

The Army Corps of Engineers, as the Federal government's largest water resources development and management agency, began its water resources (civil works) program in 1824. At that time, Congress appropriated funds to improve navigation.

Since then, we have improved navigation in rivers and harbors, reduced flood damages and completed environmental restoration projects. In the process of developing these projects, we have created hydroelectric power, water supply and recreation missions that also are managed by the Corps.

These evolving missions in the environment and infrastructure complement our traditional focus as we enter a new century. In most cases, the Corps can help state and local communities or groups solve problems that are related to our mission areas.

Ways the Corps can help

The traditional and most common way for us to help a community solve a water resource problem through an **individually authorized study**. This approach requires that Congress provide us with the authority to accomplish a feasibility study and construct a project.

Local sponsors share the study and construction costs with us, and usually pay for all operation and maintenance costs. This approach may be used to address any one of a variety of water resource problems, including navigation, flood damage reduction, water supply, resource restoration, and many of the other needs described above.

Another way for the Corps to do a project is through the **Continuing Authorities Program**. Congress has provided the Corps with standing authorities to study and build water resource projects for specific purposes and with specified limits on how much Federal money can be spent for a project. This program also is referred to as the Small Project Program.

The process and rules, such as cost sharing, that apply to individually authorized studies and projects also apply generally to this Program, except that individual Congressional authorizations are not needed.

This saves development and approval time, and permits quicker responses to small, local problems. Upon appraisal of a project for construction, there is a Project Cooperation Agreement signed between the sponsors of the project.

The types of problems that can be addressed by the Continuing Authorities Program are: flood damage reduction, navigation, shore protection, emergency steambank and shoreline protection for public facilities, environmental restoration projects, and snagging and clearing for flood damage reduction.

Small Flood Damage Reduction Program (Section 205)

This program provides opportunities for non-federal interests to cost share flood damage reduction projects for both structural and non-structural solutions. If you are a state, county or city with a water resource problem, we can assist by planning, designing and construction management.

There is a federal cost limitation of \$7 million per project. The first \$100,000 for the study is federal expense, the remainder of study cost are cost-shared 50-50 with a non-federal sponsor. Project construction is generally cost-shared at 65-35

An example of this type of project is the Black River at Popular Bluff, Mo. in partnership with the city of Popular Bluff. Work also was completed at Mill Creek



A guide to community assistance and cost-sharing programs with the Corps of Engineers

The Corps Can Help



near Ft. Smith in partnership with the city.

Snagging and Clearing for Flood Control (Section 208)

Snagging and clearing work may need

An 1135 project with the State of Arkansas at Morgan Point created a 1,000-acre lake.

to be done to keep a river flowing. For these projects, there is a federal cost limitation of \$500,000 per project. Planning and Design Analysis (PDA) are accomplished in a single phase. PDA costs are initially federally financed, but costs in excess of \$40,000 are cost-shared (65/35) during construction. PDA costs less than \$40,000 are federal costs.

There are two ways for the Corps to help with a project:

1) We receive Congressional authorization and funding.

2) We use one of our Continuing Authorities to partner with the community.

Navigation (Section 107)

There is a federal cost limitation of \$4 million per project. The first \$100,000 is a federal expense, the remainder is cost-shared 50-50 with a non-federal sponsor. Examples of this type of project is the Little Rock Slackwater Harbor project.

Emergency Streambank and Shoreline Protection (Section 14)

This program provides for studies and construction work to protect highways, bridges and other public works endangered by eroding streambanks and shorelines. A local sponsor is required to provide a minimum of 35% of the costs to include lands, easements, right-of-ways, relocations and disposal areas.

There is a federal cost limitation of \$1 million per project. Planning and Design Analysis are accomplished in a single phase. PDA costs are initially federally financed, but costs in excess of \$40,000 are cost-shared during construction. PDA costs less than \$40,000 are federal costs.

An example of a recent project is the bank stabilization project at North Little Rock's Riverfront Park. The city was the cost share sponsor.

Project Modifications for Improvement of the Environment (Section 1135)

Section 1135 of the Water Resources Development Act of 1986, as amended, authorizes a program of modifications to water resources projects constructed by the Corps for the improvement of the environment. Projects that address degradation of the quality of the environment caused by a Corps project may also be undertaken.

Non-federal sponsors are responsible for 25% of the project cost and usually 100% of the operation, maintenance, replacement, and rehabilitation. Up to 80% of the non-Federal share may be provided as work-in-kind. Non-governmental entities may serve as the non-federal sponsor.

The federal per project limit is \$5 million, and the annual appropriation limit is \$25 million. After initial headquarters approval to initiate a study, projects are usually approved by the division.

Examples of recent Little Rock District projects include:

Nimrod Waterfowl Habitat Restoration - cost shared by the Arkansas Game and Fish Commission; Morgan Point Bendway, Desha and Arkansas Co., Ark.- cost shared by the State of Arkansas

Nimrod Lake Fisheries Restoration - cost shared by the Arkansas Game and Fish Commission

Bull Shoals and Beaver Tailwater Restoration Projects - cost shared by the Arkansas Game and Fish Commission

Pine Bluff Wetland Restoration, Ark. - cost shared by the city of Pine Bluff

Beneficial Uses of Dredged Material (Section 204)

These projects protect, restore and create aquatic and ecologically related habitats, including wetlands, in connection with dredging an authorized federal navigation project. Non-federal sponsors are responsible for 25% of the project cost and 100% of the cost of operation, maintenance, replacement, and rehabilitation.

There is an annual appropriations limit of \$15 million.

