

# LETTER OF AGREEMENT BETWEEN

CITY OF RIVER FALLS

AND

KINNI CORRIDOR COLLABORATIVE

FOR IMPLEMENTATION OF KINNICKINNIC RIVER CORRIDOR PLAN PROJECT

## Project 1: “Powell Falls Hydro Dam Decommissioning and Removal”

### I. Preamble

This letter of agreement (**LOA 1**) serves as a further agreement entered by and between the City of River Falls (**City**) and the Kinni Corridor Collaborative, Inc. (**KinniCC**), or jointly referred to as “**Parties**” in accordance with the Memorandum of Understanding (**MOU**), signed August 30, 2019. The MOU defines the mission-driven, public-private partnership arrangement between the Parties for the mutual interest of implementing projects for public benefit as outlined in the Kinnickinnic River Corridor Plan (**Corridor Plan**), adopted January 22, 2019. Please refer to the [MOU](#) or [Corridor Plan](#) for additional context.

LOA 1 details the Parties project specific commitments to Powell Falls Hydro Dam Decommissioning and Removal.

### II. Approval and Governance

The following roles shall be the project lead for LOA 1 as the authorized representative of the parties:

Party	Governing Body	Role	LOA 1 – Project Lead
City of River Falls	City Council	Utility Director	Kevin Westhuis
Kinni Corridor Collaborative, Inc.	Board of Directors	President	Judie F. Babcock

### III. Project Scope and Proposed Timeline

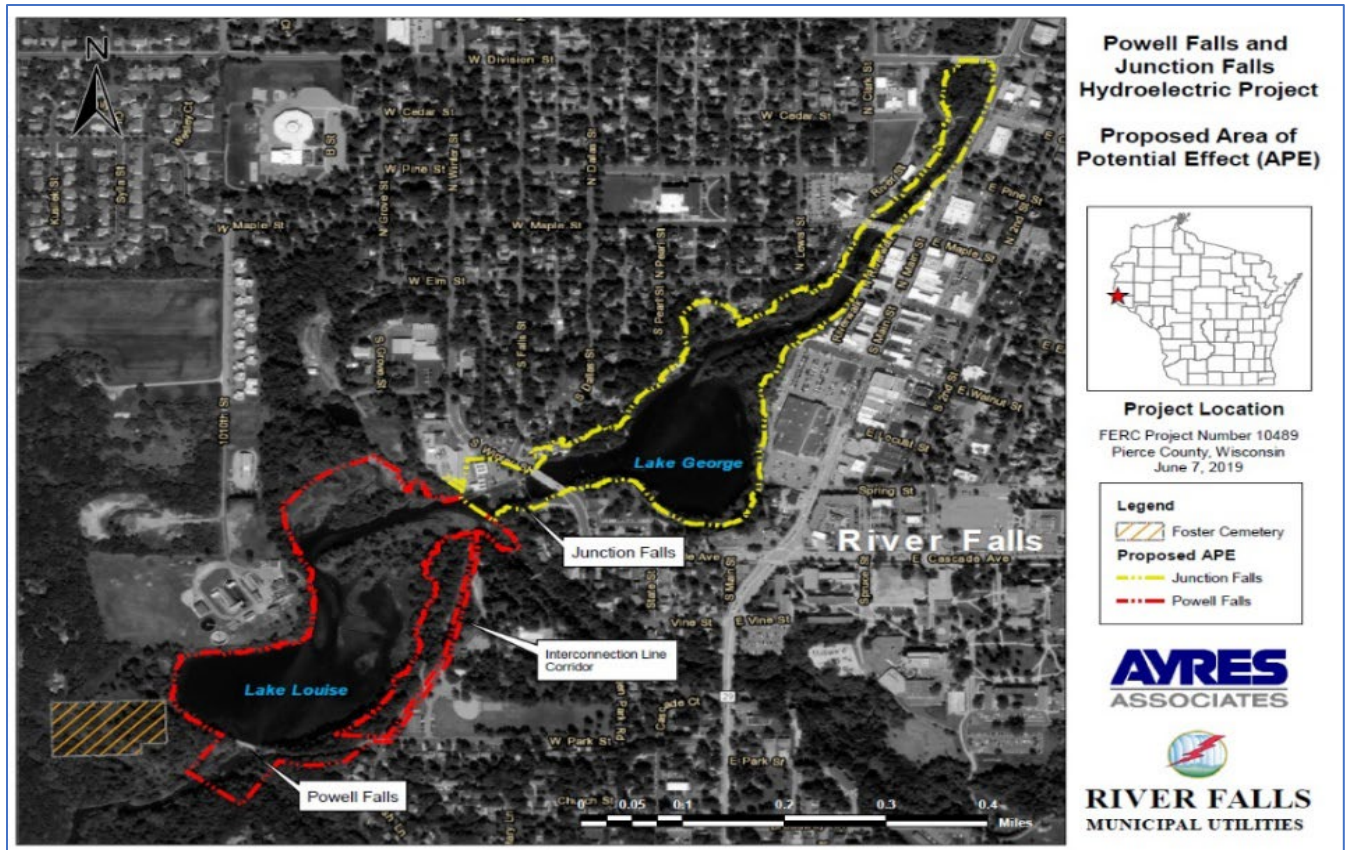
LOA 1 scope includes all the planning, administrative and construction activities necessary to decommission and remove Powell Falls Hydro Dam, including regulatory or statutory required actions.

