat Restoration (Water Resources Development Act (WRDA) of 1996, P.L. 104-303) and Recreation (WRDA 2000, P.L. 106-541). The Kaskaskia River watershed can be seen in Figure 1.

The watershed also includes two Federal (New Athens and Dively) and five non-Federal (Vandalia, Santa Fe, Hanover, Germantown, and Heiman) levee and drainage systems administered by the Corps. The State of Illinois is the non-federal cost sharing sponsor for the three Corps Civil Works projects in the watershed and has worked with the Corps since the 1950s to authorize, design, construct and operate and maintain these projects in an effort to achieve their potential benefits.

Section 5073 of WRDA 2007 (P.L. 110-114) provided authority for development of a comprehensive plan for the Kaskaskia River Basin. Additionally, it provided authorization for implementation of plan recommendations, in limited circumstances. A portion of the WRDA language is provided below to illustrate the comprehensive nature of the authorization.

SEC. 5073. KASKASKIA RIVER BASIN, ILLINOIS, RESTORATION.

(a) KASKASKIA RIVER BASIN DEFINED.—In this section, the term ‘‘Kaskaskia River Basin’’ means the Kaskaskia River, Illinois, its backwaters, its side channels, and all tributaries, including their watersheds, draining into the Kaskaskia River.

(b) COMPREHENSIVE PLAN.—

(1) DEVELOPMENT.—The Secretary shall develop, as expeditiously as practicable, a comprehensive plan for the purpose of restoring, preserving, and protecting the Kaskaskia River Basin.

(2) TECHNOLOGIES AND INNOVATIVE APPROACHES.—The comprehensive plan shall provide for the development of new technologies and innovative approaches—

- (A) to enhance the Kaskaskia River as a transportation corridor;
- (B) to improve water quality within the entire Kaskaskia River Basin;
- (C) to restore, enhance, and preserve habitat for plants and wildlife;
- (D) to ensure aquatic integrity of side channels and backwaters and their connectivity with the mainstem river;
- (E) to increase economic opportunity for agriculture and business communities; and
- (F) to reduce the impacts of flooding to communities and landowners.

The State of Illinois has submitted a Letter of Intent to be the non-Federal sponsor for the study at such time as the study receives Federal funding.

Figure 1-Kaskaskia River Watershed

d. **Corps and KWA Partnership.** The Corps has been working closely with the KWA since the mid-1990s to develop watershed level solutions to issues and opportunities within existing Corps authorities, policies and business processes. From this strong collaboration comes increased support for existing Corps projects in the watershed to maximize benefits of those projects (Carlyle/Shelbyville Lakes, Kaskaskia River Project). The KWA is working to identify new, viable watershed based projects with the Corps and others that have strong partner/stakeholder support to achieve the necessary resource leveraging through cost sharing, contributions, grants, private investments, volunteering and other commitments required for success.

e. **Stakeholder Concerns.** The KWA and its state and federal partners and stakeholders are working to develop solutions to a number of watershed issues related to Corps projects, missions and authorities such as:

- River channel head-cutting
 - Bank stabilization
 - Erosion control
 - Water control
 - Water supply
 - Water quality
 - Hydropower potential
 - Flood damage reduction/floodproofing
 - Wetland habitat restoration of river remnant channels and at Corps lakes
 - Contiguous bottomland hardwood forest protection and restoration
 - Navigation channel and lock and dam facility maintenance
 - Operations and maintenance (O&M) levels of service and funding of Corps projects
- f. **Corps Civil Works Strategic Plan.** The U.S. Army Corps of Engineers Civil Works Strategic Plan, 2011 to 2015, was published in September 2011. The overarching strategy highlighted in the report is one of integrated water resources management with recognition of the need for a systems approach to water resources. The report further recognized the need to shift from individual and sometimes isolated project decision making to interdependent system decision making. This approach is a continuation and maturation of strategies identified in the Corps 2004 to 2009 Strategic Plan. One of the key strategic directions also highlighted in that report was for the Corps to move toward an Integrated Watershed Management perspective to solving the nation's water resource issues. The Kaskaskia Watershed Association and the long term Kaskaskia River Watershed Initiative was featured in the 2004 to 2009 report as a concrete example of how the Corps should move forward in partnering and solving problems at the watershed level. This reference serves as a good overview of the Kaskaskia River Watershed Initiative and is cited in Figure 2.