For projects with an estimated federal cost of less than \$5 million, divisions have approval authority. Larger projects are approved by headquarters.

Aquatic Ecosystem Restoration (Section 206)

This authority allows the Corps to carry out aquatic ecosystem restoration projects that will improve the quality of the environment as long as they are in the public interest, and are cost-effective.

Individual projects are limited to \$5 million in federal cost. Non-federal interests must contribute 35% of the cost of construction (100% may be work-in-kind) and 100% the cost of operation, maintenance, replacement, and rehabilitation. The program has an annual program limit of \$25 million.

Examples of recent projects include:

Rockaway Beach Aquatic Habitat Restoration, Mo.- cost share sponsor is the city of Rockaway Beach

Bull Shoals Aquatic Vegetation, Ark. - cost share sponsor is the Arkansas Game and Fish Commission

Hurricane Lake, Ark.- cost share sponsor is the Arkansas Game and Fish Commission

Who can be a sponsor?

Section 221 of the 1970 Flood Control Act defines a local sponsor for a Corps water resources project as a non-Federal interest that is “a legally constituted public body with full authority and capability to perform the terms of its agreements and to pay damages, if necessary, in the event of failure to perform.”

For environmental projects, groups such as Nature Conservancy and Ducks Unlimited can be a sponsor.

Sponsor financing

The non-Federal share of a Corps study or project usually consists of some combination of a cash contribution and real estate interests.

You have some flexibility to select the way you will raise funds to pay for your share. In addition, you also have latitude in deciding how your share is given to us.

How can sponsors raise funds for their share?

Sponsors use any one, or a combination, of means to fund their cash share of a project or study. These include:

- *Revenues and/or tax receipts.
- *Bonds, including general obligation bonds, limited or special obligation bonds, and revenue bonds.
- *Grants and loans from Federal, State or other government agencies, or financial institutions.
- *Donations and contributions from, for example, potential project beneficiaries.
- *Cash on hand.

Sponsors also may use various methods to acquire necessary real estate interests for the project, including: *Purchase or condemnation, which would require a source of funds as described above.

*Donation, by, for example, potential project beneficiaries.

How Can Sponsors Provide Their Share of a Civil Works Project to the Corps?

Sponsors may provide their cash share of project or study costs to the Corps by one of the following means: *Direct Cash Payment: Projects completed in one year require a direct cash payment.

*Escrow or Similar Account: You may deposit your funds in an interest bearing account that we can draw on as needed.

*Letter of Credit: You may deposit your funds in a financial institution that guarantees to us that funds are available to meet cash outlays.

*Federal Repayment Districts: Section 916 of the Water Resources Development Act of 1986 provides that the Assistant Secretary

Under the Continuing Authorities Program, a local sponsor must request the project, share in its cost and operate and maintain it upon completion.



A drawdown and replanting project, to replace fish habitat was conducted at Nimrod.

may enter into a contract with a Federal Repayment District or other political subdivision of a state for the payment or recovery of a share of a project prior to the project's construction, operation, improvement, or financing.

During the period of study or construction when funds are needed, you have considerable flexibility to schedule when you make funds available. You need not provide your total cash share of construction before construction begins unless the project is to be built under a single contract fully obligated at the start of construction.

However, before we obligate Federal funds for a project or study, you must either pay your share of the funds to be obligated, place your funds in an escrow account or other account acceptable to us, or provide some other irrevocable commitment of payment.

What is the Sponsor's "Financial Analysis"?

A financial analysis to ensure that you have a reasonable plan to meet your financial commitments is required before a project cooperation agreement can be signed. The analysis includes a financing plan and a statement of financial capability, which are prepared by you, and an assessment of financial capability prepared by the District Engineer.

Your financing plan consists of a schedule of expenditures, a schedule of sources and uses of your funds during and after construction, and an explanation of your method of financing. Your statement of financial capability provides evidence of your authority and capability to obtain and use the identified funds.

Sponsor's role

The sponsor's role in the life of a project changes as the project moves from one phase to the next. Regardless of the phase, you have a role, and in many cases a responsibility, to participate with us in many of the day-to-day jobs that lead to a project. In general, we expect you to play a very active role in such activities as:

*Attending meetings about the project.

*Preparing documents about the project.
*Making joint decisions about the project, including: project costs and schedules; the type and mix of project objectives; formulation and selection of alternative plans; project design, including environmental and aesthetic features; construction phasing; and other factors that affect sponsoring communities.

*Acquiring real property and performing relocations of utilities and public facilities.

Operation and maintenance

Once a Corps Civil Works project is built, it is usually turned over to the sponsor for ongoing operation and maintenance including repair,

rehabilitation, and major replacement. These activities range from day-to-day maintenance, such as trash removal, to long-term or less frequent jobs, such as repairing access roads. It also includes final certification of necessary real estate for operation and maintenance.

Unlike most other projects, navigation projects are usually maintained by the Corps.

Your responsibility for project operation and maintenance begins when the project is turned over following construction, and continues indefinitely. You must pay for all operation and maintenance costs, except for navigation and fish and wildlife enhancement projects where we may have some responsibility for funding.

Our involvement after construction normally will consist of periodic routine inspections to ensure that the project is being properly maintained and is functioning as intended. In certain circumstances, such as if there is a need to correct a design or construction deficiency, we may return to the project to restudy a situation or to take additional action.

Produced by the Little Rock District's Planning, Environmental and Regulatory Division. For more information, contact us at (501) 324-5751.

A cost share sponsor's portion of the project can be in cash, real estate and work in kind.