It is anticipated that the planning and permitting activities will occur in 2022, with a start date for deconstruction as soon as 2023. The anticipated LOA project completion timeline is on or before August 1, 2026.

### IV. Project Area

The City defined Powell Falls as the Area of Potential Effect (APE) 1 and Junction Falls as APE 2 in June 2019 shown in Exhibit #1. The City of River Falls is the property owner of all fee title lands within and adjoining the APE 1 & 2 (Powell Falls in red, Junction Falls in yellow).

Exhibit #1 Powell Falls Proposed Area of Potential Effect (APE).



**IV. Goals and Outcomes**

Goals and Outcomes are established with consideration of the Corridor.

**Goal 1: Remove the Powell Falls hydro facilities to establish the Kinnickinnic River as free-flowing, cold – water stream with Class 1 trout habitat by 2026.**

**Outcomes:**

- The removal of Hydro Power generation and physical dam structure. Feasibility of reuse of piers, the platform for bridge or viewing point will be determined before final removal.

**Measures:** Percent completed for removal by projected timeline date based on approved Decommissioning Plan.

- Sediment management during deconstruction/construction and basic channel stabilization. As a result of the October 2020 drawdown, the Kinnickinnic River is reconnected to its flood plain. As of August 2021, it appears that the River has returned to near normal sediment load transport levels

**Measures:** 1) % of APE basic channel restoration completed by each December 31. 2) #'s sediment released above the estimated 5,000 cubic yard annual normal threshold prior to deconstruction/construction completion

Per **MOU – IV. Goals and Anticipated Outcomes**, the Parties will continue to engage in activities in support of the Goals. This includes connecting with individuals, businesses, non-governmental entities (Stakeholders) to support LOA 1. These Stakeholders are supporting LOA 1 by agreeing to provide technical expertise, capacity (volunteers or staff hours), and capital. Such Stakeholders are essential as the Parties leverage the combined public and private sector expertise and effort for broader range of capital sources especially philanthropic funding. Stakeholders input or feedback will be considered, but their approval is not required.

Frequency of status or progress updates may vary, with Parties intending a quarterly cadence initially and semi-annual as implementation as LOA 1 nears final stages.

For public education and engagement, the Parties will maintain a Kinni Corridor Plan Project [website](#) with all relevant content and progress reports for projects.

Through the FERC Integrated Licensing Process (ILP) initiated for P-10489 in August 2018 and the License Amendment application filed July 2021, governmental entities and other public and private stakeholders have been informed or participated in the public meetings on the proposal to Decommission and Remove Powell Falls Dam. Documentation is either in the FERC P-10489 records repository or stored at City of River Falls Municipal Utilities Hydroelectric relicensing [webpage](#).