Working a Watershed Approach in the Kaskaskia River Watershed

The Kaskaskia River Watershed Association provides one approach to how the Corps can partner with others to foster comprehensive and sustainable solutions within watersheds.

The Kaskaskia River Watershed covers more than 10 percent of the State of Illinois. Citizens became concerned about (1) the impacts of flood-control reservoirs at Lake Shelbyville and Carlyle Lake constructed by the U.S. Army Corps of Engineers to reduce flooding on the lower sections of the Kaskaskia River and lower Mississippi River in the 1960s, and (2) adverse impacts of a navigation project on the lower reaches of 36 miles of the river developed to encourage the movement of coal, grain, steel, and other commodities by barge. Adverse impacts include loss of high-quality bottomland hardwood forest, savanna, prairie, native mussel species, birds, and a degradation of the quality of streams.

Concerned about future water use conflicts from population expansion that will require a greater need for clean sources of public water, coal-fired fuel, and maintenance of navigation channels, and interested in recreation as a sustainable source of income, the Kaskaskia Watershed Association (KWA) rose to the task to protect and balance interests in navigation, recreation, water supply, conservation, and sediment management. A mixture of business persons, agency personnel, and other interested parties came together on a watershed basis in 1996 as an incorporated not-for-profit organization to address restoration needs comprehensively through partnerships.

The Corps of Engineers is one of six Federal agencies involved in the KWA along with other partners – including seven State agencies, five partners of the Illinois Department of Natural Resources, and 14 regional and local interests spread across four reaches of the watershed. The Corps partnered with the Illinois Department of Natural Resources to help the Southwestern Illinois Resource and Conservation Development, Inc., a non-profit corporation, develop the report entitled, Kaskaskia River Watershed: An Ecosystem Approach to Issues and Opportunities. This report details over 100 projects fashioned to address issues and opportunities around 7 goal categories: Business, Industry, and Agriculture; Habitat; Human Resources; Hydrology; Recreation; Research and Monitoring; and Water Quality. Plans are grounded in respect for the sustainability of natural resources, active local citizen involvement in planning, good science and economic data, and a clear sense of how success will be measured.

Project funding for the Association's efforts comes from local sources with the assistance of State and Federal agencies and legislators. For example, the Natural Resources Soil Conservation Service has provided a person to assist in grant writing; the EPA has helped the KWA compete for EPA's watershed grants; the Department of Commerce has facilitated the group in getting economic development grants; and the U.S. Fish and Wildlife Service has attended planning meetings.

Figure 2 – Excerpt from 2004-2009 Civil Works Strategic Plan

3. Corps Business Line Performance Measures

a. **Performance-Based Budget Process.** The Government Performance and Results Act of 1993 (P.L. 103-62) mandates that improved federal government accountability and efficiency processes are developed and implemented by all agencies government-wide. The U.S. Army Corps of Engineers responded to this legislation, developed performance measures, and began implementation of performance-based budgeting in Fiscal Year 2005 for all traditional civil works water resource missions, now termed "Business Lines." The business line performance measure criteria and metrics are utilized in the assembly of the President's Budget. Performance metrics and implementation guidance developed for all business lines are applicable to all authorized and appropriated General Investigations (GI) studies, new Construction General (CG) projects under development, and existing Operation and Maintenance (O&M) projects.

The Corps has a total of nine business lines:

Flood Risk Management Ecosystem Restoration Environmental Stewardship Recreation Navigation
Hydropower Regulatory FUSRAP Water Supply

All Corps budget requests are submitted under one of these nine business lines. If a project has multiple authorized purposes, it may have several budget packages (for discrete items of work) distributed among several business lines.

b. Corps Business Lines Applicable to the Kaskaskia River Watershed. The three existing Corps-managed water resource projects (Lake Shelbyville, Carlyle Lake, and Kaskaskia River Project) in the Kaskaskia River Watershed generate many economic and environmental benefits for the region and the nation. Between 1993 and 2009, it is estimated that these three projects prevented approximately \$1.2 billion in economic damages due to flooding, generated over \$152 million in visitor spending within 30 miles of the projects, and provided water to 150,000 people and two major power plants. Federally authorized Corps Business Lines (missions) associated with these three projects in the watershed are: Navigation, Recreation, Flood Risk Management, Water Supply, Ecosystem Restoration, and Environmental Stewardship. Two of the six business lines (navigation and environmental stewardship) are of particular concern with regard to the application of metrics during budgeting and they are discussed in more detail in the paragraph 4.

