



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CECW-PC (10-1-7a)

23 DEC 1996

SUBJECT: New Harmony, Indiana (Wabash River)

THE SECRETARY OF THE ARMY

1. I submit for transmission to the Congress my report on streambank protection measures along the Wabash River at New Harmony, Indiana. It is accompanied by the report of the district and division engineers. These reports are in response to the direction provided in the Conference report and Senate committee report that accompanied the Fiscal Year 1995 Energy and Water Development Appropriations Act, approved 26 August 1994.
2. Section 101(b)(10) of the Water Resources Development Act (WRDA) of 1996 authorized construction of a project for streambank protection at New Harmony, Indiana, subject to completion of a final report of the U.S. Army Corps of Engineers on or before 31 December 1996, and subject to the conditions recommended in that final report. This report constitutes the final report of the Corps required by Section 101(b) of WRDA 1996.
3. The authorized project consists of placing stone protection along the left bank of the Wabash River beginning at a point approximately 3100 feet (950 meters) upstream of the State Road 66/U.S. Route 460 bridge at New Harmony and continuing upstream for a distance of 4800 feet (1470 meters). The project will prevent erosion-related damage to structures and facilities located along the Wabash River in the historic town of New Harmony. The first cost of the recommended plan, based on October 1995 price levels, is estimated at \$2,983,000. The Federal share of the project is \$2,237,000 and the non-Federal share is \$746,000 based on the cost sharing requirements of Section 103(a) of WRDA 1986. WRDA 1986 cost sharing is applicable based on the provision of Section 202(a) of WRDA 1996 that the amended cost sharing requirements of WRDA 1996 apply to projects authorized after the date of enactment of the Act.

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4. The recommended plan is the national economic development plan. Average annual economic costs, based on an interest rate of 7-5/8 percent and a 50-year period of analysis, are \$248,000 including \$5,000 for operation and maintenance. The average annual economic benefits attributable to protecting public and private non-profit structures and facilities and significant cultural resources are estimated at \$294,000, with net annual benefits of \$46,000 and a benefit-to-cost ratio of 1.2. Total average annual economic benefits, including incidental benefits attributable to protecting private structures and facilities, are estimated at \$510,000, with net annual benefits of \$262,000 and a benefit-to-cost ratio of 2.1.

5. Absent specific congressional authorization, Corps participation in streambank protection is limited to the continuing authority provided by Section 14 of the 1946 Flood Control Act, as amended. Projects implemented under the section 14 authority are subject to a Federal cost limit of \$1,000,000 and are prioritized to address emergency situations where public and private non-profit facilities and services and significant cultural resources are threatened. The recommended plan for New Harmony protects private and public property, including significant cultural resources, and is economically justified based solely on benefits to those developments eligible for assistance under section 14. However, the proposed project exceeds the section 14 Federal project cost limitation and the erosion threat is not imminent. Deferring project implementation until the threat is imminent significantly increases project costs, but does not significantly change net benefits. Federal involvement in the proposed project and implementation schedule is warranted based on the protection of public and private non-profit development, the protection of significant cultural resources, and economic efficiency.

6. Washington level review indicates that the proposed plan is technically sound, economically justified, and environmentally and socially acceptable. The proposed project complies with applicable Corps planning procedures and regulations. Also, the views of interested parties, including Federal, State, and local agencies have been considered.

7. Accordingly, I concur in the findings, conclusions, and recommendations of the reporting officers. Federal implementation of the authorized project is also subject to the non-Federal sponsor agreeing to comply with all applicable Federal laws and policies, and to be responsible for the following items of local cooperation.

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a. Provide a minimum of 25 percent, but not to exceed 50 percent of total project costs as further specified below:

(1) Provide, during construction, a cash contribution equal to 5 percent of total project costs;

(2) Provide all lands, easements, and rights-of-way, including suitable borrow and dredged or excavated material disposal areas, and perform or assure the performance of all relocations determined by the Government to be necessary for the construction, operation, and maintenance of the project;

(3) Provide or pay to the Government the cost of providing all retaining dikes, wasteweirs, bulkheads, and embankments, including all monitoring features and stilling basins, that may be required at any dredged or excavated material disposal areas required for the construction, operation, and maintenance of the project; and

(4) Provide during construction any additional costs as necessary to make its total contribution equal to 25 percent of total project costs.

b. For so long as the project remains authorized, operate, maintain, repair, replace, and rehabilitate the completed project, or functional portion of the project, at no cost to the Government, in accordance with applicable Federal and State laws and any specific directions prescribed by the Government.

c. Grant the Government a right to enter, at reasonable times and in a reasonable manner, upon land which the local sponsor owns or controls for access to the project for the purpose of inspection, and, if necessary, for the purpose of completing, operating, maintaining, repairing, replacing, or rehabilitating the project.

d. Assume responsibility for operating, maintaining, replacing, repairing, and rehabilitating (OMRR&R) the project or completed functional portions of the project, including mitigation and recreation features without cost to the Government, in a manner compatible with the project's authorized purpose and in accordance with applicable Federal and State laws and specific directions prescribed by the Government in the OMRR&R manual and any subsequent amendments thereto.

e. Comply with Section 221 of Public Law 91-611, Flood Control Act of 1970, as amended, and Section 103 of the Water Resources Development Act of 1986, Public Law 99-662, as amended,

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which provides that the Secretary of the Army shall not commence the construction of any water resources project or separable element thereof, until the non-Federal sponsor has entered into a written agreement to furnish its required cooperation for the project or separable element.

f. Hold and save the Government free from all damages arising for the construction, operation, maintenance, repair, replacement, and rehabilitation of the project and any project-related betterments, except for damages due to the fault or negligence of the Government or the Government's contractors.

g. Keep and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project to the extent and in such detail as will properly reflect total project costs.

h. Perform, or cause to be performed, any investigations for hazardous substances that are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 USC 9601-9675, that may exist in, on, or under lands, easements or rights-of-way necessary for the construction, operation, and maintenance of the project; except that the non-Federal sponsor shall not perform such investigations on lands, easements, or rights-of-way that the Government determines to be subject to the navigation servitude without prior specific written direction by the Government.

i. Assume complete financial responsibility for all necessary cleanup and response costs of any CERCLA regulated materials located in, on, or under lands, easements, or rights-of-way that the Government determines necessary for the construction, operation, or maintenance of the project.

j. To the maximum extent practicable, operate, maintain, repair, replace, and rehabilitate the project in a manner that will not cause liability to arise under CERCLA.

k. Prevent future encroachments on project lands, easements, and rights-of-way which might interfere with the proper functioning of the project.

l. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public law 91-646, as amended by title IV of the Surface

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Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17), and the Uniform Regulations contained in 49 CFR part 24, in acquiring lands, easements, and rights-of-way, and performing relocations for construction, operation, and maintenance of the project, and inform all affected persons of applicable benefits, policies, and procedures in connection with said act.

m. Comply with all applicable Federal and State laws and regulations, including Section 601 of the Civil Rights Act of 1964, Public Law 88-352, and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army".

n. Provide 25 percent of that portion of total cultural resource preservation mitigation and data recovery costs attributable to streambank protection that are in excess of one percent of the total amount authorized to be appropriated for streambank protection.



JOE N. BALLARD
Lieutenant General, USA
Chief of Engineers