**VI. Responsibilities and Expectations**

Per MOU Section V. Roles and Expectations, the Parties have agreed on roles and expectations to enable working together as a public-private partnership. Specific to this LOA 1 the following clarifications or additions apply in Exhibit #2.

Exhibit #2: Parties Responsibilities and Expectations

City	KinniCC
<p><b>Documentation:</b> Produce final versions of all project documentation required to comply with permitting and approval. Retain all required project documentation.</p> <p>Pay all costs of permitting and approvals by federal, state, or local governmental entities as licensee of hydro project owner of public lands in the project area.</p>	<p><b>Documentation:</b> Give input to and provide content for development of supporting and optional documentation and materials for public education and engagement. Seek technical and financial support for the project documentation and communications to public and stakeholders.</p> <p><b>Support:</b> Encourage public support of submitted permits and approval required.</p>
<p><b>Process Dam Removal:</b> Fulfill all requirements in Federal and State hydro dam decommissioning and removal process Including funding and obtaining additional required detailed plans and contractor bids.</p>	<p><b>Process Dam Removal:</b> Provide letters of support and request stakeholder support including lobbying or petitioning in compliance with rules for 501(c)3 tax-exempt entities. Seek alternative sources or off-setting funding to implement Dam Removal.</p>

<p>Develop and manage the project workplan, including but not limited to:</p> <ul style="list-style-type: none"> <li>a. Precure 100% of complete plan sets</li> <li>b. Request construction bids for Demo</li> <li>c. Manage selection of contractor and construction process</li> </ul>	<p>Support the workplan as relevant and plan/execute related activities. Promote community participation and support in public meetings or discussions.</p>
<p><b>Philanthropic Fund Development:</b> Provide letters of support and/or participate in discussions with philanthropic donors or organizations to answer questions. Provide feedback on the case statement and direct inquiries / offers for financial support to KinniCC. Provide input feasibility study and campaign financial goals. Recommend prospects if permitted.</p>	<p><b>Philanthropic Fund Development:</b> Complete feasibility study to establish campaign financial goals, timeframe and prospects and execute campaign. Develop case statement. Designate capacity from volunteer or fund contract resources to lead and facilitate the Capital Campaign. Coordinate with stakeholders.</p>
<p>Periodic Reporting to City Council</p>	<p>Periodic reporting to Board of Directors</p>

**VII. Resources –Capacity and Cost Share**

Per the MOU – III. Partnership Model and Recognition of Constraints, B.8. both Parties have limits to organizational capacity, especially in areas of staff and financial resources. The Parties identify the following capacity allocations and Cost Share arrangements as essential to implementation of LOA 1. However, all Parties are responsible for their own administrative and internal coordination.

**A. Capital and Operational resources**

- City Capital Budget #18-MU-0147 \$1,394,500 subject to off-sets or alternative funding. KinniCC support and assist City with applying for WDNR Municipal Dam Removal Grant \$1,000,000 to offset costs for LOA 1 implementation.
- As outlined in the MOU, KinniCC will reimburse the City on a 50/50 cost share for the pre-work development of the Powell Dam Decommission Plan Draft of January 30, 2021 (total cost estimated at \$120,000). If revisions of the Decommissioning Plan Draft are required by FERC or WDNR the maximum KinniCC will contribute to this cost share is \$60,000.
- KinniCC will establish a Regional Agency Fund to administer Charitable Donations from a variety of sources and work with individuals and stakeholders to solicit donations to that fund. Funds raised will be applied to LOAs, subject to donor restrictions on uses of funds. If funds are raised more than the amount required to implement LOA 1, KinniCC Board of Directors shall determine use of such funds in accordance with KinniCC Gift Acceptance Policy, subject to any conditions of the donor(s) or grantor(s) per legal requirements.
- KinniCC will identify relevant grant and private foundation sources with aligned missions and programs to invest in LOA 1. Due to the competitive nature of grant and foundation programs, KinniCC will vigorously pursue and submit proposals for funding based on their assessment of the opportunity and the effort required to apply and administer the grant. KinniCC will seek fiscal sponsors or partner with other organizations to satisfy conditions of the grantor, improve the likelihood of an award or provide a fronted source for match and reimbursement style grants that require specific administration

and evidence. Where possible, KinniCC will seek grants for all or a portion of costs identified for sharing between the parties, so partner resources are conserved.