Figure 3 – FY 2012 President’s Budget funding request for the Kaskaskia River Watershed by Business Line.

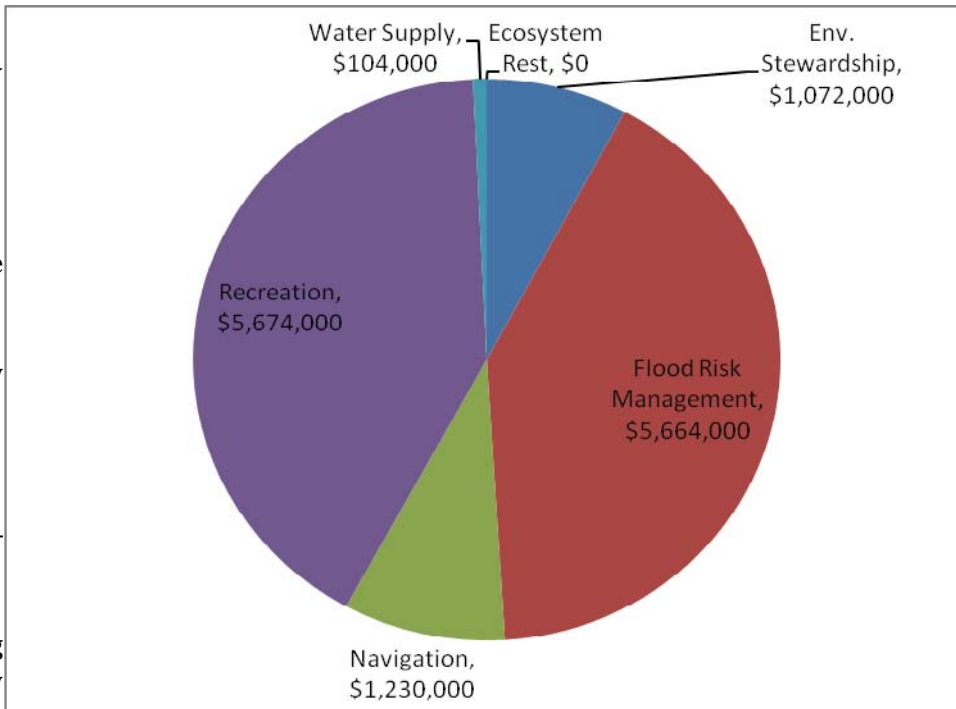
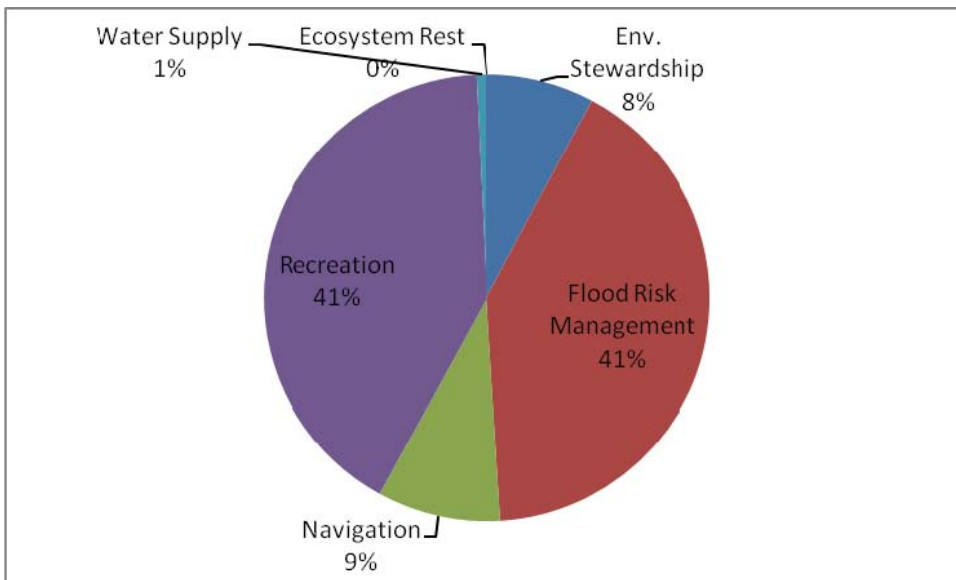


