



The Oldest City in Minnesota

July 29, 2020

VIA EMAIL & U.S. MAIL

Col. Karl D. Jansen
U.S. Army Corp of Engineers
180 5th St. East, Ste. 700
St. Paul, MN 55101-1678

RE: Proposed section 217(d) agreement for inclusion in the Lower Pool 4 Dredged Material Management Plan (DMMP)

Dear Col. Jansen:

We are writing on behalf of the City of Wabasha ("City") and the Wabasha Port Authority ("WPA") to submit the attached proposal and operating plan for a public-private partnership agreement pursuant to section 217(d) of the Water Resources Development Act ("WRDA"). The attached is intended to replace the previous proposal we submitted on October 17, 2018. This updated draft proposal incorporates some key operational changes as well as comments from St. Paul District, U.S. Army Corps of Engineers ("USACE") and is responsive to the Memorandum of Understanding ("MOU") entered into by the City and USACE on June 5, 2018.

Summary of Proposal

We propose to establish a section 217(d) agreement with USACE with an initial term of ten (10) years (with an option to renew) that would be incorporated into a twenty (20) year DMMP consistent with USACE regulations. As detailed in the attached operating plan, the City/WPA and its designated contractor propose to annually remove a minimum of 270,000 cubic yards of dredge material from current USACE temporary storage sites and transport the material to one of three City/WPA dredge material management facilities—which include the to be constructed barge dock facility at the Carrels East and Carrels West sites utilizing the Minnesota Port Development Assistance Program grant funds awarded to the WPA. The proposed City/WPA fees to offload and transport dredged material to the City/WPA facilities and manage the material at the facilities is detailed in the attached proposed operating plan and it clearly represents the least-cost dredge material management option for USACE.

Once the dredged material is transferred to City/WPA management facilities, the City/WPA will be solely responsible for final placement of the dredged material at City/WPA identified final resting place ("FRP") sites. To date, the City/WPA have identified FRP sites that have a total

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capacity of approximately 5,400,000 cubic yards, which is equivalent to the twenty (20) year expected volume in the DMMP.

The initial 10-year agreement would facilitate the transfer of approximately 2,700,000 cubic yards of dredged material to City/WPA management facilities and then to City/WPA selected FRP sites. Upon conclusion of the initial 10-year term, the section 217(d) agreement could be renewed for an additional 10-year term based on updated terms and conditions consistent with the final DMMP and applicable state and federal law and regulations.

The proposed Section 217(d) agreement has the following key benefits:

- (1) It serves as a least-cost dredge material disposal alternative consistent with federal law, USACE regulations, and previous section 217(d) agreements entered by USACE throughout the Country.
- (2) It provides a single vendor/single price scenario resulting in a streamlined dredged material management and disposition process, as anticipated by Section 217(d).
- (3) It places the responsibility for determining FRP sites and for final placement of dredge material on the City/WPA, simplifying real estate aspects and lowering dredged material management costs for USACE in Lower Pool 4.

Our expectation going forward is to continue to work in good faith with USACE on the finalization of a section 217(d) agreement that meets the needs of USACE and the City. However, it is also our understanding that the Southside Fitzgerald, Drysdale and Drysdale Farms sites will not be included as recommended alternatives in USACE's (pending) updated Tentatively Selected Plan for Lower Pool 4—whether or not the City, WPA and USACE ultimately finalize a section 217(d) agreement.

We thank you and the St. Paul District's leadership team and staff for your significant efforts to work with the City of Wabasha, the WPA, and the residents in our community to address our concerns with the DMMP thus far, and we look forward to the continued cooperation on this important matter.

Sincerely,

CITY OF WABASHA



Emily Durand
Its Mayor



Chad Springer
Its City Administrator

July 29, 2020

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WABASHA PORT AUTHORITY



John Friedmeyer
Its President

Attachments:

City/WPA proposal for Section 217(d) agreement and exhibits 1-2.