**B. Infrastructure/ Communication / Project Governance and Reporting**

- Kinni Corridor Project Website. City will continue to be the host and pay the cost of the website licenses and administration.
- Newsletters/Public Communications: Parties agree to share stories and content through their established newsletter distribution. Each Party will pay their own Newsletter costs and be responsible for distribution to their mailing list. Parties will not share mailing lists.
- Media/ Press Releases: Parties agree to share draft Press Releases relevant to LOA 1, prior to sending to Media outlets. Each party will pay their own costs related to publishing.
- Public Education /Final Reports: The Parties agree to prepare a final report evaluating LOA 1 outcomes and measures.
- Surveys/Public Feedback – City will use their standard tools and approaches for gathering and sharing feedback on the project under LOA 1. This includes public meetings, virtual engagement, and survey work periodically.

**VIII. Estimated Budget**

Cost sharing identified in the MOU is for the pre-work that is included in the overall capital budget for LOA 1. Reflecting the expectation for inter-party reimbursements and fully accounting for public investment and benefit realization. The sources and uses are expected as follows in Exhibit #3.

Exhibit #3: Sources and Uses Table

<b>Funding Sources</b>	<b>Amount</b>	<b>Funding Uses</b>	<b>Amount</b>
WDNR Municipal Dam Removal Grant (City will be grantee)	\$1,000,000	Decommissioning Study	\$120,000*
City (Electric – Utility Funds)	\$550,000	Decommissioning Activities	\$50,000
City (Sewer – Utility Funds)	\$175,000	Planning and Design, permitting and reporting/inspections	\$240,000*
KinniCC Contribution - Regional Agency Fund	\$60,000	Demolition/ deconstruction/ recycling/ channel stabilization	\$1,050,000
		Sediment management	\$150,000
		Sewer Line Stabilization	\$175,000
<b>Totals</b>	<b>\$1,785,000</b>		<b>\$1,785,000</b>

\*It is important to note, the City of River Falls has expenses to date for APE 1 project development cost plus licensing activities for project APE 2 of approximately \$835,000 between January 1, 2018, and December 31, 2021. This includes the Preliminary Decommissioning Study as well as some of the planning, design and permitting costs included.

**IX. Contingencies, Dependencies, Amendments, or Termination**

The Parties are in the process of consultations and/or intend to apply for permits, approval, or capacity (funding). The City will be the Lead interacting with the regulatory entities. KinniCC will be supportive. As of the authorization of this LOA 1, listed federal, state and/or local governmental entity approvals or permits have not been granted. The Parties will regularly review contingencies and dependencies from regulatory and governmental entities, philanthropic sources and private foundations or individuals. The designated lead is responsible for any proposals, applications and related reporting and will fund the associated costs unless the Parties agree to specific cost sharing as part of the LOA 1 implementation budget. Termination or amendment of this LOA would follow procedures outlined in the MOU.

**X. Authorization**

This LOA 1 is hereby executed by the duly authorized representatives of the Parties.

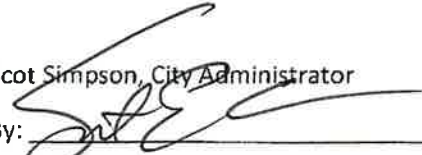
**City of River Falls**

Dan Toland, Mayor

By: 

Date: 5-16-22

Scot Simpson, City Administrator

By: 

Date: 5-3-22

**Kinni Corridor Collaborative, Inc.**

Judie F. Babcock, President

By: 

Date: 4/20/2022

Amanda Hanson, Secretary

By: 

Date: 5/2/2022