Figure 4 – FY2012 President’s Budget funding request by Business Line, as a % of the total budget request.



4. Navigation and Environmental Stewardship Performance Metric Concerns

a. When preparing the budget in the navigation business line, priority considerations include the minimum cost of operating the project, and the risks and consequences related to a funding need. Project performance metrics that aid in the ranking of budget items include measures of tonnage, the 5-year tonnage average, ton-miles, and the 5-year average of ton-miles.

b. The above considerations and metrics do not take into account benefits which may accrue to the watershed in ways not related to navigation. For example, there is a head-cutting and bank erosion concern on the Kaskaskia River that is of concern to the navigation project. This problem impacts the project directly by increasing dredging requirements (operational costs). However, it also impacts the environment by adding sediment load to the river (reduced sunlight for aquatic species) and destroying riparian habitat. Addressing the problem through funding of a budget item would have benefits to the navigation project as well as the environment. However, if a budget item to address the head-cutting problem were to be submitted under the current Navigation budget request process, it would likely not be funded because only navigation benefits are considered in the prioritization and ranking process.

c. To capture these non-navigation benefits, a metric could be added to all business lines which would indicate if the requested budget item will provide benefits that are not captured within the primary business line metrics. If it does, then a narrative should be provided to describe the nature of the benefits (and possibly the quantity of benefits). This should be given consideration during the budget ranking process in the following way: if two budget items are ranked equally or almost equally, additional consideration should be given to the one that provides the most additional benefits. If those benefits have been quantified, they should have more weight than purely narrative benefits. The metric could look something like this:

Benefits to other Business Lines: A – Does provide other benefits and they are quantified. B – Does provide other benefits but they are not quantified. C – Does not provide other benefits.

If either A or B were chosen, a narrative would then be provided indicating the type (by business line), nature, and quantity (if available) of those benefits.

d. The discussion above focuses on two examples and how they might be handled within the navigation business line. However, this inability to capture benefits outside the primary business line may also be of concern to other business lines and the suggested additional metric could be considered for broad application.

5. Proposal for System Based Program Development and Funding

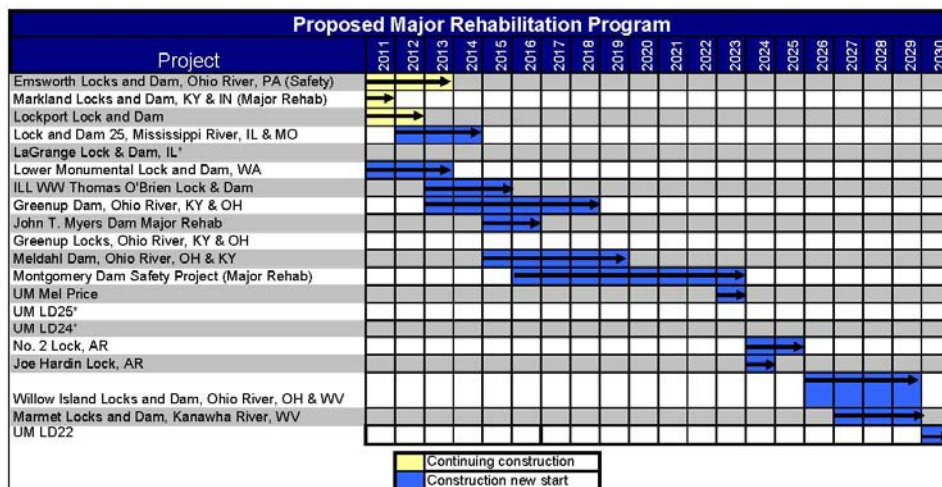
a. This report identifies some of the challenges associated with performance based budgeting, particularly when the benefits of a particular budget package cross business lines.