CC: U.S. Senator, Amy Klobuchar
U.S. Senator, Tina Smith
U.S. Representative, Angie Craig
USACE, Project Manager, Robert Edstrom
USACE, Channel Maintenance Coordinator, Paul Machajewski
USACE, Operations Manager, Steven Tapp

**THE CITY OF WABASHA
AND
WABASHA PORT AUTHORITY**

**PROPOSAL TO DEVELOP A PUBLIC-PRIVATE PARTNERSHIP FOR THE
MANAGEMENT OF DREDGED MATERIAL PURSUANT TO SECTION 217(d) OF
THE WATER RESOURCES DEVELOPMENT ACT OF 1996**

The City of Wabasha (“City”) and the Wabasha Port Authority (“WPA”) hereby present a proposal to the U.S. Army Corps of Engineers, St. Paul District (“USACE”) for a 10-year agreement to remove, transport, and permanently place dredged material from temporary storage sites adjacent to the City of Wabasha, specifically the Wabasha Gravel Pit, Reads Landing, Crats Island, Teepeota Point and Grand Encampment sites, in a Final Resting Place (“FRP”). The Alma Marina temporary storage location is specifically excluded upon the understanding that the USACE has identified a long-term beneficial use of that material.

This proposal is responsive to the MOU between the USACE and the City/WPA approved by the Wabasha City Council on June 5, 2018; and, anticipates utilization of the USACE authority regarding dredged material disposition provided by section 217(d) of the Water Resources Development Act (“WRDA”) of 1996, Public Law 104-303, as amended by Section 2005 of the WRDA of 2007, Public Law 110-300 (33 U.S.C. § 2326a(d)) (“Section 217(d)”).

The proposed Section 217(d) operating plan provides for the City/WPA and its designated contractor to annually remove 135,000 cubic yards from one or more of the Reads Landing, Crats Island, Teepeota Point, and/or Grand Encampment temporary storage sites, as well as an additional 135,000 cubic yards from the Wabasha Gravel Pit site, and transport the material to a FRP at City/WPA selected sites over a ten (10) year period. Dredged material would be managed by the WPA at the following facilities:

- WPA Barge Dock Facility
- Wabasha Gravel Pit Facility
- Wabasha Sand and Gravel 2 Facility

The temporary storage sites and WPA proposed material management facilities are as indicated on Exhibit 1, Plate 2, from the USACE Draft Dredged Material Management Plan (DMMP), May 2017.

After accounting for beneficial reuse, the City/WPA selected FRP sites have adequate capacity to handle the expected volume over the proposed ten (10) year agreement period. The total ten (10) year volume of dredged material to be transported to City/WPA selected FRP sites is approximately 2,700,000 cubic yards. Overall, the proposed City/WPA selected FRP sites have a

capacity of approximately 5,400,000 cubic yards, which is equivalent to a twenty (20) year expected volume.

Components of the proposed WPA dredged material operating plan include:

- Construction by WPA of a barge dock facility at the Carrels East and Carrels West sites utilizing Port Development Assistance Program (PDAP) grant funds awarded by the Minnesota Department of Transportation in 2017.
- WPA contractor unloads temporary island storage sites (Reads Landing, Crats Island, Teepeota Point and Grand Encampment) in accordance with USACE specifications.
- WPA contractor transports loaded barges from island temporary storage to the new WPA barge dock.
- WPA contractor unloads dredged material barges direct to trucks at the WPA barge dock facility.
- WPA contractor trucks dredged material to Wabasha Sand & Gravel 2 Facility.
- USACE hydraulic dredge pumps the Reads Landing and Chippewa Delta cut directly to the Wabasha Gravel Pit site or to the Reads Landing temporary island site.
- WPA contractor trucks material from the Wabasha Gravel Pit Facility to the Wabasha Sand & Gravel 2 Facility as the Wabasha Gravel Pit Facility reaches capacity.

The WPA dredged material operating plan requires the following minimum transport volumes:

- Minimum annual transport of 135,000 CY from one temporary island site (as selected by the USACE)
- Minimum annual transport of 135,000 CY from the Wabasha Gravel Pit Facility

The proposed City/WPA fees to execute the foregoing components of the proposed plan (excluding actual dredging to the temporary storage sites) are presented in 2020 dollars, as follows:

- Temporary Island Storage Site Offload and Transport to City/WPA designated Facilities - \$20.20/CY
- USACE Wabasha Gravel Pit Offload and Transport to City/WPA designated Facilities - \$10.60/CY

Annual rate adjustments would be made in accordance with such inflation/fuel cost formulas as agreed to by the USACE and the City/WPA.