Often these secondary, but substantial, benefits are not well captured in business line budget packets and rankings, and may not be given proper consideration in final budget development. Recently the Inland Marine Transportation System (IMTS) Capital Investment Strategy Team completed a capital project business model for navigation improvements. This effort took a systems level approach to prioritizing and budgeting navigation construction and major rehabilitation efforts. The effort made several significant advancements. Among those advancements were:

- Development of a long term (20-year) system plan for future improvements and repairs
- Shared development of the system plan with involvement from not only the implementing agency (the Corps) but also cost share partners and affected users
- Clear prioritization of project efforts within the larger program (in this case navigation), resulting in evaluation of the navigation improvement program at a larger system level context, rather than project by project funding and construction with little consideration of the larger system needs
- Clearly identified and systematically laid out funding requirements resulting from program level project prioritization
- An easily understandable and discernable implementation schedule based on both prioritization and expected available funding

b. The IMTS effort has been hailed as a model for future budget development. Its effort to bring in stakeholders as full and equal partners during budget development, to move away from projects focus to system focus, and to prioritize within the levels of expected funding have all been well received. It does need to be clearly articulated, though, that the IMTS product, while developed with extensive involvement of the Corps of Engineers, was not a product of the Corps of Engineers.

c. IMTS Principles Applied to the Kaskaskia River Watershed System. The same principles used during development of the IMTS business model could readily be applied to the Kaskaskia River Watershed System. The Kaskaskia River Watershed System shares some of the same attributes which led the IMTS team to the formulation of the system plan, starting with a highly engaged stakeholder group in the Kaskaskia Watershed Association. In addition the Kaskaskia River Watershed is very similar to the navigation system in that the larger system has been broken into smaller elements which individually compete for funding without consideration of the larger system needs and system performance. This results because budgeting and funding presently occur independently across multiple business lines and appropriations within the Kaskaskia River Watershed.



Examples of the IMTS Business Model Outputs

Figure 5-Excerpts from the Inland Marine Transportation Systems (IMTS) Capital Projects Business Model Final Report, April 2010

The IMTS effort laid out program prioritization and schedules for two major components of the navigation system: new construction and major rehabilitation. The prioritized list was developed using weighted metrics, including risk and reliability, and economic return. The final list of metrics used was developed by the collective IMTS team. The schedule was developed based on the prioritized list, costs of individual projects and a reasonable expectation of available funding, roughly \$380 million per year for the navigation program.

- d. There are a number of reasons to consider moving away from business line budget development to systems based budget development for systems like the Kaskaskia Basin. These reasons include:
 - Our stakeholders, partners, and the public largely relate and identify with the Kaskaskia River System, not the individual projects and budget packages. Aligning our budget process to a longer range system delivery approach will help our stakeholders take even greater ownership within the basin, better understand the relationships of individual projects to delivering system benefits, and decrease lobbying for individual projects.
 - Similarly, moving certain elements of the Corps budget away from delivering project benefits to focusing on delivering system benefits, and determining the prioritization and funding requirements to meet and maximize those system benefits, will ultimately allow for more efficient delivery of those benefits. This will occur through starting and completing fewer projects more quickly.

- A systems approach is consistent with the Corps movement toward an Integrated Watershed Management perspective to solving the nation's water resource issues.
- e. The Corps recommends that the Kaskaskia River Watershed be a pilot program for system based budgeting. Unlike traditional performance based budgeting, this budgeting would occur across business lines and across appropriations. Similar to the IMTS, this effort would likely have to include two facets: continued funding of baseline operation and maintenance of the existing Kaskaskia System and jointly prioritized projects throughout the watershed (roughly equivalent to the new construction aspect of the IMTS business model). Like the IMTS effort, metrics would have to be developed and incorporated into prioritization.
- f. The Kaskaskia River Watershed is well suited for a pilot budget development effort. The basin includes a number of unique qualities and attributes which make it desirable as a pilot effort, including:
 - The Kaskaskia River Watershed has a highly engaged stakeholder group in the Kaskaskia Watershed Association. This Association has been recognized for its broad base of stakeholders and its ability to balance the multiple needs of the watershed.
 - The Kaskaskia River Watershed is unified, with entities throughout the entire watershed working together on the KWA.
 - The watershed is entirely within the St. Louis District, making the initial pilot efforts potentially more manageable.
 - The basin includes appropriations across all three major accounts: General Investigations, Construction General, and Operation and Maintenance.
 - The basin includes multiple business lines including Flood Risk Management, Navigation, Environmental Stewardship, Ecosystem Restoration, Recreation, and Water Supply.
 - Many of the projects within the basin affect multiple business lines, but are presently budgeted and evaluated for funding under only one line. A system based budget could better account for the benefits of multi-purpose projects.

6. Conclusion and Recommendation

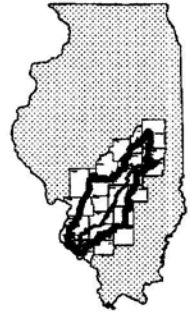
Corps approaches to performance measures can be more broadly applied to the watershed perspective with further consideration of interdependencies and the associated joint costs and benefits between business lines, and refinements in performance metrics criteria, data collection and analysis.

It is recommended that as a means of capturing the synergistic effects of individual business line investments system-wide, a new metric be added to each business line which establishes whether or not additional benefits can be realized in other business lines. It is recommended that this be implemented on a trial basis in the FY 2014 President's Budget to ascertain its effectiveness and impacts on the budgetary process.

It is also recommended that a pilot budget program developed around long range delivery of system benefits be developed for the Kaskaskia River Watershed in FY 2013 for consideration and potential inclusion in the FY 2015 President's Budget.

KASKASKIA WATERSHED ASSOCIATION, INC.

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September 21, 2011

Colonel Christopher Hall
Commander
St. Louis District
US Army Corps of Engineers
1222 Spruce Street
St. Louis, Missouri 63103

Dear Colonel Hall:

I am writing concerning the Kaskaskia Watershed Association's, Inc. support of the revised draft "Report to Congress Kaskaskia River, Illinois Watershed Performance Measures Report" dated August, 2011.

The Kaskaskia Watershed Association, Inc. (KWA) has expressed concern about the Corps performance based budgeting and performance metrics for many years. The KWA has felt current Corps performance metrics criteria do not recognize the interdependency between business lines and force constrained ratings of business line significance and benefits at the project level, with minimal or no consideration for their synergistic values at the watershed level. We feel Corps budget and service reductions that have occurred, or may occur, based on individual business line and project performance ratings do not account for existing and future impacts to overall project benefits, or to regional non-federal entities that are either partially or totally dependent on the continued O&M of the affected Corps business line(s) at historic levels.

The Kaskaskia Watershed Association also believes that the Corps business line approach to performance measures has a tendency to divide partners and stakeholders to defined areas of interest (i.e., business lines). We are concerned that performance metrics only measure the existing condition, and do not consider proposed or future project or watershed uses, products and services delivered, and development and stewardship trends and benefits over time. This reduces collaboration and support for the overall multipurpose values of a project or watershed initiative.

Kaskaskia Watershed Association, Inc. firmly believes that individual projects and business lines should be considered collectively, and be designed to support and complement each other throughout the watershed. Economic and environmental based monitoring, trend analysis and adaptive management programs should be instituted. This is critical to ensure a sustainable, holistic approach to project, regional and national benefits, existing and potential are achieved throughout the watershed.

Therefore, at the August 31, 2011 quarterly board meeting the KWA board unanimously approved a resolution to fully support the report and Conclusions and Recommendations that the Kaskaskia River Watershed be a pilot program for system based budgeting.

I have attached Resolution 11-9-12-4 of the Kaskaskia Regional Port District in which the Port District Board voted unanimously to fully support the recommendations of the Kaskaskia Watershed Performance Measures Report to Congress. The Port District and Lower Kaskaskia Stakeholders, Inc represent watershed stakeholders in the lower Kaskaskia River Watershed and are an integral part of the Kaskaskia Watershed Association.

We also feel the recommendations of Senate Report 112-75 concerning additional funding for ongoing work that encourage the Corps to revise the criteria for how navigation maintenance is funded at small projects could easily be incorporated into this pilot. The Kaskaskia Navigation Project is an outstanding example of how the current criteria are not measuring the full value of the project for its authorized purposes of navigation, recreation and fish and wildlife habitat restoration or value generated as part of the watershed system which includes Carlyle Lake and Lake Shelbyville resulting in the project being underfunded.

Senate Report 112-75 page 53 “Additional Funding for Ongoing Work.—the Committee recommendation includes additional funds above the budget request to continue ongoing projects and activities. **The Committee is concerned that the administration criteria for navigation maintenance, does not allow small, remote, or subsistence harbors to properly compete for scarce navigation maintenance funds. The Committee urges the Corps to revise the criteria used for determining which navigation maintenance projects are funded to account for the economic impact that these projects provide to local and regional economies. The Committee recommends that priority in allocating these funds should be towards completing ongoing work maintaining harbors and shipping channels, particularly where there is a U.S. Coast Guard presence, or that will enhance national, regional, or local economic development, and promote job growth and international competitiveness or for critical backlog maintenance activities.** The administration has complete discretion over how these funds are to be used. The intent of these funds is for ongoing work that either did not make it into the administration request or were inadequately budgeted. Within 30 days of enactment, the Corps shall provide the House and Senate Appropriations Committees a work plan delineating how these funds are to be distributed and in which phase the work is being accomplished.”

The Kaskaskia Watershed Associations fully supports and urges the Corps to forward the report to Congress and that a pilot program be implemented in the Kaskaskia Watershed.

Sincerely,



Ted Beier, President
Kaskaskia Watershed Association, Inc.

Attachments: Resolution No. 11-9-12-4 Kaskaskia Regional Port District
Draft – Kaskaskia River, IL Watershed Performance Measures

Copy furnished: Congressman Jerry Costello
Congressman John Shimkus
Senator Richard Durbin
Senator Mark Kirk
Mike Enschede, Chief of Operations and Regulatory
Debra Stokes, Government Affairs Liaison
Zoltan L. Montvai, Deputy Chief, Mississippi Valley Division

RESOLUTION NO. 11-9-12-4

A RESOLUTION OF SUPPORT BY THE MEMBERS OF THE BOARD OF
THE KASKASKIA REGIONAL PORT DISTRICT OF THE REPORT TO
CONGRESS OF THE WATERSHED PERFORMANCE MEASURES

WHEREAS: The Port District has been instrumental in the formation and has participated as acting members of both the Lower Kaskaskia Stakeholders, Inc. and the Kaskaskia Watershed Association and is supporting of the overall goals of these organizations including making this valuable resource sustainable, and;

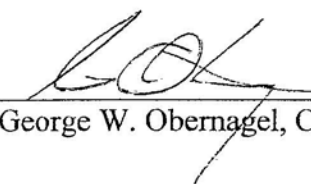
WHEREAS: The different reaches of the Kaskaskia Watershed have demonstrated the ability to work together for common objectives including sediment reduction, water quality, flood control, water supply, environmental stewardship, and economic opportunities, and;

WHEREAS: The St. Louis District of the Corps of Engineers through the Kaskaskia River Project Management Group have been able to demonstrate creative project management efficiencies by the three Federal projects working together (Lake Shelbyville, Carlyle Lake, and the Kaskaskia Navigation Project) and;

WHEREAS: The Corps of Engineers Strategic Plan identifies the Kaskaskia Watershed approach to project management in cooperation with its stakeholder groups is the manner in which Corps' projects should be managed.

NOW, THEREFORE BE IT RESOLVED by the Board of the Kaskaskia Regional Port District that it fully supports the recommendation of the Report to Congress of the Watershed Performance Measures, including utilizing the Kaskaskia River Watershed as a "Pilot Project" to demonstrate how watershed values supersede business lines as more altruistic measures of value to the nation.

PASSED by the Members of the Board of the Kaskaskia Regional Port District and approved by its Chairman this 12th day of September, 2011.



George W. Obernagel, Chairman

Motion for Adoption by:
Richard Guebert

Motion Seconded by:
Charles Bauer

Votes For: 10
Votes Against: 0